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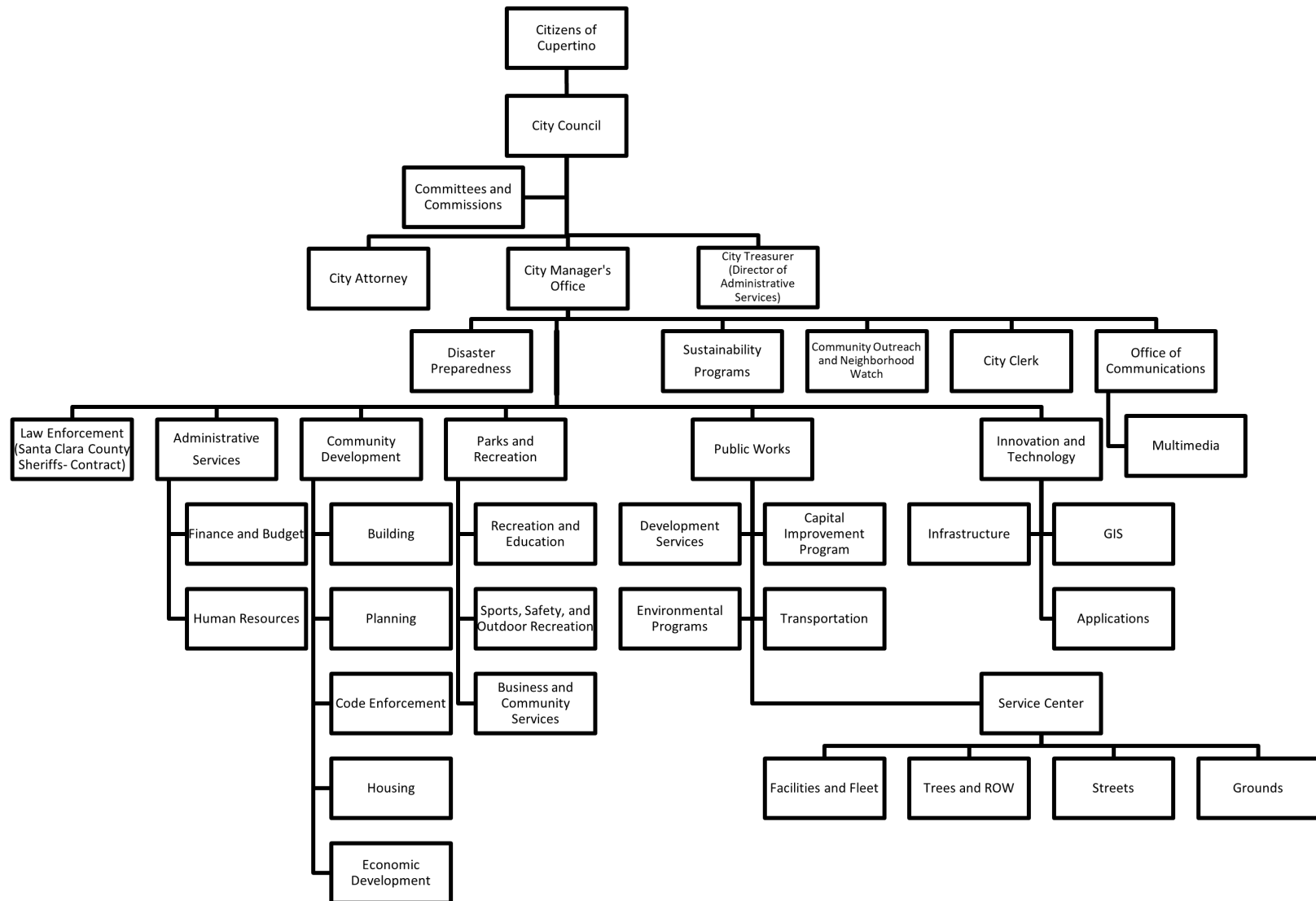
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Introduction

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City Organizational Chart



Directory of City Officials

CITY COUNCIL



Darcy Paul
Mayor



Liang Chao
Vice Mayor



Kitty Moore
Council member



Hung Wei
Council member



Jon Willey
Council member

DIRECTORY OF CITY OFFICIALS

Deborah L. Feng – City Manager
Dianne Thompson – Assistant City Manager
Heather Minner – City Attorney (Contract)
Kristina Alfaro – Director of Administrative Services
Ben Fu – Director of Community Development
Roger Lee – Director of Public Works
Joanne Magrini – Director of Parks and Recreation
Bill Mitchell – Chief Technology Officer

Commissions and Committees

BICYCLE PEDESTRIAN COMMISSION

Gerhard Eschelbeck
Erik Lindskog
Jack Carter
Maanya Condamoor
Ilango Ganga

FINE ARTS COMMISSION

Diana Matley
Janki Chokshi
Satish Tare
Esha Rao
Sudha Kasamsetty

HOUSING COMMISSION

Govind Tatachari
Tess Parish
Sue Bose
Connie Cunningham
Siva Gandikota

LIBRARY COMMISSION

Archana Panda
Liyan Zhao
Sheela Sreekanth
Qin Pan
Rahul Vasanth

PARKS AND RECREATION COMMISSION

Carol Stanek
Xiangchen "Minna" Xu
Gopal Kumarappan
Neesha Tambe
Sashikala Begur

PLANNING COMMISSION

R "Ray" Wang
Vikram Saxena
Sanjiv Kapil
Muni Madhhipatla
Steven Scharf

PUBLIC SAFETY COMMISSION

Eric Shan
Hymanand Nellore
Lakshminarasimha
Ankireddipally
Tiffany Wang
Yvonne Chao

SUSTAINABILITY COMMISSION

Anna Weber
Gary Latshaw
Meera Ramanathan
Ram Mohan
Vignesh Swaminathan

TEEN COMMISSION

Arya Srivastava
Alden Gu
Rushil Jayant
Maple Leung
Zehra Naqvi
Samikshaa Natarajan
Anagaa Nathan
Jay Yeung
Alex Zhang

TECHNOLOGY, INFORMATION & COMMUNICATIONS COMMISSION

Eliza Du
Mukesh Garg
Naidu Bollineni
Rajaram Soundararajam
Prabir Mohanty

AUDIT COMMITTEE

Angela Chen
Mingming (Daisy) Liang
Yan (Sophie) Song
Liang Chao
Kitty Moore

DESIGN REVIEW COMMITTEE

Steven Scharf
Vikram Saxena
Muni Madhhipatla

ENVIRONMENTAL REVIEW COMMITTEE

Kitty Moore
R "Ray" Wang
Dianne Thompson
Ben Fu
Chad Mosley

LEGISLATIVE REVIEW COMMITTEE

Liang Chao
Kitty Moore

GFOA Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Cupertino

California

For the Fiscal Year Beginning

July 1, 2020

Christopher P. Morill

Executive Director

CSMFO Operating Budget Excellence Award



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Budget Message

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Budget Message

May 1, 2021

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

The cover of this budget depicts a cherry blossom tree. I chose this image for a specific reason.

Years ago, our Sister City in Toyokawa, Japan gifted the City of Cupertino with numerous cherry blossom trees. They were planted in Memorial Park where quite a few can still be found today. An homage to friendship, collaboration, and the human spirit.

Cherry blossom trees bloom in the spring, their petals floating through the air like snow, painting the ground with color. The trees are symbols of the beauty and fragility of life. I cannot think of a more apt representation of what we all have experienced during the pandemic. The last year and a half not only upended our personal lives, it upended this organization's budget, services, and programs. Everything and all of it.

But we've persevered. The budget stabilized, services continued, and programs returned. Vaccines are here and some shades of normalcy are expected to return. But life may not look like it did before the pandemic began and that will be reflected in everything we do, including this budget.

Cherry blossom trees also represent a time of renewal. As we put the worst of the pandemic behind us, and as we begin to look forward, we are left with one question: What comes next?

...

I am pleased to present the City Council with a balanced budget for Fiscal Year 2021-2022. The Proposed Budget presents a General Fund with revenues of \$89.5 million and expenditures of \$88.1 million.

I am proud of the tremendous efforts our City has and continues to put forth toward mitigating the impacts of the COVID-19 pandemic. Although the City remains fiscally well-positioned, there is much uncertainty as we move toward a recovery.

This organization has a long history of cautious budgeting. It has worked to our benefit over the years and I see no reason to change our approach. For example, the City went into the FY 2020-21 budget process with eyes wide open. Although we could not pinpoint the exact spots where the pandemic would affect our budget, we knew that proactive steps needed to be taken. So the City's FY 2020-21 Adopted Budget included budget reductions to mitigate the expected financial impacts of the pandemic. These strategies, along with unexpected increases in sales tax revenues, have allowed the City's General Fund to maintain healthy reserves and enabled the opportunity to recommend projects that were deferred in last year's budget.

While we move forward with optimism, it will take some time before we can see the full picture of our revenue stream with the effects of the pandemic. The City's top three revenue sources have historically been property, sales, and transient occupancy taxes. While this will continue to be true for both property and sales tax, transient occupancy taxes have been significantly impacted by the lack of travel and the effects of the telework environment.

Sales tax revenues experienced tremendous growth during FY 2020-21 due to increases in business-to-business and online sales. However, we believe this to be a one-time experience due to statewide shelter-in-place orders. Property taxes are anticipated to remain stable in the near-term, but we have yet to identify how potential telework structures might impact these revenues in the long-term. Transient occupancy taxes rely heavily on local business' employees being at the workplace. As a result, potential telework structures will also have a significant impact on these revenues.

What does this mean? It's likely that we will see a slight drop in revenue as other cities hit much harder financially begin to recover.

The slight drop is expected for a few reasons:

- Sales tax revenue will decline as business begin to open and online sales decrease.
- Property tax--while stable currently--could be affected as new telecommute policies impact property values in the Bay Area.
- Transient occupancy tax is not expected to fully recover until FY 2023-24. And the extent of a "full recovery" is unknown. Like property taxes, we do not fully understand how telecommute policies will impact the demand for City hotels.

In short, we are optimistic about a recovery but are aware that it will take time. Patience will be essential.

...

The COVID-19 pandemic has presented challenges for every community and while we focus on addressing these challenges, it is also important to reflect upon the successes along the way. Here is a highlight of two of them:

Long-Term Financial Planning

The foresight of the City in previous years to focus on investing in healthy reserves is paying off in full. Increases in sales tax revenues and budget reductions in FY 2020-21 have contributed to this planning strategy and will provide additional resources for the City into the future.

The City's Economic Uncertainty Reserve remains intact, with \$19 million, and may be used to mitigate potential shortfalls in future fiscal years. The City's Section 115 Pension Trust (\$17 million) also could be used to mitigate potential increases to CalPERS' annual required contribution rate or further reductions in the discount rate as set by CalPERS. The City's unassigned fund balance remains healthy and will be able to assist in addressing funding gaps.

COVID-19 Relief

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27, 2020, granted the City with \$735,259 to be used to mitigate the financial burden of the pandemic. Additionally, \$553,939 in Community Development Block Grant (also known as CDBG) Coronavirus funding was authorized to assist small businesses and tenants at risk of eviction.

Effective March 11, 2021, Congress signed the American Rescue Plan Act of 2021 which is estimated to result in additional relief funding of approximately \$9.7 million for the City over the next two fiscal years. Most notably, these dollars may be used to backfill revenues that were "lost" due to COVID-19. The City anticipates being able to fully allocate these funds immediately.

...

While we continue on the road to recovery and return to some type of normal, the City will monitor the situation and adjust when necessary. I intend on keeping the City Council and our residents fully informed. I understand that having the latest information and up-to-date data will allow for informed decision making.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Deborah L. Feng", with a long, sweeping horizontal line extending to the right.

Deborah L. Feng

City Manager

Notable Accomplishments

Administration Department

Reduce Secondhand Smoke Exposure - In March 2021, Council approved the first reading of an ordinance to reduce secondhand smoke exposure in multi-unit housing, entryways, public events, service areas, and outdoor worksites. This demonstrates the City's commitment to protecting the health of its residents. The ordinance is expected to be adopted by July 2021.

Work Program Dashboard - In 2020, the City rolled out its City Work Program Dashboard, which includes progress updates for the FY 2020-2021 City Work Program items. This effort, with the support and collaboration of the City's Innovation & Technology Department, accomplishes the City's goals to increase public engagement and transparency. This Dashboard is updated quarterly and is available on the City Council's webpage (cupertino.org/cityworkprogram).

COVID-19 Response and Coordination - In partnership with the County of Santa Clara, the City has provided regular COVID-19 testing, vaccine registration. Cupertino has maintained the lowest rate of cases in the County in part to the community's adherence to social distancing protocols and the City's adaptation to technology.

- Regular COVID-19 Test Clinics – 1st and 3rd Wednesday of the Month – 21 clinic days
- Vaccine Registration Fair for those 75 and older
- Coordinated Vaccine Appointments for Essential Workers

Response to Emergencies -

- CZU Fire Complex – August 2020 – The City established a Temporary Evacuation Point (TEP) at Quinlan Community Center to support those evacuated from their homes.
- Excessive Heat - Based upon the forecast, the City of Cupertino activated a cooling center at Cupertino Senior Center on September 6 – 9, 2020 from 1:00 p.m. through 8:00 p.m. each day. 100 community members utilized the Cooling Center over four days.

Wolfe Road Encampment Resolution - The Cupertino Homelessness Taskforce coordinated an encampment resolution and provided the primary members of the encampment shelter in a motel and storage for personal items for up to six months. Additionally, the City of Cupertino established a temporary, alternate outdoor site for the remaining encampment members to relocate during the COVID-19 shelter in place orders. The members at the temporary outdoor site elected to move to the Abode Services motel. The temporary outdoor site was removed on March 2, 2021.

Climate Victory Gardens Pilot Program - This City Work Program item involved launching a pilot program to help residents install drought-tolerant gardens, providing direct install services and professional support. The pilot is on track with 29 landscape designs provided to property owners and making progress towards the goal of 20 new gardens by the fall of 2022.

Statewide Recognition for Climate Leadership - The City of Cupertino was one of six cities recognized with a Beacon Vanguard Award from the Institute for Local Government (ILG) for achievements in climate action. This is the highest honor a city can achieve in the Beacon Program. The Mayor accepted the award virtually on October 8, 2020 at the League of California Cities' Annual Conference.

Administrative Services Department

Virtual Benefits Fair – Implemented with City staff and vendors as well as transitioned to an online open enrollment process.

HR Hub – Intranet Hub & Training Management Application - built out this internal City application that provides Organization, Finance, and HR sites. This project also included digitizing 16 high priority HR and Payroll forms, as well as developing the training management system.

BEST Training – Transitioned to online registration and training platform. Offered a semester based program with a variety of training programs to assist employees with their professional growth, health and wellness as well as retirement and financial planning.

COVID-19 –

- Provided employee support, coordination, communication, and collaboration across all City Departments through creation of COVID website, all City Town Hall meetings and communications.
- Researched, analyzed and implemented Federal, State and local rules and regulations such as contract tracing, creation of new OSHA policies, and related trainings

Diversity, Equity, and Inclusion (DEI) –Brought in key-note speaker, virtual trainings and book club to City staff to increase cultural awareness, knowledge, and communication.

CARES Act Funding –The City received \$735,259 in CARES Act funding during FY 2020-21. These dollars were strategically allocated toward eligible public safety costs which allowed for additional appropriations allocated for COVID-19 related expenses such as cleaning and sanitation, personal protective equipment, telework equipment, virtual programming, senior meal delivery, and facility enhancements.

Certificates of Participation Refinancing – On September 29, 2020, the City's 2020A Certificates of Participation (2020 COPs) were successfully sold in order to refund the City's 2012 Certificates of Participation for debt service savings. The refunding generated net present value savings of approximately \$3.14 million, 11.61% of refunded par and a True Interest Cost of 0.72%. Savings to the City's General Fund amounts to approximately \$494,000 per year for the next 10 years, or almost \$5 million in total savings.

Internal Audit Function – the City commenced its internal audit program in the fall of 2020. The City's internal audit, Moss Adams, conducted a City-wide enterprise risk assessment which resulted in the identification of key and/or high risk areas for which opportunities of improvements and increased efficiency were present. The internal audit work program will commence in FY 21-22 and correspond to the results of the enterprise risk assessment.

Community Engagement and Resident Tax Calculator – In FY 2019-20, the City's Budget Team hosted an in-person Budget & Bites event open to the Community. Noting the event's success and great participation among all age groups, the Team was excited to host a second annual event. Although an in-person event was not possible during the pandemic, the Budget Team decided to take the event virtual and hosted an event that included information on the City's financial forecasting, a highly relevant topic given the times. Additionally, the Budget Team created and published a Resident Tax Calculator tool on its website that enables residents not only to estimate the amount of sales and property they contribute to the City on an annual basis, but how those specific revenue dollars are spent in the City (<https://stories.opengov.com/cupertino/published/zRi2B8NVg>).

Utility Billing Audit - The Finance and Sustainability divisions partnered to perform a comprehensive utility bill audit, aiming to secure cost savings. Some small savings opportunities were discovered, but overall, the audit revealed that the City has captured most of the low-hanging utility expense reductions. A live

dashboard of the City's utility consumption can be viewed at the [Environment Open Data Hub](#).

Community Development Department

Leaf Blower Ordinance update - Completed the update to the Community Noise Control Ordinance of the Municipal Code to implement a FY19/20 City Work Program item. Beginning Nov. 6, 2022, only certified leaf blowers (those with a rating of 65dB or less) may be used.

City of Cupertino Emergency Assistance Funds for Cupertino Tenants Impacted by COVID-19 -The City contributed \$200,000 in emergency assistance funds to support low- and moderate-income tenants through partnerships with Earnin, Meriwest Credit Union, and West Valley Community Services.

City of Cupertino Housing Program for De Anza Students -The City contributed \$25,000 to help create two new programs for qualified De Anza students. These new programs are administered by the college in partnership with West Valley Community Services and Catholic Charities of Santa Clara County.

City of Cupertino Homelessness Task Force - To assist with the needs of Cupertino's unhoused residents, the City created a task force comprised of staff from the City Manager's Office, Community Development, and Public Works. The Task Force developed and launched an Emergency Assistance Funds program to assist unhoused members of the encampments located along Wolfe Road near Interstate 280 with a pathway to housing.

Emergency Assistance Funds to assist unhoused members of the encampments located along Wolfe Road near Interstate 280 (Wolfe Road) to mitigate safety hazards including COVID-19 - The City's Homeless Task Force developed and launched the program to provide weekly outreach and a pathway to housing for encampment members.

Safe Park Program - The City partnered with the West Valley Rotating Safe Car Park (RSCP) program, an emergency homeless program made up of a network of local city governments, service organizations, and volunteer faith-based host sites that provide temporary overnight parking for homeless individuals/families living out of their cars. The City created a website and application process for the RSCP program.

Study Session on Regional Housing Needs Allocation (RHNA) -Conducted five study sessions and hearings on the draft RHNA methodology and Plan Bay Area 2050. This will evolve into the Housing Element update process for the FY21/22.

Bird Safe and Dark Sky Regulations - Adopted Bird Safe and Dark Sky regulations with a new Chapter 19.102, Glass and Lighting Standards in the Municipal Code.

CA Dept. Of Housing and Community Development (HCD) Local Early Action Planning Grants Program (LEAP) - Successfully applied for and received \$300,000 in LEAP funds to assist with the Housing Element 2023-2031 update process.

Innovation & Technology Department

Due to the COVID-19 pandemic, FY 2020-21, was a year full of adversity and challenges. Innovation Technology (IT), like other City departments, lived the adage, "out of adversity comes opportunity." IT took the opportunity to enhance City digital services, increase transparency into City operations and streamlined work processes. The City's ability to move forward despite COVID-19 was highlighted in a *Forbes Magazine* article "Silicon Valley City Agency Goes Digital After The State Orders Everyone To Work From Home." Providing transparency to City Operations continues to be a very high priority. Cupertino prides itself in this area, but we can always do more. This year we expanded our transparency applications to include:

- CampaignDocs - an application which provides access to the city's campaign statements electronically,

and campaign disclosure statements for filers who have filing requirements with the City. Additionally, City staff developed a Campaign Finance Report which is searchable by candidate or by the committee and can be exported.

- City Work Program Dashboard – Provides the public insight into City projects assigned by Council – project objective, status, category, and fiscal impact.
- Environmental Hub tells the environmental story of Cupertino in a quick and easy, digestible fashion – through numbers, charts, and maps.
- GovDelivery, the new e-notification platform. This service help residents and other City customers to subscribe to email notifications on city news, events, meetings, and projects. The new systems have consolidated the design and delivery of citywide electronic communications, including email notifications and city electronic newsletters under this new platform.

The following applications were added or significantly enhanced:

- ProjectDox is the electronic plan check system which manages plans submission, review, and approval process for the City. ProjectDox is integrated with Accela, the City's land-use management system and Laserfiche the city's digital records system. These applications have brought seamless integration for the city staff and customers in the way permits and plan checks are processed by the Building department staff. During shelter in place, the permitting and plan check review services delivery continued without any impacts even after the physical permit counter was closed. The goal of this upgrade is to extend these plan check services to the Planning, Public Works and Environmental Services divisions.
- Climate Victory Garden. Aligns with City's green initiative of converting Cupertino residents hard-to-maintain green turf into a sustainable easy to maintain drought resistant landscape thus lowering City's carbon footprint. Again, this application moved digitally from resident request to City approval/denial.
- Implemented an online commission intake solution where aspiring Teen Commissioner applicants can submit their teen commission application, supplemental questions with their guardian's electronic signatures. The system is fully automated and digitally moves thru applicant, guardian, and City Clerk for approval.
- Paperless Encroachment Permits. The solution based on an Adobe-Sign based e-signature digital workflow. The process integrates the data from the Accela permit information and populates the Encroachment Permit Application document template in Adobe Sign and sends to the staff/applicant for E-Signature. The status of the Accela permit is integrated with the status of the signature and email notifications throughout the process are automated.
- Open Enrollment platform through which the city staff can fill medical, dental, vision and other benefits updates in the digital forms configured on the Microsoft Power platform. The City's HR department can manage the new open enrollment and updates by the city staff.
- Safe Routes to School - This new interactive map allows a resident to select a mode of transportation, it then calculates the optimal route and provides an estimated travel times and distance to get to school. The purpose of the map is to help families identify their own safe, routes to school!
- Intranet Hub & Training Management Application - built out this internal City application that provides Organization, Finance, and HR sites. This project also included digitizing 16 high priority HR and Payroll forms, as well as developing the training management system.
- ARTour - In a truly collaborative effort by the GIS Division, the Fine Arts Commission, and the Communication Division Cupertino brings you the **ART**our app, an exciting way to explore Cupertino's Public Art with Augmented Reality.

Maintaining a secure, resilient, and cost-effective compute infrastructure is another high priority for Innovation Technology. This year the following major projects were completed.

- AI Cybersecurity Tools – Implementation of AI powered network detection and response security solution. Allows security based artificial intelligence and machine learning to automatically respond to network level threats IT staff may not be readily available to respond with threats that occur during off-business hours.
- Network Access Control – Implementation of network access control tools to ensure devices accessing the City's network are properly authenticated and if not, are placed in a restricted access mode. This ensures the City continues to evolve and adapt to industry best practices for physical device access controls.
- Multi-Factor Authentication (MFA) – Rollout MFA across all staff with computer access for assigned computer equipment on online productivity suite to continue to ensure City follows best practices security access controls.
- Traffic Operations Center (TOC) Network Infrastructure Foundation Refresh – Refreshed the TOC network infrastructure with enterprise grade networking hardware and reconfigured network to follow configuration best practices; implemented firewall controls to separate City and TOC networks.
- Traffic Operations Center Cabinet Upgrade – Updated controller and networking equipment at traffic intersections to provide standard Ethernet based communications for upcoming applications and IoT devices. Below is a picture of the TOC Cabinet.
- AT&T ASE Fiber Point-to-Point – Improve reliability of services between sites that use Cable Internet to City Network by adding point to point network connections to remote locations including Blackberry Farm, Blackberry Farm Golf Course, McClellan Ranch, and Monte Vista.
- SD-WAN VoIP - Improved reliability and resiliency of VoIP (phone system) circuit by implementing SD-WAN based services for voice traffic.
- Surveillance System Cameras – Installed cameras at Service Yard to replace aging legacy system.
- Zoom Room – Deployed additional web conferencing solutions at smaller facility sites such as Blackberry Farm and McClellan Ranch.
- SaaS Cloud Audit – Auditing of Cloud hosted services for best practices and security.

Parks & Recreation Department

#CupertinoCares - #CupertinoCares is an initiative to help foster positive and healthy community connections during the current times of staying at home and socially distancing. Notable programs include giveaways, such as the Fourth of July Celebration Boxes, Back-to-School tote bags, and Halloween buckets, holiday events including the Deck the Doors and Shine Bright Cupertino, and community engagement, which includes the Take the Pledge initiative and sharing stories of frontline workers through Hidden Heroes.

Art in Unexpected Places - The Fine Arts Commission announced the completion of the inaugural project of the Art in Unexpected Places program. This pilot program was created by the commission to beautify public spaces, surprise and delight passers-by, and encourage the community to reflect on themes and imagery that represent the heritage, natural beauty, diversity, and creativity of our city. Artist Sarabjit Singh was chosen by the Fine Arts Commission and completed a mural at Blackberry Farm in early April.

Big Bunny 5k Virtual Run - The Big Bunny 5K went virtual in April. Over 200 participants, including some from Las Vegas, Reno, and Minnesota, ran, walked, or hopped from their home, local park, or favorite trail between April 3 to 11. Each registration included a t-shirt, race bib, water bottle stickers, and bunny ears. Participants picked up their race packets at the Quinlan Community Center on April 1 and 2, or had their packet mailed to their home.

Community Funding Policy - The Community Funding Grant Policy was adopted in Fiscal Year 2012-2013 and was recently updated with new requirements and procedures, following best practices, and recommendations from the Parks and Recreation Commission. Adjustments included the establishment of an earlier deadline, a funding cap per applicant and a tiered funding evaluation structure for all applications. The establishment of an earlier deadline provides more time for applications to be vetted and reviewed by the Commission and City Council, prior to the budget approval meeting in June. The establishment of the funding range for the entire program provides a budgetary consideration during the evaluation process. The remaining adjustments clarify the Commission's role in ranking the applications, while providing City Council the opportunity to review all applications for consideration. The Community Funding website was also updated, and a new web page was created to share historical data on the City's support of non-profit organizations through Community Festival Fee Waivers, the Community Funding Grant Program, Sister City Funding, and In Budget and Out of Cycle City Council Fee Waivers.

CPRS Awards - California Parks and Recreation Society District 4 recognized outstanding accomplishments of Parks and Recreation Professionals and Departments in February 2021 with their "Keys to the Community" Awards. The Teen Division's TEDxYouth@Torre Ave program won the Award of Excellence, through the Volunteer and Sponsor Citation, Maria Lopez, Jim Cunningham, and Tim Petersen were recognized of their volunteer efforts at the Cupertino Senior Center, #CupertinoCares received the Key to the Community Award, and Barbara Banfield received a Professional Merit Award for her significant contribution to the field of parks, recreation, and human services.

Holiday Programs - The Parks and Recreation Department brought the holidays to the community in a safe and socially distanced set of events, including The Santa Stop, Holidays in Hawai'i, and Zoom with Santa. Participants in "The Santa Stop" were able to greet Santa from a safe distance in a drive-thru event at the Quinlan Community Center. Every participant received a hot chocolate packet and candy cane, and each car was given a collectible City of Cupertino themed ornament. Holidays in Hawai'i, an annual tradition at the Senior Center, was converted to Zoom-based format this year. Volunteers from the Lei Nani Hula group danced from their homes to prerecorded music performed by the Pila Ho'Okani band. The Department brought holiday cheer to many Cupertino homes with the Zoom with Santa program. Santa and his elf called in from the North Pole's Cupertino branch and hosted Zoom calls for Cupertino families since Santa was unable to make his annual in-person visits to Cupertino.

Senior Care Cards - The Cupertino Senior Center has partnered with local youth to write letters to senior residents, Block Leaders, and Senior Center volunteers with limited social contact due to the current Stay-At-Home order. To date this partnership has mailed over 800 letters with uplifting messages and short stories. The intent of this program is to bring generations together and create a positive, connected community.

Senior Meal Delivery Program - The Senior Meal Delivery Program provides meals to seniors in need while supporting local business. The meals are scheduled twice week and currently provides relief for seniors who are at high risk due to health or mobility reasons and to follow the stay-at-home orders. More than 2,500 senior meals have been served to date.

Teen Programming - Teen programming continued thriving despite the challenges imposed by the ongoing COVID-19 pandemic. Annual, in-person events such as the TEDxYouth@TorreAve, <hack> Cupertino, and Pizza and Politics were re-imagined for a virtual setting and served over 1,900 participants. The Cupertino Youth Activity Board (YAB) created InfoTeeno, a new virtual workshop series to provide teens with virtual educational and enrichment opportunities. Workshop's topics included college preparations, financial literacy, and mental health coping skills. YAB members also collaborated with the City of Saratoga and City of Campbell to offer #TeenKindnessWeek, a region-wide social media campaign to inspire goodwill and

foster kindness during the pandemic. New programs introduced included the Drafting Cupertino's Future essay contest and Cupertino Esports, an intramural league where participants compete in their favorite video games.

Tennis Reservations - The Cupertino Sports Center went live with online tennis court reservations for members on January 1, 2021. The reservation process can be done through the City's reg4rec.org registration webpage. The tennis court reservations online allow members two ways to reserve including the former process of calling the Sports Center directly. The new process for tennis court reservations has been well received by the members and reduces the incoming phone call volume for staff during the morning rush to reserve tennis courts.

The 50+ Scene: Shelter-in-Place Edition - The 50+ Scene, Cupertino Senior Center's typically bi-monthly production, has been running in a digital-only format in response to the stay-at-home orders. To keep Cupertino's senior population active and engaged, the publication contains information about virtual programs and classes, sudoku and crossword puzzles, a human-interest article, and upcoming events. Also included are links to Santa Clara County's website providing seniors the most up to date information on COVID-19 vaccinations and testing dates. The newsletter is sent out to about 1300 senior center members each month.

Virtual Recreation - Throughout the year, the Parks and Recreation Department has curated indoor and outdoor activities to engage our positive, healthy, connected community. From the advent of the pandemic, the Department has provided free online fitness classes for the community, as well as crafts, educational activities, outdoor games and more to keep minds and bodies moving. The free fitness classes include cardio, strength, flexibility, and balance training and average about 260 attendees per week. The Virtual Recreation team has also worked to bring Cupertino's community events into the virtual space, including a virtual scavenger "egg hunt" complete with poetic clues to lead participants on a week-long search through Cupertino parks.

Public Works Department

Response and effectiveness through COVID - Effectively maintained minimal staffing immediately after initial shelter in place. Quick implementation of protocols allowed full staffing in May 2020, significantly in advance of other public work agencies. Actions allowed for a timely response to a twofold increase in 311 requests.

Small Cell Guidelines - Revised small cell guidelines to include site preference lists and other objective standards for review and permitting of small cell facilities in the public right of way.

Lawrence-Mitty Acquisition - Negotiated and purchased, from the County of Santa Clara, approximately 7 acres of land needed to develop a neighborhood park along the easterly edge of Saratoga Creek, near the intersection of Lawrence Expressway and Mitty Avenue.

Street Light Installation-Randy Lane & Larry Way - Successfully installed infill street lighting along Randy Lane and Larry Way with extensive outreach and coordination with the neighboring residents.

Civic Center Parking Mitigation Plan - Feasibility report analyzing the parking requirement for the Civic Center and proposed Library Expansion, is complete. Multiple mitigation measures in place.

Competitive Measure B funds for Junipero Serra Trail (Approved by VTA for \$6.12M competitive Measure B grant for the eastern and central sections) - The Junipero Serra Trail east and central segments, were competitively recommended by VTA to be on the 10-year priority funding list, for a total funding allocation of \$6.12

million. These segments parallel the Junipero Serra channel south of Interstate 280 between De Anza Blvd and Calabazas Creek, and along Calabazas Creek from Interstate 280 to Vallco Parkway.

Level of Service (LOS) to Vehicle Miles Traveled (VMT) - Develop City policies to transition from LOS to VMT for the determination of transportation impacts under CEQA, in conformance with SB 743.

Bollinger Road Safety Study - Perform an operational and safety evaluation of Bollinger Road, and develop recommendations for improvements to enhance vehicle, bicycle and pedestrian safety.

Bollinger Road Paving Project (joint project with City of San Jose) - Place asphalt overlay on Bollinger Rd between Miller Ave and Lawrence Expressway. The project also included a rubberized cape seal on McClellan Rd between Bubb Rd and Stelling Rd.

2016 Bicycle Plan - McClellan Road Separated Bike Corridor, Phase 2 - Design and construct separated bike lanes on McClellan Road from Stelling Road to De Anza, and Pacifica Avenue between De Anza and Torre Avenue.

2016 Bicycle Plan - McClellan Road Sidewalk Improvements, Phase 2 - Design and construct sidewalk improvements along McClellan Road between Byrne Avenue and San Leandro Avenue.

2016 Bicycle Plan - Stevens Creek Boulevard Class IV Bikeway Installation, Phase 1 - Design and construct a separated bikeway along Stevens Creek Blvd from Tantau to Wolfe Rd. Improvements include traffic signal modifications at Wolfe Road and Finch Avenue to provide separate bicycle phasing.

Linda Vista Trail - Design and construct a pedestrian trail between Linda Vista Park and McClellan Ranch.

Library Expansion Project Initiation - Using a design option from the Civic Center Master Plan, develop a design and construct a 5600 SF addition to the existing Library building for multi-function program rooms that serve as flexible meeting spaces for library events.

McClellan Ranch Preserve Community Garden - Reconstruct the existing community garden to better serve the community by providing better accessibility and more sustainable garden features/ infrastructure. The project included reconfiguration of the garden plots, improved ADA accessibility to and within the garden, installation of new perimeter fencing, irrigation distribution system and informal meeting area.

McClellan West Parking Lot Improvements - Design and construct a new “green” meadow-style parking lot that is compatible with the creek environment at McClellan Ranch West and designed to have minimal impact to the site.

Sports Center Seismic Retrofit - Design and construct structural upgrades to the Sports Center for increased resiliency in the event of an earthquake.

Solid Waste Franchise Agreement Negotiations - Successful negotiation of new 10-year franchise agreement with Recology for recyclable materials, organic materials, and solid waste collection, recyclable materials and organic materials processing services, and transport for disposal.

New Initiatives

Administration Department

Climate Action & Adaptation Plan 2.0 - As approved in the Fiscal Year 2020-2021 City Work Program, the Sustainability Division has been working diligently on the foundational work to update this major City strategic document. The community can expect to see an exciting public engagement process beginning in June 2021 and extending into the following winter, when a final plan will be presented to Council. The community can expect multiple ways to interact with the process to create a plan for reaching a carbon-neutral and zero-waste Cupertino.

Administrative Services Department

Labor Negotiations - As the City enters its third and final year of its negotiated labor contract, the City will commence the negotiation process for the period effective July 1, 2022.

Workforce Planning - Administration and Human Resource Divisions staff are implementing a Workforce Planning program to use data in the City's enterprise resource planning system and several City documents such as the budget, Capital Improvement Program, and City Work Program to identify key positions needed and how to attract, retain, and train staff to ensure the availability of those positions when needed.

OpenGov Stories - The City utilizes OpenGov, an online financial transparency tool, to communicate financial and budgetary information with not only internal users, but external users as well. Stories is a product of OpenGov that bridges the intellectual gap between the financial data and the meaningful narrative sides of the story. The Budget Team, in coordination with the CIP team, will be converting the Capital Improvement Program (CIP) budget document to a story, allowing users to look at individual project information in real-time.

Forecasting Transparency Tool - The Budget Team, with members of the Teen Commission, hosted the City's second annual Budget & Bites event, this time virtually. The topic of the event was City forecasting and included an exercise allowing attendees to build their own forecast and gain a better understanding for the various factors to consider and the decisions to be made. City staff will be exploring the use of this Microsoft BI tool to potentially incorporate into its regular quarterly reporting.

ERP Planning and Analysis - In coordination with the Innovation & Technology Department, Administrative Services is beginning the exploration of a new enterprise resource planning (ERP) system. Having implemented and operated Tyler's New World System since January 2015, staff are aware of the importance to remain up with the times and to ensure the system that allows us to provide excellent services to the public is up to date and functioning optimally.

Post-Pandemic Return to Work Planning - Significant planning is required to develop an effective return to work policy. Balancing the necessary safety precautions and County and State Orders with best practices for transitioning back into the work place requires coordination amongst all Departments and employees. The City's conversion to a telework environment was relatively smooth given the City's continued investment in Innovation and Technology and has provided the City the ability to consider potential hybrid models.

Community Development Department

ProjectDox Expansion and Upgrade -ProjectDox is an on-premise application that provides for electronic plan submission and review. ProjectDox is integrated with the City's land management system, Accela. These two applications have brought significant improvements (for both staff and customers) in the way permits are processed by the Building Division. The goal of this request is to extend these improvements to the Planning Division and Public Works Engineering. Additionally, ProjectDox will be migrated to a cloud-based application allowing for enhanced business continuity and disaster recovery.

Affordable Housing Strategies - As a part of the City's Work Program, explore the development of strategies that provides a variety of products across the affordability levels including housing for the developmentally disabled, as well as those with moderate, low, very low, and extremely low income.

City Plan on Homelessness - Prepare an Implementation Plan to the Santa Clara County Community Plan to End Homelessness 2020-25 to create a roadmap for addressing homelessness in Cupertino.

Extremely-Low Income (ELI) Housing for the Developmentally Disabled Community -Consider options to develop ELI housing units on City-owned properties.

Residential Development and Mixed-use Development Design Standards -Ensure that the City adopts objective design standards for townhomes, rowhomes, attached multi-family and mixed-use developments.

Clarify objective standards in General Plan and Municipal Code -Clarify standards in General Plan to be objective. Also adopt objective standards for environmental protection and concerns.

Update the Housing Element of the General Plan and concurrent rezoning -Update the Housing Element goals, policies and strategies to address housing needs, constraints, both governmental and non-governmental, and identify Priority Housing sites to accommodate the city's Regional Housing Needs Allocation, as required by state law. Also, complete the concurrent rezoning of the Priority Housing sites to ensure sites are appropriately rezoned to allow the planned growth/capacity.

Innovation & Technology Department

Under the heading "Prepare for the Future" the following initiatives will be completed in FY21/22

- Develop a three-year IT strategic plan. The plan will provide infrastructure and application direction through July 2025.
- Develop a security framework and audit existing systems. The framework is a documented policies, procedures and processes that define how information is managed to lower risk and vulnerability.
- Data Governance, Classification, and Warehouse. Over the past 4 years, Cupertino has replaced or enhanced almost every computer application utilized by the City. The result of these changes has significantly improved City response, process, and reporting. One major challenge has resulted - data governance. Data governance includes data integrity, integration, security, and data normalization (same value and format for the same info across all applications). As the City's data continues to grow due to artificial intelligence, machine learning, Internet of things technologies – this project will provide a roadmap to ensure data quality as add and integrate applications.
- ERP Needs Analysis. Tyler's New World, our current ERP, was implemented over six years ago and the City should review current options that overcome existing operational and security limitations.

Innovation Technology will continue to enhance or add new applications. Included in this list are:

- In collaboration with the City's Environmental Division provide process automation in managing construction recycling. The application will provide city an effective waste management plan that

implements city's waste recycling mandate.

- The City currently struggles in managing the plethora of requests that come in via in-person visit, email, phone call or web application. The management of assigning, tracking, following-up and reporting on the various requests is a difficult process at best. IT will implement a proven solution that will aggregate multichannel (voice, onsite, email....) requests into one application for staff and customers.
- Lobbyist Registration System. Per City Council directive develop a solution to track lobbyist activity as it pertains to the City of Cupertino.
- Redesign City Website. Redesigning the city's main communication platform will result in improving city's website traffic as well as site content and information. Typically, during the redesign process all the site content will get audited that will enable in aligning the city main communication platform to city's strategic initiatives and restructuring of website content for usability and relevance.
- Augmented Reality (AR) at McClellan Ranch. Bring the Cupertino native wildlife to life in a fun interactive AR environment for the visitors, classes, and tours at McClellan Ranch Preserve.

Under the areas of emergency management and compute environment the following projects are scheduled.

- Satellite Emergency Response System. Provide redundant Internet access in the event both traditional fiber optic and cell communication services are down. Internet connectivity is limited to City facilities.
- In collaboration with the Office of Emergency Services (OES) to improve accessibility of the City's OES vehicle to City facilities. To accomplish this, a wireless bridge will be implemented to solve this issue.
- A drone coupled with autonomous flight planning software. This application will be used to automate flights (limits pilot intervention) and mapping, create accurate, high-resolution maps, reports, and 3D models, as well as real-time 2D Live Maps for immediate analysis.
- Add Wi-Fi to Park and Recreation facilities. To enhance public outreach and services, IT is working with Parks & Recreation to expand Wi-Fi network services to selected parks throughout the City. The end goal is to provide members of the public Wi-Fi internet services at three parks (Wilson, Portal, and Creekside).

Parks & Recreation Department

Implementation of the Strategic Plan - Implement the immediate and short-term improvements to local parks in Cupertino through Park Amenity Upgrades as well as Playground Equipment Replacement and additional CIP projects for Fiscal Year 2021-2022.

Implementation of the Revised Field Use Policy - Implement the revised field use policy and maximize the efficiency of field use.

Collaboration with Public Works on Proposed CIP Projects for Fiscal Year 2021-2022

Memorial Park – Specific Plan Design - Design and construct Memorial Park improvements as indicated in the Parks and Recreation System Master Plan.

Lawrence-Mitty Park – Programming, Outreach, and Design - Develop a Master Plan for a proposed neighborhood park located on the parcel at Lawrence Expressway and Mitty Ave for trail expansion and park development.

Public Works Department

City Hall & 10445 Torre – programming and feasibility: Programming, Feasibility and Community Outreach to form the basis of a renovation strategy for the buildings.

City light transition assessment - Assess the costs, benefits, and opportunities and develop a strategy to transition the City's streetlight infrastructure, and other City operated lights, from induction to LED fixtures to meet the “Dark Sky” requirements and reduce light pollution.

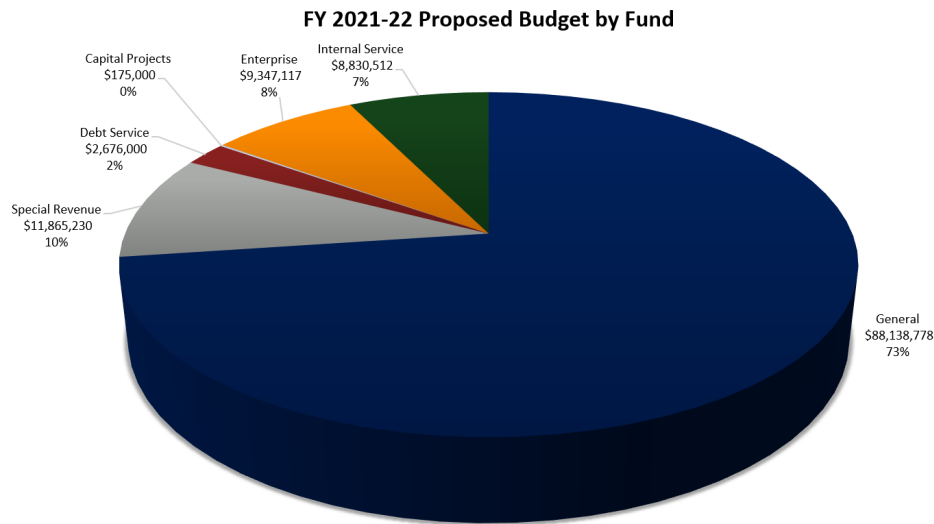
Vision Zero: Develop programs and policies for a City of Cupertino Vision Zero Program with emphasis near schools.

Budget Overview

The Proposed Budget reflects a total City budget of \$121.0 million, an increase of \$10.4 million or 9.4% when compared to the FY 2020-21 Adopted Budget. The City's General Fund is proposed at \$88.1 million, representing a \$7.6 million, or 9.5% increase over the FY 2020-21 Adopted Budget. The General Fund is funded by General Fund revenue of \$89.5 million and is projected to end FY 2021-22 with approximately \$38.5 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 FY 2021-22 Mid-Year Financial Report. The transfer is not reflected in the Proposed Budget.

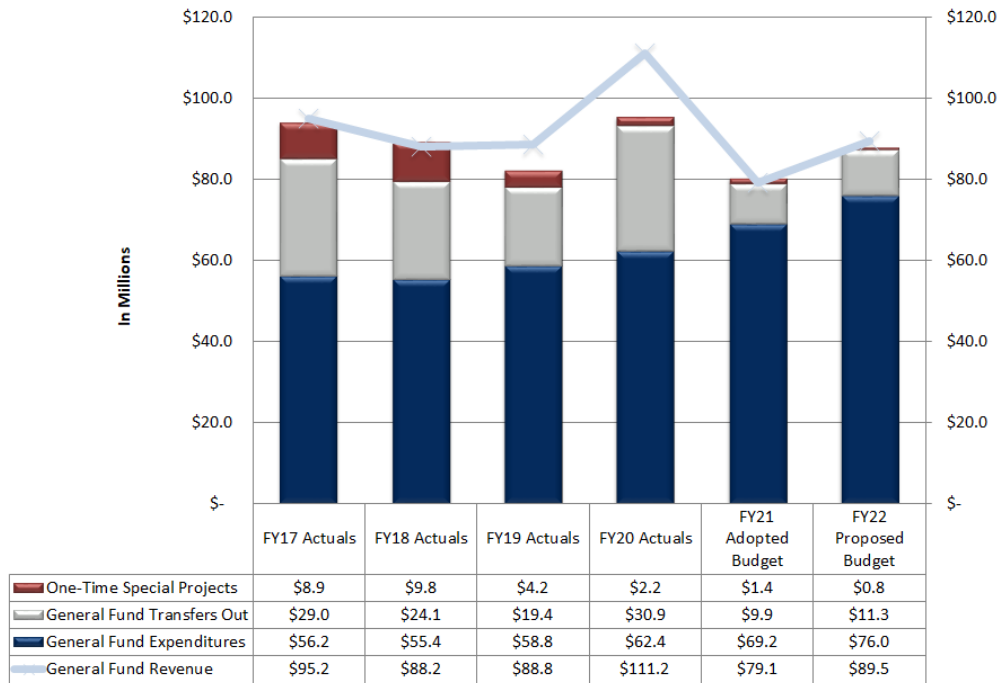
Fund Type	Total Proposed Expenditures		Total Proposed Revenue		Change in Fund Balance/Net Position
General	\$	88,138,778	\$	89,470,891	\$ 1,332,113
Special Revenue	\$	11,865,230	\$	15,198,495	\$ 3,333,265
Debt Service	\$	2,676,000	\$	2,621,000	\$ (55,000)
Capital Projects	\$	175,000	\$	-	\$ (175,000)
Enterprise	\$	9,347,117	\$	6,821,379	\$ (2,525,738)
Internal Service	\$	8,830,512	\$	6,687,399	\$ (2,143,113)
Total	\$	121,032,637	\$	120,799,164	\$ (233,473)

As shown in the chart below, the Proposed Budget's largest fund is the General fund at 73%.



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

General Fund Revenues Expenditures and Transfers Out



A total of 204.75 positions are proposed in FY 2021-22. Prior to COVID-19, the City was anticipating bringing a number of new position requests to the City Council over a three-year period. While the City has experienced increases in sales tax and total revenues, much financial uncertainty surrounding a post-pandemic environment remains. The City is cautiously optimistic as it proposes to add two new full-time employees and City staff will bring forward requests for City Council approval as more information becomes available for purposes of making informed decisions.

FY 2020-21 Adopted Budget	203.75
Limited Term Recreation Coordinator	-1.00
FY 2021-22 Proposed Budget	
Emergency Management Analyst	1.00
Environmental Programs Assistant	1.00
FY 2021-22 Benefitted Positions	204.75

Changes to the Budget and Policies

Revised Fees

City Council is set to approve the fee schedules effective for FY 2021-22 on May 4, 2021. The increases to the various fee schedules are estimated to result in increased revenues of approximately \$531,000 over the previous fiscal year; however, the timing of services to be provided and revenues to be collected may be impacted by COVID-19 throughout FY 2021-22.

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 will be available on the City website as part of the May 18, 2021 City Council agenda packet.

GANN Appropriations Limit

For FY 2021-22, the City's estimated appropriations of proceeds from taxes, less statutory exclusions, are unchanged as of the Proposed Budget. Data needed to calculate the FY 2021-22 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.

Revised Community Funding Policy

The first Community Funding policy was adopted by City Council in FY 2012-13, and the most recent policy was adopted as part of the FY 2015-16 Adopted Budget. At the Budget Adoption hearing in June 2018, City Council requested that the Community Funding Program be updated in order to assure that all applications received due consideration and that City Council is provided with all information necessary to make final funding decisions. At that meeting, City Council requested that the Parks and Recreation Commission evaluate all grant applications, and provide funding recommendations to Council for consideration. An updated policy with minimal substantive changes was approved by City Council in 2021.

Budget by Fund

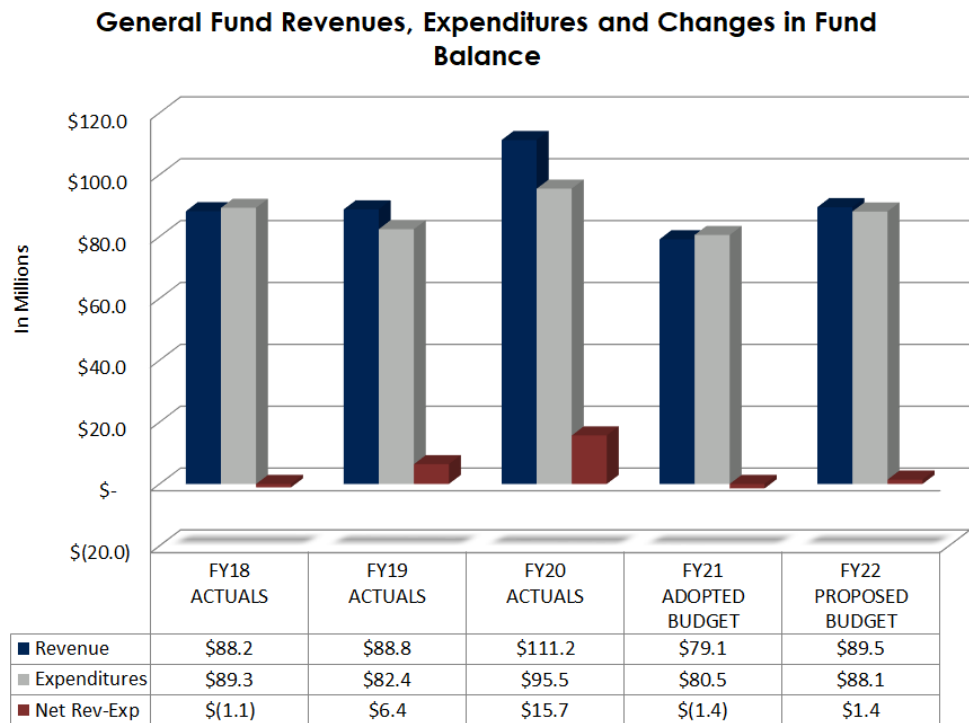
General Fund

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 \$89.5 million in the FY 2021-22 Proposed Budget. This is an overall increase of \$10.4 million (13.1%) when compared to the FY 2020-21 Adopted Budget. FY 2020-21 anticipated significant declines in sales tax and transient occupancy tax due to COVID-19 and shelter-in-place mandates. While transient occupancy taxes were severely impacted, sales tax revenues experienced an unprecedented increase. This was due to increased demand for computer equipment for telework conversion and increases in State-wide online sales. FY 2021-22 is expected to see declines in sales tax, relative to the previous year's actuals. Transient occupancy taxes will continue to be heavily impacted as it builds toward recovery. Property tax revenues appear to be moderately impacted. For the first time in many years, the County Assessor's Office is using an inflation escalator less than the 2% CPI maximum (1.036%).

Significant budget reduction strategies were implemented in FY 2020-21 which contributed to increased unassigned fund balance in the General Fund. With the General Fund's fiscal condition remaining strong, the City is bringing back budget proposals that were previously deferred due to the uncertainty brought on by COVID-19. As the City continues to move towards a recovery and "new normal," staff will continue to monitor the financial impacts of COVID-19 and ensure City Council is informed on a regular basis.

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

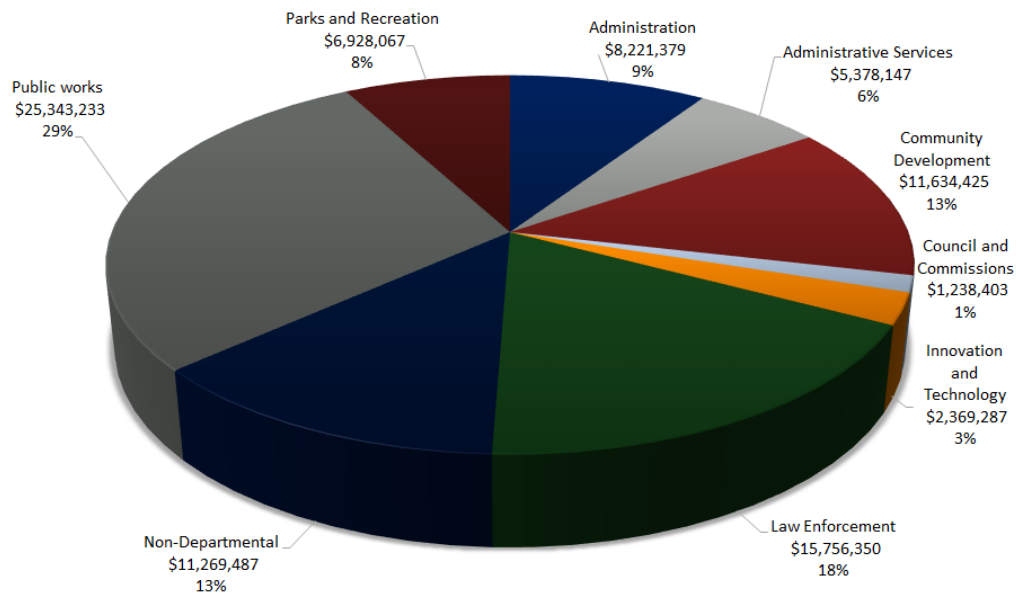


The General Fund unassigned fund balance is projected to increase from the current year estimate of \$39.1 million to \$38.5 million in FY 2021-22. As shown in the chart below, the FY 2021-22 ending fund balance is estimated to be \$84.6 million, or 1.6% higher than the FY 2020-21 year-end estimate. This is primarily attributable to one-time grant dollars the City will receive as part of the American Rescue Plan.

GENERAL FUND FUND BALANCE					
Classification	FY 18-19 Actual	FY 19-20 Actual	FY 20-21 Estimated	FY 21-22 Proposed	Percent Change
Unassigned	\$ 27,896,128	\$ 34,426,942	\$ 39,125,447	\$ 38,462,560	-2%
All Other Classification	\$ 31,026,457	\$ 40,078,871	\$ 44,134,009	\$ 46,129,009	5%
Total Fund Balance	\$ 58,922,585	\$ 74,505,813	\$ 83,259,456	\$ 84,591,569	1.6%

As shown in the graph below, the majority of General Fund resources are used to support Public Works (29%), Non-Departmental expenditures (13%), Law Enforcement (18%), Parks and Recreation (8%), Administration (9%), and Community Development (11%).

Expenditures by Department - General Fund



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 Proposed Budget for Special Revenue Funds for FY 2021-22 is \$11.9 million, which is a \$4.1 million, or 34.4%, increase from FY 2020-21 Adopted Budget primarily due to increases in Transportation Fund subsidies from the General Fund.

Budgets within the Special Revenue Funds are funded by \$8.7 million in restricted department revenue, and \$6.5 million in transfers, bringing total funding sources for the fund to \$15.2 million. This will result in a projected increase to fund balance of \$3.3 million. The Special Revenue Funds are projected to end the year with fund balances of \$32.2 million.

Debt Service Funds

The Public Facilities Corporation Debt Service Fund provides for the payment of principal, interest, and associated administrative costs incurred with the issuance of debt instruments. On September 29, 2020, the City's 2020A Certificates of Participation (2020 COPs) were successfully sold in order to refund the City's 2012 Certificates of Participation for debt service savings. The refunding generated net present value savings of approximately \$3.14 million, 11.61% of refunded par and a True Interest Cost of 0.72%. Savings to the City's General Fund amounts to approximately \$494,000 per year for the next 10 years, or almost \$5 million in total savings.

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 Proposed Budget for the Capital Projects Funds for FY 2021-22 is \$175,000. The FY 2021-22 budget is \$3.6 million lower than FY 2020-21 Adopted Budget appropriations until the Capital Improvement Program budget is incorporated in the Adopted Budget.

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 Proposed Budget for Enterprise Funds for FY 2021-22 is \$9.3 million, an increase of \$1.7 million from the FY 2020-21 Adopted Budget. Budgets within the Enterprise Funds are funded by \$5.9 million in program revenue and \$887,000 in transfers from the General Fund. The Enterprise Funds also rely on \$2.5 million of prior year fund balance, bringing total funding sources for the funds to \$9.3 million. The Enterprise Funds are projected to begin the fiscal year with \$6.9 million in retained earnings and are projected to end the year with retained earnings of \$4.4 million. Impacts to Enterprise Fund revenues as a result of COVID-19 have been significant, particularly while shelter-in-place orders remained in effect. While we anticipate moving towards a recovery in FY 2021-22, the timing and extent of the recovery is difficult to measure. As a result, conservative revenue estimates are programmed for the Enterprise Funds.

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 Proposed Budget for the Internal Service Funds is \$8.8 million, which is \$1.2 million higher than the FY 2020-21 Adopted Budget. Budgets within Internal Service Funds are funded by \$5.0 million in department revenue, \$1.7 million in transfers from the General Fund, and \$2.1 million from a combination of depreciation reserves and retained earnings. The Internal Service Funds are projected to begin the fiscal year with \$5.2 million in retained earnings and are projected to end the year with retained earnings of \$3.1 million.

Special Projects

The FY 2021-22 Proposed 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 on the next page.

FY 2021-22 Special Projects				
Program Budget	Project Name	Expenditure	Funding Source	Work Program
122 Sustainability	CWP Climate Action Plan 2.0	\$ 78,000	General Fund	Yes
126 Communications	CWP New City Seal	\$ 75,000	General Fund	Yes
633 Office of Emergency Management	CWP Personal Preparedness Kit	\$ 10,000	General Fund	Yes
702 Mid Long Term Planning	CWP Development Accountability	\$ 10,000	General Fund	Yes
702 Mid Long Term Planning	CWP General Plan and Muni Code Update	\$ 250,000	General Fund	Yes
702 Mid Long Term Planning	CWP Residential and Mixed Use Design Standards	\$ 40,000	General Fund	Yes
702 Mid Long Term Planning	CWP RHNA and General Plan Update	\$ 300,000	General Fund	Yes
702 Mid Long Term Planning	CWP Sign Ordinance Update	\$ 25,000	General Fund	Yes
705 Economic Development	CWP City Marketing	\$ 5,000	General Fund	Yes
705 Economic Development	CWP Regulating Diversified Retail Use	\$ 5,000	General Fund	Yes
711 BMR Affordable Housing Fund	CWP Affordable Housing Strategies	\$ 300,000	BMR Housing	Yes
711 BMR Affordable Housing Fund	CWP Homeless Services and Facilities	\$ 300,000	BMR Housing	Yes
800 PW Administration	CWP Municipal Water System	\$ 100,000	General Fund	Yes
	TOTAL CITY COUNCIL WORK PROGRAM	\$ 1,498,000		
122 Sustainability	Electric Cooking Workshop Series	\$ 6,400	General Fund	
300 I&T Administration	Security Framework and Audit	\$ 60,000	Internal Service	
305 Multimedia	EOC Control System Upgrade	\$ 15,000	General Fund	
305 Multimedia	Radio Windows 10 Replacement	\$ 10,000	General Fund	
308 Applications	Accela Business License	\$ 25,000	General Fund	
308 Applications	Campaign Docs	\$ 3,500	General Fund	
308 Applications	City Data Services	\$ 1,500	General Fund	
308 Applications	Community Climate Solutions	\$ 4,000	General Fund	
308 Applications	Customer Service Solution for CDD	\$ 65,000	General Fund	
308 Applications	ERP Exploration	\$ 50,000	General Fund	
308 Applications	Esports	\$ 1,700	General Fund	
308 Applications	Green Halo	\$ 7,860	General Fund	
308 Applications	Intranet Hub Consulting Services	\$ 20,000	General Fund	
308 Applications	Lobbyist Registration System in Netfile	\$ 15,000	General Fund	
308 Applications	Performance Management Application	\$ 32,000	General Fund	
308 Applications	Pre-Employment Assessment and Tests	\$ 5,000	General Fund	
308 Applications	Public Engagement	\$ 20,000	General Fund	
308 Applications	Redesign of City Website	\$ 45,000	General Fund	
310 Infrastructure	ActiveNet Additional Readers	\$ 9,000	Internal Service	
310 Infrastructure	Council Voting System and Timer	\$ 32,000	Internal Service	
310 Infrastructure	DUO MFA	\$ 19,500	Internal Service	
310 Infrastructure	Interactive Projector System with Games	\$ 7,000	Internal Service	
310 Infrastructure	Line Locator with GPS	\$ 15,000	Internal Service	
310 Infrastructure	Redundant Satellite Network	\$ 10,000	Internal Service	
310 Infrastructure	Senior Center Access Controls	\$ 16,000	Internal Service	
310 Infrastructure	Skydio Drone	\$ 18,000	Internal Service	
310 Infrastructure	Wireless Bridge	\$ 12,400	Internal Service	
310 Infrastructure	Wireless Network and Internet Park Expansion	\$ 20,500	Internal Service	
601 Recreation Administration	#CupertinoCares	\$ 75,000	General Fund	
612 Park Facilities	Environmental Education Center Animal Displays	\$ 1,000	General Fund	
702 Mid and Long Term Planning	Laserfische planning map scanning	\$ 30,000	General Fund	
705 Economic Development	Targeted Marketing Program to Assist Small Business	\$ 9,100	General Fund	
801 Resource Recovery	SB1383 Procurement Requirements	\$ 50,000	Enterprise	
808 McClellan Ranch Grounds	4H Perimeter Fence Replacement	\$ 30,000	General Fund	
811 Blackberry Farm Grounds Maintenance	Refinish Arbors	\$ 15,000	General Fund	
811 Blackberry Farm Grounds Maintenance	Stevens Creek Corridor Tree Inventory	\$ 65,000	General Fund	
812 School Site Maintenance	Backflow Prevention Device Replacements	\$ 6,000	General Fund	
813 Neighborhood Parks	Backflow Prevention Device Replacements	\$ 15,000	General Fund	
813 Neighborhood Parks	Basketball Court Resurfacing	\$ 20,000	General Fund	
814 Sport Fields Jollyman, Creekside	Basketball Court Resurfacing	\$ 10,000	General Fund	
814 Sport Fields Jollyman, Creekside	Backflow Prevention Device Replacements	\$ 4,000	General Fund	
820 Sidewalk Curb and Gutter	Annual Sidewalk Curb & Gutter	\$ 1,300,000	Special Revenue	
820 Sidewalk Curb and Gutter	Annual Sidewalk Grinding	\$ 100,000	Special Revenue	
821 Street Pavement Maintenance	Annual Crack Seal Project	\$ 105,925	Special Revenue	
821 Street Pavement Maintenance	Annual Fog Seal Project	\$ 245,926	Special Revenue	
821 Street Pavement Maintenance	Streets, Parking Lots, and Park Pathways	\$ 3,100,000	Special Revenue	
825 Street Tree Maintenance	Cage conversion to Rope Shop	\$ 10,000	General Fund	
825 Street Tree Maintenance	Foothill Blvd Median Tree Work	\$ 30,000	General Fund	
827 Building Maintenance City Hall	Electrical Preventive Maintenance	\$ 25,000	General Fund	
827 Building Maintenance City Hall	Fascia Repair and Painting	\$ 60,000	General Fund	

827 Building Maintenance City Hall	Lower Floor Recarpeting	\$ 70,000	General Fund	
827 Building Maintenance City Hall	Boiler Preventive Maintenance	\$ 5,000	General Fund	
828 Building Maintenance Library	Boiler Preventive Maintenance	\$ 5,000	General Fund	
828 Building Maintenance Library	Exterior Door Paintain	\$ 6,000	General Fund	
829 Building Maintenance Service Center	Emergency Power Upgrades	\$ 28,000	General Fund	
829 Building Maintenance Service Center	Shop Building Roof Recoating	\$ 50,000	General Fund	
829 Building Maintenance Service Center	Storage Shed Replacement	\$ 7,000	General Fund	
829 Building Maintenance Service Center	Locksmith Training	\$ 4,000	General Fund	
830 Quinlan Community Center Maintenance	Boiler Preventive Maintenance	\$ 5,000	General Fund	
832 Building Maintenance McClellan Ranch	Gift Shop Exterior Painting	\$ 20,000	General Fund	
836 Building Maintenance Sports Center	Exterior Lighting Improvements	\$ 24,000	General Fund	
836 Building Maintenance Sports Center	Exterior Painting	\$ 45,000	General Fund	
836 Building Maintenance Sports Center	Multipurpose Room Hardwood Floor Refinishing	\$ 20,000	General Fund	
836 Building Maintenance Sports Center	Door Refinishing	\$ 15,000	General Fund	
836 Building Maintenance Sports Center	Locker Room Bench Refinishing	\$ 5,000	General Fund	
838 Building Maintenance Community Hall	Exterior Door Painting	\$ 4,000	General Fund	
838 Building Maintenance Community Hall	Water Bottle Filling Installation	\$ 13,000	General Fund	
841 BBF Facilities Maintenance	Pool Water Bottle Filling Station Installation	\$ 13,000	General Fund	
841 BBF Facilities Maintenance	Pool Cover Replacement	\$ 11,000	General Fund	
841 BBF Facilities Maintenance	Uninterrupted Power Supply Installation	\$ 5,000	General Fund	
844 Traffic Engineering	CWP VMT to LOS Standards	\$ 130,000	General Fund	
846 Safe Routes to School	Pedestrian Education	\$ 44,240	General Fund	
846 Safe Routes to School	Riding for Focus Program	\$ 49,000	General Fund	
848 Street Lighting	Civic Center/Library Atrium LED Light Upgrade	\$ 47,000	General Fund	
848 Street Lighting	Don Burnett Bridge LED Light Replacement	\$ 47,000	General Fund	
848 Street Lighting	Street Light Pole Replacement	\$ 208,000	General Fund	
985 Fixed Asset Acquisition	Vactor Truck	\$ 366,000	Internal Service	
985 Fixed Asset Acquisition	Vehicle Replacement	\$ 626,200	Internal Service	
986 GIS	AR McClellan Ranch	\$ 40,000	Internal Service	
986 GIS	Data Governance and Data Warehouse	\$ 75,000	Internal Service	
986 GIS	Drone Deploy	\$ 18,000	Internal Service	
986 GIS	ESRI Web Editor Licenses	\$ 10,000	Internal Service	
986 GIS	Online Services Subscription Fees	\$ 2,200	Internal Service	
986 GIS	Quinlan Touch Screen	\$ 40,000	Internal Service	
986 GIS	Rapid Plan	\$ 4,000	Internal Service	
	TOTAL NON-CITY COUNCIL WORK PROGRAM	\$ 7,914,951		
	TOTAL CITY SPECIAL PROJECTS	\$ 9,412,951		

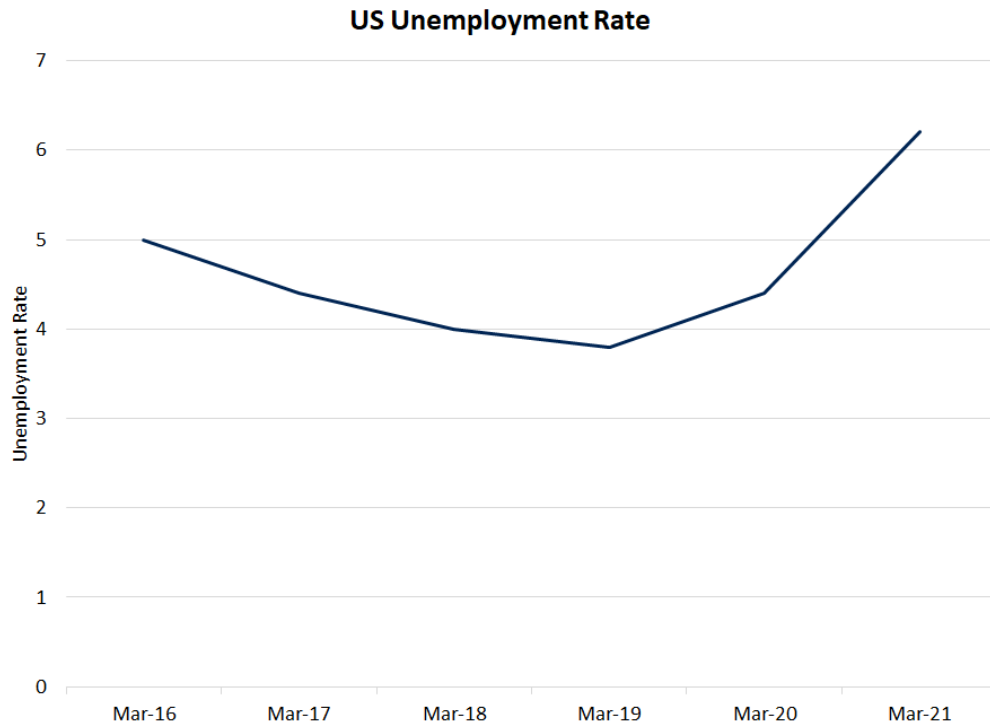
Current Economic Update

National and State Economic Conditions

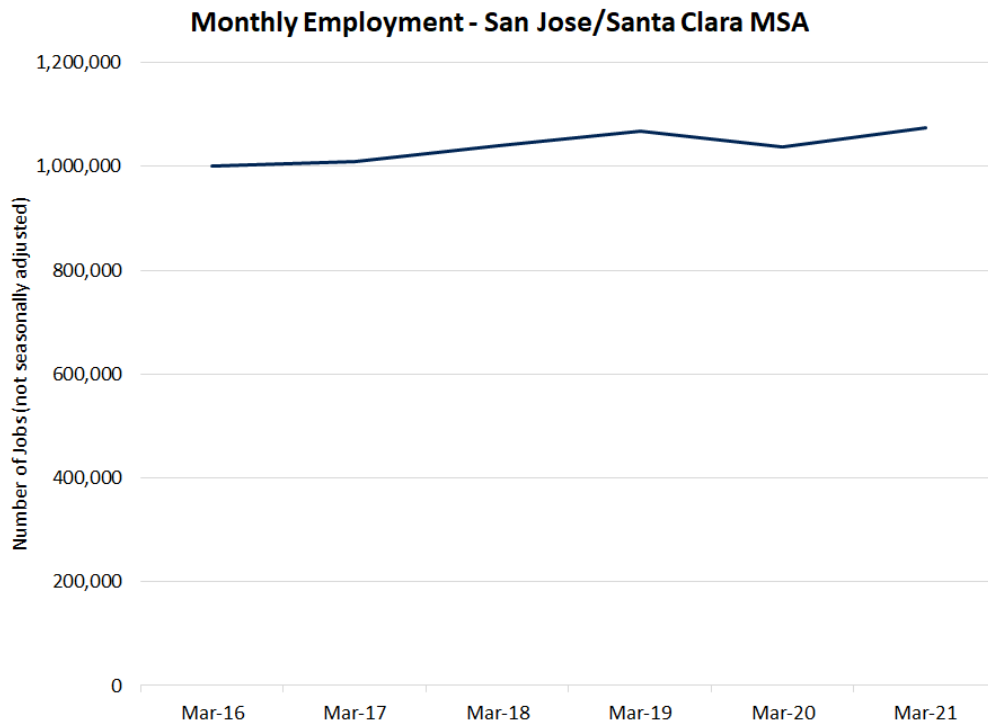
Through the fourth quarter of 2020, the U.S. economy continued to show steady growth. U.S. Gross Domestic Product (GDP) increased by 4.0% in 2020 according to the Bureau of Economic Analysis, compared with an increase of 2.1% in 2019. The increase in fourth quarter GDP reflected both the continued economic recovery from the sharp declines earlier in the year and the ongoing impact of the COVID-19 pandemic, including new restrictions and closures that took effect in some areas of the United States. The full economic effects of the COVID-19 pandemic cannot be quantified in the GDP estimate for the fourth quarter of 2020 because the impacts are generally embedded in source data and cannot be separately identified.

Economic growth is poised to accelerate meaningfully in the current quarter as vaccine distribution becomes more widespread in the U.S. amid an ongoing backdrop of robust fiscal support, low interest rates, and accommodative monetary policy. The vaccine rollout has been faster than expected and roughly 20% of the U.S. population is now fully vaccinated, and more than one-third has received at least one dose. Meanwhile, robust fiscal spending along the Federal Reserve's highly accommodative monetary policy continues to provide support for the economic and financial markets. The Federal Open Market Committee kept monetary policy unchanged at their March 2021 meeting as expected, with the fed funds target rate in the range of 0.0% to 0.25%. The Fed intends to remain accommodative until the labor market has made a strong recovery and inflation is sustainably on track to achieve their 2.0% longer-run target. The majority of Fed policymakers expect to keep the fed funds rates unchanged through 2023. Through inflation rates are likely to increase in

the coming months, the Fed believes the increase will be transitory and the Fed intends to remain on the sidelines. Fed Chair Powell emphasized that policymakers will clearly telegraph their outlook for monetary policy well in advance of any future policy changes. The yield curve has steepened. Year-to-date, the yield on 2-year Treasuries is about four basis points higher while the yield on 10-year Treasuries is nearly 83 basis points higher, as of March month-end. In April, we have seen a modest retreat in longer-term Treasury yields. Nevertheless, it is believed the Treasury yield curve is poised to modestly steepen further as the year progresses, which would be consistent with an improving economic outlook, more widespread vaccine distribution, the anticipation of ongoing fiscal spending, and a moderate pick-up inflation.



COVID-19 is having significant impacts on the nation’s unemployment. The U.S. unemployment rate stood at 6.0% in March 2021, down from 6.2% in the previous month. The participation rate increased to 61.5% from 61.4%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part-time for economic reasons, decreased to 10.7% from 11.1%.



Consumer confidence, as reflected by the Conference Board Consumer Confidence Index, decreased over the previous year and stands at 109.7 as of March 2021, including a 19.3 point increase over the previous month. Consumer Confidence increased to its highest level since the onset of the pandemic in March 2020. Consumers' assessment of current conditions and their short-term outlook improved significantly, an indication that economic growth is likely to strengthen further in the coming months. Consumers' renewed optimism boosted their purchasing intentions for homes, autos, and several big-ticket items. However, concerns of inflation in the short-term rose, most likely due to rising prices at the pump, and may temper spending intentions in the months ahead.

California's unemployment rate improved to 8.5% in March 2021, a significant decrease compared to last year's unemployment rate of 5.3%. Per capita personal income increased 7.1% in 2020 over 2019, mostly due to faster growth in wages; however, it is reasonable to anticipate declines in income in 2021 as a result of COVID-19. Growth in the housing market continued over the prior year with the prices of single-family homes up 23.9% and sales up 19.7% compared to March of last year according to the California Association of Realtors (CAR). Growth in Santa Clara County also increased over the prior year with the prices of single-family homes up 14.3% and sales up 44.3%.

Cupertino Economic Conditions

Employment in the San José/Sunnyvale/Santa Clara Metropolitan Statistical Area (MSA) continues to improve since the onset of the COVID-19 pandemic. The preliminary estimate of the March 2021 employment level in the MSA was 990,000, representing an approximately 55,000 drop from the March 2020 level. The March 2021 preliminary unemployment rate of 8.2% has increased from the 5.1% rate experienced a year ago, but decreased from the 9.2% rate as of January 2021. Our local unemployment rate is lower than the national unemployment rate of 4.2%.

Housing prices remain strong compared to the same period in 2020. As of March 2020, single-family homes sold for a median home price of \$2.5 million, a notable increase over the past year. The increase in the median home prices correlates with property tax revenue being expected to increase slightly compared to last year due to reassessments of development projects. Due to the timing of property appraisals entering the assessor's role, the City did not anticipate significant impacts to property tax revenues in FY 2020-21. While growth has continued, the County Assessor's Office, for the first time in years, has elected to use a lower rate (1.036%) than the maximum 2% CPI annual inflator for the FY 2021-22 property tax roll.

Key Budget Assumptions

Revenue Assumptions

The FY 2021-22 Proposed Budget is heavily reliant on the General Fund's top three revenue producers, sales tax, property tax, and transient occupancy tax. Although sales tax has experienced unanticipated increases, staff believe this to be a one-time experience and for sales tax to decrease in FY 2021-22 before increasing annually thereafter. Property taxes remain stable and although positive growth is anticipated in FY 2021-22, the impacts of a potential long-term and even permanent telework environment on property values remains to be seen. Transient occupancy taxes are expected to increase over the FY 2020-21 estimate; however, they are expected to be significantly less than historical highs experienced in FY 18-19. Although a full-recovery in FY 23-24 is anticipated, the extent of that recovery and long-term and/or permanent telework impacts has also yet to be seen.

Personnel Assumptions

The City is entering the third year of its currently effective labor agreements which assume 3.0% cost of living adjustment increases. Equity adjustments, and increases for retirement and health were also included in the increase for compensation and benefits.

In addition, budgeted personnel expenditures factor in salary step increases for approximately 43% 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 2021-22 funding needs. In addition, one-time projects have been separated out in FY 2021-22 to ensure that expenditure trends reflect ongoing expenditure needs. Contingency budgets remained to be reduced by 50% since FY 2019-20. Contingencies are calculated at 2.5% of the total General Fund budget for contractual services and supplies and materials for operating programs. Consistent with past budgets, an additional 2.5% 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, 2019 is estimated at 66.9%, down from 66.3% 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. As of March 2020, CalPERS year-to-date earnings on investments were at -4%. Assuming CalPERS ends the year in a similar position, or in a position below the 7% desired target, the City can expect to see continued spikes in annual required contributions. The impacts from CalPERS investment earnings would not be included in the City's actuarial reports until FY 2022-23 and would be smoothed over a five-year period. As part of the FY 2018-19 Adopted Budget, City Council approved 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. During FY 2018-19, the City contributed an initial investment of \$8.0 million to the trust. The FY 2021-22 Proposed Budget includes this \$8.0 million as well as an additional \$6 million in contributions made since inception. The trust's estimated fund balance is reported as restricted fund balance to provide stabilization through the following ramp-up period as necessary:

	Projected Employer Contributions					
	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
Projected Payroll	\$ 19,703,312	\$ 20,245,154	\$ 20,801,895	\$ 21,373,947	\$ 21,961,731	\$ 22,565,678
Normal Cost (%)	10.4%	10.1%	9.8%	9.4%	9.1%	8.8%
Normal Cost	\$ 2,057,026	\$ 2,044,761	\$ 2,038,586	\$ 2,009,151	\$ 1,998,518	\$ 1,985,780
UAL Payment	\$ 4,107,747	\$ 4,513,000	\$ 4,803,000	\$ 5,093,000	\$ 4,881,000	\$ 5,039,000
Total Contribution	\$ 6,164,773	\$ 6,557,761	\$ 6,841,586	\$ 7,102,151	\$ 6,879,518	\$ 7,024,780
Total Contribution (%)	31.3%	32.4%	32.9%	33.2%	31.3%	31.1%

Revenue Volatility

The City's revenue mix is heavily reliant on volatile business-to-business sales tax, which makes up a large portion 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 dot-com 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. The City's sales and transient occupancy tax revenues experienced great fluctuation since the outbreak of COVID-19 in 2020. While restaurants and hotels, general consumer goods, and automotive industry groups were severely impacted, the City's business-to-business and County pool allocation share increased substantially. This was brought on by shelter-in-place mandates throughout the State which reduced the sales tax revenue for restaurants and brick and mortar retail; thereby increasing online sales. Additionally, the conversion to a telework environment increased the demand for computer and electronics equipment, which also increased the City's sales tax revenues. In total, the City's sales tax revenues spiked to historic highs in both FY 2019-20 and FY 2020-21; however, the City is considering this to be a one-time experience. As the State continues toward a recovery and businesses continue their opening, it is anticipated the City's restaurant and hotels, general consumer goods, and automotive industry groups will recover and increase as well. However, these increases will only slightly mitigate the anticipated declines in the City's business-to-business and County pool share allocation as online sales fall from recent historic highs. Transient occupancy remains devastated and although a recovery is anticipated by FY 2023-24, we're unsure about the extent of the recovery and what the "new normal" will look like.

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Budget Guide

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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:

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.

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.

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

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

Financial Policies 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.

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 Technology, Administrative Services, Parks and Recreation, 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
- Contingencies represent 2.5% 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.

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

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 balances or from 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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed 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	-	-	-	-
Contingencies	-	-	-	-
Total Expenditures	-	-	-	-
Fund Balance (Usage)	-	-	-	-
General Fund Costs	-	-	-	-

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

Contingencies – Funds 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

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History

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

When Spanish explorer San Juan Bautista De Anza traveled through California in 1776, he and his party documented these words about the land surrounding Stevens Creek, named back then 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 crossroads, an intersection between Saratoga-Sunnyvale Road and Stevens Creek. This served as a way station for travelers to pass through while going from town to town. As more people came to West Side to take advantage of the rich 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 it's 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.

Community Economic Profile

Cupertino, with a population of 66,274 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 to high-tech giant Apple, Inc., and as a community with stellar public schools. De Anza College, one of the largest single-campus community colleges in the country, is another major employer and a magnet for attracting local and international students. The City's proactive economic development efforts have resulted in an innovative environment for start-ups and growing companies to thrive, including Bromium, DURECT, SugarCRM, Panasonic Venture Group, Altia Systems, Mirapath, Aemetis Inc, Mist Systems, and Plus. 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 offering 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!, Oren's Hummus, Lazy Dog, Ippudo, Pasta Armellino, HaiDiLao Hot Pot Restaurant, Pineapple Thai, Pressed

Juicery, Orangetheory, 85 Degree Bakery, SomiSomi, Sul & Beans, Kura Sushi, Vitality Bowls, La Pizzeria, Tan-cha, Koja Kitchen, Bishops Cuts & Colors, Capezio, Howard's Shoes, and Meet Fresh. Housing, office, and the Residence Inn by Marriott are available to support the thriving area.

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

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, Duke of Edinburgh Pub & Restaurant, JSJ Street Kitchen, Kira Kira Beauty, MOD Pizza, Ten Ren Tea, Fantasia Coffee & Tea, Kee Wah Bakery, Happy Lemon, and many other Asian restaurants, bakeries, and shops. The property owners have received approval to construct a new full-service boutique hotel with 185 rooms to accommodate business and leisure travelers.

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

Another longtime retail anchor in north Cupertino is Homestead Square Shopping Center, located at Homestead Road and De Anza Boulevard. This shopping center includes a 24-hour Safeway, Ulta Beauty, Ross Stores, Pet Club, Michael's, Rite Aid, FedEx, and numerous restaurants, such as Fish's Wild, Pho Hoa Noodle Soup, Yayoi Teishoku Japanese Restaurant, Starbucks, Chipotle, and financial institutions.

Recently approved is the redevelopment of The Oaks Shopping Center site, located off of State Route 85 freeway and across from De Anza College. The Westport Cupertino project will be a mixed-used development consisting of 267 housing units (Rowhouse/Townhomes, senior apartments, memory care rooms) and 20,000 square feet of commercial space.



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

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 meeting schedule is available on the City's website, and currently public participation in the Council meetings is available through online remote access.

The City has 202.75 authorized full-time benefited employee positions. Departments include:

- City Council & Commissions
- Administration (City Manager, City Clerk, City Attorney)
- Innovation Technology (GIS, Infrastructure, Applications)
- Administrative Services (Finance, Human Resources)
- Parks and Recreation (Business and Community Services, Recreation and Education, Sports, Safety, and Outdoor Recreation)
- Community Development (Planning, Building, Housing Services, Code Enforcement, Economic Development)
- Public Works (Environmental Programs, Developmental Services, Service Center, Grounds, Streets, Trees and Right of Way, Facilities and Fleet, Transportation, Storm Drain Management)
- 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 and one committee 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

The Commissioners are appointed by Council and vacancies are announced so that interested residents can apply for the positions. For more information, visit cupertino.org/commissions.

Housing

Based on data from Corelogic the median sales price for an existing single-family home was \$2,185,000 in February 2021. For housing programs in Cupertino, please see "Programs & Applications."

Community Health Care Facilities

Cupertino is served by a number of private medical practitioners and El Camino Health Urgent Care. Nearby hospitals include Kaiser Permanente Medical Center in Santa Clara, Valley Health Center in Sunnyvale, 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

Utility	Company	Phone Number
<i>Gas & Electric</i>	Pacific Gas and Electric	800-743-5000
<i>Phone</i>	AT&T residential service	800-894-2355
<i>Phone</i>	AT&T business service	800-750-2355
<i>Cable</i>	Comcast	800- 945-2288
<i>Solid Waste & Recycling</i>	Recology	408-588-7200
<i>Water</i>	San Jose Water Company	408-279-7900
<i>Water</i>	California Water Service	650-917-0152
<i>Sewer Service</i>	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) as reported in the Santa Clara County 2020-2021 Annual Report:

Cupertino: \$27,821,316,543

County: \$551,542,708,166

Retail Sales Tax Distribution

Agency	Sales Tax Distribution
State	6.000%
VTA	1.125%
City of Cupertino	1.000%
County General Purpose	0.625%
County Transportation	0.250%
Total	9.000%

Transportation

Rail: The CalTrain station is four miles north of Cupertino. 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:

- 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

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 Cupertino, 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 participating in annual student exchange programs.



Education

Winners 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 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 achievements. 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, De Anza 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.



De Anza 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 De Anza programs encourage economic development through college credit courses, short-term programs, services for manufacturers, technical assistance, and/or recruitment and retention services. De Anza College is the top Silicon Valley

college in numbers of students transferring to four-year schools, and is always at or near the top statewide, earning it the distinction of, “Tops in Transfer.”

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 citizens in cooperation with law enforcement to reduce crime in our communities. The program involves: neighbors getting to know each other and working together in a program of mutual assistance; citizens 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: BMR (Below Market Rate) Program

The City of Cupertino requires 15% of all new construction be affordable to households below 120% of the County median income. Rental units are affordable to very low and low-income households while ownership units are affordable to median and moderate-income households.

The City of Cupertino contracts with Hello Housing to screen and place qualified households in most of the city's BMR units. Hello Housing maintains a waiting list of interested persons for these BMR units. For more information, visit the website at www.hellohousing.org/stewardship/cupertino/faq or call (415) 863-3036 (messages returned within 36-48 hours).

Smart Phone Applications

Mobile 95014

City of Cupertino's Mobile 95014 app offers latest listing 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 the city-planted 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.



Website Applications

Cupertino.org/ShopAndDine

This interactive website app offers users mapping features of current Cupertino businesses and restaurants.

Community Statistics

Facts and Figures ¹

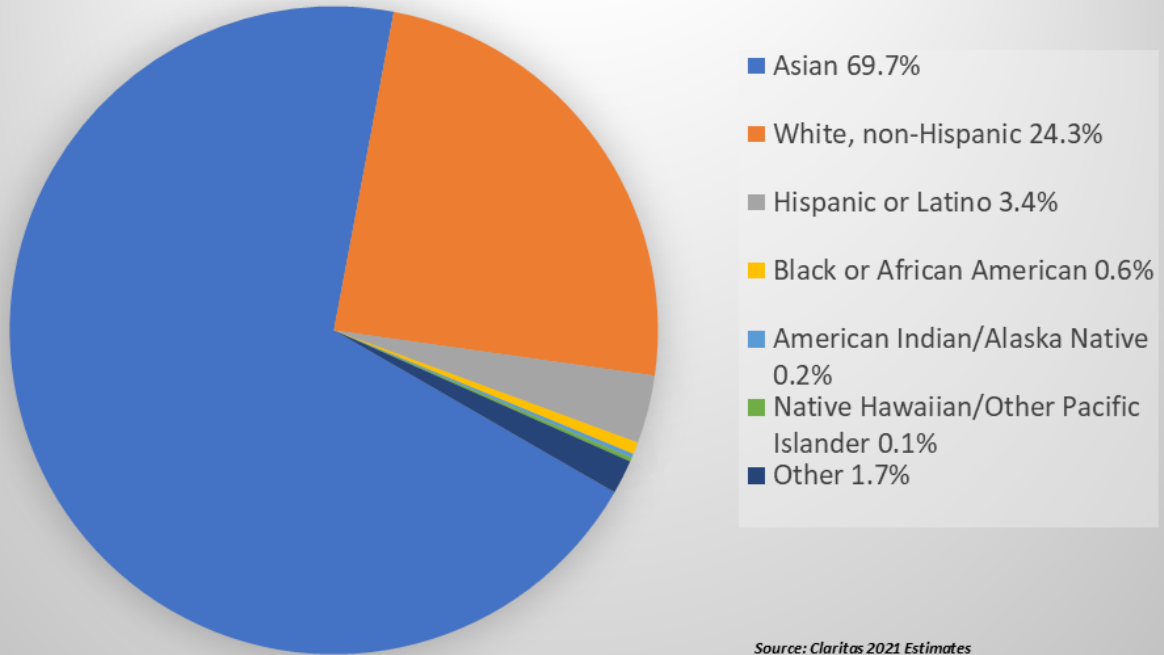
Population in City Limits	66,274
Average Household Income	\$259,061
Average Age	40.6
Registered Voters	33,080
Democrats	14,832
Republicans	4,498
American Independent	465
Other	334
No Political Party Designated	12,951

¹ Claritas 2021 Estimates and County of Santa Clara Registrar of Voters as of April 8, 2021

Top 25 Sales Tax Producers: Fourth Quarter 2020 in Alphabetical Order

- 99 Ranch Market
- Alexander's Steak House
- Apple
- Argonaut Window & Door
- Benihana
- California Dental Arts
- Chevron
- Insight Direct
- Insight Public Sector
- Jo Ann Fabrics & Crafts
- Keysight Technologies
- Michaels Arts & Crafts
- Mirapath
- Precor Home Fitness
- Ross
- Rotten Robbie
- Safeway
- Seagate Technology
- Shane Company
- Target
- TJ Maxx
- Trail Head Cyclery
- Valero
- Whole Foods Market
- World Wide Technology

Population by Single-Classification Race



Source: Claritas 2021 Estimates

Community and Recreation Services

Blackberry Farm

Blackberry Farm has been upgraded and restored to improve the natural habitat for native trees, animals, and fish. Improvements to the park include construction of a new ticket kiosk, re-plastered pools, a new water slide, bocce ball, horseshoe courts, and numerous upgrades to the west bank picnic area. 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 the Community Hall.

The 54,000 square foot 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, at its new location next to the new Visual Arts and Performance Center at De Anza 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



Apple Park Visitor Center, Store & Café

A state-of-the-art Visitors Center, Observation Deck, flagship retail store and café are open to the public seven days a week. The Visitor Center is located at 10600 N Tantau Avenue.

Free parking is available. For more information, visit the website at www.apple.com/retail/appleparkvisitorcenter or call 408-961-1560.

Fujitsu Planetarium

The Fujitsu Planetarium on the De Anza 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.

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' Markets

There are two farmers' markets located in the City of Cupertino. One is held on Fridays from 8:30 a.m. to 1:00 p.m. at Creekside Park located at 10455 Miller Avenue, and the other is held every Sunday from 9:00 a.m. to 1:00 p.m. at the Senior Center/Memorial Park parking lot, behind 21251 Stevens Creek Blvd.

California History Center

The California History Center and Foundation is located on the De Anza College campus. The center has published 37 volumes on California history and has a changing exhibit program. The center's Stockmeir 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.

Local Wineries

The Santa Cruz Mountains has played a pivotal role in the history of winemaking in California, with roots going back over 100 years, and including legendary winemakers such as Paul Masson, Martin Ray, David Bennion (Ridge), and David Bruce. The Santa Clara Valley Wine Trail features wineries in the southern portion of Santa Clara County, including Cupertino.

Take some time to enjoy Cupertino-based wineries: Fellom Ranch Vineyards, Naumann Vineyards, Picchetti Winery, R&W Vineyards, Ridge Vineyards, and Vidovich Vineyards, as well as the breathtaking scenery of the surrounding foothills.



Photo courtesy of Ridge Vineyards

Financial Policies

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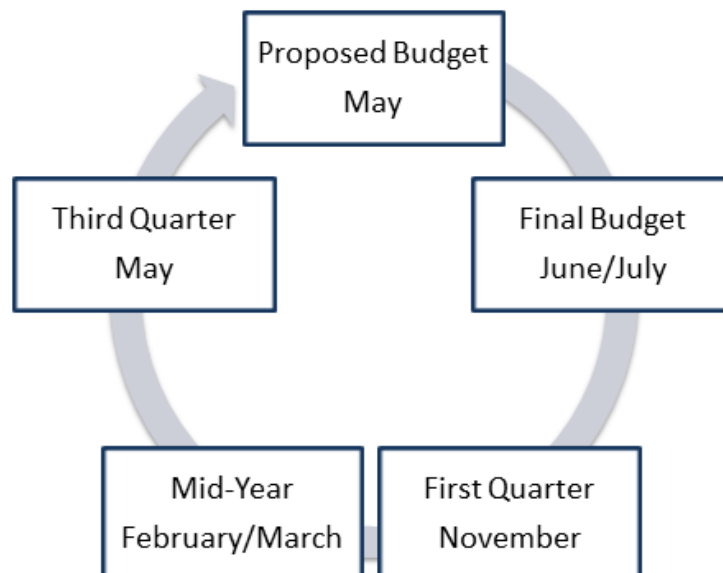
Annual Budget Process

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 Manager’s 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 from 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 2013-14, 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, Parks and Recreation, 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

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. Additionally, the City utilizes OpenGov, an online financial

transparency tool that provides visitors the opportunity to review the City's financial and budgetary information in real time.

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 2020-21 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 Improvement 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.
Vehicle/Equipment Replacement	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.

Revenue Policies

PURPOSE

To establish revenue policies 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

Monitor Enterprise activities remain self-supporting in the long term.

Expenditure Policies

PURPOSE

To establish expenditure control policies 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.

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.

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 workstations 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.

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.

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.

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) 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 – \$19,000,000 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	\$19,000,000	Budgeted Citywide Retirement Costs	For pension cost increases.
3	Sustainability Reserve	\$127,891	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

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 18, 2021 City Council agenda packet.

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. The policy provides a framework for the City's Community Funding Grant Program and guides the administration of the program and decision-making process. It also provides guidance on key aspects of the City's Community Funding Grant Program processes including: Eligibility, Evaluation Criteria, Restrictions/Guidelines, and Procedure.

SCOPE

All requests for funding must comply with this policy.

POLICY

The City has established the Community Funding Grant Program, subject to availability of funds, with a range of \$70,000 to \$90,000 in total funding available. Community Funding Grants shall not exceed \$20,00 per applicant, per year. City Council will determine the organizations to be awarded funds through the Community Funding Grant Program. City Staff shall review applications for completeness and review the qualifications and accuracy based upon the eligibility criteria set forth below. In all cases, the City reserves the right to reject any and all applications in the event staff identifies a potential conflict of interest or the appearance of a conflict of interest. Submission of an application in no way obligates the City to award a grant and the City reserves the right to reject any or all applications, for any reason, at any time.

Eligibility

To receive consideration for a Community Funding Grant, grant requests must:

- Be made or sponsored by a 501(c)(3) non-profit organization with experienced members capable of implementing and managing the program/project/event.
- Identify how the funds will be used to benefit the Cupertino community.
- Be awarded only once per project
- For specific needs, not ongoing, operational costs.
- Have more than 75% of the requested funds allocated for direct service costs versus administrative costs.
- Be complete and submitted by the application deadline.

Evaluation Criteria

- Impact on and benefit to the Cupertino community
- Community need for the program/project/event
- Alignment with City mission and values
- Uniqueness of the program/project/event
- Qualifications and experience of the organization and its members
- Reasonable cost
- Demonstrated effort to secure funding from other sources and/or establishing
- partnerships with other community or city organizations
- Clarity, completeness, and accuracy of grant application
- Past performance and compliance with requirements if a recurring applicant

Applications will be sorted into two categories:

- *New applicants*
- *Past recipients*

Applications in each category will be evaluated using a tiered structure based on the dollar amount requested for award as follows:

- *< \$999.99*
- *\$1,000.00 - \$4,999.99*
- *\$5,000.00 – \$9,999.99*
- *\$10,000.00 - \$20,000.00*

Restrictions/Guidelines

- An organization that is applying for multiple grants shall only submit one application.
- Proceeds generated from the funded activity may only be used for the conducted activity.
- If requested, recipients must provide full financial statements for the organization.
- Admission to or participation in the event must be "free of charge" for Cupertino residents unless stated in the application and approved by Parks & Recreation Commission.
- If an applicant makes a grant request directly to a member of the City Council, whether individually or as a group, the Council shall refer the applicant to the Parks and Recreation Department for a Grant application to be reviewed in accordance with this policy.
- Grant recipients shall acknowledge the City contribution in formal promotional materials and efforts related to the funded activity. Any use of the City logo must be approved by the City's Communications Officer.

Procedure

1. Applicants submit timely and complete grant applications by February 1.
2. City Staff reviews application for completeness and compliance eligibility.
3. Applications will then be forwarded to the Parks and Recreation Commission to be evaluated and sorted into the tiered funding structure. All applicants will be notified and invited to attend the Parks and Recreation Commission Meeting where their applications will be discussed. This meeting typically takes place in Spring.
4. City Council will make the final decision on grant amounts for each applicant as part of the budget adoption which typically happens in June. All applicants will be notified and invited to attend the City Council Meeting where their applications will be discussed.
5. Grant recipients shall submit a written report to the Parks and Recreation Department to show proof that the grant funds have been spent in the manner and for the purposes stated on the application, including information about the number of persons served and other results that benefit Cupertino.
 - Due by the 15th business day of July following the Fiscal Year in which grant funds are disbursed.
 - Failure to submit a written report by the July deadline could result in the loss of grant funding eligibility in the future.
 - Applicants will be expected to reimburse the City any funding awarded and not used for their program/project/event.

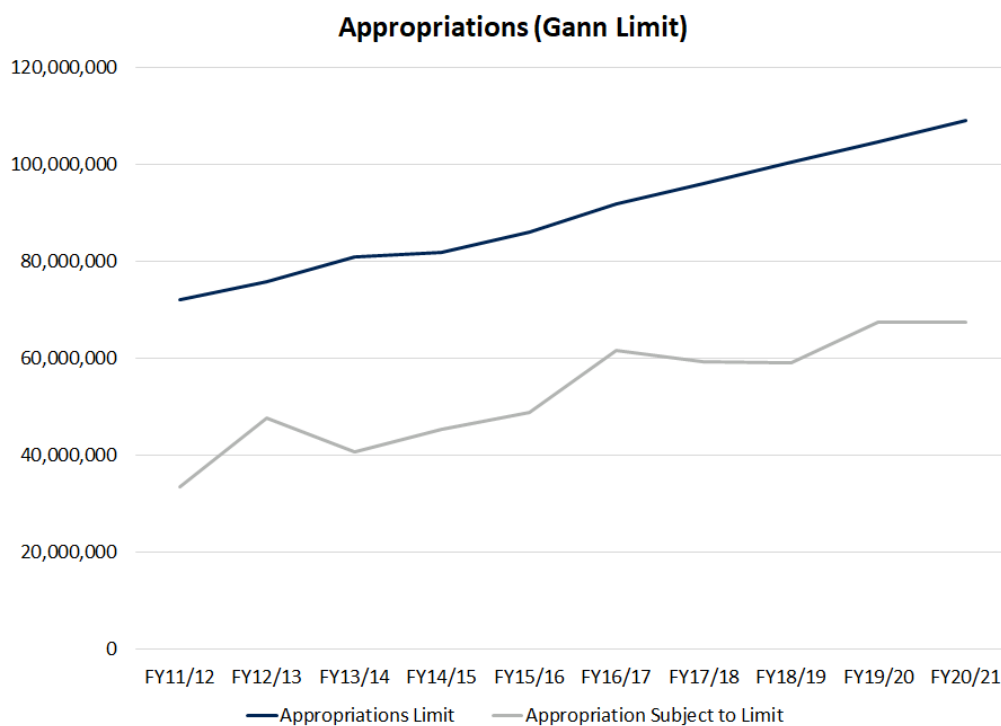
Appropriations and Legal Debt Limit Margin

Gann Appropriations Limit

Fiscal Year 2021-22

Article XIII B 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 XIII B 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 2020-21 was \$109,062,934. Information to calculate the City’s appropriations limit for FY 2021-22 will not become available until May 2021 and will be included in the Adopted Budget hearing in June 2021.

Legal Debt Margin

Fiscal Year 2021-22

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 2019-20 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)	\$25,397,331,860	
Adjusted Valuation - 25% of Assessed Valuation (2)	\$6,349,332,965	(1) * 25%
Debt Limit - 15% of Adjusted Valuation	\$952,399,944	(2) * 15%
Total City Bonded Debt (3)	\$22,040,000	
Less: Certificates of Participation Not Subject to Debt Limit (4)	\$(22,040,000)	
Amount of Debt Subject to Limit		- (3) - (4)
Legal Debt Margin	\$952,399,944	

Financial Schedules

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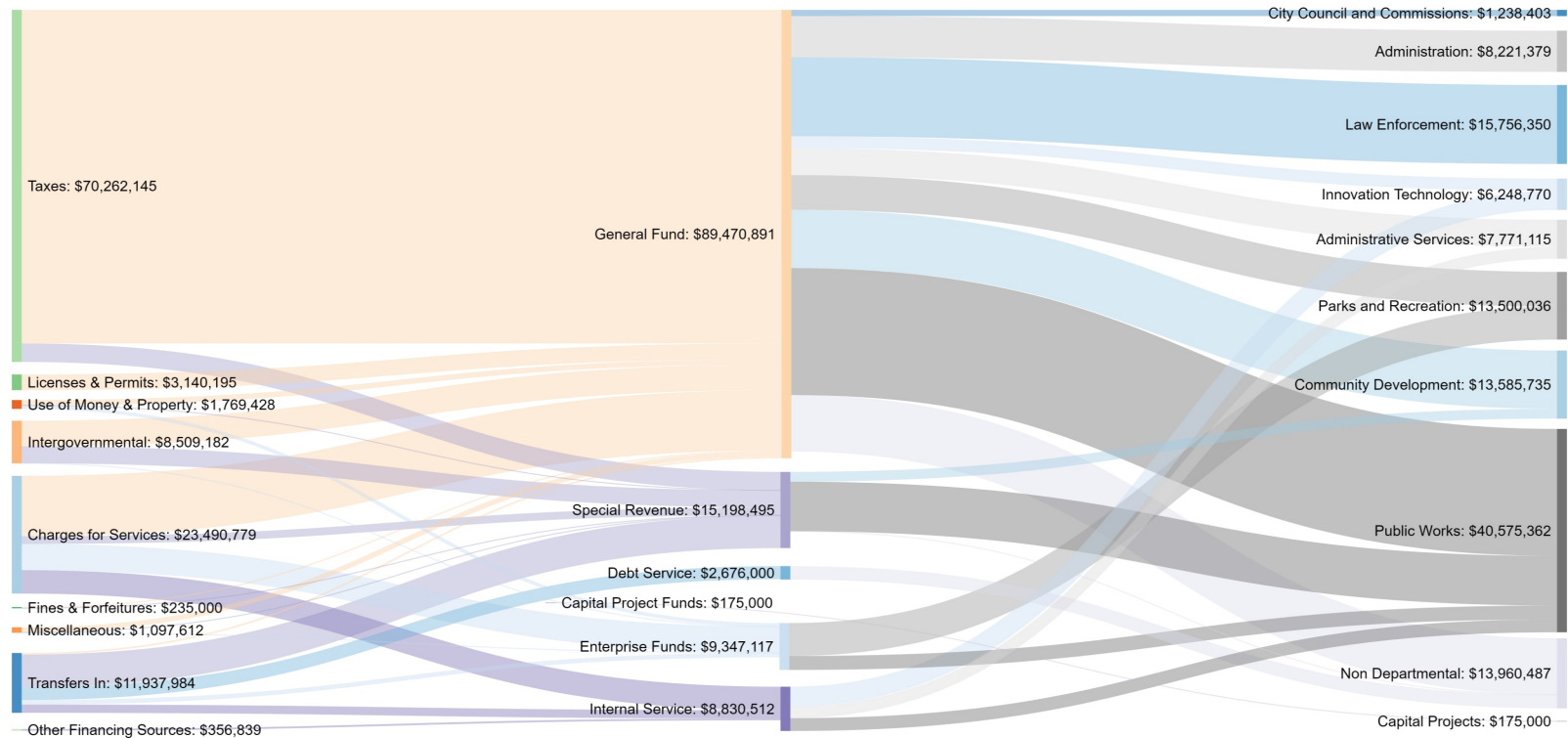
Financial Overview by Fund

Revenue Categories	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	2021-22 Proposed Budget Total
Sales Tax	\$ 27,855,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,855,559
Property Tax	\$ 27,840,341	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,840,341
Transient Occupancy	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
Utility Tax	\$ 3,245,447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,245,447
Franchise Fees	\$ 3,380,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,380,986
Other Taxes	\$ 1,248,720	\$ 3,691,092	\$ -	\$ -	\$ -	\$ -	\$ 4,939,812
Licenses & Permits	\$ 3,140,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,140,195
Use of Money & Property	\$ 1,072,220	\$ 4,208	\$ -	\$ -	\$ 693,000	\$ -	\$ 1,769,428
Intergovernmental	\$ 5,093,946	\$ 3,401,236	\$ -	\$ -	\$ 14,000	\$ -	\$ 8,509,182
Charges for Services	\$ 12,047,922	\$ 1,547,078	\$ -	\$ -	\$ 5,217,578	\$ 4,678,201	\$ 23,490,779
Fines & Forfeitures	\$ 225,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 235,000
Miscellaneous	\$ 1,000,555	\$ 87,057	\$ -	\$ -	\$ 10,000	\$ -	\$ 1,097,612
Transfers In/Other Financing Uses	\$ 320,000	\$ 6,457,824	\$ 2,621,000	\$ -	\$ 886,801	\$ 2,009,198	\$ 12,294,823
TOTAL REVENUE	\$ 89,470,891	\$ 15,198,495	\$ 2,621,000	\$ -	\$ 6,821,379	\$ 6,687,399	\$ 120,799,164

Appropriation Categories	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	2020-21 Proposed Budget Total
Employee Compensation	\$ 21,304,931	\$ 1,772,223	\$ -	\$ -	\$ 1,871,811	\$ 1,736,052	\$ 26,685,017
Employee Benefits	\$ 9,900,842	\$ 905,260	\$ -	\$ -	\$ 647,092	\$ 2,015,467	\$ 13,468,661
Materials	\$ 6,849,707	\$ 893,053	\$ -	\$ -	\$ 417,242	\$ 1,220,956	\$ 9,380,958
Contract Services	\$ 24,598,223	\$ 1,451,016	\$ -	\$ 175,000	\$ 4,967,179	\$ 1,696,641	\$ 32,888,059
Cost Allocation	\$ 11,948,062	\$ 1,325,945	\$ -	\$ -	\$ 1,034,107	\$ 60,817	\$ 14,368,931
Capital Outlays	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Special Projects	\$ 795,000	\$ 4,100,000	\$ -	\$ -	\$ -	\$ 1,058,200	\$ 5,953,200
Contingencies	\$ 945,029	\$ 36,733	\$ -	\$ -	\$ 134,527	\$ 72,910	\$ 1,189,199
Transfers Out	\$ 11,251,984	\$ 381,000	\$ -	\$ -	\$ -	\$ -	\$ 11,632,984
Debt Service/Other Uses	\$ 545,000	\$ -	\$ 2,676,000	\$ -	\$ 275,159	\$ 969,469	\$ 4,465,628
TOTAL EXPENDITURES	\$ 88,138,778	\$ 11,865,230	\$ 2,676,000	\$ 175,000	\$ 9,347,117	\$ 8,830,512	\$ 121,032,637

Net Increase (Decrease) in Fund Balance/Retained Earnings	\$ 1,332,113	\$ 3,333,265	\$ (55,000)	\$ (175,000)	\$ (2,525,738)	\$ (2,143,113)	\$ (233,473)
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Flow of Funds Chart (Sankey)



General Fund Contribution Schedule

Fund Type	Proposed Budget Expenditures	Proposed Budget Revenues	Proposed Budget Fund Balance/ Retained Earnings (Usage)	Proposed General Fund Contribution
General Fund				
10 City Council				
100 City Council	479,750	1,054,877	-	(575,127)
101 Community Funding	22,759	-	-	22,759
110 Sister Cities	77,582	-	-	77,582
11 Commissions				
131 Telecommunication Commission	37,125	-	-	37,125
140 Library Commission	48,341	-	-	48,341
142 Fine Arts Commission	66,468	-	-	66,468
150 Public Safety Commission	35,606	-	-	35,606
155 Bike/Ped Safety Commission	47,731	-	-	47,731
160 Recreation Commission	57,463	-	-	57,463
165 Teen Commission	81,078	-	-	81,078
170 Planning Commission	131,245	-	-	131,245
175 Housing Commission	62,761	-	-	62,761
180 Sustainability Commission	63,038	-	-	63,038
190 Audit Committee	27,456	-	-	27,456
12 City Manager				
120 City Manager	1,521,821	637,444	-	884,377
122 Sustainability Division	866,420	-	-	866,420
126 Office of Communications	783,955	-	-	783,955
305 Multimedia Division	916,347	414,196	-	502,151
307 Public Access Support	79,531	-	-	79,531
632 Comm Outreach & Neigh Watch	170,392	-	-	170,392
633 Disaster Preparedness	694,734	-	-	694,734
13 City Clerk				
130 City Clerk	603,333	144,551	-	458,782
132 Duplicating/Mail Services	47,794	-	-	47,794
133 Elections	147	-	-	147
14 City Manager Discretion				
123 City Manager Contingency	593,250	-	-	593,250
15 City Attorney				
141 City Attorney	1,943,655	542,945	-	1,400,710
20 Law Enforcement				
200 Law Enforcement SC Sherif	15,706,972	887,259	-	14,819,713
201 Interoperability Project	49,378	-	-	49,378
32 I&T Applications				
308 Applications	2,369,287	1,613,055	-	(1,613,055)
40 Administrative Services				
400 Admin Services Administration	926,303	183,169	-	743,134
41 Finance				
405 Accounting	1,603,000	2,175,347	-	(572,347)
406 Business Licenses	404,377	-	-	404,377
44 Human Resources				
412 Human Resources	1,479,115	2,122,380	-	(643,265)
417 Insurance Administration	965,352	-	-	965,352
60 Recreation & Community Service				
601 Rec & Comm Svcs Administration	1,403,256	-	-	1,403,256
634 Park Planning and Restoration	-	-	-	-
636 Library Services	233,790	-	-	233,790
61 Business and Community Services				
602 Administration	722,137	-	-	722,137
605 Cultural Events	433,137	31,000	-	402,137
630 Facilities	366,893	168,395	-	198,498

62 Recreation and Education				-
608 Administration	722,159	12,500	-	709,659
623 Youth, Teen and Senior Adult Rec	1,117,651	164,000	-	953,651
639 Youth and Teen Programs	367,838	3,000	-	364,838
640 Neighborhood Events	163,119	-	-	163,119
63 Sports, Safety & Outdoor Rec				
612 Park Facilities	1,280,136	162,000	-	1,118,136
615 Administration	117,951	-	-	117,951
70 Planning & Community Development				
700 Community Development Admin	923,490	-	-	923,490
71 Planning				
701 Current Planning	2,939,626	1,037,500	-	1,902,126
702 Mid Long Term Planning	1,524,188	138,750	-	1,385,438
704 Annexations	-	-	-	-
705 Economic Development	337,074	-	-	337,074
72 Housing Services				
712 Gen Fund Human Services Grants	124,062	-	-	124,062
73 Building				
713 General Building	1,019,751	315,000	-	704,751
714 Construction Plan Check	1,995,799	1,300,000	-	695,799
715 Building Inspection	1,481,425	1,500,000	-	(18,575)
718 Muni-Bldg Code Enforcement	86,618	-	-	86,618
74 Code Enforcement				
202 Code Enforcement	1,202,392	225,000	-	977,392
80 PW Admin				
800 Public Works Admin	966,732	-	-	966,732
82 Developmental Services				
804 Plan Review	1,608,551	988,368	-	620,183
806 CIP Administration	1,538,266	-	-	1,538,266
83 Service Center				
807 Service Center Administration	1,254,725	98,674	-	1,156,051
84 Grounds				
808 McClellan Ranch Park	187,822	-	-	187,822
809 Memorial Park	868,977	-	-	868,977
811 BBF Ground Maintenance	338,791	-	-	338,791
812 School Site Maintenance	1,599,983	149,448	-	1,450,535
813 Neighborhood Parks	2,647,280	-	-	2,647,280
814 Sport Fields Jollyman CRK	925,750	-	-	925,750
815 Civic Center Ground Maint	515,160	299,961	-	215,199
85 Streets				
848 Street Lighting	988,320	-	-	988,320
850 Environmental Materials	217,696	-	-	217,696
86 Trees and Right of Way				
824 Overpasses and Medians	1,651,835	-	-	1,651,835
825 Street Tree Maintenance	1,930,432	61,210	-	1,869,222
826 Weekend Work Program	572,015	-	-	572,015
87 Facilities and Fleet				
827 Bldg Maint City Hall	655,463	452,294	-	203,169
828 Bldg Maint Library	646,923	292,694	-	354,229
829 Bldg Maint Service Center	410,725	-	-	410,725
830 Bldg Maint Quinlan Center	561,259	-	-	561,259
831 Bldg Maint Senior Center	401,923	-	-	401,923
832 Bldg Maint McClellan Ranch	234,438	874	-	233,564
833 Bldg Maint Monta Vista Ct	194,762	-	-	194,762
834 Bldg Maint Wilson	101,531	-	-	101,531
835 Bldg Maint Portal	60,736	-	-	60,736
837 Bldg Maint Creekside	106,935	-	-	106,935
838 Comm Hall Bldg Maint	259,761	-	-	259,761
839 Teen Center Bldg Maint	48,987	-	-	48,987
840 Park Bathrooms	126,256	-	-	126,256
841 BBF Facilities Maintenance	542,039	-	-	542,039
852 Franco Traffic Operations Center	6,658	-	-	6,658

88 Transportation

844 Traffic Engineering	1,514,399	-	-	1,514,399
845 Traffic Signal Maintenance	811,832	-	-	811,832
846 Safe Routes 2 School	846,271	-	-	846,271

90 Citywide - Non Departmental

001 No Department	11,269,487	-	-	11,269,487
502 EE Housing Loan	-	-	-	-
GENERAL FUND SUBTOTAL I	\$ 88,138,778	\$ 18,788,946	\$ -	\$ 69,349,832

General Fund Revenue/Fund Balance

General Fund Revenue	-	70,681,945	-	(70,681,945)
Unassigned Fund Balance	-	-	\$ 1,332,113	1,332,113
GENERAL FUND SUBTOTAL II	\$ -	\$ 70,681,945	\$ 1,332,113	\$ (69,349,832)

TOTAL GENERAL FUND	\$ 88,138,778	\$ 89,470,891	\$ 1,332,113	\$ -
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Special Revenue Fund

Non Point Source	1,185,579	1,553,100	367,521	-
Storm Drain Maintenance	779,504	-	(779,504)	-
HCD General Administration	124,376	79,439	(44,937)	-
CDBG- Capital Grants	258,214	261,475	3,261	-
Public Service Grants	59,588	59,588	-	-
Below Market Rate Housing	1,509,132	3,611,855	2,102,723	-
Sidewalk, Curb and Gutter Maint	1,868,903	-	(1,868,903)	-
Street Pavement Maintenance	4,797,069	1,624,285	(3,172,784)	-
Street Signs/Markings	901,865	-	(901,865)	-
Non-Departmental	381,000	1,550,929	7,627,753	6,457,824
TOTAL SPECIAL REVENUE FUNDS	\$ 11,865,230	\$ 8,740,671	\$ 3,333,265	\$ 6,457,824

Debt Service

Public Facilities Corporation	2,676,000	-	(55,000)	2,621,000
TOTAL DEBT SERVICE	\$ 2,676,000	\$ -	\$ (55,000)	\$ 2,621,000

Capital Projects Funds

CIP - CIP Prelim Planning & Design	125,000	-	(125,000)	-
CIP - Capital Project Support	50,000	-	(50,000)	-
TOTAL CAPITAL PROJECTS FUNDS	\$ 175,000	\$ -	\$ (175,000)	\$ -

Enterprise Funds

Resources Recovery	2,152,096	1,494,578	(657,518)	-
Golf Course	680,050	340,000	(260,058)	79,992
Sports Center	2,902,360	2,701,000	(201,360)	-
Sports Center Maintenance	624,673	-	(624,673)	-
Youth Teen Recreation	1,828,845	742,000	(1,086,845)	-
Outdoor Recreation	1,159,093	657,000	304,716	806,809
TOTAL ENTERPRISE FUNDS	\$ 9,347,117	\$ 5,934,578	\$ (2,525,738)	\$ 886,801

Internal Service Funds

Information Services Admin	252,124	-	(252,124)	-
Information Technology	2,202,453	1,882,195	(128,180)	192,078
GIS	1,424,906	1,077,408	(347,498)	-
Equipment Maintenance	1,557,044	2,084,598	527,554	-
Equipment Fixed Asset Acquisition	1,001,017	-	(1,001,017)	-
Workers' Compensation Claims	434,840	356,839	(78,001)	-
Disability Claims	95,612	-	(95,612)	-
Leave Payouts	620,590	-	(599,020)	21,570
Retiree Medical Insurance	1,241,926	-	(169,215)	1,072,711
TOTAL INTERNAL SERVICE FUNDS	\$ 8,830,512	\$ 5,401,040	\$ (2,143,113)	\$ 1,286,359

TOTAL ALL FUNDS	\$ 121,032,637	\$ 109,547,180	\$ (233,473)	\$ 11,251,984
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Fund Balance Report

Fund	Fund Balance 7/1/2020	Projected Fund Balance 7/1/2021	Proposed Budget Revenue	Proposed Budget Expenditures	Proposed Fund Balance 6/30/2022
100 <u>GENERAL FUND</u>	\$ 74,505,822	\$ 83,259,456	\$ 89,470,891	\$ 88,138,778	\$ 84,591,569
<u>SPECIAL REVENUE FUNDS</u>					
210, 215 Storm Drain Improvement	\$ 3,994,007	\$ 4,093,795	\$ 79,237	\$ -	\$ 4,173,032
230 Environmental Management/ Clean Creek / Storm Drain	1,780,980	1,440,606	1,554,008	2,331,083	663,531
260, 261 Housing & Community Development 265	8,459,127	10,398,317	4,012,357	1,951,310	12,459,364
270, 271 Transportation	5,415,633	8,686,304	9,552,893	7,567,837	10,671,360
280, 281 Park Dedication	12,345,427	4,269,293	-	15,000	4,254,293
TOTAL SPECIAL REVENUE FUNDS	\$ 31,995,174	\$ 28,888,315	\$ 15,198,495	\$ 11,865,230	\$ 32,221,580
<u>DEBT SERVICE FUND</u>					
365 Public Facilities Corporation	\$ 1,685,872	\$ 55,016	\$ 2,621,000	\$ 2,676,000	\$ 16
TOTAL DEBT SERVICE FUND	\$ 1,685,872	\$ 55,016	\$ 2,621,000	\$ 2,676,000	\$ 16
<u>CAPITAL PROJECTS FUNDS</u>					
420 Capital Improvement Fund	32,265,236	28,163,299	-	175,000	27,988,299
427 Stevens Creek Corridor Park	197,045	121,648	-	-	121,648
429 Capital Reserve	8,088,854	11,099,405	-	-	11,099,405
TOTAL CAPITAL PROJECTS FUNDS	\$ 40,551,134	\$ 39,384,351	\$ -	\$ 175,000	\$ 39,209,351
<u>ENTERPRISE FUNDS</u>					
520 Resource Recovery	\$ 5,333,668	\$ 4,389,772	\$ 1,494,578	\$ 2,152,096	\$ 3,732,254
560 Blackberry Farm	291,097	534,743	419,992	680,050	274,685
570 Sports Center	2,573,194	1,228,814	2,701,000	3,527,033	402,781
580 Recreation Programs	1,055,863	782,620	2,205,809	2,987,938	491
TOTAL ENTERPRISE FUNDS	\$ 9,253,822	\$ 6,935,949	\$ 6,821,379	\$ 9,347,117	\$ 4,410,211
<u>INTERNAL SERVICE FUNDS</u>					
610 Information Technology	\$ 1,529,263	\$ 727,802	\$ 3,151,681	\$ 3,879,483	\$ (0)
620 Workers' Compensation	2,382,142	2,252,304	356,839	434,840	2,174,303
630 Equipment	1,533,983	1,139,207	2,084,598	2,558,061	665,744
641 Compensated Absence & LTD	1,179,269	703,201	21,570	716,202	8,569
642 Retiree Medical	1,334,793	372,206	1,072,711	1,241,926	202,991
TOTAL INTERNAL SERVICE FUNDS	\$ 7,959,449	\$ 5,194,719	\$ 6,687,399	\$ 8,830,512	\$ 3,051,606
TOTAL ALL FUNDS	\$ 165,951,274	\$ 163,717,807	\$ 120,799,164	\$ 121,032,637	\$ 163,484,334

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 2021-22, General Fund revenue estimates (excluding fund balance) total \$89.5 million, representing a \$10.4 million, or 13.2% increase from the FY 2020-21 Adopted Budget, mostly due to an increase in sales tax and intergovernmental revenues.

General Fund expenditure estimates total \$88.1 million, which is slightly higher than the FY 2020-21 Adopted Budget. The General Fund's ending fund balance is projected to increase by 3% from FY 2020-21 estimated ending fund balance. This is due to a projected increase in sales tax and intergovernmental revenues, offset by a continued decrease in transient occupancy tax revenues as uncertainty remains as part of the COVID-19 pandemic.

GENERAL FUND OPERATING SUMMARY					
	2018-19 Actuals	2019-20 Actuals	2020-21 Estimated	2021-22 Proposed	Percent Change
Beginning Fund Balance	52,510,547	58,922,585	74,505,813	83,259,456	12%
Operating Revenue	88,829,941	111,179,073	97,137,077	89,470,891	-8%
Operating Expenditures	(82,390,187)	(95,481,452)	(89,629,944)	(88,138,778)	-2%
Net Revenue/Expenditures	6,439,754	15,697,621	7,507,133	1,332,113	-82%
Committed/Other	31,026,457	40,078,871	44,134,009	46,129,009	5%
Unassigned	27,896,128	34,426,942	39,125,447	38,462,560	-2%
Total Ending Fund Balance	58,922,585	74,505,813	83,259,456	84,591,569	2%

General Fund Revenues

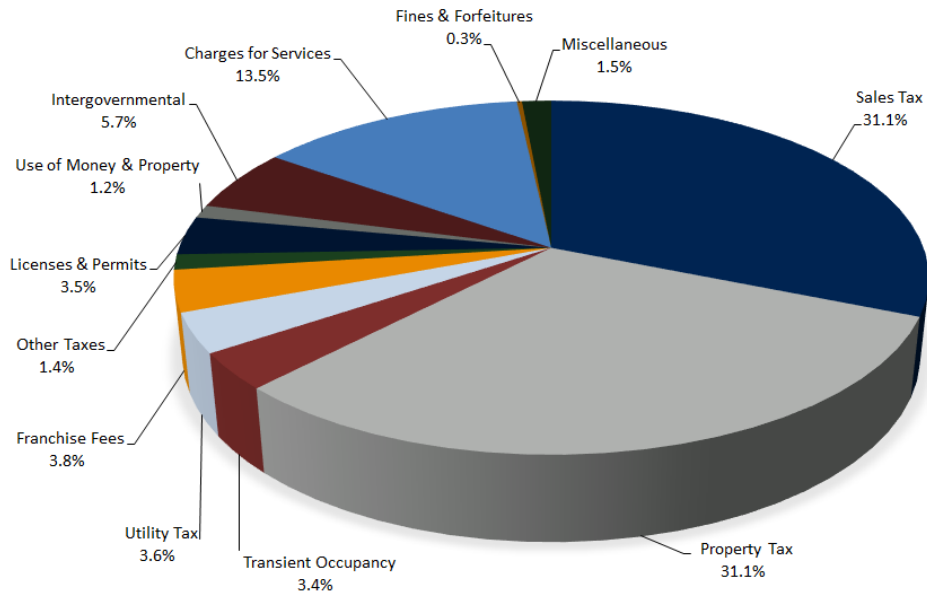
Estimates for the FY 2021-22 beginning fund balance and General Fund revenue sources are based upon a careful examination of collection history and patterns as they relate to such factors as seasonality and performance in the economic environment that the City is most likely to encounter in the coming year. FY 2021-22 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 2021-22 revenue estimates are built on the assumption of conservative economic decline due to the impact of the COVID-19 pandemic.

As shown in the chart below, FY 2021-22 revenues are estimated at \$89.5 million, a 13.2% increase over the FY 2020-21 Adopted Budget.

GENERAL FUND REVENUE SUMMARY					
REVENUES	2018-19 Actuals	2019-20 Actuals	2020-21 Adopted	2021-22 Proposed	Percent Change
Sales Tax	24,901,779	35,657,215	20,910,889	27,855,559	33.2%
Property Tax	25,301,094	26,606,844	25,353,783	27,840,341	9.8%
Transient Occupancy	8,901,337	7,286,083	7,546,884	3,000,000	-60.2%
Utility Tax	3,089,921	3,182,087	3,223,712	3,245,447	0.7%
Franchise Fees	3,445,253	3,418,909	3,280,447	3,380,986	3.1%
Other Taxes	1,659,916	1,402,002	1,212,939	1,248,720	2.9%
Licenses & Permits	4,102,665	4,692,845	3,139,473	3,140,195	0.0%
Use of Money & Property	2,680,997	4,189,877	1,246,510	1,072,220	-14.0%
Intergovernmental	473,942	747,942	335,567	5,093,946	1418.0%
Charges for Services	10,977,805	11,986,328	11,091,064	12,047,922	8.6%
Fines & Forfeitures	511,472	327,833	425,000	225,000	-47.1%
Miscellaneous	2,783,761	11,681,108	1,293,857	1,320,555	2.1%
TOTAL REVENUES	88,829,941	111,179,073	79,060,125	89,470,891	13.2%

The majority of Cupertino's General Fund operating revenues are generated by property taxes (31%) and sales taxes (31%), followed by charges for services (14%) and intergovernmental (6%). The chart on the next page illustrates the sources of General Fund revenue by category.

General Fund Revenues By Category



The FY 2021-22 General Fund revenue estimates are discussed by category in the material that follows.

SALES & USE TAX	
FY 19-20 Actual	35,657,215
FY 20-21 Adopted	20,910,889
FY 20-21 Estimate	29,508,509
FY 21-22 Proposed	27,855,559
% of General Fund	31.13%
% Change from FY 20-21 Adopted	33.21%

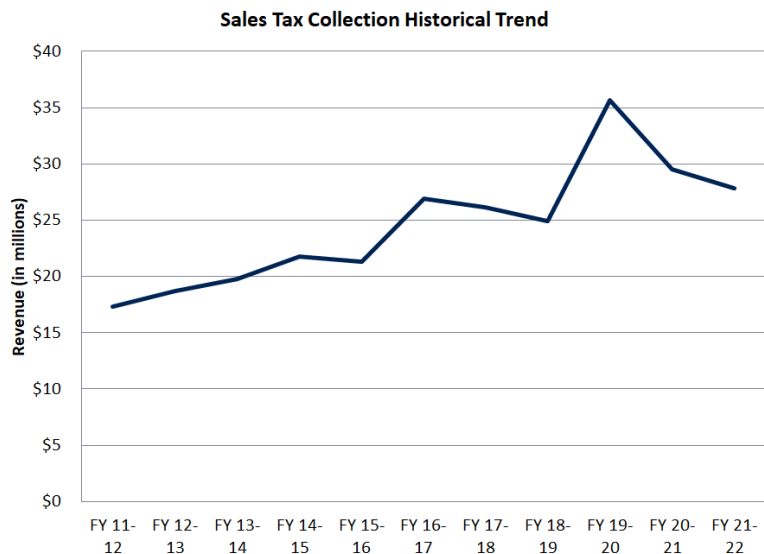
Agency	Sales Tax Distribution
State	6.000%
VTA	1.125%
City of Cupertino	1.000%
County General Purpose	0.625%
County Transportation	0.250%
Total:	9.000%

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 above. Staff will continue to monitor competing interests for the City’s ¼ cent sales tax imposed on local governments as a potential new source of revenue for affordable housing and transportation. Should the City decide to include a similar measure on the ballot in November 2020, and subject to voter approval, the City has an opportunity to retain local control over the additional sales tax proceeds.

The City’s sales tax revenues are generated from five principal economic categories: business-to-business 65.0% (includes electronic equipment and software manufacturers and distributors), state and county pools 20%, restaurants and hotels 6%, general retail 4%, and fuel and service stations and other 6%.

Our two largest sales taxpayers 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 decreased across most sectors. This decrease is attributed to the COVID-19 pandemic that has impacted spending overall. Given these trends, the City’s FY 2020-21 sales tax revenue is projected to show an immediate, significant decline with conservative increases throughout the pandemic and recessionary period to follow. Historically, sales tax receipts increased by 26.1% in FY 2016-17 due to a one-time \$3.5 million payment related to the closeout of the triple flip and took a slight dip of 2.8% in FY 2017-18. Additionally, the City’s sales tax revenues spiked to historic highs in both FY 2019-20 and FY 2020-21; however, the City is considering this to be a one-time experience. Sales tax revenues are estimated to generate \$27.9 million in FY 2021-22, which is up 33.2% from the FY 2020-21 Adopted Budget.

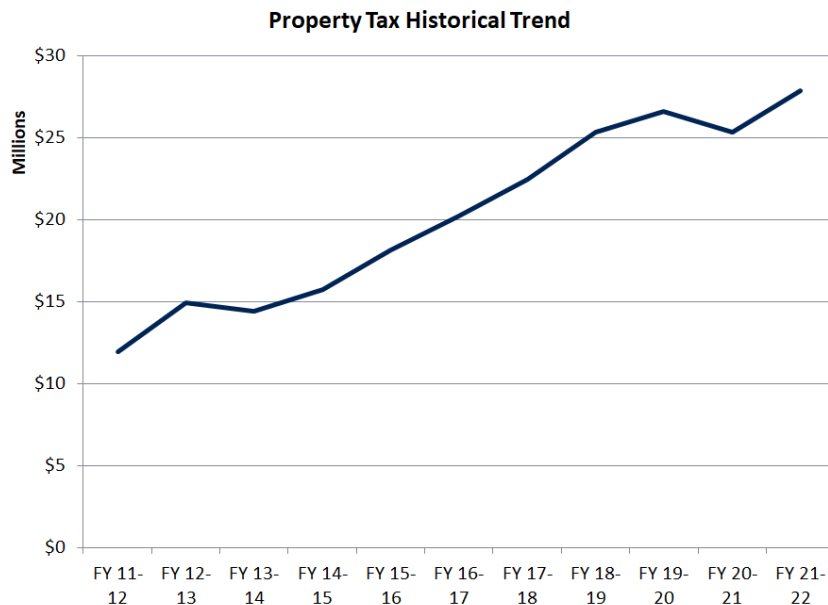


The swift reaction by consumers and businesses to the outbreak of COVID-19 in 2020 created significant fluctuations for the City’s industry groups. While restaurants and hotels, general consumer goods, and automotive industry groups were severely impacted, the City’s business-to-business and County pool allocation share increased substantially. This was brought on by shelter-in-place mandates throughout the State, which reduced the sales tax revenue for restaurants and brick and mortar retail, thereby increasing online sales. Additionally, the conversion to a telework environment increased the demand for computer and electronics equipment, which also increased the City’s sales tax revenues. As the State continues toward

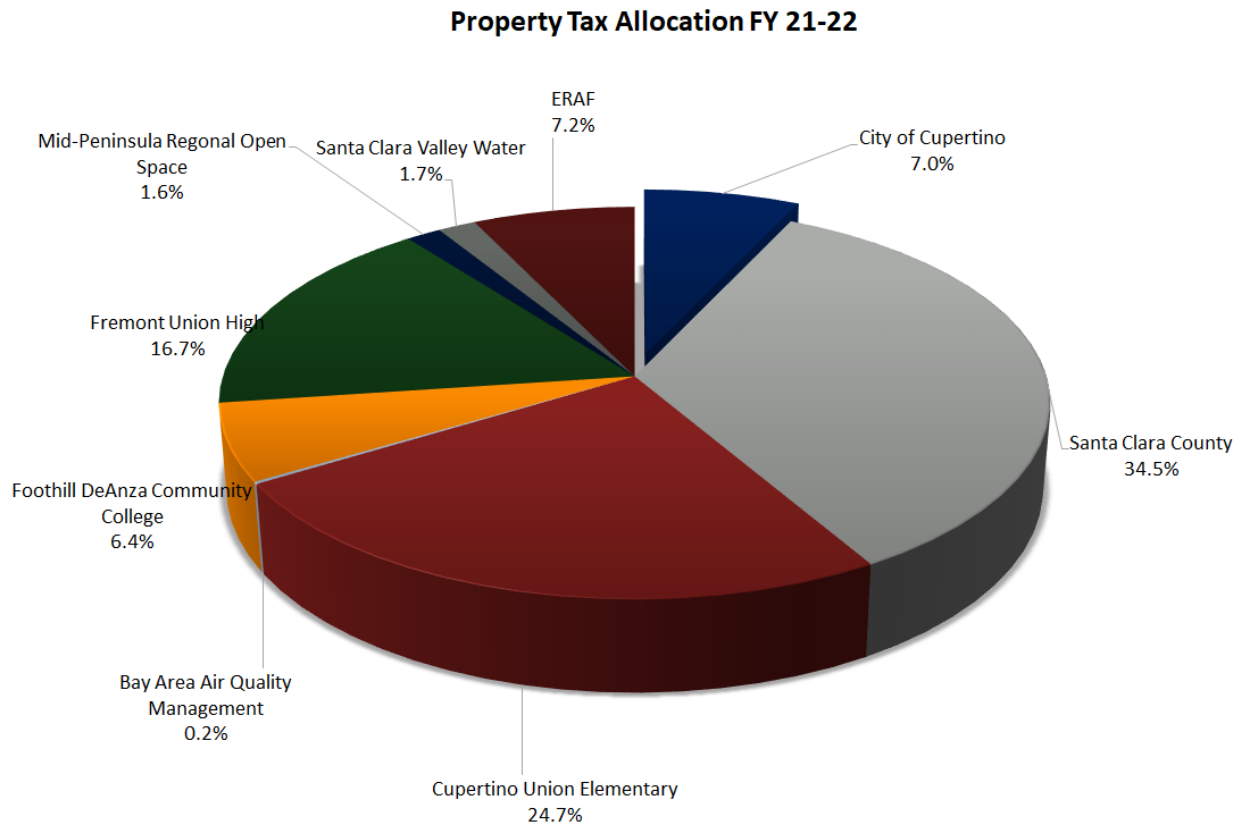
recovery and businesses continue their opening, it is anticipated the City’s restaurant and hotels, general consumer goods, and automotive industry groups will recover and increase as well. However, these increases will only slightly mitigate the anticipated declines in the City’s business-to-business and County pool share allocation as online sales fall from recent historic highs. Although much uncertainty about where the City’s new sales tax base will land at the end of the recovery period, the City anticipates positive annual sales tax increases into the future. As information and data continue to become available, staff will bring forth updates and adjustments on a regular basis as necessary.

PROPERTY TAX	
FY 19-20 Actual	26,606,844
FY 20-21 Adopted	25,353,783
FY 20-21 Estimate	25,353,783
FY 21-22 Proposed	27,840,341
% of General Fund	31.12%
% Change from FY 20-21 Adopted	9.81%

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. The Property Tax Historical Trend indicates a slight dip in FY 2020-21, which reflects budgeted amounts rather than actuals.



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.



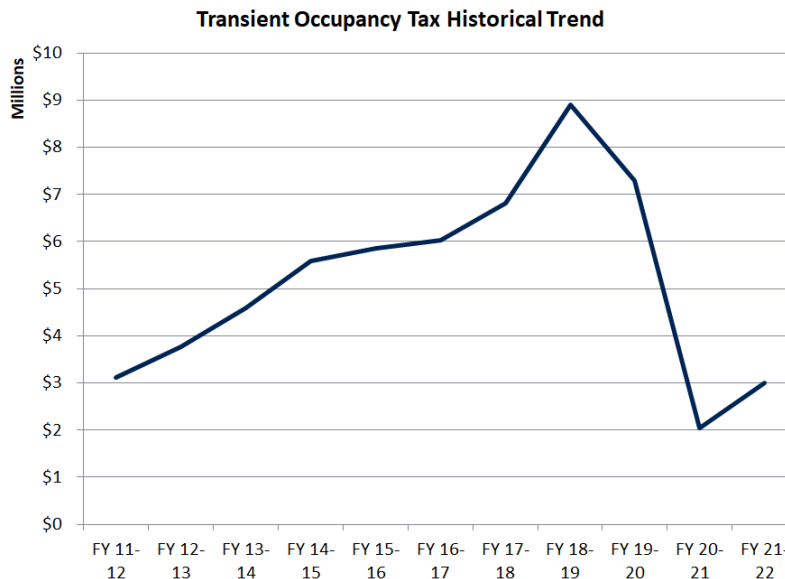
In FY 2006-07 West Valley cities won the passage of State legislation which restored a portion of TEA property tax revenue. This TEA change provided an additional \$1.35 million in property tax annually and increased the City’s share of property taxes to 5.6%. Cupertino, in conjunction with three other 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. TEA will be fully restored and Cupertino will keep 7.0% of property tax revenues in FY 2019-20 compared to 6.72% in FY 2018-19. Additionally, the Educational Revenue Augmentation Fund (ERAF), a mechanism, enacted in July of 1992 by the State Legislature to shift local tax revenues from cities, counties, and special districts to a State control ERAF, absorbs the shift-back of the TEA.

The City experienced a net taxable value increase of 6.95% for the 2020-2021 tax roll. The bulk of the increase was due to increases in residential properties by \$802 million, or 5%. This category makes up 60.3% of the net taxable value. Unsecured property tax increased by \$782 million, or 47.6%. This category makes up 8.7% of the net taxable value. Lastly, increases in commercial property values increased by \$169 million, or 2.3%. This

category makes up 27.2% of the net taxable value. The effects of COVID-19 on housing prices in Cupertino and the Bay Area have yet to be felt. Although values continue to increase, staff will monitor the potential impact of long-term and even permanent telework environments in the City and region.

TRANSIENT OCCUPANCY TAX	
FY 19-20 Actual	7,286,083
FY 20-21 Adopted	7,546,884
FY 20-21 Estimate	2,046,884
FY 21-22 Proposed	3,000,000
% of General Fund	3.35%
% Change from FY 20-21 Adopted	-60.25%

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 end FY 2020-21 lower than the adopted budget mainly due to the shelter-in-place order Santa Clara County Public Health Department put into effect mid-March 2020 to control the COVID-19 pandemic. Until COVID-19 impacts are tempered and employees begin returning to their places of work, TOT will suffer greatly.

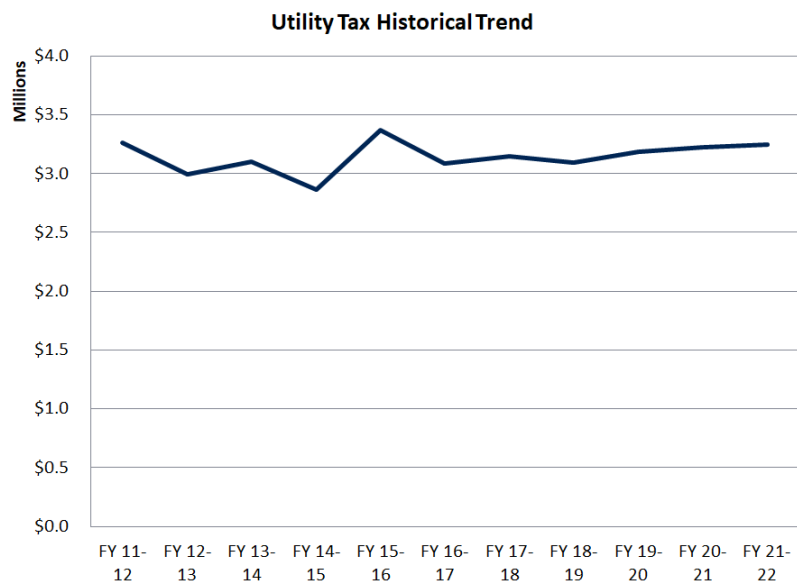


TOT is projected to decrease 60.3% in FY 2021-22. The City anticipates a “full-recovery” of TOT by FY 23-24; however, the extent of the recovery is uncertain as the decision for long-term and even permanent telework environments remain to be determined. Currently, a recovery to a \$7.5 million level is anticipated by FY 23-24. With a Proposed Budget amount in FY 21-22 of \$3 million, it is clear the recovery will not take place

overnight; however, staff is cautiously optimistic that this recovery could be accelerated through the continued roll-out of COVID-19 vaccinations. Staff will continue to monitor these activities and bring forward adjustments and recommendations as necessary.

UTILITY TAX	
FY 19-20 Actual	3,182,087
FY 20-21 Adopted	3,223,712
FY 20-21 Estimate	3,223,712
FY 21-22 Proposed	3,245,447
% of General Fund	3.63%
% Change from FY 20-21 Adopted	0.67%

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.



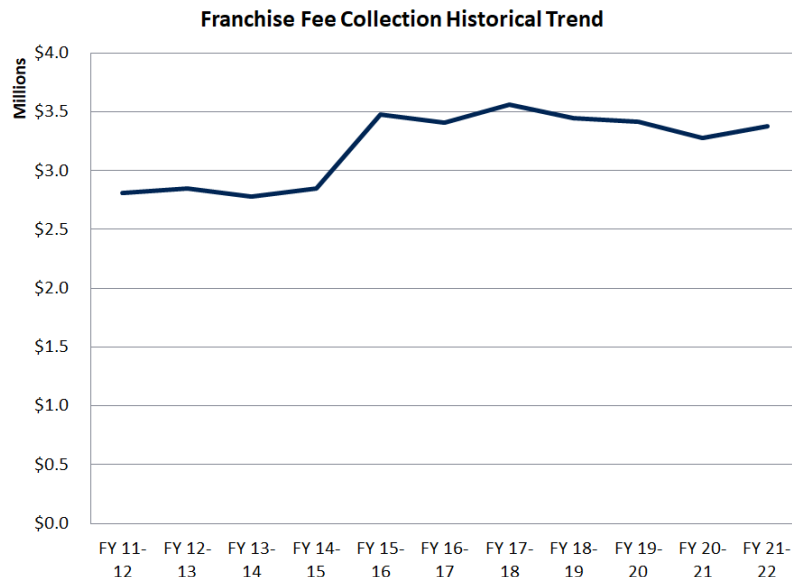
Utility User Tax Comparison				
	Gas/Electric	Cable	Water	Telecom
Sunnyvale	2.0%	-	-	2.0%
Cupertino	2.4%	-	-	2.4%
Mountain View	3.0%	-	-	3.0%
Los Altos	3.5%	3.2%	3.5%	3.2%
Palo Alto	5.0%	-	5.0%	5.0%
Gilroy	5.0%	4.5%	-	4.5%
San Jose	5.0%	-	5.0%	4.5%

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 2019-20, UUT revenues increased by 2.9% compared to FY 2018-19 and are estimated to increase 1.3% in FY 2020-21. Budgeted revenues are expected to remain at \$3.2 million for FY 2021-22 and beyond. This revenue source will be monitored closely as the fiscal year progresses.

FRANCHISE FEES	
FY 19-20 Actual	3,418,909
FY 20-21 Adopted	3,280,447
FY 20-21 Estimate	3,280,447
FY 21-22 Proposed	3,380,986
% of General Fund	3.78%
% Change from FY 20-21 Adopted	3.06%

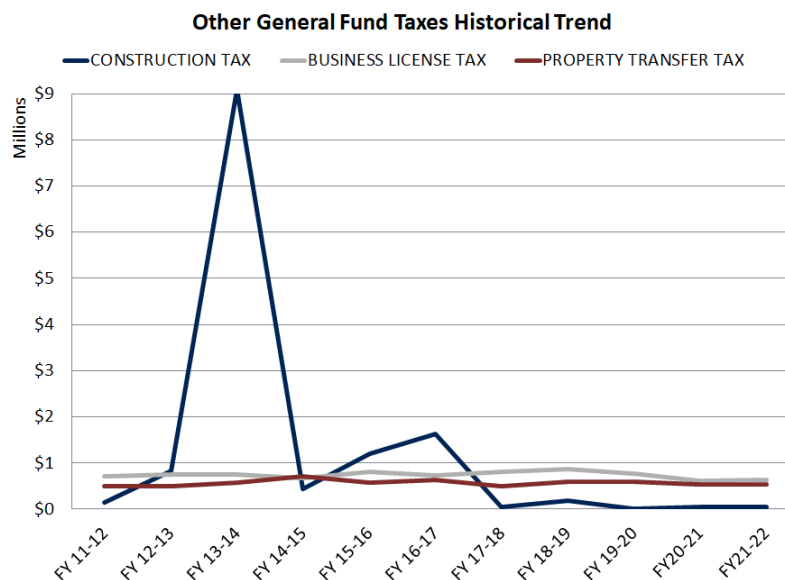
Franchise fees are received from cable, solid waste, water, gas and electricity franchisees that operate in the City. The fees range from 1% to 12% of the franchisee's gross revenues depending on each particular agreement. As shown in the graph below, these revenues are relatively steady and not sensitive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



Franchise fee revenues decreased by 0.8% in FY 2019-20 from the prior year. In FY 2020-21, franchise fee revenues are trending down 4.0% 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 2021-22. This revenue source will be monitored closely as the fiscal year progresses.

OTHER TAXES	
FY 19-20 Actual	1,402,002
FY 20-21 Adopted	1,212,939
FY 20-21 Estimate	1,212,939
FY 21-22 Proposed	1,248,720
% of General Fund	1.40%
% Change from FY 20-21 Adopted	2.95%

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

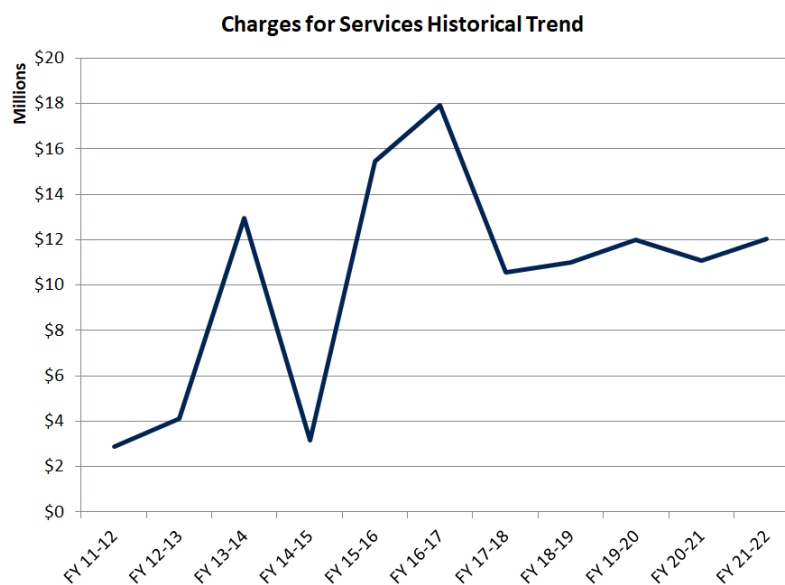


With the influx of several major construction projects beginning in 2012, revenues began increasing. The largest of the projects included the Apple Park and Main Street developments. These projects coupled with a strong housing recovery created a record year for revenues in FY 2013-14. These revenues have since returned to historic levels. In FY 2021-22, these revenues are expected to remain at \$1.2 million.

CHARGES FOR SERVICES	
FY 19-20 Actual	11,986,328
FY 20-21 Adopted	11,091,064
FY 20-21 Estimate	13,392,301
FY 21-22 Proposed	12,047,922
% of General Fund	13.47%
% Change from FY 20-21 Adopted	8.63%

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.

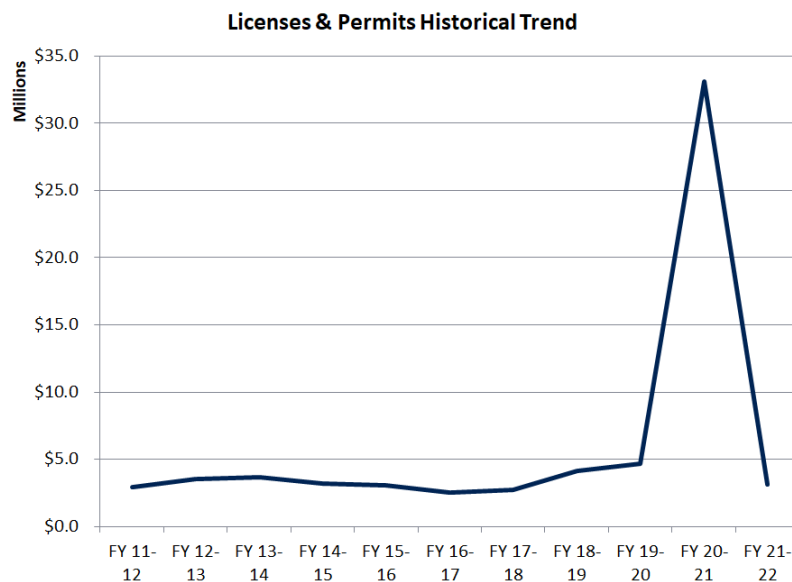


Current year actuals will come in higher compared to budgeted levels due to the uncertainty of the COVID-19 pandemic impact causing the City's recreation facilities to shut down by way of the shelter-in-place orders

of the Santa Clara County Public Health Department. Increases to the City fees (effective July 3, 2021) would represent additional revenues of approximately \$551,000. As the City moves toward a recovery, growth in charges for services revenues is anticipated in FY 2021-22, with a full recovery achieved in FY 2022-23.

LICENCES AND PERMITS	
FY 19-20 Actual	4,692,845
FY 20-21 Adopted	3,139,473
FY 20-21 Estimate	33,123,003
FY 21-22 Proposed	3,140,195
% of General Fund	3.51%
% Change from FY 20-21 Adopted	0.02%

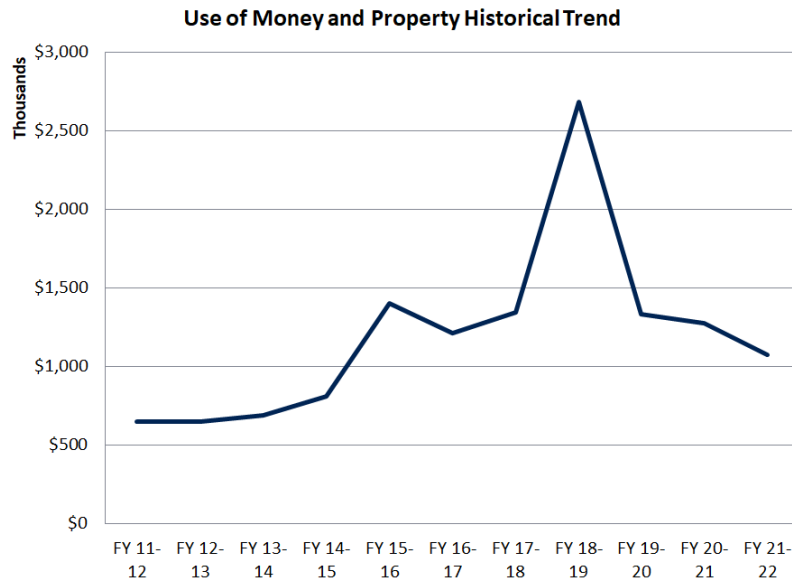
Licenses and permits include fees for reviewing building plans, building inspections, construction, tenant improvements, and commercial/residential installations for compliance with state and municipal building codes.



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 until FY 2018-19 when revenues came in 48.8% higher. Although this revenue source is relatively consistent from year to year, fluctuations may occur depending on the timing of projects being completed. The \$33.1 million estimated amount in FY 2020-21 is due to Vallco Town Center and its scheduled commencement in FY 2020-21 and FY 2021-22. These revenues will be carried forward and recognized as the project progresses to completion. This revenue category is expected to remain at \$3.1 million in FY 2021-22.

USE OF MONEY AND PROPERTY	
FY 19-20 Actual	4,189,877
FY 20-21 Adopted	1,246,510
FY 20-21 Estimate	1,246,510
FY 21-22 Proposed	1,072,220
% of General Fund	1.20%
% Change from FY 20-21 Adopted	-13.98%

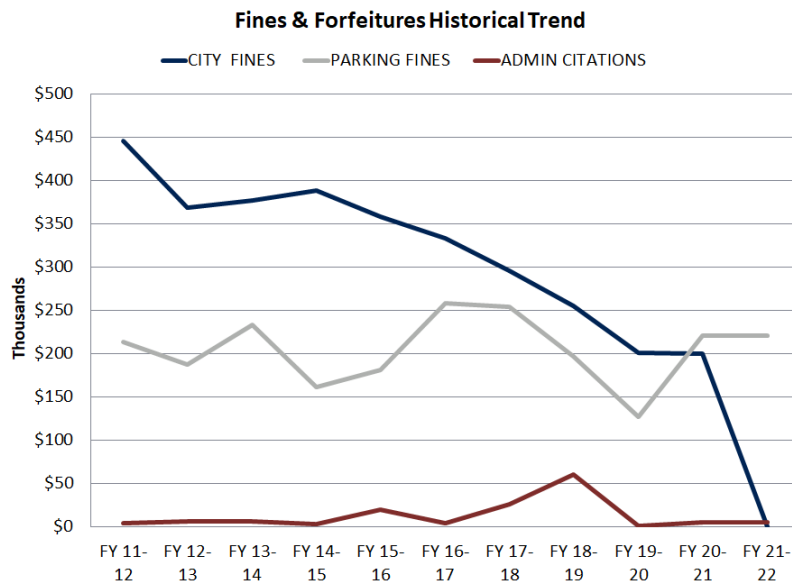
The use of money and property category is comprised of General Fund interest earnings as well as facility and concession rental income of City-owned property. The City's portfolio is approximately \$154.9 million. Fluctuations in this revenue category are a result of investment earnings, as rental income 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 Federal Open Market Committee kept monetary policy unchanged at their March 2021 meeting as expected, with the fed funds target rate in the range of 0.0% to 0.25%. The Fed intends to remain accommodative until the labor market has made a strong recovery and inflation is sustainably on track to achieve their 2.0% longer-run target. The majority of Fed policymakers expect to keep the fed funds rates unchanged through 2023. Through inflation rates are likely to increase in the coming months, the Fed believes the increase will be transitory and the Fed intends to remain on the sidelines. Fed Chair Powell emphasized that policymakers will clearly telegraph their outlook for monetary policy well in advance of any future policy changes. The yield curve has steepened. Year-to-date, the yield on 2-year Treasuries is about four basis points higher while the yield on 10-year Treasuries is nearly 83 basis points higher, as of March month-end. In April, we have seen a modest retreat in longer-term Treasury yields. Nevertheless, it is believed the Treasury yield curve is poised to modestly steepen further as the year progresses, which would be consistent with an improving economic outlook, more widespread vaccine

distribution, the anticipation of ongoing fiscal spending, and a moderate pick-up inflation. City staff will continue to monitor interest rates as well as economic factors in both the local as well as the national economy.

FINES AND FORFEITURES	
FY 19-20 Actual	327,833
FY 20-21 Adopted	425,000
FY 20-21 Estimate	425,000
FY 21-22 Proposed	225,000
% of General Fund	0.25%
% Change from FY 20-21 Adopted	-47.06%



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. Fines and forfeiture revenue is projected to remain relatively flat in FY 2020-21. In FY 2021-22 revenues are expected to decrease by 47% based on a trending decrease in city fines.

INTERGOVERNMENTAL	
FY 19-20 Actual	747,942
FY 20-21 Adopted	335,567
FY 20-21 Estimate	1,079,033
FY 21-22 Proposed	5,093,946
% of General Fund	5.69%
% Change from FY 20-21 Adopted	1418.01%

Intergovernmental revenues are made up of federal, state, and regional grants, including miscellaneous intergovernmental revenue. In FY 2021-22, revenues of \$5,093,946 are anticipated. This significant increase in revenue is due to the receipt of COVID-19 relief dollars as part of the American Rescue Plan Act of 2021. The City is receiving \$4,852,301 in FY 2020-21 and \$4,852,301 in FY 2021-22.

MISCELLANEOUS REVENUE	
FY 19-20 Actual	1,217,670
FY 20-21 Adopted	1,003,857
FY 20-21 Estimate	1,507,457
FY 21-22 Proposed	1,000,555
% of General Fund	1.12%
% Change from FY 20-21 Adopted	-0.33%

Miscellaneous revenues account for unanticipated revenues such as donations and administrative fees. FY 2021-22 miscellaneous revenue remains relatively consistent with FY 2020-21 Adopted Budget. FY 2020-21 miscellaneous revenue is estimated to come in higher than budgeted due to a \$500,000 increase in administrative fees for Community Development Department projects. The majority of the General Fund's miscellaneous revenues are due to Apple's annual donation for additional sheriff services at Apple Park.

OTHER FINANCING SOURCES	
FY 19-20 Actual	451,439
FY 20-21 Adopted	275,000
FY 20-21 Estimate	1,839,432
FY 21-22 Proposed	275,000
% of General Fund	0.31%
% Change from FY 20-21 Adopted	0.00%

Other Financing Sources generally account for refundable deposit revenues within the Community Development Department. With significant fluctuations year-over-year, staff conservatively estimate these revenues. This revenue source is expected to remain at \$275,000 in FY 2021-22.

TRANSFERS IN	
FY 19-20 Actual	10,012,000
FY 20-21 Adopted	15,000
FY 20-21 Estimate	507,832
FY 21-22 Proposed	45,000
% of General Fund	0.05%
% Change from FY 20-21 Adopted	200.00%

Transfers In represent the movement of funds from one City fund to another; the General Fund in this case. The City estimates between \$15,000 and \$45,000 in transfers in from the City's Tree Fund into the General Fund to support ongoing tree maintenance operations. In FY 2019-20, and as part of the Mid-Year Financial Report, staff recommended and Council approved a \$20 million transfer to the Capital Reserve to fund future capital projects. Immediately subsequent to this transfer, the COVID-19 pandemic sparked unprecedented uncertainty and as part of the FY 2019-20 3rd Quarter Financial Report, staff recommended and Council approved \$10 million of the \$20 million be transferred back to the General Fund. The FY 2020-21 estimate of \$507,832 is unusually higher due to the refinancing of the City's certificates of participation in the fall of 2020. Savings in the first year of approximately \$492,000 were transferred back to the General Fund as part of the Mid-Year Financial Report.

General Fund Expenditures

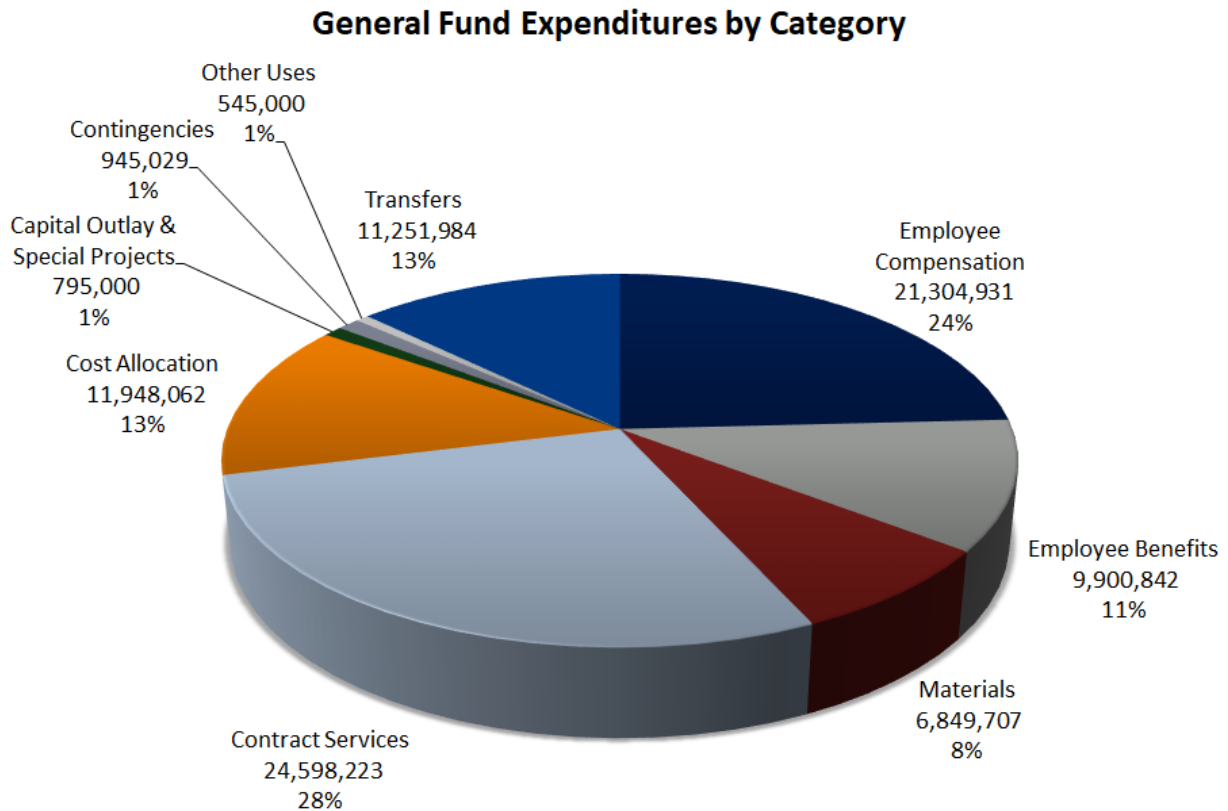
Estimates for the FY 2021-22 General Fund expenditures are based upon anticipated personnel and non-personnel cost increases. This year, department budgets reflect a base budget with justified ongoing expenses, accounting for changes in personnel costs and any other anticipated/known increased costs in FY 2021-22. In addition, most budgets were given additional funds for any unexpected expenditures that are accounted for in the contingency account, which remained at 2.5% of base materials and contract services. Lastly, per the City's Reserve policy, an unassigned General Fund balance above the \$500,000 maximum balance will be recommended for transfer to the Capital Reserve Fund for future capital and infrastructure projects, after year-end close and as part of the mid-year financial report.

With a projected increase in unassigned fund balance for FY 2021-22 and an unexpected increase in revenues during FY 2019-20 and FY 2020-21, the Proposed Budget is recommending to add back a number of prior year materials and contract services requests that were deferred to mitigate the impacts of COVID-19. Additionally, financial updates will be provided on a quarterly basis to effectively communicate the City's progress toward a financial recovery from COVID-19.

As shown in the chart on the next page, FY 2021-22 expenditures are estimated at \$88.1 million, which represents a 9% increase compared to the adopted budget from the prior year. This budget reflects an increase in Employee Compensation and Benefits due to negotiated salary and benefit changes as well as increased retirement costs. There is also an increase in Materials primarily attributed to an increase in software expenses, electrical, and water service charges in FY 2021-22. Additionally, there is an increase in Contract Services primarily attributed to the annual increase to the City's Law Enforcement contract with Santa Clara County Sheriff. Part of the increase in Contract Services is due to the inclusion of one-time special projects that will be broken out and reported in the special project classification as part of the Adopted Budget. These one-time projects are driven by the add-back of previously deferred items as a result of COVID-19 as well as an increase in City Work Program items compared to the previous year.

GENERAL FUND EXPENDITURE SUMMARY					
EXPENDITURES	2018-19 Actuals	2019-20 Actuals	2020-21 Adopted	2021-22 Proposed	Percent Change
Employee Compensation	17,232,957	18,153,833	20,295,000	21,304,931	5%
Employee Benefits	6,963,384	7,732,290	8,903,632	9,900,842	11%
Total Personnel Costs	24,196,341	25,886,123	29,198,632	31,205,773	7%
Non-Personnel Costs					
Materials	4,494,677	4,860,223	6,058,121	6,849,707	13%
Contract Services	20,361,957	21,528,698	22,051,314	24,598,223	12%
Cost Allocation	9,368,223	9,786,477	10,473,534	11,948,062	14%
Capital Outlay & Special Projects	4,211,639	2,245,576	1,448,852	795,000	-45%
Contingencies	-	40	824,350	945,029	15%
Other Uses	381,262	282,038	525,000	545,000	4%
Total Non-Personnel	38,817,758	38,703,053	41,381,171	45,681,021	10%
Transfers	19,376,087	30,892,276	9,948,689	11,251,984	13%
TOTAL EXPENDITURES	82,390,187	95,481,452	80,528,492	88,138,778	9%

The largest General Fund operating expenditure categories include Employee Compensation and Benefits (35%), Contract Services (28%), Cost Allocation (13%), and Transfers Out (13%) as illustrated in the FY 2021-22 General Fund Expenditures by Category chart.



Personnel Costs

Personnel costs total \$31.2 million in FY 2021-22, comprising 35% of General Fund expenditures. These costs are made up of salaries and compensation for benefitted and part-time staff (68%), retirement benefits (20%), and other fringe benefits (11%), 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 equity adjustments and negotiated salary and benefit changes.

CalPERS retirement rates are projected to increase 6.1%, 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 has not made any additional changes since December 2017. 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 204.75 FTEs are budgeted in FY 2021-22, up from 203.75 in FY 2020-21. The increase of 1.0 FTEs represents a 0.5% increase in staffing. The change in positions is summarized below:

FY 2020-21 Adopted Budget	203.75
Limited Term Recreation Coordinator	-1.00
FY 2021-22 Proposed Budget	
Emergency Management Analyst	1.00
Environmental Programs Assistant	1.00
FY 2021-22 Benefitted Positions	204.75

Non-Personnel

Non-personnel costs total \$45.7 million in FY 2021-22, comprising 52% of General Fund budgeted appropriations. These costs are primarily made up of Contract Services (28%), Cost Allocation charges (13%), Materials (8%), Capital Outlays and Special Projects (1%), and Contingencies (1%). Costs were developed from the base budget created in FY 2020-21 with justified ongoing expenses and adjustments for any other anticipated/known increased costs in FY 2021-22. 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.

With a projected increase in total unassigned fund balance for FY 2021-22, the City is able to add back a number of FY 2020-21 materials and contract services that were cut due to COVID-19 which is reflected in the 10% increase in non-personnel costs compared to the prior year. Although program contingencies will remain reduced from 5% of budgeted General Fund materials and contract services to 2.5%. Program contingencies have been allocated proportionately among operating programs based on each program's share of General Fund budget for materials and contract services. The City Manager Contingency is a second level of contingency established for unexpected expenditures that may occur over the program contingency. In FY 2020-21, City Manager contingencies were also reduced from 5% of budgeted General Fund materials and contract services to 2.5%. This brings total contingencies for the General Fund to 5% of 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. Program contingency budgets may be used to cover unanticipated program expenses at the department's discretion, while use of the City Manager Contingency will require City Manager approval. The Sheriff's and City Attorney services contracts are excluded from the contingency calculation.

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 FY 2021-22, budgets have been established for the following transfers.

Transfer Out from General Fund	Description	Amount
Special Revenue Funds	Sidewalk, Curb and Gutter Maintenance	\$6,457,824
Debt Service Funds	Annual Debt Payment	\$2,621,000
Enterprise Funds	Blackberry Farm Golf Course, Outdoor Recreation	\$886,801
Internal Service Funds	IT Infrastructure, General Fund Subsidy of Compensated Absences and Retiree Medical	\$1,286,359
TOTAL		\$11,251,984

General Fund Fund Balance

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

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

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

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

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

Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

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

General Fund Classification of Fund Balance

CLASSIFICATION	Actuals 2018-19	Actuals 2019-20	Adopted Budget 2020-21	Year End Projection 2020-21	Proposed 2021-22
<u>Non Spendable</u>					
Loans Receivable	454,188	449,341	446,000	446,000	441,000
Advance to Other Funds	-	3,000,000	-	3,000,000	3,000,000
Total Non Spendable	454,188	3,449,341	446,000	3,446,000	3,441,000
<u>Restricted</u>					
Public Safety Power Shutoff	-	217,551	-	-	-
CASp Certification and Training	13,982	13,193	13,982	13,982	13,982
PRSP Section 115 Trust	8,109,521	12,725,224	12,000,000	17,177,347	19,177,347
Public Access Television	1,346,167	1,368,789	1,346,167	1,368,789	1,368,789
Total Restricted	9,469,670	14,324,757	13,360,149	18,560,118	20,560,118
<u>Committed</u>					
Economic Uncertainty	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
Sustainability Reserve	123,397	127,891	123,397	127,891	127,891
Total Committed	19,123,397	19,127,891	19,123,397	19,127,891	19,127,891
<u>Assigned</u>					
Reserve for Encumbrances	1,979,202	3,176,882	3,000,000	3,000,000	3,000,000
Total Assigned	1,979,202	3,176,882	3,000,000	3,000,000	3,000,000
Total Unassigned	27,896,128	34,426,942	16,040,633	39,125,447	38,462,560
TOTAL FUND BALANCE	58,922,585	74,505,813	51,970,179	83,259,456	84,591,569

All Funds Summary

This section provides information on the FY 2021-22 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 2021-22 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 2021-22 revenue estimates are built on the assumption that the economy will experience conservative growth toward a recovery from COVID-19.

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	2019-20 Actuals	2020-21 Projected	2021-22 Proposed Budget
Other Taxes	372,233	3,102,882	3,691,092
Use of Money & Property	1,246,997	4,205	4,208
Intergovernmental	3,296,199	4,831,834	3,401,236
Charges for Services	1,501,776	1,526,471	1,547,078
Miscellaneous Revenue	704,734	1,443,723	87,057
Fines and Forfeitures	16,175	10,000	10,000
Transfers In	1,318,792	4,200,000	6,457,824
Total Revenue Sources	\$8,456,905	\$15,119,115	\$15,198,495

Revenues are projected to remain relatively flat over the previous fiscal year. This is largely due to an increase in transfers into the Transportation Fund offset with declines in non-discretionary revenue sources.

Qualifying projects in the Capital Improvement Program Capital Projects Fund will be using Measure B funds. A reduction in miscellaneous revenues is due to one-time capital project donations from Apple Inc., that will be carried over from previous fiscal years until the project is completed and the revenues are recognized.

Expenditures

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

EXPENDITURE USES	2019-20 Actuals	2020-21 Projected	2021-22 Proposed Budget
Employee Compensation	1,172,476	1,576,185	1,772,223
Employee Benefits	559,156	780,434	905,260
Materials	724,637	1,415,605	893,053
Contract Services	597,338	1,848,259	1,451,016
Cost Allocation	486,532	1,046,834	1,325,945
Capital Outlays	3,612,522	5,514,354	1,000,000
Special Projects	3,572,148	5,995,259	4,100,000
Contingencies	-	34,044	36,733
Transfers Out	12,000	15,000	381,000
Total Expenditures Uses	\$10,736,810	\$18,225,974	\$11,865,230

Expenditures are projected to decrease by \$6.4 million dollars primarily due to the Capital Improvement Program not being incorporated in the Proposed Budget due to the timing of preparation of the documents. Additionally, currently funded capital improvement projects within the Transportation Project have experienced delays in progress due to COVID-19. It is likely the timing of said expenditures will carry over into FY 2021-22.

Fund Balance

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

CHANGES TO FUND BALANCE	2019-20 Actuals	2020-21 Projected	2021-22 Proposed Budget
Beginning Balance	34,275,079	31,995,174	28,888,315
Net Increase (Decrease) in Fund Balance	(2,279,905)	(3,106,859)	3,333,265
Ending Balance	\$31,995,174	\$28,888,315	\$32,221,580

Debt Service Fund

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

On September 29, 2020, the City's 2020A Certificates of Participation (2020 COPs) were successfully sold in order to refund the City's 2012 Certificates of Participation for debt service savings. The refunding generated net present value savings of approximately \$3.14 million, 11.61% of refunded par and a True Interest Cost of 0.72%. Savings to the City's General Fund amounts to approximately \$494,000 per year for the next 10 years, or almost \$5 million in total savings.

Revenue

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

REVENUE SOURCES	2019-20	2020-21	2021-22
	Actuals	Projected	Proposed Budget
Use of Money & Property	26,611	332	-
Other Financing Sources	-	25,918,704	-
Transfers In	3,172,838	3,169,138	2,621,000
Total Revenue Sources	\$3,199,449	\$29,088,174	\$2,621,000

Revenues experienced significant increased activity in FY 2020-21 due to the refinancing. Annual transfers in from the General Fund are anticipated to decrease as a result of the savings from the refinancing.

Expenditures

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

EXPENDITURE USES	2019-20	2020-21	2021-22
	Actuals	Projected	Proposed Budget
Debt Service	3,174,337	30,719,030	2,676,000
Transfers Out	-	492,832	-
Total Expenditures Uses	\$3,174,337	\$30,719,030	\$2,676,000

Expenditures experienced significant increased activity in FY 2020-21 due to the refinancing. Annual debt service payments are expected to decrease in respect to years past as a result of the savings achieved from the refinancing.

Fund Balance

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

CHANGES TO FUND BALANCE	2019-20	2020-21	2021-22
	Actuals	Projected	Proposed Budget
Beginning Balance	1,660,760	1,685,872	55,016
Net Increase (Decrease) in Fund Balance	25,112	(1,630,856)	(55,000)
Ending Balance	\$1,685,872	\$55,016	\$16

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	2019-20	2020-21	2021-22
	Actuals	Projected	Proposed Budget
Use of Money and Property	907,854	-	-
Intergovernmental	55,000	1,460,000	-
Charges for Services	-	-	-
Miscellaneous	2,789,450	4,967,967	-
Transfers In	35,363,157	6,430,000	-
Total Revenue Sources	\$ 39,115,461	\$ 12,857,967	\$ -

Revenue is projected to decrease by \$12.9 million. This decrease is due to a reduction in transfers in from the General Fund due to the timing of the preparation of the Capital Improvement Program budget.

Expenditures

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

EXPENDITURE USES	2019-20	2020-21	2021-22
	Actuals	Projected	Proposed Budget
Employee Compensation	280,911	-	-
Employee Benefits	107,386	-	-
Contract Services	127,856	4,157,446	175,000
Capital Outlays	5,202,398	7,709,581	-
Cost Allocation	-	168,274	-
Transfers Out	26,057,719	1,989,449	-
Total Expenditures Uses	\$ 31,776,270	\$ 14,024,750	\$ 175,000

Expenditures are projected to decrease by \$13.8 million dollars due to the Capital Improvement Program not being incorporated in the Proposed Budget document. The Capital Improvement Program will be taken to City Council at a separate time and included in the Adopted Budget.

Fund Balance

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

CHANGES TO FUND BALANCE	2019-20	2020-21	2021-22
	Actuals	Projected	Proposed Budget
Beginning Balance	33,211,943	40,551,134	39,384,351
Net Increase (Decrease) in Fund Balance	7,339,191	(1,166,783)	(175,000)
Ending Balance	\$40,551,134	\$39,384,351	\$39,209,351

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	2019-20	2020-21	2021-22
	Actuals	Projected	Proposed Budget
Use of Money & Property	824,304	290,000	693,000
Intergovernmental	14,950	15,000	14,000
Charges for Services	5,727,442	4,440,333	5,217,578
Miscellaneous Revenue	9,819	-	10,000
Transfers In	3,523,000	2,849,000	886,801
Total Revenue Sources	\$10,099,515	\$7,594,333	\$6,821,379

Revenue is projected to decrease by \$773,000; however, the proposed revenues are consistent with the FY 2020-21 Adopted Budget. Although revenues are projected to outperform estimates in FY 2020-21, the timing and extent of recovery from COVID-19 is difficult to measure. As a result, conservative revenue estimates are being applied to the FY 2021-22 Proposed Budget.

Expenditures

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

EXPENDITURE USES	2019-20	2020-21	2021-22
	Actuals	Projected	Proposed Budget
Employee Compensation	1,663,896	1,601,475	1,871,811
Employee Benefits	779,705	531,530	647,092
Materials	328,368	378,322	417,242
Contract Services	3,935,926	3,787,295	4,967,179
Contingencies	-	128,141	134,527
Cost Allocation	1,651,322	923,089	1,034,107
Special Projects	267,823	2,270,909	-
Transfers Out	275,158	291,445	275,159
Total Expense Uses	\$8,902,199	\$9,912,206	\$9,347,117

Expenditures are projected to decrease by approximately \$565,000, largely in part to the Capital Improvement Program not being incorporated into the FY 2021-22 Proposed Budget.

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	2019-20	2020-21	2021-22
	Actuals	Projected	Proposed Budget
Beginning Balance	8,056,506	9,253,822	6,935,949
Net Increase (Decrease) in Retained Earnings	1,197,316	(2,317,873)	(2,525,738)
Ending Balance	\$9,253,822	\$6,935,949	\$4,410,211

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	2019-20	2020-21	2021-22
	Actuals	Projected	Proposed Budget
Use of Money & Property	367,522	-	-
Charges for Services	4,264,832	4,540,868	4,678,201
Transfers In	3,573,000	490,000	1,652,359
Other Financing Uses	307,569	246,385	356,839
Total Revenue Sources	\$8,512,923	\$5,277,253	\$6,687,399

Revenues are projected to increase by \$1.4 million due to increased transfers from the General Fund for equipment replacement, compensated absence, and retiree medical payments for FY 2021-22.

Expenditures

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

EXPENDITURE USES	2019-20	2020-21	2021-22
	Actuals	Projected	Proposed Budget
Employee Compensation	1,523,779	1,636,794	1,736,052
Employee Benefits	2,013,354	1,896,696	2,015,467
Materials	858,289	1,061,810	1,220,956
Contract Services	1,220,989	1,549,979	1,696,641
Contingencies	-	59,947	72,910
Cost Allocation	1,816,928	52,343	60,817
Special Projects	(29,686)	886,730	1,058,200
Transfers Out	-	897,684	969,469
Total Expenditures Uses	\$7,403,653	\$8,041,983	\$8,830,512

Total expenditures is projected to increase approximately \$789,000 as a result of negotiated labor increases and additional I&T-related one-time special projects slated for FY 2021-22.

Retained Earnings

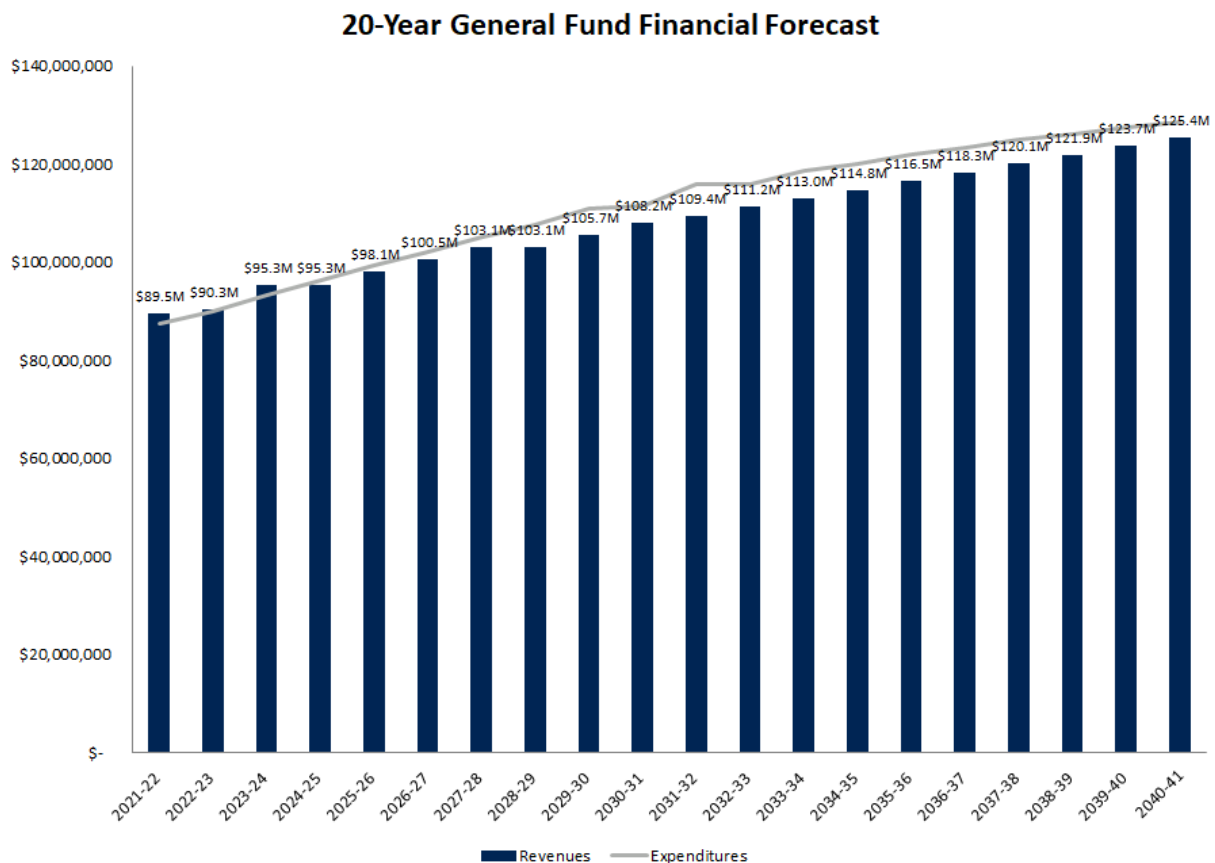
Internal Service Funds carry retained earning instead of fund balance. Retained earnings are calculated in the same manner as fund balance, taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending retained earnings. However, some of the resources are not liquid and represent capital assets. These monies are generally accumulated to support capital replacement and/or expansion needs.

CHANGES TO RETAINED EARNINGS	2019-20	2020-21	2021-22
	Actuals	Projected	Proposed Budget
Beginning Balance	6,850,179	7,959,449	5,194,719
Net Increase (Decrease) in Retained Earnings	1,109,270	(2,764,730)	(2,143,113)
Ending Balance	\$7,959,449	\$5,194,719	\$3,051,606

General Fund Forecast

Overview

City staff develops medium-term (5-year) and long-term (20-year) forecasts as part of the budget process. While long-term projections are inherently less reliable than short-term projections, they can help detect structural budget issues early. As shown in the following chart, projections show increasing operating deficits in the next 20 years due to revenues growing slower than expenditures.

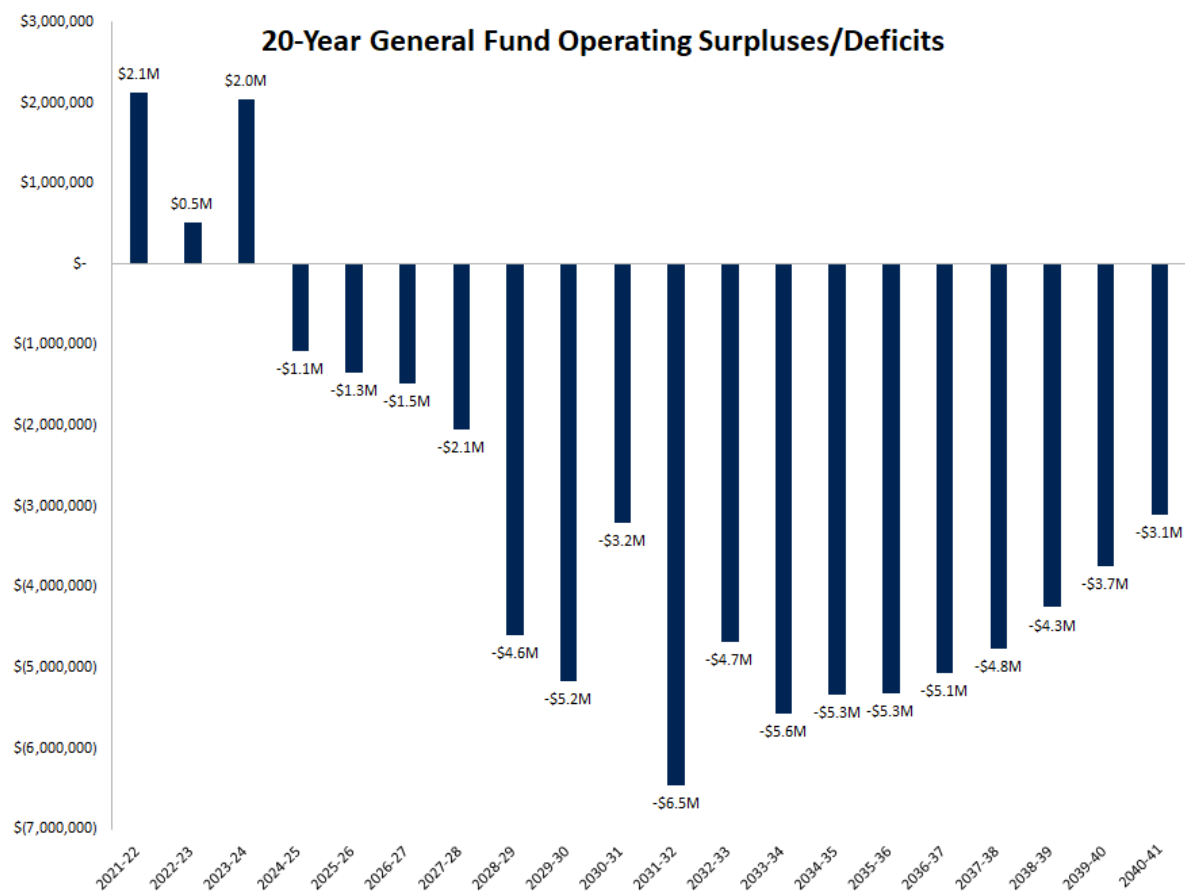


Revenue growth is primarily driven by sales, property, and transient occupancy taxes. Revenues are expected to decrease in FY 2021-22 for a few reasons:

- Sales tax revenues experienced tremendous growth in FY 2019-20 and FY 2020-21 due to increases in business-to-business and online sales. In FY 2021-22, sales tax revenue is expected to decline as businesses begin to open and online sales decrease.
- Property tax--while stable currently--could be affected as new telecommute policies impact property values in the Bay Area.
- Transient occupancy tax is not expected to fully recover until FY 2023-24. And the extent of a “full recovery” is unknown. Like property taxes, we do not fully understand how telecommuting policies will impact the demand for City hotels.

Expenditure growth is primarily driven by increases in pension liability costs and the City’s Law Enforcement contract with the Santa Clara County Sheriff’s Office. To mitigate the impacts of COVID-19, the City is continuing to maintain reduced contingency amounts, which the City reduced by 50% in FY 2020-21.

Since revenues grow at a slower pace than expenditures, annual operating deficits are projected to increase, as shown in the following chart.



Although it is difficult to estimate the full impacts of COVID-19 into the near and long-term, the City’s fiscal foundation remains strong. With the General Fund’s Economic Uncertainty Reserve intact and a healthy unassigned fund balance, the City is poised to withstand the impacts of COVID-19 into the future. While we continue on the road to recovery and return to a “new normal,” staff will continue to monitor the situation and adjust when necessary. Staff fully intend on keeping the City Council and community informed with regular updates. Having the latest information and up-to-date data will allow for informed decision-making.

Forecast Methodology

A financial forecast is a planning tool that helps staff identify trends and anticipate the long-term consequences of budget decisions. The forecast is instrumental in modeling the effects of retirement costs, employee compensation, and revenues on the City’s budget.

The forecast is not a plan but a model based on cost and revenue assumptions updated regularly as new information becomes available. Of these components, cost projections, which are based on known costs, are relatively reliable. On the other hand, revenue forecasts are based on assumptions related to future economic

conditions, which are fraught with uncertainty. Economic forecasts change frequently and demonstrate the difficulties of committing to a particular prediction of the future. For this reason, staff updates the forecast regularly.

While economic conditions are the primary drivers for economically sensitive revenues such as sales tax and property tax, performance is primarily driven by other factors for non-economically sensitive categories such as the utility user tax and franchise fees. 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 related to seasonality and the economic environment the City is most likely to encounter in the future. Staff also considered potential COVID-19 impacts in determining the most reasonable estimated figures.

A discussion of both the national and local economic outlooks used to develop the revenue estimates for the FY 2020-21 forecast is included below. To create the revenue forecasts, the City reviewed national, state, and regional economic forecasts from multiple sources, including the Congressional Budget Office, California's Legislative Analyst's Office (LAO), and the Center for Continuing Study of the California Economy (CCSCE). To develop the sales tax, property tax, and transient occupancy tax (TOT) revenue projections, the City worked with HdL Companies, a tax consultant. In February 2019, the City began working with UFI (Urban Futures, Inc.), a financial advisory and consulting firm, to:

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

This forecast includes the updates and enhancements that UFI has made to the City's baseline financial forecast.

National Economic Outlook

Through the fourth quarter of 2020, the U.S. economy continued to show steady growth. U.S. Gross Domestic Product (GDP) increased by 4.0% in 2020 according to the Bureau of Economic Analysis, compared with an increase of 2.1% in 2019. The increase in fourth quarter GDP reflected both the continued economic recovery from the sharp declines earlier in the year and the ongoing impact of the COVID-19 pandemic, including new restrictions and closures that took effect in some areas of the United States.

Economic growth is poised to accelerate meaningfully in the current quarter as vaccine distribution becomes more widespread in the U.S. amid an ongoing backdrop of robust fiscal support, low interest rates, and accommodative monetary policy. The vaccine rollout has been faster than expected, and roughly 20% of the U.S. population is now fully vaccinated, and more than one-third has received at least one dose. Meanwhile, robust fiscal spending along the Federal Reserve's highly accommodative monetary policy continues to provide support for the economic and financial markets.

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

Cupertino Economic Outlook

Despite strong economic performance continuing in Silicon Valley and Cupertino pre-COVID, data from the State of California Employment Development Department indicates significant impacts resulting from the virus.

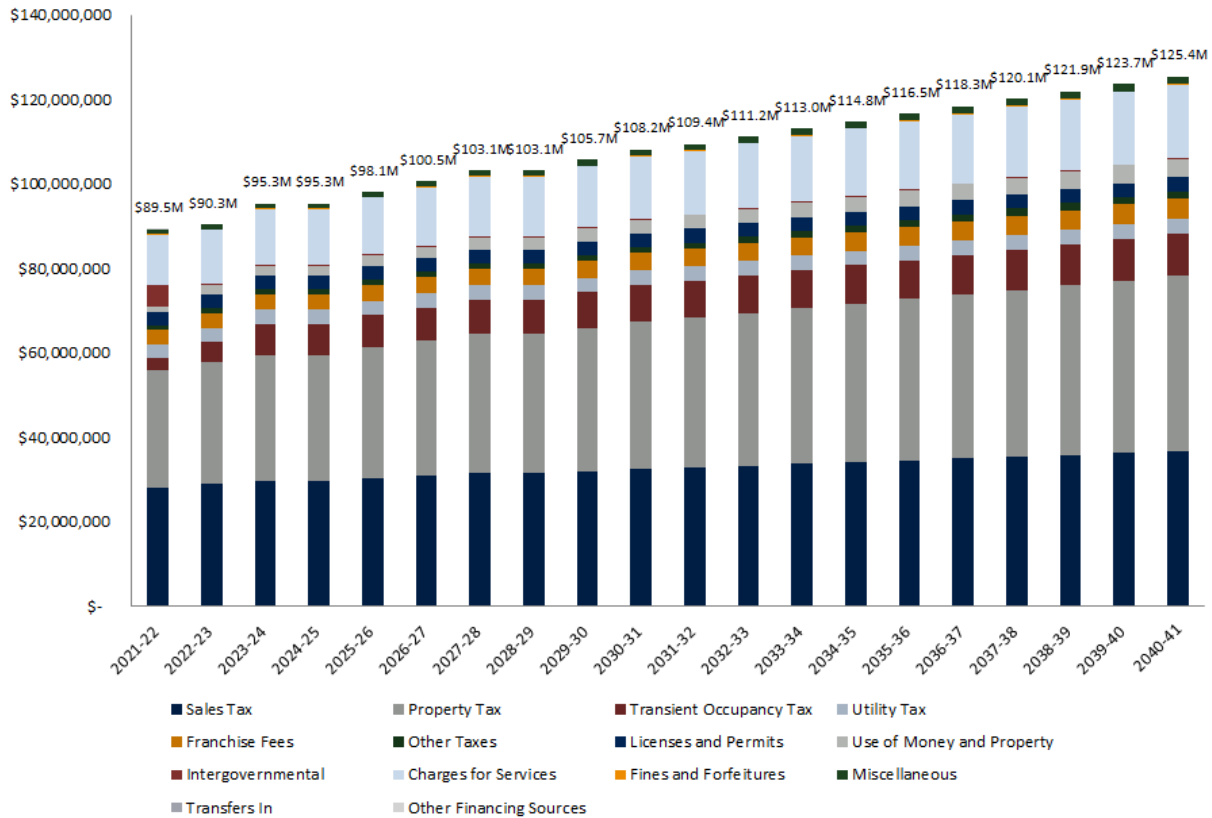
Due to the timing of property appraisals entering the assessor's role, the City does not anticipate significant impacts to property tax revenues in FY 2021-22. Property tax, while stable currently, could be affected as new telecommute policies impact property values in the Bay Area. Although strong in previous years, construction activity will continue to flatten out as recent large development projects, notably Apple Park, are now complete. Given the level of volatility surrounding COVID-19 and the uncertainty of recovery time, it is difficult to estimate the timing of significant projects that could positively impact the City's general revenue bases.

Revenues

The City's top three revenue sources continue to be property tax, sales tax, and transient occupancy tax (TOT). While this will continue to be true, the City will not see the same level of revenue as in recent years.

As shown in the chart below, General Fund revenues are expected to decrease from \$96.3 million in FY 2020-21 to \$89.5 million in FY 2021-22 and increase each year in the forecast. Sales tax is projected to decrease from the highs of FY 2020-21. Transient occupancy tax is projected to recover to a new normal gradually. Property tax is anticipated to be stable in FY 2021-22. Other revenue sources consider assumptions ranging from no growth to conservative growth.

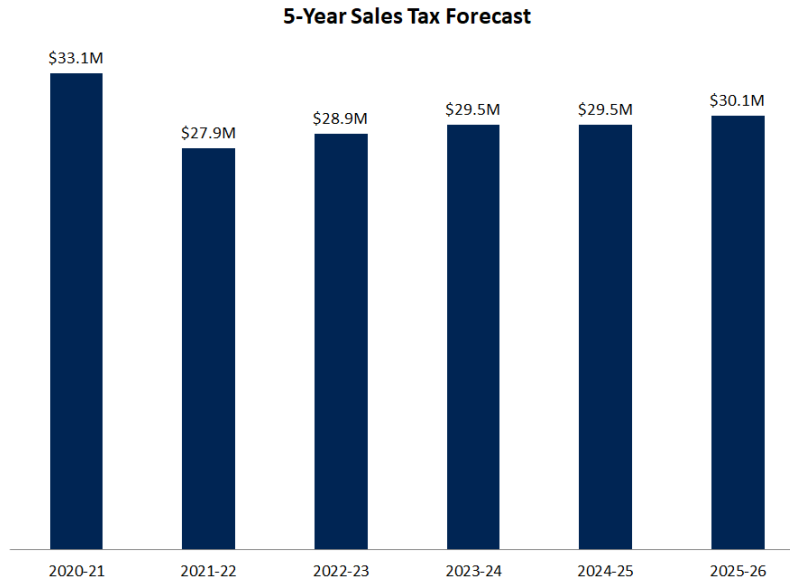
20-Year General Fund Revenue Forecast by Category



FIVE-YEAR GENERAL FUND REVENUES FORECAST						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
REVENUES						
Sales Tax	33,089,302	27,855,559	28,887,849	29,496,684	29,496,684	30,115,742
Property Tax	27,821,317	27,840,341	28,773,396	29,875,736	29,875,736	31,041,188
Transient Occupancy Tax	2,000,000	3,000,000	5,000,000	7,500,000	7,500,000	7,750,155
Utility Tax	3,223,712	3,245,448	3,267,283	3,289,218	3,289,218	3,311,208
Franchise Fees	3,280,447	3,380,985	3,481,524	3,582,062	3,582,062	3,679,856
Other Taxes	1,849,167	1,248,720	1,284,309	1,323,480	1,323,480	1,359,876
Licenses and Permits	3,139,473	3,140,195	3,155,896	3,171,675	3,171,675	3,187,534
Use of Money and Property	1,246,510	1,072,220	2,276,165	2,406,553	2,406,553	2,582,586
Intergovernmental	5,906,902	5,093,946	242,853	244,067	244,067	245,288
Charges for Services	13,392,301	12,047,922	12,704,896	13,065,634	13,065,634	13,401,909
Fines and Forfeitures	150,000	225,000	225,000	225,000	225,000	225,000
Miscellaneous	1,085,482	1,000,555	1,050,635	1,101,679	1,101,679	1,152,918
Transfers In	15,000	45,000	-	-	-	-
Other Financing Sources	100,000	275,000	-	-	-	-
TOTAL REVENUES	96,299,613	89,470,891	90,349,806	95,281,789	95,281,789	98,053,260

Sales Tax

Currently, sales tax is the City's largest revenue source. Sales taxes are collected at the point of sale and remitted to the California Department of Tax and Fee Administration (formerly the Board of Equalization), which allocates tax revenue owed to the City in monthly payments.



Sales tax revenues increased significantly in FY 2019-20 and FY 2020-21 due to increases in the City’s business-to-business industry group and online sales. This is directly related to COVID-19 and State-wide efforts to convert to a remote work environment. Additionally, with Shelter-in-Place orders in effect, there was a reduction in brick and mortar retail sales, resulting in increased online sales that also increased the City’s tax base. However, we believe this to be a one-time experience due to State-wide shelter-in-place mandates.

In FY 2021-22, sales tax is projected to be \$28.9 million in FY 2021-22, a decrease from the highs achieved in FY 2019-20 and FY 2020-21. Sales tax is projected to grow by an average annual growth rate of 1.4% in the forecast. Staff used conservative estimates for business and industry, general consumer goods, restaurants and hotels, and state and county pools.

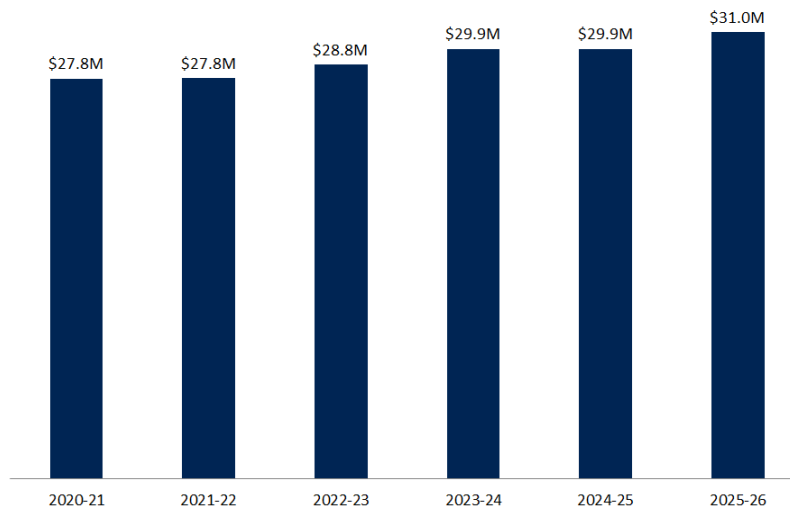
Business-to-business (B2B) revenue is the largest portion of the City’s sales tax base, so the City’s sales tax revenue is sensitive to economic forces. In particular, the City’s two largest sales tax sources—both technology companies—account for a large portion of the City’s total sales tax base. Sales tax revenue is reported two quarters in arrears, providing the City with about six months to react if this revenue source starts to decline.

Given the volatility of B2B revenue, which accounts for the majority of the City’s sales tax revenue, 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 boost retail sales and reduce the City’s reliance on B2B revenue.

Property Tax

Property taxes are anticipated to remain stable in the near term, but we have yet to identify how potential telework structures might impact these revenues in the long term.

5-Year Property Tax Forecast



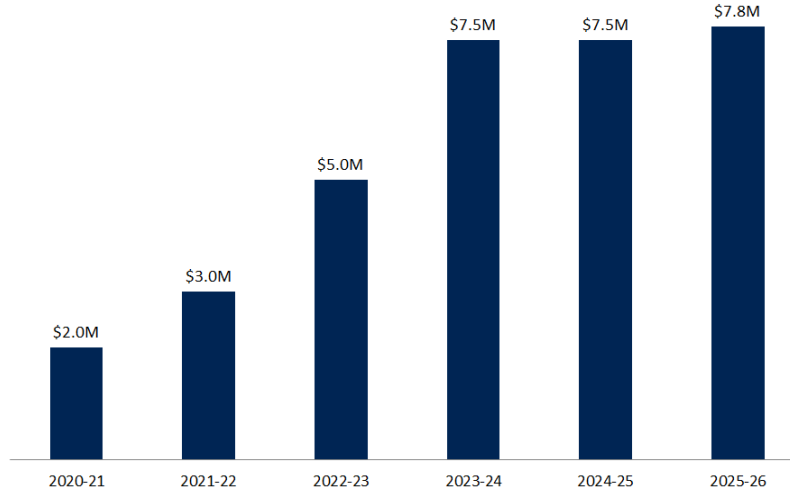
Property tax revenues are projected to increase by an average annual growth rate of 2% in our forecast. This moderate forecast is based on various factors, including historical trends for the City and projections for the region. Historically, property tax has increased at an average annual growth rate of 11%. However, this moderate forecast projects a much lower growth rate because no major development projects are expected in the City. The reduction in development activity will reduce the City's property tax growth in the future. Major development projects, such as Main Street and Apple Park, were a significant contributor to the historical growth in property tax revenues.

Transient Occupancy Tax

Transient occupancy tax (TOT) revenues experienced a significant decrease due to reduced travel and increased remote work during the pandemic. TOT revenues were \$8.9 million in FY 2018-19 and \$7.3 million in FY 2019-20. TOT revenues are projected to be \$2.0 million in FY 2020-21 and \$3.0 million in FY 2021-22. Transient occupancy taxes rely heavily on local business' employees being at the workplace. As a result, potential telework structures will also have a significant impact on these revenues.

The City anticipates a recovery of TOT revenues by FY 2023-24; however, the extent of the recovery is uncertain as decisions regarding long-term teleworking remain to be determined. This forecast assumes that TOT revenues will recover to 75% of pre-COVID levels, or \$7.5 million, in FY 2023-24 and gradually increase from the new normal. Until COVID-19 impacts are reduced and employees begin returning to their workplaces, TOT revenues will suffer greatly. Staff is cautiously optimistic that the continued roll-out of COVID-19 vaccinations could accelerate the recovery.

5-Year Transient Occupancy Tax Forecast

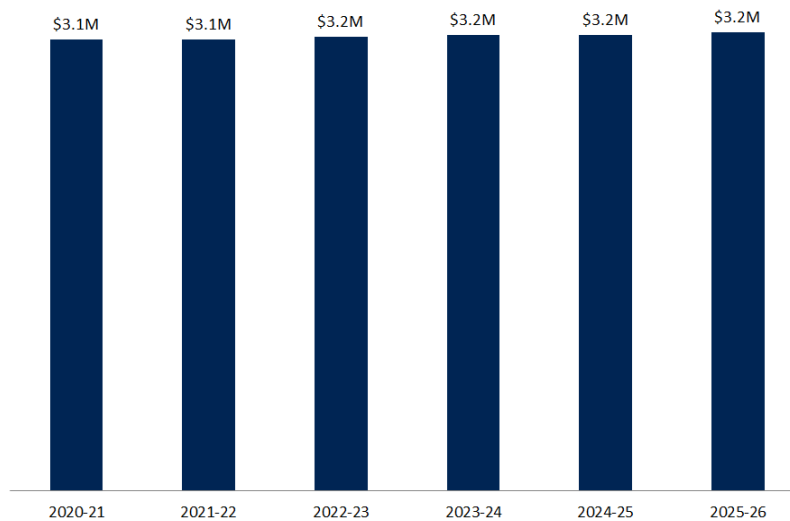


In the forecast, TOT is projected to increase at an average annual growth rate of 4.4%. Beginning in FY 2023-24, the City used a moderate forecast based on historical tax collections. This moderate forecast assumes slower growth than historical trends, given that no additional hotels are expected to open. De Anza Hotel and Cupertino Village Hotel are not included in the forecast as they have not been permitted yet.

TOT revenues are impacted by the tax rate charged on hotels in the City, the occupancy rate of the hotels, and the average daily room rates (ADR) of the hotels. TOT revenues are highly correlated with B2B revenue, as TOT revenues in Cupertino are primarily driven by business travel. Occupancy rates are currently at record levels given our strong local economy. However, given a large amount of business travel in the City, a decline in the economy could significantly impact this revenue source.

Licenses and Permits

5-Year Licenses & Permits Forecast

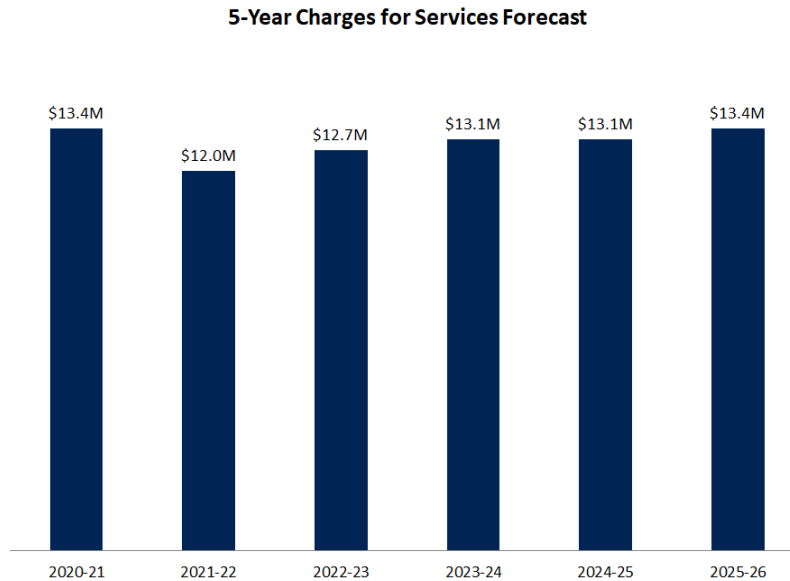


Licenses and permits are forecasted to decrease in FY 2020-21 due to reduced development activity but increase slightly in the out-years. Licenses and permits revenue is projected to grow at a rate of 0.5% each year in the out-years. The forecasts were based on forecasts of California residential building permits, non-

residential building permits, and construction payrolls from the UCLA Anderson Forecasts for the Nation and California. Out of prudence, this forecast does not reflect any major development projects that are awaiting approval. If new development projects are approved, staff will update this forecast accordingly.

Charges for Services

Revenues from charges for services have decreased from their FY 2016-17 levels, primarily due to a decrease in development activity.



In FY 2020-21, revenues from charges for services will decrease due to Parks & Recreation Department’s programs being affected by the COVID-19 pandemic. During the COVID-19 pandemic, the City’s recreation facilities have been shut down due to the Stay-at-Home order issued by the Santa Clara County Public Health Department in mid-March 2020. As COVID-19 vaccinations become available to more groups, the City hopes to resume these programs and events safely.

After FY 2020-21, revenue is projected to increase at an average annual growth rate of 1.98%. Other Service Fees, Cost Allocation Plan Charges for Services, General Service Fees, and Enterprise Service Fees are projected to increase by 2.5% based on full-time salary growth. Planning Fees and Engineering Fees are based on construction and development factors, including California residential building permits, non-residential building permits, and construction payrolls from the UCLA Anderson Forecasts for the Nation and California. This forecast does not assume any major development projects that are awaiting approval.

Other Revenue

Utility taxes are forecasted to increase by 0.8% each year based on historical trends. In recent years, increases in rates have been offset by decreases in consumption.

Franchise fees are projected to increase by an average annual growth rate of 2.2% based on a trend of historical data.

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

Use of money and property is expected to grow at a rate of 0.5% each year based on the City’s current conservative investment strategy and low-interest rates.

Intergovernmental revenues are projected to grow at a rate of 0.5% each year.

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

Miscellaneous revenues are forecasted to increase by CPI each year.

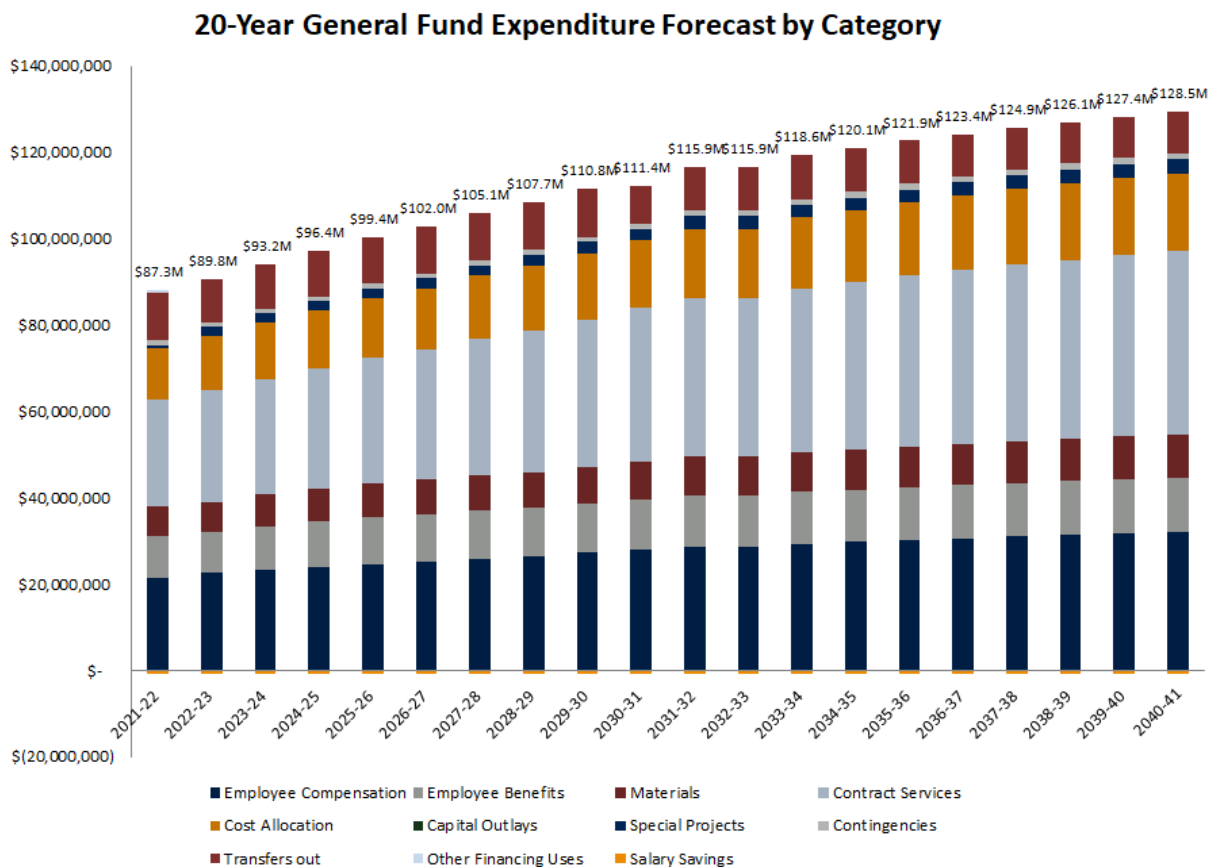
Non-operational revenues (Transfers and Other Financing Sources) are not assumed in the forecast.

Expenditures

For FY 2021-22, the City developed a zero-base budget for which departments were asked to justify all expenses. The process started from a “zero base,” and staff analyzed every function of the City for its needs and costs. Staff then built the budget around what was needed for the upcoming period, regardless of the previous fiscal year’s budget. This best practice resulted in base budget savings from the prior year.

The forecast was developed based on actual expenditures in prior years and then adjusted for FY 2021-22 funding needs. The forecast also included the following factors: State and County CPI, construction and development activity, and CalPERS Normal Cost and Unfunded Liability projections. The forecast is adjusted to account for one-time changes and budget adjustments throughout the year.

To mitigate the impacts of COVID-19, the City is taking steps to reduce expenditures by increasing vacancy levels through attrition, reducing materials and contract services spending, reducing contingency amounts, and reducing the number of special projects and capital outlay spending.



FIVE-YEAR GENERAL FUND EXPENDITURES FORECAST						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
EXPENDITURES						
Employee Compensation	20,430,826	21,304,931	22,551,331	23,168,066	23,801,645	24,452,573
Employee Benefits	8,903,632	9,900,846	9,488,137	10,254,609	10,775,037	11,187,466
Salary Savings	-	(800,000)	(800,000)	(800,000)	(800,000)	(800,000)
Personnel Costs	29,334,458	30,405,777	31,239,468	32,622,675	33,776,682	34,840,039
Materials	6,058,121	6,849,707	7,044,924	7,259,794	7,466,698	7,672,032
Contract Services	24,638,571	24,598,223	25,678,667	26,796,144	27,928,297	29,083,212
Cost Allocation	10,473,540	11,948,062	12,652,998	13,000,955	13,358,481	13,725,840
Capital Outlay	68,470	-	-	-	-	-
Special Projects	3,000,000	795,000	2,117,682	2,182,271	2,244,466	2,306,188
Contingencies	721,559	945,029	1,000,635	1,031,155	1,060,542	1,089,707
Other Uses	611,656	545,000	-	-	-	-
Non-Personnel Costs	45,571,917	45,681,021	48,494,905	50,270,318	52,058,484	53,876,979
Transfers	10,148,689	11,251,984	10,099,747	10,343,509	10,519,676	10,680,976
TOTAL EXPENDITURES	85,055,064	87,338,782	89,834,119	93,236,501	96,354,843	99,397,995

Note: In FY 2021-22, forecasted expenditures are \$800,000 lower than budgeted because the forecast includes \$800,000 in vacancy savings. The City expects to realize the vacancy savings due to attrition.

As displayed in the chart above, General Fund expenditures are projected to increase from \$85.1 million in FY 2020-21 to \$87.3 million in FY 2021-22 and increase each year in the forecast. The main drivers of expenditure growth are employee benefits and contract services due to rising retirement rates and Law Enforcement costs. The following discussion focuses on the assumptions used for estimating each of the expenditure categories in the General Fund Forecast.

Personnel Expenditures

Salaries

The forecast includes equity adjustments, cost of living increases, step increases, and known benefit increases in retirement and health insurance. During FY 2018-19, the City negotiated new labor agreements with its bargaining groups, CEA and OE3, as the previous labor agreements were scheduled to expire on June 30, 2019. On July 16, 2019, City Council approved new contracts for CEA, OE3, and Unrepresented employees. The contracts, which are effective from July 1, 2019 to June 30, 2022, include equity adjustments for positions below the median of the market and cost of living adjustments (COLAs) for all positions.

Koff and Associates conducted a salary study to determine if equity adjustments were necessary. If the base salary of a position were below the market's median, the position would receive an adjustment, from 1% to 15%, until the base salary is aligned with the market's median. The adjustments will be phased in over the three-year agreement at a maximum of 5% per year.

The contracts also include cost-of-living adjustments of 3.0% effective the first full pay period in July 2021.

Step increases are due to employees below Step 5 progressing to higher salary steps. Full-time salaries are projected to grow at a rate of 2.5% per year, based on historical trends in step increases. It 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 slower than full-time salaries.

Health Benefits

In FY 2021-22, health benefits account for about 8% of all personnel costs in the General Fund, primarily due to health insurance costs. The City pays employees a fixed amount for health and dental insurance costs instead of covering a percentage of premiums. In October 2016, City Council approved labor contracts that significantly increased the City's health insurance contributions to align the City with the median offerings of our comparator cities. For the duration of the contract, cost increases in health and dental premiums above the negotiated amounts are fully absorbed by employees. The City is expected to be in negotiations with its bargaining groups, CEA and OE3, in the Fall and Winter of FY 2021-22.

Retirement Benefits

Rising retirement costs are driving the increase in employee benefits. Cupertino provides retirement benefits for its employees through the California Public Employee's Retirement System (CalPERS).

In December 2016, the CalPERS Board of Administration lowered the discount rate from 7.5% to 7.0% with a three-year phase-in beginning in FY 2018-19. This change will result in significant increases in retirement costs but was implemented to improve the financial stability of the pension system. As a result of the discount rate reduction, the City's CalPERS costs are projected to increase to \$7.5 million in FY 2024-25, as shown in the table below.

	Projected CalPERS Contributions					
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Projected Payroll	\$ 19,703,312	\$ 20,245,154	\$ 20,801,895	\$ 21,373,947	\$ 21,961,731	\$ 22,565,678
Normal Cost (%)	10.4%	10.1%	9.8%	9.4%	9.1%	8.8%
Normal Cost	\$ 2,057,026	\$ 2,044,761	\$ 2,038,586	\$ 2,009,151	\$ 1,998,518	\$ 1,985,780
UAL Payment	\$ 4,107,747	\$ 4,513,000	\$ 4,803,000	\$ 5,093,000	\$ 4,881,000	\$ 5,039,000
Total Contribution	\$ 6,164,773	\$ 6,557,761	\$ 6,841,586	\$ 7,102,151	\$ 6,879,518	\$ 7,024,780
Total Contribution (%)	31.3%	32.4%	32.9%	33.2%	31.3%	31.1%

The City's retirement rates are based on a blend of all three tiers (2.7% @ 55, 2% @ 60, and 2% @ 62). Although employees pay a different rate depending on their tier, the City's costs are the same for all three tiers. 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 Tier 3. Savings from the lower-cost Tier 2 and Tier 3 plans are not expected to be substantial for several years.

CalPERS Plan Breakdown by Tier						
Tier	# Employees	Benefit Formula	Compensation Basis	Employer Share	Employee Share	Total Rate
I	88	2.7% @ 55	Highest Year	31.29%	8.00%	39.29%
II	14	2% @ 60	Highest 3 Year Average	31.29%	7.00%	38.29%
III	95	2% @ 62	Highest 3 Year Average	31.29%	7.00%	38.29%

Other Benefits

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

Non-Personnel Expenditures

Non-Personnel budgets were developed based on actual expenditures in prior years and then adjusted for FY 2020-21 funding needs. In addition, one-time projects have been excluded to ensure that expenditure trends reflect ongoing expenditure needs. The City is continuing to maintain reduced contingency amounts, which the City reduced by 50% in FY 2020-21 as a cost-saving measure.

For the out-years of the forecast, a growth rate based on an average of State and County CPI is assumed from the baseline. The average growth rate for State and County CPI is 3.00%. The CPI estimates are based on the following forecasts:

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

Materials costs are forecasted to increase by CPI in the out-years of the forecast.

Contract Services costs are projected to grow by CPI in the out-years of the forecast except for the Law Enforcement contract with the Santa Clara County Sheriff's Office. Increases to the City's Law Enforcement costs are a primary driver in the City's expenditure growth. Law Enforcement costs are projected to grow by CPI plus 2%. Increases in CalPERS costs drive increases to contracts with the Santa Clara County Sheriff's Office that they then pass on to the City per the contract's terms.

Cost Allocation is projected to grow by 2.5% in the out-years. 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 increase by CPI in the forecast. 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-through revenue.

Contingencies are projected to increase by CPI in the forecast. Contingencies for each program have been cut in half to 2.5%, whereas, in prior years, contingency totals were 5% of the total General Fund and 5% of Material and Contract budgets. The City has historically underspent in this category, and use of these funds would require pre-approval by the City Manager or his/her designee.

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 the full cost allocation plan in FY 2015-16, General Fund expenses have been shifted to other City funds, causing some of those funds' revenues to fall short of expenses and necessitating the use of fund balances to cover expenses. The General Fund benefits in the near term 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 necessary to maintain those fund balance minimums.

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

- Special Revenue Funds: increases at a rate of 2.12% per year;
- Debt Service Funds: 2012 COPS debt service schedule;
- Retiree Medical Fund: projected OPEB contribution schedule;
- Compensated Absences Fund: increases at a rate of 2.5% per year;
- Innovation and Technology Fund: increases at CPI per year;
- Vehicle and Equipment Replacement Fund: increases at CPI per year; and
- Enterprise Funds: increases at CPI per year.

In FY 2029-30, the City will finish paying off its debt for city facilities. Until FY 2029-30, the City is scheduled to pay approximately \$3.17 million per year in principal and interest on the City Hall/Library, Wilson/Memorial Open Space, and Library Certificates of Participation. These funds are transferred from the City's General Fund to the City's Debt Service Funds.

Pension

CalPERS

The City provides a defined benefit pension to its employees through the California Public Employees' Retirement System (CalPERS). Retirement benefits are calculated using a formula based on an employee's age, earnings, and years of service. These are funded by a combination of investment earnings (58%), employer contributions (29%), and employee contributions (13%).

Each year, CalPERS determines an employer's contributions based on actual investment returns and actuarial assumptions, including expected investment returns (discount rates), inflation rates, salaries, retirement ages, and life expectancies.

CalPERS Discount Rate

The City's pension plan is sensitive to the discount rate assumption set by CalPERS. The discount rate is the expected rate of return of the plan's assets over the long term. It depends on the plan's size, asset allocation, time horizon, and other considerations. From the City's perspective, the discount rate is important. It is used to determine the City's annual contributions to the plan, its unfunded liability, and its funded status.

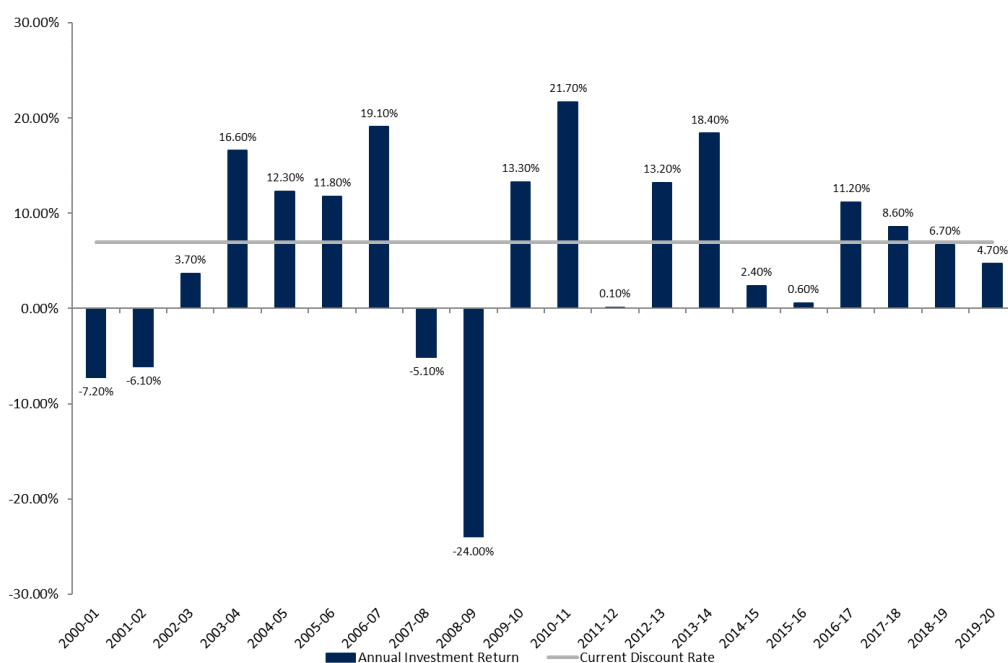
The discount rate is important in assessing whether a plan has enough assets to meet its future obligations. The discount rate must be realistic to allow the City to foresee funding issues that may impact future operating budgets and future generations of retirees and plan members. If the discount rate assumption is too high and investments earn less than expected, the City or CalPERS members may need to make greater contributions than expected to account for the shortfall.

CalPERS Investment Earnings

Since investment earnings fund nearly 60% of retirement benefits, the City's pension plan is sensitive to the investment returns of the CalPERS fund. Investment returns affect how much of the retirement benefits can be funded by investment earnings rather than contributions. If investment returns are lower than the discount rate, contributions must increase to make up the difference. As a result, pension plans need accurate return assumptions to ensure fiscal sustainability.

Currently, CalPERS assumes it will earn investment returns of 7% each year. As illustrated in the following chart, over the last 20 years, CalPERS has earned investment returns below the 7% assumption approximately half of the time. Individual fiscal year investment returns have ranged between -24.0% and +21.7%. In particular, CalPERS earned negative investment returns in 2001 and 2002 due to the dot-com crash and 2008 and 2009 due to the Great Recession.

CalPERS Historical Annual Investment Returns



Note: Beginning in 2002, investment returns are reported as gross of fees.

For FY 2019-20, CalPERS reported an investment return of 4.7%, bringing the average investment return to 6.3% for five years, 8.5% for ten years, 5.5% for 20 years, and 8.0% for 30 years. Given that returns in a given year are volatile, it can be more instructive to look at returns over longer time horizons.

Time Period Total Investment Return

1 Year	4.7%
5 Year	6.3%
10 Year	8.5%
20 Year	5.5%
30 Year	8.0%

CalPERS Plan Status

As of the most recent actuarial valuation on June 30, 2019, the City's pension plan had assets of \$99.4 million and liabilities of \$148.5 million, resulting in an unfunded liability of \$49.2 million and a funded ratio of 66.9%. The unfunded liability is the difference between assets and liabilities, while the funded ratio is the ratio of assets to liabilities.

The City also funds a Section 115 Trust, or pension rate stabilization program, which has a balance of \$17.2 million. When we factor in the City's balance in the Section 115 Trust, the funded status of the City's pension fund is closer to 78.5%.

CalPERS Plan Status			
	June 30, 2018		June 30, 2019
Present Value of Projected Benefits	\$	167,128,950	\$ 174,248,022
Entry Age Normal Accrued Liability	\$	141,033,621	\$ 148,525,073
Market Value of Assets	\$	93,550,299	\$ 99,363,109
Unfunded Accrued Liability	\$	47,483,322	\$ 49,161,964
Funded Ratio		66.3%	66.9%

A defined-benefit plan is considered adequately funded if its assets equal or exceed the value of its future liabilities. When the funded ratio is lower than 100%, the plan has insufficient assets to pay all future liabilities. Poor investment returns during the Great Recession significantly decreased the plan's assets. In addition, enhanced benefits and actuarial assumption changes due to increased life expectancies increased the plan's liabilities. These two factors increased the gap between the plan's assets and liabilities, resulting in the overall funded status of the system falling significantly. 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.

Over the past few years, CalPERS has taken steps to improve the long-term financial sustainability of the system. In December 2016, the CalPERS board voted to reduce the discount rate, also known as the assumed rate of return for investments, from 7.5% to 7.0% over three years from FY 2018-19 to FY 2020-21. In February 2018, the CalPERS board also voted to decrease the amortization period for new pension liabilities from 30 years to 20 years, effective July 1, 2019. While these changes will provide long-term benefits to the pension plan, they will also increase the City's pension contributions.

Impacts of CalPERS Investment Returns

The financial market volatility in FY 2019-20 is projected to impact the City's pension costs significantly. Since FY 2019-20 investment returns are reported as of June 30, 2020, they reflect both the bull market in the first half of FY 2019-20 and the COVID-19-related volatility in the second half.

CalPERS assumes it will earn investment returns of 7% each year. Because the investment return for FY 2019-20 was below the 7% discount rate, the City's required pension contributions will increase to make up for the difference. Due to the timing of actuarial valuations, the annual investment return for FY 2019-20 will affect the City's pension contributions starting in FY 2022-23. The contribution increase will be amortized over 20 years and phased in over five years.

If the FY 2019-20 investment return were lower than the 7% discount rate by one percentage point, the City's pension contributions would increase by up to \$0.13 million per year. Since the FY 2019-20 investment return was 4.7%, the City's pension plan experienced a 2.3% (7% - 4.7%) investment loss. As a result, the City's pension contributions are estimated to increase according to the following schedule:

Fiscal Year	Estimated Contribution Impact
FY 2022-23	\$0.06 million
FY 2023-24	\$0.12 million
FY 2024-25	\$0.18 million
FY 2025-26	\$0.24 million
FY 2026-27 to FY 2041-42	\$0.30 million

The impact is estimated to be \$0.06 million in FY 2022-23 and increase to \$0.30 million in FY 2026-27, continuing until FY 2041-42.

Impacts of CalPERS Discount Rate Changes

While CalPERS currently uses a discount rate of 7%, market experts project lower returns for the next several decades due to lower-than-historical interest rates and economic growth. The Pew Research Center forecasts a long-term investment return of 6.4%, while J.P. Morgan and Wilshire Associates forecast a long-term investment return of 6.5% for typical pension fund portfolios.

If the discount rate is less than 7%, the City's CalPERS contributions will increase. If CalPERS lowers the discount rate by 0.5 percentage points, the City's contributions will increase by up to \$1.2 million per year in the City's forecast.

This analysis would show the potential contribution impacts if CalPERS lowered the discount rate based on lower expected investment returns.

Section 115 Trust

A Section 115 Trust is a tax-exempt investment tool that allows local governments to pre-fund pension and retiree health costs. Once contributions are placed into the trust, the City can only use assets from the trust for retirement plan purposes. The City may make withdrawals to either reimburse the City for retirement system contributions or to pay CalPERS directly. The benefits of a Section 115 Trust include the following:

- Local control over assets: The City controls the contributions, withdrawals, investment strategy, and risk level of assets in the Trust.
- Pension rate stabilization: Assets can be transferred to CalPERS at the City's discretion to pay for Normal Cost or UAL contributions and can be used to reduce or eliminate large fluctuations in the City's pension costs.
- Potential for higher investment returns than General Fund: Investment requirements applicable to the City's General Fund assets under Government Code 53601 do not apply to Trust assets.
- Diversification: Trust assets will be diversified from CalPERS investments.

City Strategies

Given that pension obligations are one of the City's largest financial obligations, the City has taken proactive steps to reduce the impacts of pension cost volatility. In March 2018, the City provided options to Council to address rising pension costs. In April 2018, the City presented a long-term pension funding strategy to the Fiscal Strategic Plan Committee. In May 2018, the City implemented a Pension Rate Stabilization Program (PRSP), also known as a Section 115 Trust, to reduce pension rate volatility on the City's budget. The City contributed \$8 million in FY 2018-19, \$4 million in FY 2019-20, and \$2 million in FY 2020-21, bringing total contributions to \$14.0 million. The Section 115 Trust has a balance of \$17.2 million.

As a fiscal sustainability measure, the City funds the Section 115 Trust using a more conservative discount rate of 6.25%. The City plans to accumulate sufficient funds in the Section 115 Trust to fund the difference between a 6.25% and a 7% discount rate. The funding strategy proposed \$8 million in initial funding to achieve this goal, along with additional funding of \$10 million over the first five years. Using a more conservative discount rate than CalPERS, the City can allocate more towards pension funding each year than required by CalPERS.

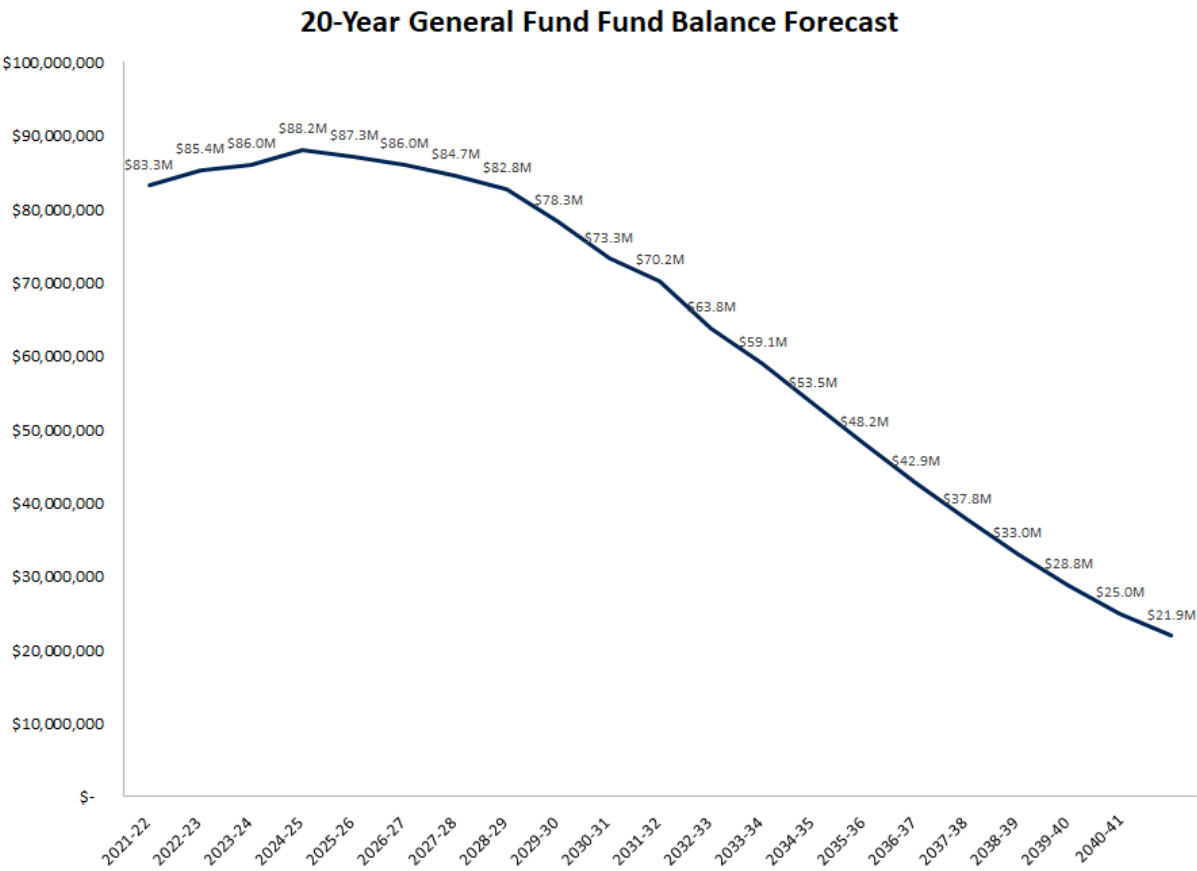
Given this strategy and the \$17.2 million currently set aside for pension funding, the City is in a solid position to withstand the effects of pension cost increases. If CalPERS investment returns fall short of assumptions, the City will be better prepared for future pension cost increases. If the discount rate is lowered in the future, which is a distinct possibility, the City will be better prepared to absorb these costs.

Fund Balance

The foresight of the City Council and staff in previous years to focus on ensuring healthy reserves is paying off in full. Increases in sales tax revenues and budget reductions in FY 2020-21 have contributed to this planning strategy and will provide additional resources for the City into the future.

The City’s Economic Uncertainty Reserve remains intact, with \$19.0 million, and may be used to mitigate potential shortfalls in future fiscal years. The City’s Section 115 Pension Trust (\$17.2 million) could also be used to mitigate potential increases to CalPERS’s annual required contribution rate or further reductions in the discount rate set by CalPERS. The City’s unassigned fund balance remains healthy and will be able to assist in addressing funding gaps.

The General Fund’s fund balance is projected to be \$85.4 million in FY 2021-22. It is projected to increase to \$88.2 million in FY 2023-24 and then decrease due to increasing operating deficits.



FIVE-YEAR GENERAL FUND FUND BALANCE FORECAST						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
Beginning Fund Balance	74,505,813	83,259,456	85,391,569	86,031,069	88,203,948	87,258,485
Operating Revenue	96,299,613	89,470,891	90,349,806	95,281,789	95,281,789	98,053,260
Operating Expenditures	89,629,944	87,338,778	89,834,116	93,236,498	96,354,839	99,397,992
Net Revenues - Expenditures	6,669,669	2,132,113	515,689	2,045,291	(1,073,050)	(1,344,732)
Unassigned	39,125,447	39,262,560	40,913,060	41,768,354	39,422,583	36,720,745
All Other Classifications	44,134,009	46,129,009	45,118,009	46,435,593	47,835,901	49,324,104
TOTAL FUND BALANCE	83,259,456	85,391,569	86,031,069	88,203,948	87,258,485	86,044,849

FIVE-YEAR GENERAL FUND FUND BALANCE FORECAST						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
<u>Non-Spendable</u>						
Loans Receivable	446,000	441,000	430,000	424,000	418,000	412,000
Prepaid Items	3,000,000	3,000,000	-	-	-	-
Total Non-Spendable	3,446,000	3,441,000	430,000	424,000	418,000	412,000
<u>Restricted</u>						
Debt Service	13,982	13,982	13,982	13,982	13,982	13,982
Section 115 Trust	17,177,347	19,177,347	21,177,347	22,500,931	23,907,239	25,401,442
Public Access Television	1,368,789	1,368,789	1,368,789	1,368,789	1,368,789	1,368,789
Total Restricted	18,560,118	20,560,118	22,560,118	23,883,702	25,290,010	26,784,213
<u>Committed</u>						
Economic Uncertainty	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
Sustainability Reserve	127,891	127,891	127,891	127,891	127,891	127,891
Total Committed	19,127,891	19,127,891	19,127,891	19,127,891	19,127,891	19,127,891
<u>Assigned</u>						
Reserve for Encumbrances	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total Assigned	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total Unassigned	39,125,447	39,262,560	40,913,060	41,768,354	39,422,583	36,720,745
TOTAL FUND BALANCE	83,259,456	85,391,569	86,031,069	88,203,948	87,258,485	86,044,849

Note: In FY 2021-22, forecasted fund balance is \$800,000 higher than budgeted because the forecast includes \$800,000 in vacancy savings. The City expects to realize the vacancy savings due to attrition.

It is anticipated that the City will transfer any unassigned fund balance over the \$500,000 threshold to the Capital Reserve, the CalPERS Reserve, or the Section 115 Trust. In FY 2018-19, the City adopted a Section 115 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. The City can 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

Historically, the City's budget has been structurally sound, with revenues exceeding expenditures in most years. When revenues have exceeded expenditures, the City has transferred the excess fund balance to the Capital Reserve per the City's One Time Use and Reserve Policy. The current 5-year and 20-year forecasts anticipate operating deficits beginning in FY 2024-25. The operating deficits are projected to increase as revenues grow at a slower pace than expenditures. As a result, the following strategies may be used to assist in balancing the budget over the next 20 years.

Strategy	Description	Potential Impact
Expenditures		
Section 115 Trust	<p>The City established a Section 115 Trust, or Pension Rate Stabilization Program, to reduce pension rate volatility when CalPERS investment returns are below the discount rate or when CalPERS changes assumptions.</p> <p>The City can also use it to offset pension costs in any given year.</p>	The fund is currently at \$17 million.
Economic Uncertainty Reserve	The City has \$19 million in its Economic Uncertainty Reserve (General Fund).	The fund is currently at \$19 million.

Additional Potential Strategies

Although not recommended at this time, the City may consider the following potential strategies in future years if sharp declines in revenues or increases in expenditures cause large structural deficits.

Potential Strategy	Description	Potential Impact
Revenues		
Transaction and Use Tax (1/4 cent)	Voter approval required, could bring sales tax from 9% to 9.25% for the City.	\$4 million
Transient Occupancy Tax Measure	Voter approval required, could bring rate from 12% to 14%	<ul style="list-style-type: none"> •\$1.7M @ \$10M base •\$1.25M at \$7.5M base •\$833k at \$5M base

Parcel Tax	Voter approval required	<ul style="list-style-type: none"> •\$3.5M flat rate per parcel •\$3.6M variable rate per SF
Expenditures		
Salary and benefit savings through attrition	Keep non-essential positions unfilled as they become vacant.	Approximately \$180,000 per position on average
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
No new positions	Cost containment strategy	\$0
Furloughs	Employees would take up to 20 hours or the equivalent of a 1% decrease in pay in exchange for 2.5 unpaid furlough days	\$300,000 approximate based on 1% decrease
Deferring or eliminating negotiated increases	The City has negotiated a 3.5% increase effective the first pay period in July 2020 and a 3% increase effective the first pay period in July 2021. Deferring or eliminating negotiated increases would require agreement from the bargaining units.	\$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 appropriate and service level needs in the City.	Approximately \$180,000 per position on average
Reduction in capital outlays and special projects	Cost containment strategy	Up to \$1.5 million
Reduction in contingencies	Cost containment strategy	Up to \$850,000

All Funds Forecast Schedules

General Fund Revenues

Classification	2019-20 Actual	2020-21 Adopted	2020-21 Estimate	2021-22 Proposed	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
Sales Tax	35,657,215	20,910,889	33,089,302	27,855,559	28,887,849	29,496,684	29,496,684	30,115,742
Property Tax	26,606,844	25,353,783	27,821,317	27,840,341	28,773,396	29,875,736	29,875,736	31,041,188
Transient Occupancy Tax	7,286,083	7,546,884	2,000,000	3,000,000	5,000,000	7,500,000	7,500,000	7,750,155
Utility Tax	3,182,087	3,223,712	3,223,712	3,245,448	3,267,283	3,289,218	3,289,218	3,311,208
Franchise Fees	3,418,909	3,280,447	3,280,447	3,380,985	3,481,524	3,582,062	3,582,062	3,679,856
Other Taxes	1,402,002	1,212,939	1,849,167	1,248,720	1,284,309	1,323,480	1,323,480	1,359,876
Licenses and Permits	4,692,845	3,139,473	3,139,473	3,140,195	3,155,896	3,171,675	3,171,675	3,187,534
Use of Money and Property	4,189,877	1,246,510	1,246,510	1,072,220	2,151,165	2,406,553	2,406,553	2,582,586
Intergovernmental	747,942	335,567	5,906,902	5,093,946	242,853	244,067	244,067	245,288
Charges for Services	11,986,328	11,091,064	13,392,301	12,047,922	12,704,896	13,065,634	13,065,634	13,401,909
Fines and Forfeitures	327,833	425,000	150,000	225,000	225,000	225,000	225,000	225,000
Miscellaneous	1,217,670	1,003,857	1,085,482	1,000,555	1,050,635	1,101,679	1,101,679	1,152,918
Transfers In	10,012,000	15,000	15,000	45,000	-	-	-	-
Other Financing Sources	451,439	275,000	100,000	275,000	-	-	-	-
TOTAL REVENUES	111,179,073	79,060,125	96,299,613	89,470,891	90,224,806	95,281,789	95,281,789	98,053,260

General Fund Expenditures

Classification	2019-20 Actual	2020-21 Adopted	2020-21 Estimate	2021-22 Proposed	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
Employee Compensation	18,153,833	20,295,000	20,430,826	21,304,931	22,551,331	23,168,066	23,801,645	24,452,573
Employee Benefits	7,732,290	8,903,632	8,903,632	9,900,846	9,488,137	10,254,609	10,775,037	11,187,466
Salary Savings	-	-	-	(800,000)	(800,000)	(800,000)	(800,000)	(800,000)
Personnel Costs	25,886,123	29,198,632	29,334,458	30,405,777	31,239,468	32,622,675	33,776,682	34,840,039
Materials	4,860,223	6,058,121	6,058,121	6,849,707	7,044,924	7,259,794	7,466,698	7,672,032
Contract Services	21,528,698	22,051,314	24,638,571	24,598,223	25,678,667	26,796,144	27,928,297	29,083,212
Cost Allocation	9,786,477	10,473,534	10,473,540	11,948,062	12,652,998	13,000,955	13,358,481	13,725,840
Capital Outlays	-	-	68,470	-	-	-	-	-
Special Projects	2,245,576	1,448,852	3,000,000	795,000	2,117,682	2,182,271	2,244,466	2,306,188
Contingencies	40	824,350	721,559	945,029	1,000,635	1,031,155	1,060,542	1,089,707
Other Financing Uses	282,038	525,000	611,656	545,000	-	-	-	-
Non-Personnel Costs	38,703,053	41,381,171	45,571,917	45,681,021	48,494,905	50,270,318	52,058,484	53,876,979
Transfers	30,892,276	9,948,689	10,148,689	11,251,984	10,099,747	10,343,509	10,519,676	10,680,976
TOTAL EXPENDITURES	95,481,452	80,528,492	85,055,064	87,338,782	89,834,119	93,236,501	96,354,843	99,397,995

Note: In FY 2021-22, forecasted expenditures are \$800,000 lower than budgeted because the forecast includes \$800,000 in vacancy savings. The City expects to realize the vacancy savings due to attrition.

General Fund Fund Balance

Classification	2019-20 Actual	2020-21 Adopted	2020-21 Estimate	2021-22 Proposed	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
Beginning Balance	58,922,585	74,505,813	74,505,813	83,259,456	85,391,569	86,031,069	88,203,948	87,258,485
Unassigned	34,426,942	16,040,633	39,125,447	39,262,560	40,913,060	41,768,354	39,422,583	36,720,745
All Other Classifications	40,078,871	35,929,546	44,134,009	46,129,009	45,118,009	46,435,593	47,835,901	49,324,104
Ending Balance	74,505,813	51,970,179	83,259,456	85,391,569	86,031,069	88,203,948	87,258,485	86,044,849

Note: In FY 2021-22, forecasted fund balance is \$800,000 higher than budgeted because the forecast includes \$800,000 in vacancy savings. The City expects to realize the vacancy savings due to attrition.

Special Revenue Fund Revenues

Classification	2019-20 Actual	2020-21 Adopted	2020-21 Estimate	2021-22 Proposed	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
STORM DRAIN IMPROVEMENT (FUNDS 210, 215)								
406-Taxes	87,233	76,984	76,984	79,237	79,237	79,237	79,237	79,237
420-Use of Money	152,482	-	-	-	-	-	-	-
421-Transfer In	437,000	-	-	-	-	-	-	-
TOTAL	676,715	76,984	76,984	79,237	79,237	79,237	79,237	79,237
ENVIRON. MGMT./CLEAN CREEKS/STORM DRAIN (FUND 230)								
420-Use of Money	57,035	905	905	908	-	-	-	-
421-Transfer In	660,000	-	-	-	-	-	-	-
430-Fines and Forfeitures	16,175	10,000	10,000	10,000	10,000	10,000	10,000	10,000
450-Charges for Services	1,403,738	1,522,493	1,522,493	1,543,100	1,543,100	1,543,100	1,543,100	1,543,100
TOTAL	2,136,948	1,533,398	1,533,398	1,554,008	1,553,100	1,553,100	1,553,100	1,553,100
HOUSING & COMMUNITY DEVELOPMENT (FUNDS 260, 261, 265)								
406-Taxes	39,000	3,025,898	3,025,898	3,611,855	3,611,855	3,611,855	3,611,855	3,611,855
420-Use of Money	311,905	3,300	3,300	3,300	3,300	3,300	3,300	3,300
421-Transfer In	-	-	200,000	-	-	-	-	-
440-Intergovernmental	357,527	397,270	951,209	397,202	397,202	397,202	397,202	397,202
450-Charges for Services	650	-	-	-	-	-	-	-
460-Refundable Deposit Revenue	792	-	-	-	-	-	-	-
480-Miscellaneous Revenue	1,515	-	-	-	-	-	-	-
TOTAL	711,389	3,426,468	4,180,407	4,012,357	4,012,357	4,012,357	4,012,357	4,012,357
TRANSPORTATION (FUND 270)								
420-Use of Money	243,244	-	-	-	-	-	-	-
421-Transfer In	221,000	4,000,000	4,000,000	6,457,824	4,500,000	4,651,304	4,740,293	4,813,689
440-Intergovernmental	2,938,672	2,898,325	3,880,625	3,004,034	3,165,000	3,165,000	3,165,000	3,165,000
450-Charges for Services	61,900	3,978	3,978	3,978	-	-	-	-
480-Miscellaneous Revenue	703,218	87,057	1,443,723	87,057	-	-	-	-
TOTAL	4,168,034	6,989,360	9,328,326	9,552,893	7,665,000	7,816,304	7,905,293	7,978,689
PARK DEDICATION (FUND 280)								
406-Taxes	246,000	-	-	-	-	-	-	-
420-Use of Money	467,000	-	-	-	-	-	-	-
TOTAL	713,000	-	-	-	-	-	-	-
TREE (FUND 281)								
420-Use of Money	6,384	-	-	-	-	-	-	-
450-Charges for Services	900	-	-	-	-	-	-	-
TOTAL	7,284	-	-	-	-	-	-	-
TOTAL SPECIAL REVENUE FUNDS	8,413,370	12,026,210	15,119,115	15,198,495	13,309,694	13,460,998	13,549,987	13,623,383

Special Revenue Fund Expenditures

Program	2019-20 Actual	2020-21 Adopted	2020-21 Estimate	2021-22 Proposed	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
STORM DRAIN IMPROVEMENT (FUND 210, 215)								
210-90-978 Minor Storm Drain Impv	4,000	-	-	-	-	-	-	-
210-90-980 SD Master Plan Update	-	707	707	-	-	-	-	-
210-99-042 Strm Drn Improv-Fthill & Cup Rd	-	248	248	-	-	-	-	-
210-99-071 Storm Drain MP Implementation	-	45	45	-	-	-	-	-
TOTAL	4,000	1,000	1,000	-	-	-	-	-
ENVIRON. MGMT./CLEAN CREEKS/STORM DRAIN (FUND 230)								
230-81-802 Non Point Source	773,967	1,041,170	1,073,920	1,185,579	1,185,579	1,185,579	1,185,579	1,185,579
230-81-853 Storm Drain Fee	-	-	25,000	196	-	-	-	-
230-81-854 General Fund Subsidy	838	-	21,868	401	-	-	-	-
230-81-855 Storm Drain Maintenance	-	752,984	752,984	778,907	-	-	-	-
230-90-001 No Department	-	-	-	366,000	366,000	366,000	366,000	366,000
TOTAL	774,805	1,794,154	1,873,772	2,331,083	1,551,579	1,551,579	1,551,579	1,551,579
HOUSING & COMMUNITY DEVELOPMENT (FUND 260, 261, 265)								
260-72-707 CDBG General Admin	84,686	97,195	651,134	124,376	124,376	124,376	124,376	124,376
260-72-709 CDBG Capital/Housing Projects	227,111	260,000	260,000	258,214	258,214	258,214	258,214	258,214
260-72-710 CDBG Public Service Grants	54,974	65,000	65,000	59,588	59,588	59,588	59,588	59,588
265-72-711 BMR Affordable Housing Fund	520,756	661,071	1,265,083	1,509,132	475,000	475,000	475,000	475,000
TOTAL	887,527	1,083,266	2,241,217	1,951,310	917,178	917,178	917,178	917,178
TRANSPORTATION (FUND 270)								
270-85-820 Sidewalk Curb and Gutter	1,328,675	1,511,071	1,628,008	1,868,903	1,868,903	1,868,903	1,868,903	1,868,903
270-85-821 Street Pavement Maintenance	4,343,750	2,247,004	7,825,557	4,797,069	4,797,069	4,797,069	4,797,069	4,797,069
270-85-822 Street Sign Marking	687,366	854,135	854,135	901,865	901,865	901,865	901,865	901,865
270-90-954 Monument Gateway Sign	-	90	25,949	-	-	-	-	-
270-90-958 Orange and Byrne Sidewalk Impv	2,165,426	12,725	2,540,282	-	-	-	-	-
270-90-960 Bridge Rehab Minor	43,794	10,068	527,927	-	-	-	-	-
270-90-961 St Median Irrg Plant Repl	316,037	20,501	20,501	-	-	-	-	-
270-90-962 Bicycle Ped Facility Impr	-	135	135	-	-	-	-	-
270-90-976 Ph 2 Md Sidewalk Improv	122,398	19,871	2,652,348	-	-	-	-	-
270-99-087 Traffic Calming	-	200,000	200,000	-	-	-	-	-
270-99-856 Homestead/DeAnza Signal Upgrade	-	-	213,300	-	-	-	-	-
TOTAL	9,007,446	4,875,600	16,488,142	7,567,837	7,567,837	7,567,837	7,567,837	7,567,837
PARK DEDICATION (FUND 280)								
280-99-009 Lawrence-Mitty Park	48,720	90	8,178,469	-	-	-	-	-
280-99-066 MRP Community Grdn Improv-Const	2,314	8,158	41,058	-	-	-	-	-
280-99-067 MRP EEC Aquatic Habitat	-	1,293	1,293	-	-	-	-	-
TOTAL	51,034	9,541	8,220,820	-	-	-	-	-
TREE FUND (FUND 281)								
281-90-001 No Department	12,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
TOTAL	12,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
TOTAL SPECIAL REVENUE FUNDS	10,736,812	7,778,561	28,839,951	11,865,230	10,051,594	10,051,594	10,051,594	10,051,594

Debt Service Fund Revenues

Classification	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Adopted	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
PUBLIC FACILITIES CORPORATION (FUND 365)								
420-Use of Money	26,611	-	-	-	-	-	-	-
421-Transfer In	3,172,838	3,169,138	3,169,138	2,621,000	2,675,800	2,677,600	2,676,200	2,676,600
490-Other Sources	-	-	25,918,704	-	-	-	-	-
TOTAL	3,199,449	3,169,138	29,087,842	2,621,000	2,675,800	2,677,600	2,676,200	2,676,600
TOTAL DEBT SERVICE FUNDS	3,199,449	3,169,138	29,087,842	2,621,000	2,675,800	2,677,600	2,676,200	2,676,600

Debt Service Fund Expenditures

Program	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Adopted	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
PUBLIC FACILITIES CORPORATION (FUND 365)								
365-90-001 No Department	-	-	27,279,118	-	-	-	-	-
365-90-500 Facility Lease	3,174,337	3,169,138	3,439,912	2,676,000	2,675,800	2,677,600	2,676,200	2,676,600
TOTAL	3,174,337	3,169,138	3,439,912	2,676,000	2,675,800	2,677,600	2,676,200	2,676,600
TOTAL DEBT SERVICE FUNDS	3,174,337	3,169,138	3,439,912	2,676,000	2,675,800	2,677,600	2,676,200	2,676,600

Capital Project Fund Revenues

Classification	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Adopted	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
CAPITAL IMPROVEMENT PROJECTS (FUND 420)								
420-Use of Money	736,375	-	-	-	-	-	-	-
421-Transfer In	15,010,438	1,430,000	1,430,000	-	-	-	-	-
440-Intergovernmental	55,000	-	1,460,000	-	-	-	-	-
480-Miscellaneous Revenue	2,789,450	-	4,967,967	-	-	-	-	-
TOTAL	18,591,263	1,430,000	7,857,967	-	-	-	-	-
CAPITAL RESERVE (FUND 429)								
420-Use of Money	167,380	-	-	-	-	-	-	-
421-Transfer In	20,352,719	-	5,000,000	-	-	-	-	-
TOTAL	20,352,719	-	5,000,000	-	-	-	-	-
TOTAL CAPITAL PROJECT FUNDS	38,943,982	1,430,000	12,857,967	-	-	-	-	-

Note: The FY 2020-21 Proposed Budget doesn't currently include funding for capital projects as those will be discussed after the printing of this document at a study session on the Capital Improvement Program (CIP). The Capital Project Fund projections will be updated as part of the printing of the final budget document.

Capital Project Fund Expenditures

Program	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Adopted	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
CAPITAL IMPROVEMENT PROJECTS (FUND 420)								
420-90-880 Env Edu Facility	-	185	185	-	-	-	-	-
420-90-898 SCCP Chain MP-MCLN TO SCB	-	405	204,132	-	-	-	-	-
420-90-904 Spt Ctr Resurf Tennis Cts	-	45	45	-	-	-	-	-
420-90-938 Pub Bldg Solar Service Center	-	180	25,535	-	-	-	-	-
420-90-969 DeAnza/McClellan Signal Maint	-	90	90	-	-	-	-	-
420-90-971 STLG/280 Ped Bridge Lighting	(8,017)	252	46,701	-	-	-	-	-
420-90-999 Green Bike Lanes	-	90	90	-	-	-	-	-
420-99-003 MR Construct Trash Enclosure	5,098	1,601	1,601	-	-	-	-	-
420-99-004 MR Community Garden Improvements	158,956	6,622	1,173,266	-	-	-	-	-
420-99-007 ADA Improvements	109,887	84,984	170,745	-	-	-	-	-
420-99-014 Stevens Crk Bank Repair Concept	-	90	100,090	-	-	-	-	-
420-99-017 Sports Center Exterior Upgrades	20,863	21,201	21,201	-	-	-	-	-
420-99-018 Sports Center Interior Upgrades	-	358	358	-	-	-	-	-
420-99-023 QCC Fire Alarm Control Panel Upg	4,697	5,626	5,626	-	-	-	-	-
420-99-030 MCClellan West-Parking Lot Impro	376,164	17,406	85,242	-	-	-	-	-
420-99-031 Rec Facilities Monument Signs	-	3,609	3,609	-	-	-	-	-
420-99-033 City Hall - Turf Reduction	-	1,838	1,838	-	-	-	-	-
420-99-034 Svc Ctr - Shed No. 3 Improvement	-	10,921	10,921	-	-	-	-	-
420-99-036 2016 Bike Plan Implementation	3,907,891	785,782	11,812,213	-	-	-	-	-
420-99-040 Retaining Wall Repair-Cordova Rd	-	27,837	27,837	-	-	-	-	-
420-99-041 Retaining Wall Repl - Regnart Rd	-	180	180	-	-	-	-	-
420-99-045 Citywide Park & Recreation MP	60,341	3,321	3,321	-	-	-	-	-
420-99-047 CIP Prelim Planning & Design	12,380	128,039	128,039	125,000	-	-	-	-
420-99-048 Capital Project Support	25,855	50,145	31,435	50,000	-	-	-	-
420-99-051 Inclusive Play Area - Planning	32,237	652	5,474,914	-	-	-	-	-
420-99-054 Senior Ctr Walkway Replacement	-	270	16,303	-	-	-	-	-
420-99-056 St Light Install - Annual Infill	81,584	75,536	128,952	-	-	-	-	-
420-99-057 McClellan Sdwk-RB to Hwy85 Over	-	45	45	-	-	-	-	-
420-99-058 St Light Install-Randy & Larry	11,328	3,896	3,896	-	-	-	-	-
420-99-059 Senior Center Repairs	-	10,297	10,297	-	-	-	-	-
420-99-063 CW Bldg Condition Assess Impl	169,282	6,470	829,057	-	-	-	-	-
420-99-064 Creek Infall/Outfall Restoration	-	1,605	1,605	-	-	-	-	-
420-99-065 DeAnza Med Islnd Landscaping Ph2	23,719	14,867	14,867	-	-	-	-	-
420-99-068 Regnart Road Improvements	32,846	3,646	1,173,125	-	-	-	-	-
420-99-069 School Walk Audit Implementation	5,691	654	1,216,825	-	-	-	-	-
420-99-070 SCB/Bandley Signal & Median Imps	7,053	90	143,036	-	-	-	-	-
420-99-072 St Light Replacement CW (labor)	-	90	200,090	-	-	-	-	-
420-99-073 BBF Park Pool Improvements	-	446	446	-	-	-	-	-
420-99-074 Interim City Hall	-	1,162	466,174	-	-	-	-	-
420-99-075 New City Hall	1,349	90	3,498,740	-	-	-	-	-
420-99-077 Library Expansion	463,231	-	8,242,208	-	-	-	-	-
420-99-078 Civic Center Parking Analysis	71,517	-	928,483	-	-	-	-	-
420-99-079 Mary Ave Protected Bikeway	5,800	-	159,200	-	-	-	-	-
420-99-080 Bubbl Rd Separated Bikeway Improv	71,114	-	1,909,441	-	-	-	-	-
420-99-083 Citywide Community Garden	17,493	-	282,507	-	-	-	-	-
420-99-084 Linda Vista Trail	40,954	-	574,546	-	-	-	-	-
420-99-085 Playground EQ (Creekside&Varian)	-	300,000	300,000	-	-	-	-	-
420-99-086 Various Park Amenities	-	200,000	200,000	-	-	-	-	-
TOTAL	5,709,313	1,770,623	39,629,057	175,000	-	-	-	-
STEVENS CREEK CORRIDOR PARK (FUND 427)								
427-90-870 SC Corridor Park Ph 1	-	626	38,741	-	-	-	-	-
427-90-881 Phs II SC Corridor Park	9,240	2,025	36,656	-	-	-	-	-
TOTAL	9,240	2,651	75,397	-	-	-	-	-
CAPITAL RESERVE (FUND 429)								
429-90-001 No Department	26,057,719	1,989,449	1,989,449	-	-	-	-	-
TOTAL	26,057,719	1,989,449	1,989,449	-	-	-	-	-
TOTAL CAPITAL PROJECT FUNDS	31,776,272	3,762,723	41,693,903	175,000	-	-	-	-

Note: The FY 2020-21 Proposed Budget doesn't currently include funding for capital projects as those will be discussed after the printing of this document at a study session on the Capital Improvement Program (CIP). The Capital Project Fund projections will be updated as part of the printing of the final budget document.

Enterprise Fund Revenues

Classification	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Adopted	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
RESOURCE RECOVERY (FUND 520)								
420-Use of Money	239,701	-	-	-	-	-	-	-
440-Intergovernmental	14,950	15,000	15,000	14,000	-	-	-	-
450-Charges for Services	1,796,907	1,420,188	1,420,188	1,470,578	1,470,578	1,470,578	1,470,578	1,470,578
480-Miscellaneous Revenue	9,819	-	-	10,000	-	-	-	-
TOTAL	2,061,377	1,435,188	1,435,188	1,494,578	1,470,578	1,470,578	1,470,578	1,470,578
BLACKBERRY FARM GOLF COURSE (FUND 560)								
420-Use of Money	55,527	30,000	30,000	30,000	30,000	30,000	30,000	30,000
421-Transfer In	610,000	500,000	500,000	79,992	79,992	79,992	79,992	79,992
450-Charges for Services	305,524	180,000	180,000	310,000	310,000	310,000	310,000	310,000
TOTAL	971,051	710,000	710,000	419,992	419,992	419,992	419,992	419,992
SPORTS CENTER (FUND 570)								
420-Use of Money	386,592	120,000	120,000	351,000	351,000	351,000	351,000	351,000
421-Transfer In	2,223,000	685,000	685,000	-	-	-	-	-
450-Charges for Services	2,099,161	761,112	761,112	2,350,000	2,350,000	2,350,000	2,350,000	2,350,000
TOTAL	4,708,753	1,566,112	1,566,112	2,701,000	2,701,000	2,701,000	2,701,000	2,701,000
RECREATION PROGRAMS (FUND 580)								
420-Use of Money	142,485	140,000	140,000	312,000	312,000	312,000	312,000	312,000
421-Transfer In	690,000	1,664,000	1,664,000	806,809	806,809	806,809	806,809	806,809
450-Charges for Services	1,525,850	1,451,742	1,451,742	1,087,000	1,087,000	1,087,000	1,087,000	1,087,000
TOTAL	2,358,335	3,255,742	3,255,742	2,205,809	2,205,809	2,205,809	2,205,809	2,205,809
TOTAL ENTERPRISE FUNDS	10,099,516	6,967,042	6,967,042	6,821,379	6,797,379	6,797,379	6,797,379	6,797,379

Enterprise Fund Expenditures

Program	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Adopted	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
RESOURCE RECOVERY (FUND 520)								
520-81-801 Resources Recovery	2,213,403	1,700,225	2,379,084	2,152,096	2,152,096	2,152,096	2,152,096	2,152,096
TOTAL	2,213,403	1,700,225	2,379,084	2,152,096	2,152,096	2,152,096	2,152,096	2,152,096
BLACKBERRY FARM GOLF COURSE (FUND 560)								
560-63-616 BBF Golf Course	585,904	684,232	688,030	679,646	679,646	679,646	679,646	679,646
560-90-001 No Department	-	-	-	404	-	-	-	-
560-99-061 BBF Entrnc Rd Improv-Feasibility	77,761	2,002	3,263	-	-	-	-	-
560-99-088 BBF Golf Renovation/Alt use	-	50,000	50,000	-	-	-	-	-
TOTAL	663,665	736,234	741,293	680,050	679,646	679,646	679,646	679,646
SPORTS CENTER (FUND 570)								
570-63-621 Sports Center Operation	2,421,886	1,356,862	1,392,755	2,902,360	2,902,360	2,902,360	2,902,360	2,902,360
570-87-836 Bldg Maint Sports Center	444,572	487,440	585,497	623,052	623,052	623,052	623,052	623,052
570-90-001 No Department	-	-	-	1,621	-	-	-	-
570-99-081 Sports Center Seismic Retrofit	17,447	-	1,259,592	-	-	-	-	-
570-99-089 Spt Ctr Community Needs Analysis	-	25,000	25,000	-	-	-	-	-
TOTAL	2,883,905	1,869,302	3,262,844	3,527,033	3,525,412	3,525,412	3,525,412	3,525,412
RECREATION PROGRAMS (FUND 580)								
580-62-613 Youth Teen Recreation	2,209,085	1,963,790	1,963,790	1,828,845	1,828,845	1,828,845	1,828,845	1,828,845
580-63-620 Outdoor Recreation	932,140	907,695	938,195	1,158,012	1,158,012	1,158,012	1,158,012	1,158,012
580-90-001 No Department	-	-	-	1,081	-	-	-	-
580-99-082 Quinlan Preschool Shade Structur	-	-	125,000	-	-	-	-	-
580-99-090 QCC Sustainable Infrastructure	-	502,000	502,000	-	-	-	-	-
TOTAL	3,141,225	3,373,485	3,528,985	2,987,938	2,986,857	2,986,857	2,986,857	2,986,857
TOTAL ENTERPRISE FUNDS	8,902,198	7,679,246	9,912,206	9,347,117	9,344,011	9,344,011	9,344,011	9,344,011

Internal Service Fund Revenues

Classification	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Adopted	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
INFORMATION TECHNOLOGY (FUND 610)								
420-Use of Money	109,150	-	-	-	-	-	-	-
421-Transfer In	72,000	245,000	245,000	192,078	415,801	422,142	428,157	434,045
450-Charges for Services	2,731,701	2,681,431	2,681,431	2,959,603	2,959,603	2,959,603	2,959,603	2,959,603
TOTAL	2,912,851	2,926,431	2,926,431	3,151,681	3,375,404	3,381,745	3,387,760	3,393,648
WORKERS' COMPENSATION (FUND 620)								
420-Use of Money	150,548	-	-	-	-	-	-	-
450-Charges for Services	7,000	-	-	-	-	-	-	-
490-Other Sources	230,706	246,385	246,385	356,839	356,839	356,839	356,839	356,839
TOTAL	388,254	246,385	246,385	356,839	356,839	356,839	356,839	356,839
VEHICLE/EQUIPMENT REPLACEMENT (FUND 630)								
421-Transfer In	-	6,000	6,000	366,000	24,241	24,362	24,484	24,606
450-Charges for Services	1,352,200	1,633,518	1,633,518	1,718,598	1,718,598	1,718,598	1,718,598	1,718,598
490-Other Sources	76,863	-	-	-	-	-	-	-
TOTAL	1,429,063	1,639,518	1,639,518	2,084,598	1,742,839	1,742,960	1,743,082	1,743,204
COMPENSATED ABSENCE & LONG-TERM DISABILITY (FUND 641)								
420-Use of Money	48,647	-	-	-	-	-	-	-
421-Transfer In	1,109,000	193,000	193,000	21,570	22,843	23,471	24,116	24,779
450-Charges for Services	173,931	-	-	-	-	-	-	-
TOTAL	1,331,578	193,000	193,000	21,570	22,843	23,471	24,116	24,779
RETIREE MEDICAL (FUND 642)								
420-Use of Money	59,177	-	-	-	-	-	-	-
421-Transfer In	2,392,000	46,000	46,000	1,072,711	1,402,222	1,453,495	1,504,193	1,554,163
TOTAL	2,451,177	46,000	46,000	1,072,711	1,402,222	1,453,495	1,504,193	1,554,163
TOTAL INTERNAL SERVICE FUNDS	8,512,923	5,051,334	5,051,334	6,687,399	6,900,146	6,958,509	7,015,991	7,072,633

Internal Service Fund Expenditures

Program	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Adopted	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
INFORMATION TECHNOLOGY (FUND 610)								
610-30-300 Administration	238,010	356,506	446,506	252,124	252,124	252,124	252,124	252,124
610-34-310 Infrastructure	2,379,194	2,076,714	2,167,487	2,202,453	2,202,453	2,202,453	2,202,453	2,202,453
610-35-986 GIS	1,259,293	1,081,259	1,114,248	1,424,906	1,424,906	1,424,906	1,424,906	1,424,906
TOTAL	3,876,497	3,514,479	3,728,241	3,879,483	3,879,483	3,879,483	3,879,483	3,879,483
WORKERS' COMPENSATION (FUND 620)								
620-44-418 Workers Compensation Insurance	229,053	276,223	276,223	434,840	434,840	434,840	434,840	434,840
TOTAL	229,053	276,223	276,223	434,840	434,840	434,840	434,840	434,840
VEHICLE/EQUIPMENT REPLACEMENT (FUND 630)								
630-85-849 Equipment Maintenance	1,596,207	1,495,116	1,522,542	1,557,044	1,557,044	1,557,044	1,557,044	1,557,044
630-90-985 Fixed Assets Acquisition	-	384,022	511,752	1,001,017	1,001,017	1,001,017	1,001,017	1,001,017
TOTAL	1,596,207	1,879,138	2,034,294	2,558,061	2,558,061	2,558,061	2,558,061	2,558,061
COMPENSATED ABSENCE & LONG-TERM DISABILITY (FUND 641)								
641-44-419 Long Term Disability	168,953	171,837	171,837	95,612	95,612	95,612	95,612	95,612
641-44-420 Compensated Absence	383,888	620,055	620,055	620,590	620,590	620,590	620,590	620,590
TOTAL	552,841	791,892	791,892	716,202	716,202	716,202	716,202	716,202
RETIREE MEDICAL (FUND 642)								
642-44-414 HR Retiree Benefits	1,149,055	1,211,333	1,211,333	1,241,926	1,241,926	1,241,926	1,241,926	1,241,926
TOTAL	1,149,055	1,211,333	1,211,333	1,241,926	1,241,926	1,241,926	1,241,926	1,241,926
TOTAL INTERNAL SERVICE FUNDS	7,403,653	7,673,065	8,041,983	8,830,512	8,830,512	8,830,512	8,830,512	8,830,512

All Funds Fund Balance

Fund Type		2019-20 Actual	2020-21 Adopted	2020-21 Estimate	2021-22 Proposed	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
GENERAL FUNDS									
	Beginning Balance	58,922,585	74,505,813	74,505,813	83,259,456	85,391,569	86,031,069	88,203,948	87,258,485
Assigned		34,426,942	16,040,633	39,125,447	39,262,560	40,913,060	41,768,354	39,422,583	36,720,745
Unassigned		40,078,871	35,929,546	44,134,009	46,129,009	45,118,009	46,435,593	47,835,901	49,324,104
	Ending Balance	74,505,813	51,970,179	83,259,456	85,391,569	86,031,069	88,203,948	87,258,485	86,044,849
SPECIAL REVENUE FUNDS									
	Beginning Balance	34,275,079	23,397,927	31,995,174	28,888,315	32,221,580	35,479,680	38,889,084	42,387,477
Assigned		34,275,080	27,645,576	28,888,315	32,221,580	35,479,680	38,889,084	42,387,477	45,959,266
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	34,275,080	27,645,576	28,888,315	32,221,580	35,479,680	38,889,084	42,387,477	45,959,266
DEBT SERVICE FUNDS									
	Beginning Balance	1,660,760	1,660,760	1,685,872	55,016	16	16	16	16
Assigned		1,685,872	1,660,760	1,660,760	16	16	16	16	16
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	1,685,872	1,660,760	1,660,760	16	16	16	16	16
CAPITAL PROJECT FUNDS									
	Beginning Balance	33,211,943	38,538,113	40,551,134	39,384,351	39,209,351	39,209,351	39,209,351	39,209,351
Assigned		40,551,134	36,205,390	39,384,351	39,209,351	39,209,351	39,209,351	39,209,351	39,209,351
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	40,551,134	36,205,390	39,384,351	39,209,351	39,209,351	39,209,351	39,209,351	39,209,351
ENTERPRISE FUNDS									
	Beginning Balance	8,056,506	5,001,676	9,253,822	6,935,949	4,410,211	1,863,579	(683,053)	(3,229,685)
Assigned		9,253,822	4,289,472	6,935,949	4,410,211	1,863,579	(683,053)	(3,229,685)	(5,776,317)
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	9,253,822	4,289,472	6,935,949	4,410,211	1,863,579	(683,053)	(3,229,685)	(5,776,317)
INTERNAL SERVICE FUNDS									
	Beginning Balance	6,850,179	6,825,172	7,959,449	5,194,719	3,051,606	1,121,240	(750,763)	(2,565,285)
Assigned		7,959,449	4,203,441	5,194,719	3,051,606	1,121,240	(750,763)	(2,565,285)	(4,323,164)
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	7,959,449	4,203,441	5,194,719	3,051,606	1,121,240	(750,763)	(2,565,285)	(4,323,164)
TOTAL ALL FUNDS		168,231,169	125,974,818	165,323,549	164,284,332	163,704,934	164,868,582	163,060,358	161,114,000

Note: In FY 2021-22, forecasted fund balance is \$800,000 higher than budgeted because the forecast includes \$800,000 in vacancy savings. The City expects to realize the vacancy savings due to attrition.

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Council and Commissions

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Department Overview

Budget Units

Budget Unit	Program	2022 Proposed Budget
City Council		\$ 580,091
100-10-100	City Council	\$ 479,750
100-10-101	Community Funding	\$ 22,759
100-10-110	Sister Cities	\$ 77,582
Commissions		\$ 658,312
100-11-131	Technology, Information & Communications Commission	\$ 37,125
100-11-140	Library Commission	\$ 48,341
100-11-142	Fine Arts Commission	\$ 66,468
100-11-150	Public Safety Commission	\$ 35,606
100-11-155	Bicycle and Pedestrian Commission	\$ 47,731
100-11-160	Parks and Recreation Commission	\$ 57,463
100-11-165	Teen Commission	\$ 81,078
100-11-170	Planning Commission	\$ 131,245
100-11-175	Housing Commission	\$ 62,761
100-11-180	Sustainability Commission	\$ 63,038
100-11-190	Audit Committee	\$ 27,456
Total		\$ 1,238,403

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 1,054,877
Total Expenditures	\$ 1,238,403
Fund Balance	\$ -
General Fund Costs	\$ 183,526
% Funded by General Fund	14.8%
Total Staffing	7.6 FTE

Organization

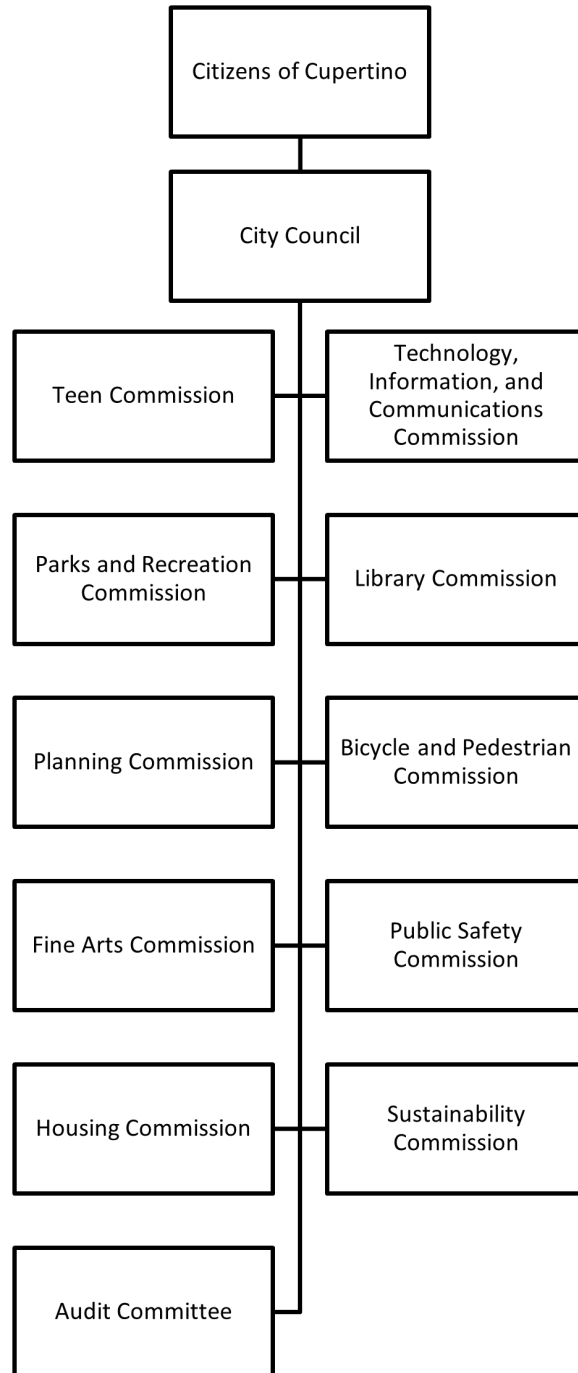
Darcy Paul, Mayor

Liang Chao, Vice Mayor

Kitty Moore, Council Member

Hung Wei, Council Member

Jon Willey, Council Member

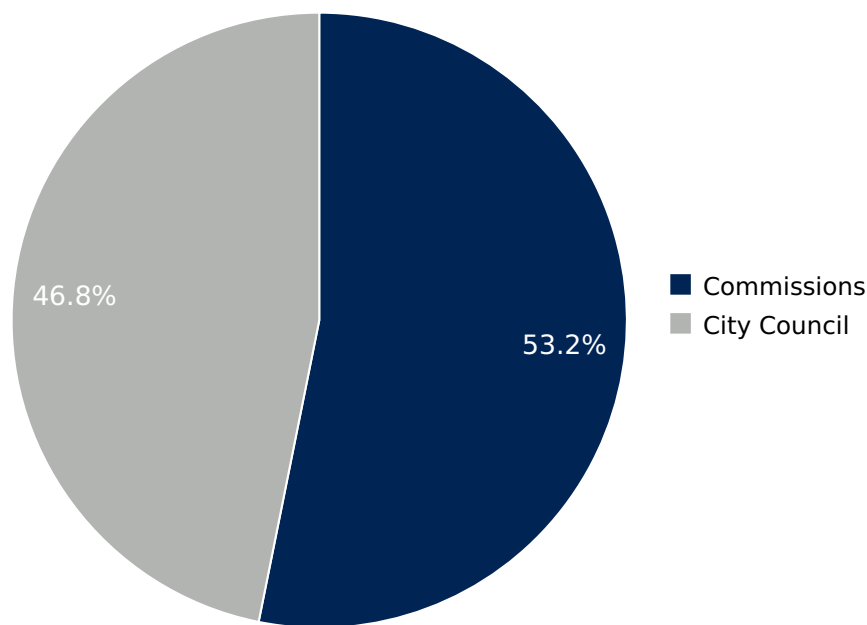


Proposed Budget

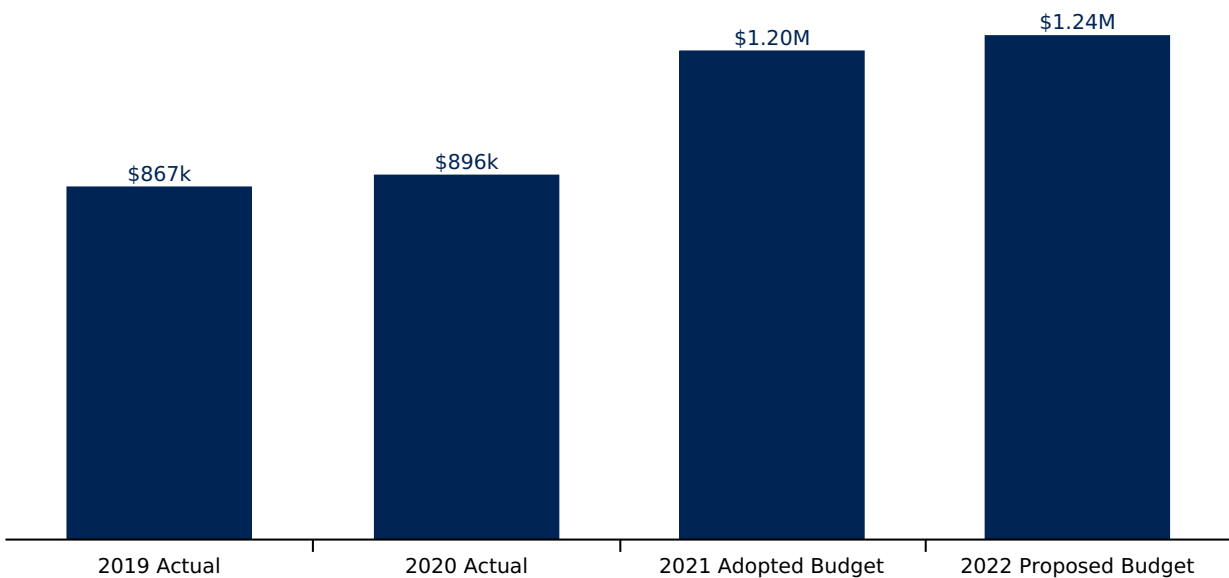
It is recommended that City Council approve a budget of \$1,238,403 for the Council and Commissions department. This represents an increase of \$37,592 (3.1%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 406,858	\$ 586,473	\$ 954,826	\$ 1,054,877
Total Revenues	\$ 406,858	\$ 586,473	\$ 954,826	\$ 1,054,877
Expenditures				
Employee Compensation	\$ 289,947	\$ 280,409	\$ 354,463	\$ 376,429
Employee Benefits	\$ 165,047	\$ 158,895	\$ 217,629	\$ 259,737
Materials	\$ 145,182	\$ 128,444	\$ 248,300	\$ 246,912
Contract Services	\$ 109,238	\$ 147,776	\$ 166,133	\$ 86,153
Cost Allocation	\$ 157,166	\$ 150,923	\$ 206,675	\$ 260,845
Special Projects	\$ -	\$ 29,202	\$ -	\$ -
Contingencies	\$ -	\$ 40	\$ 7,611	\$ 8,327
Total Expenditures	\$ 866,580	\$ 895,689	\$ 1,200,811	\$ 1,238,403
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 459,723	\$ 309,217	\$ 245,985	\$ 183,526

Staffing

Total current positions - 7.58 FTE

Total proposed positions - 7.58 FTE

City Council

Budget Unit 100-10-100

General Fund - City Council - City Council

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 1,054,877
Total Expenditures	\$ 479,750
Fund Balance	\$ -
General Fund Costs	\$ (575,127)
% Funded by General Fund	-119.9%
Total Staffing	5.9 FTE

Program Overview

The Mayor and councilmembers, acting as the elected representatives of the residents of Cupertino, establish public policies to meet the community needs of the City.

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$479,750 for the City Council program. This represents an increase of \$27,999 (6.2%) from the FY 2020-21 Adopted Budget.

This increase is primarily due to increases in pension insurance costs and changes in health insurance selections.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 406,858	\$ 586,473	\$ 954,826	\$ 1,054,877
Total Revenues	\$ 406,858	\$ 586,473	\$ 954,826	\$ 1,054,877
Expenditures				
Employee Compensation	\$ 138,405	\$ 123,015	\$ 139,932	\$ 137,839
Employee Benefits	\$ 104,507	\$ 100,030	\$ 117,270	\$ 142,382
Materials	\$ 98,283	\$ 91,900	\$ 170,671	\$ 175,529
Contract Services	\$ 23,185	\$ 12,416	\$ 19,133	\$ 19,133
Cost Allocation	\$ 54,145	\$ 39,560	\$ -	\$ -
Special Projects	\$ -	\$ 29,202	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 4,745	\$ 4,867
Total Expenditures	\$ 418,525	\$ 396,123	\$ 451,751	\$ 479,750
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 11,668	\$ (190,350)	\$ (503,075)	\$ (575,127)

Staffing

Total current positions - 5.85 FTE

Total proposed positions - 5.85 FTE

There is no change to the current level of staffing.

Community Funding

Budget Unit 100-10-101

General Fund - City Council - Community Funding

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 22,759
Fund Balance	\$ -
General Fund Costs	\$ 22,759
% Funded by General Fund	100.0%
Total Staffing	0.0 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 updated Community Funding Policy adopted by City Council on December 1, 2020.

Proposed Budget

It is recommended that City Council approve a budget of \$22,759 for the Community Funding program. This represents a decrease of \$88,481 (-79.5%) from the FY 2020-21 Adopted Budget.

Community Funding requests for FY 2021-22 will be incorporated as part of the Final Adopted Budget.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 52,400	\$ 114,800	\$ 110,000	\$ 20,000
Cost Allocation	\$ 1,031	\$ 787	\$ 1,240	\$ 2,259
Contingencies	\$ -	\$ -	\$ -	\$ 500
Total Expenditures	\$ 53,431	\$ 115,587	\$ 111,240	\$ 22,759
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 53,431	\$ 115,587	\$ 111,240	\$ 22,759

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Sister Cities

Budget Unit 100-10-110

General Fund - City Council - Sister Cities

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 77,582
Fund Balance	\$ -
General Fund Costs	\$ 77,582
% 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; Cupertino, 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

Proposed Budget

It is recommended that City Council approve a budget of \$77,582 for the Sister Cities program. This represents a decrease of \$4,013 (-4.9%) from the FY 2020-21 Adopted Budget.

Activities in this budget program remain relatively unchanged over the previous 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 13,702	\$ 17,141	\$ 12,317	\$ 13,229
Employee Benefits	\$ 5,189	\$ 6,767	\$ 5,732	\$ 5,956
Materials	\$ 3,019	\$ 5,016	\$ 5,773	\$ 5,830
Contract Services	\$ 20,570	\$ 9,560	\$ 20,000	\$ 20,000
Cost Allocation	\$ 9,094	\$ 11,398	\$ 37,129	\$ 31,921
Contingencies	\$ -	\$ -	\$ 644	\$ 646
Total Expenditures	\$ 51,574	\$ 49,882	\$ 81,595	\$ 77,582
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 51,574	\$ 49,881	\$ 81,595	\$ 77,582

Staffing

Total current positions - 0.10 FTE

Total proposed positions - 0.10 FTE

There is no change to the current level of staffing.

Technology, Information & Communications Commission

Budget Unit 100-11-131

General Fund - Commissions - Technology, Information & Communications Commission

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 37,125
Fund Balance	\$ -
General Fund Costs	\$ 37,125
% Funded by General Fund	100.0%
Total Staffing	0.1 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.

Proposed Budget

It is recommended that City Council approve a budget of \$37,125 for the Technology, Information & Communications Commission program. This represents an increase of \$13,061 (54.3%) from the FY 2020-21 Adopted Budget.

Increases in this budget unit are due to cost allocation charges as a result of increased one-time I&T expenditures.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ 4,171	\$ 9,824	\$ 10,116
Employee Benefits	\$ -	\$ 1,889	\$ 4,229	\$ 4,580
Materials	\$ 687	\$ 107	\$ 1,206	\$ 1,218
Contract Services	\$ -	\$ -	\$ 5,000	\$ 5,000
Cost Allocation	\$ 5,852	\$ 1,207	\$ 3,650	\$ 16,056
Contingencies	\$ -	\$ -	\$ 155	\$ 155
Total Expenditures	\$ 6,539	\$ 7,374	\$ 24,064	\$ 37,125
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 6,539	\$ 7,374	\$ 24,064	\$ 37,125

Staffing

Total current positions - 0.07 FTE

Total proposed positions - 0.07 FTE

There is no change to the current level of staffing.

Library Commission

Budget Unit 100-11-140

General Fund - Commissions - Library Commission

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 48,341
Fund Balance	\$ -
General Fund Costs	\$ 48,341
% Funded by General Fund	100.0%
Total Staffing	0.2 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. County Library management serve as Commission staff and Parks and Recreation personnel serve 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.
- Coordinate and implement the annual Cupertino Poet Laureate program and provide staff support and City resources to sustain the program.
- Continue emphasis on integrating additional technology into library services.

Proposed Budget

It is recommended that City Council approve a budget of \$48,341 for the Library Commission program. This represents an increase of \$16,632 (52.5%) from the FY 2020-21 Adopted Budget.

The increase is primarily due increases in Employee Compensation and Benefits from the partial reallocation of staff time into 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 8,601	\$ 5,892	\$ 9,915	\$ 20,220
Employee Benefits	\$ 3,558	\$ 840	\$ 5,228	\$ 10,136
Materials	\$ 46	\$ 589	\$ 380	\$ 344
Contract Services	\$ -	\$ -	\$ 2,000	\$ 2,020
Cost Allocation	\$ 9,870	\$ 11,479	\$ 14,126	\$ 15,562
Contingencies	\$ -	\$ -	\$ 60	\$ 59
Total Expenditures	\$ 22,075	\$ 18,800	\$ 31,709	\$ 48,341
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 22,075	\$ 18,801	\$ 31,709	\$ 48,341

Staffing

Total current positions - 0.15 FTE

Total proposed positions - 0.15 FTE

There are no changes to the current level of staffing.

Fine Arts Commission

Budget Unit 100-11-142

General Fund - Commissions - Fine Arts Commission

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 66,468
Fund Balance	\$ -
General Fund Costs	\$ 66,468
% Funded by General Fund	100.0%
Total Staffing	0.2 FTE

Program Overview

The Fine Arts Commission is a five member commission appointed by the City Council to foster, encourage and assist the realization, preservation and advancement of fine arts for the benefit of the citizens of Cupertino. A Parks and Recreation Department Recreation Coordinator serves as the staff liaison.

Service Objectives

- 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 and businesses through personal outreach.
- Review and approve public art proposals.
- Encourage and facilitate "art in unexpected places" throughout the City.

Proposed Budget

It is recommended that City Council approve a budget of \$66,468 for the Fine Arts Commission program. This represents an increase of \$12,958 (24.2%) from the FY 2020-21 Adopted Budget.

The increase is primarily due to the proposed establishment of the Art in Unexpected Places program with a recurring annual budget of \$10,000 per 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 16,704	\$ 17,260	\$ 14,486	\$ 14,920
Employee Benefits	\$ 6,209	\$ 6,589	\$ 8,712	\$ 9,309
Materials	\$ 2,554	\$ 3,258	\$ 7,341	\$ 6,673
Contract Services	\$ -	\$ -	\$ -	\$ 10,000
Cost Allocation	\$ 11,810	\$ 12,688	\$ 22,787	\$ 25,149
Contingencies	\$ -	\$ 40	\$ 184	\$ 417
Total Expenditures	\$ 37,277	\$ 39,835	\$ 53,510	\$ 66,468
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 37,276	\$ 39,836	\$ 53,510	\$ 66,468

Staffing

Total current positions - 0.15 FTE

Total proposed positions - 0.15 FTE

There are no changes to the current level of staffing.

Public Safety Commission

Budget Unit 100-11-150

General Fund - Commissions - Public Safety Commission

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 35,606
Fund Balance	\$ -
General Fund Costs	\$ 35,606
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Public Safety Commission (PSC), a five-member board appointed by the City Council, assists the Council by advising on matters pertaining to safety, traffic, police, fire and other areas wherein the matter of public safety may be of concern.

Service Objectives

- Advise the City Council on safety issues and concerns.
- Promote public education programs concerning safety issues.
- Provide assistance in implementing public safety programs approved by the City Council.

Proposed Budget

It is recommended that City Council approve a budget of \$35,606 for the Public Safety Commission program. This represents an increase of \$4,789 (15.5%) from the FY 2020-21 Adopted Budget.

The increase is primarily due to normal increases in salary and benefits.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 3,236	\$ 1,141	\$ 4,848	\$ 7,785
Employee Benefits	\$ 1,304	\$ 591	\$ 2,643	\$ 4,030
Materials	\$ 2,477	\$ 1,460	\$ 4,451	\$ 4,496
Contract Services	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Cost Allocation	\$ 1,941	\$ 993	\$ 8,514	\$ 8,933
Contingencies	\$ -	\$ -	\$ 361	\$ 362
Total Expenditures	\$ 18,958	\$ 14,185	\$ 30,817	\$ 35,606
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 18,958	\$ 14,185	\$ 30,817	\$ 35,606

Staffing

Total current positions - 0.05 FTE

Total proposed positions - 0.05 FTE

There are no changes to the current level of staffing

Bicycle and Pedestrian Commission

Budget Unit 100-11-155

General Fund - Commissions - Bicycle and Pedestrian Commission

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 47,731
Fund Balance	\$ -
General Fund Costs	\$ 47,731
% Funded by General Fund	100.0%
Total Staffing	0.2 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 Transportation Manager 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.

Proposed Budget

It is recommended that City Council approve a budget of \$47,731 for the Bicycle and Pedestrian Commission program. This represents an increase of \$12,493 (35.5%) from the FY 2020-21 Adopted Budget.

Increases to this program are due to increased cost allocation 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ 23,985	\$ 24,606
Employee Benefits	\$ -	\$ -	\$ 10,223	\$ 12,212
Materials	\$ -	\$ -	\$ 200	\$ 202
Cost Allocation	\$ 1,763	\$ 807	\$ 825	\$ 10,706
Contingencies	\$ -	\$ -	\$ 5	\$ 5
Total Expenditures	\$ 1,763	\$ 807	\$ 35,238	\$ 47,731
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,763	\$ 807	\$ 35,238	\$ 47,731

Staffing

Total current positions - 0.15 FTE

Total proposed positions - 0.15 FTE

There is no change to the current level of staffing.

Parks and Recreation Commission

Budget Unit 100-11-160

General Fund - Commissions - Parks and Recreation Commission

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 57,463
Fund Balance	\$ -
General Fund Costs	\$ 57,463
% 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 Parks and Recreation serves as staff liaison.

Service Objectives

- Engage the public in dialog regarding the design of new 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 Parks and Recreation facilities.
- Consider public input regarding the operation of Parks and Recreation facilities and make recommendations for their improvement.
- Participate in special committees dealing with Parks and Recreation.
- Serve as ambassadors for the Parks and Recreation Department.

Proposed Budget

It is recommended that City Council approve a budget of \$57,463 for the Parks and Recreation Commission program. This represents an increase of \$6,567 (12.9%) from the FY 2020-21 Adopted Budget.

The increase is primarily due to changes in cost allocation methodology.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 14,415	\$ 17,828	\$ 15,942	\$ 17,280
Employee Benefits	\$ 5,059	\$ 3,765	\$ 7,185	\$ 7,610
Materials	\$ 2,154	\$ 1,207	\$ 8,188	\$ 7,442
Cost Allocation	\$ 9,282	\$ 12,165	\$ 19,376	\$ 24,945
Contingencies	\$ -	\$ -	\$ 205	\$ 186
Total Expenditures	\$ 30,910	\$ 34,965	\$ 50,896	\$ 57,463
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 30,909	\$ 34,965	\$ 50,896	\$ 57,463

Staffing

Total current positions - 0.10 FTE

Total proposed positions - 0.10 FTE

There are no changes to the current level of staffing.

Teen Commission

Budget Unit 100-11-165

General Fund - Commissions - Teen Commission

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 81,078
Fund Balance	\$ -
General Fund Costs	\$ 81,078
% 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 Parks and Recreation Department Recreation Coordinator serves as the staff liaison.

Service Objectives

- Engage the public in dialogue regarding the design of new teen 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.

Proposed Budget

It is recommended that City Council approve a budget of \$81,078 for the Teen Commission program. This represents a decrease of \$222 (-0.3%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 26,638	\$ 29,503	\$ 28,971	\$ 29,840
Employee Benefits	\$ 11,167	\$ 12,360	\$ 13,635	\$ 14,640
Materials	\$ 8,282	\$ 5,556	\$ 9,995	\$ 4,514
Contract Services	\$ 405	\$ -	\$ -	\$ -
Cost Allocation	\$ 16,596	\$ 16,728	\$ 28,449	\$ 31,971
Contingencies	\$ -	\$ -	\$ 250	\$ 113
Total Expenditures	\$ 63,088	\$ 64,147	\$ 81,300	\$ 81,078
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 63,088	\$ 64,147	\$ 81,300	\$ 81,078

Staffing

Total current positions - 0.30 FTE

Total proposed positions - 0.30 FTE

There are no changes to the current level of staffing.

Planning Commission

Budget Unit 100-11-170

General Fund - Commissions - Planning Commission

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 131,245
Fund Balance	\$ -
General Fund Costs	\$ 131,245
% 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.

Proposed Budget

It is recommended that City Council approve a budget of \$131,245 for the Planning Commission program. This represents an increase of \$11,682 (9.8%) from the FY 2020-21 Adopted Budget.

Increases in this budget program are due to negotiated salary and benefit increases as well as cost allocation 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 42,998	\$ 32,741	\$ 38,684	\$ 40,557
Employee Benefits	\$ 15,292	\$ 11,231	\$ 15,948	\$ 18,610
Materials	\$ 22,078	\$ 18,766	\$ 33,381	\$ 33,715
Contract Services	\$ 2,678	\$ -	\$ -	\$ -
Cost Allocation	\$ 19,241	\$ 18,624	\$ 30,715	\$ 37,520
Contingencies	\$ -	\$ -	\$ 835	\$ 843
Total Expenditures	\$ 102,287	\$ 81,362	\$ 119,563	\$ 131,245
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 102,287	\$ 81,362	\$ 119,563	\$ 131,245

Staffing

Total current positions - 0.26 FTE

Total proposed positions - 0.26 FTE

There is no change to the current level of staffing.

Housing Commission

Budget Unit 100-11-175

General Fund - Commissions - Housing Commission

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 62,761
Fund Balance	\$ -
General Fund Costs	\$ 62,761
% Funded by General Fund	100.0%
Total Staffing	0.2 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

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

Proposed Budget

It is recommended that City Council approve a budget of \$62,761 for the Housing Commission program. This represents an increase of \$6,659 (11.9%) from the FY 2020-21 Adopted Budget.

Increases in this budget program are due to negotiated labor increases.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 14,055	\$ 19,925	\$ 22,801	\$ 24,668
Employee Benefits	\$ 7,025	\$ 9,156	\$ 10,688	\$ 12,241
Materials	\$ 495	\$ 244	\$ 979	\$ 989
Cost Allocation	\$ 11,937	\$ 12,510	\$ 21,610	\$ 24,838
Contingencies	\$ -	\$ -	\$ 24	\$ 25
Total Expenditures	\$ 33,512	\$ 41,835	\$ 56,102	\$ 62,761
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 33,513	\$ 41,835	\$ 56,102	\$ 62,761

Staffing

Total current positions - 0.15 FTE

Total proposed positions - 0.15 FTE

There is no change to the current level of staffing.

Sustainability Commission

Budget Unit 100-11-180

General Fund - Commissions - Sustainability Commission

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 63,038
Fund Balance	\$ -
General Fund Costs	\$ 63,038
% Funded by General Fund	100.0%
Total Staffing	0.2 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.

Proposed Budget

It is recommended that City Council approve a budget of \$63,038 for the Sustainability Commission program. This represents an increase of \$10,256 (19.4%) from the FY 2020-21 Adopted Budget.

This increase is largely due to increases in cost allocation expenses due to increased cost of internal 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 11,193	\$ 11,792	\$ 18,678	\$ 20,618
Employee Benefits	\$ 5,737	\$ 5,674	\$ 9,972	\$ 11,189
Materials	\$ 5,107	\$ 341	\$ 5,735	\$ 5,960
Contract Services	\$ -	\$ 1,000	\$ -	\$ -
Cost Allocation	\$ 4,604	\$ 11,977	\$ 18,254	\$ 25,122
Contingencies	\$ -	\$ -	\$ 143	\$ 149
Total Expenditures	\$ 26,641	\$ 30,784	\$ 52,782	\$ 63,038
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 26,642	\$ 30,784	\$ 52,782	\$ 63,038

Staffing

Total current positions - 0.15 FTE

Total proposed positions - 0.15 FTE

There is no change to the current level of staffing.

Audit Committee

Budget Unit 100-11-190

General Fund - Commissions - Audit Committee

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 27,456
Fund Balance	\$ -
General Fund Costs	\$ 27,456
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Audit Committee, consisting of two City Council members and a minimum of two and a maximum of three at large members, hold the following powers and functions: A. To review the annual audit report and management letter; B. To recommend appointment of auditors; C. To review the monthly Treasurer's report; D. To recommend a budget format; and E. To review City investment policies and internal controls of such policies. F. To recommend appointment of internal auditors; and G. To review internal audit reports. The Audit Committee meets at least quarterly. The Finance Manager serves as staff liaison.

Service Objectives

- To review the annual audit report and management letter;
- To recommend appointment of auditors;
- To review the monthly Treasurer's report;
- To recommend a budget format;
- To review City investment policies and internal controls of such policies.

Proposed Budget

It is recommended that City Council approve a budget of \$27,456 for the Audit Committee program. This represents an increase of \$7,212 (35.6%) from the FY 2020-21 Adopted Budget.

Increases in this budget unit are due to cost allocation charges not being applied in previous 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ 14,080	\$ 14,751
Employee Benefits	\$ -	\$ 3	\$ 6,164	\$ 6,842
Cost Allocation	\$ -	\$ -	\$ -	\$ 5,863
Total Expenditures	\$ -	\$ 3	\$ 20,244	\$ 27,456
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 3	\$ 20,244	\$ 27,456

Staffing

Total current positions - 0.10 FTE

Total proposed positions - 0.10 FTE

There is no change to the current level of staffing.

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Administration

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Department Overview

Budget Units

Budget Unit	Program	2022 Proposed Budget
City Manager		\$ 5,033,200
100-12-120	City Manager	\$ 1,521,821
100-12-122	Sustainability	\$ 866,420
100-12-126	Office of Communications	\$ 783,955
100-12-305	Multimedia	\$ 916,347
100-12-307	Public Access Support	\$ 79,531
100-12-632	Community Outreach and Neighborhood Watch	\$ 170,392
100-12-633	Office of Emergency Management	\$ 694,734
100-12-705	Economic Development	\$ -
City Clerk		\$ 651,274
100-13-130	City Clerk	\$ 603,333
100-13-132	Duplicating and Mail Services	\$ 47,794
100-13-133	Elections	\$ 147
City Manager Discretionary		\$ 593,250
100-14-123	City Manager Contingency	\$ 593,250
City Attorney		\$ 1,943,655
100-15-141	City Attorney	\$ 1,943,655
Total		\$ 8,221,379

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 1,739,136
Total Expenditures	\$ 8,221,379
Fund Balance	\$ -
General Fund Costs	\$ 6,482,243
% Funded by General Fund	78.8%
Total Staffing	18.9 FTE

Organization

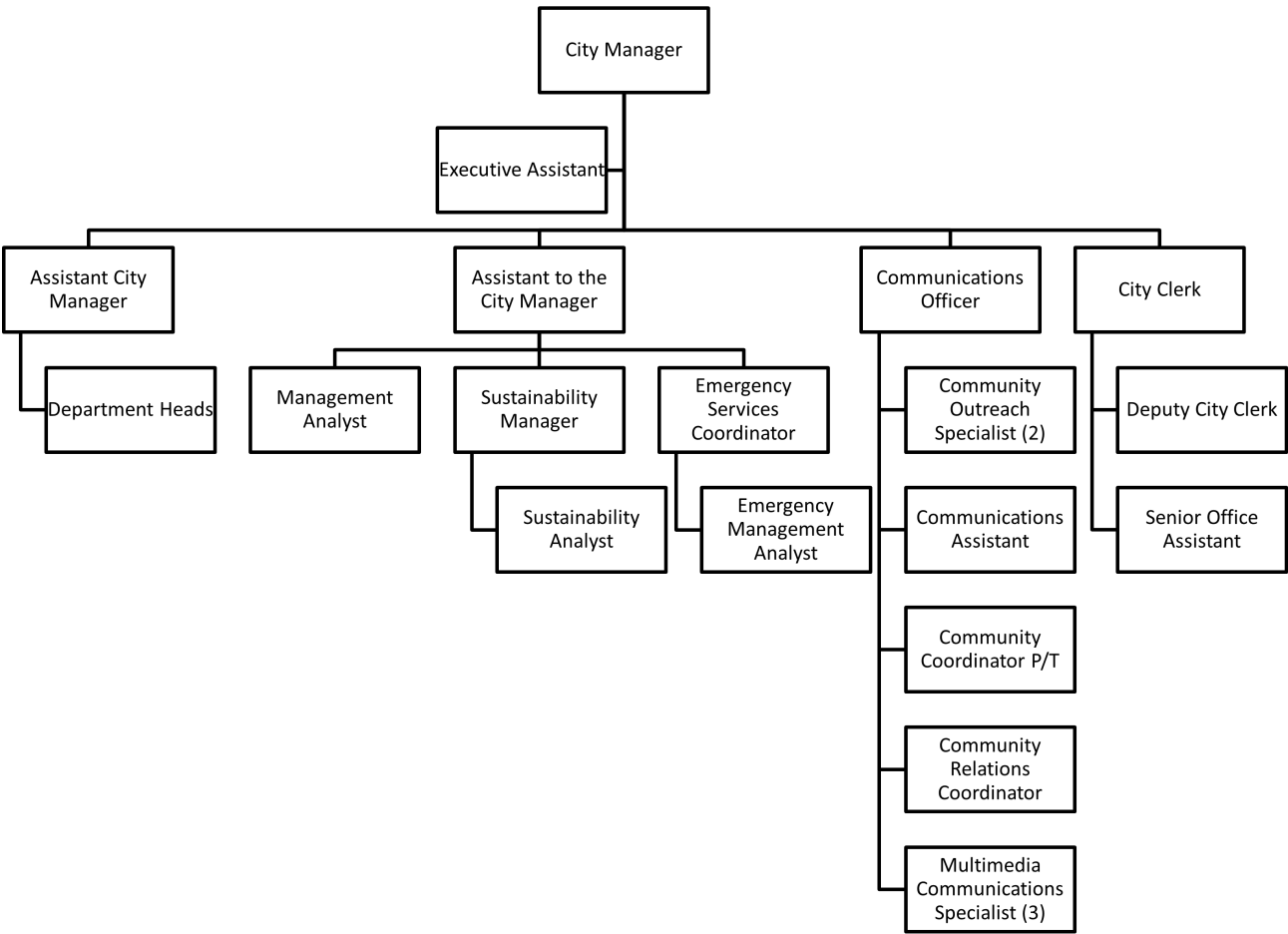
Deborah L. Feng, City Manager

Dianne Thompson, Assistant City Manager

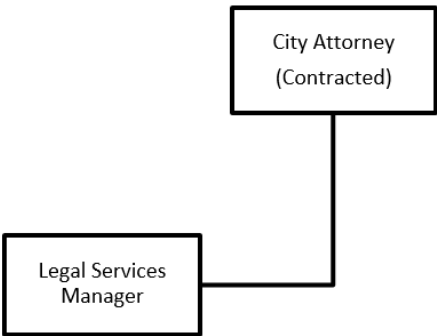
Heather Minner, City Attorney (Contract)

Kirsten Squarcia, City Clerk

City Manager's Office



City Attorney's Office



Performance Measures

City Clerk Division

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

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

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
City Council minutes for regular meetings presented for Council approval by the following regular meeting	94%	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	99%	60%	67%	100%
Public Record Act requests responded to by the Statutory deadline date	100%	100%	100%	100%

Office of Communications

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

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

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
Social media engagement: total number of followers including City Hall Nextdoor, Facebook, Twitter, and Instagram accounts	27,074	31,906	32,987	10% annual increase
Social media engagement: average number of engagements (reactions, comments, shares, and clicks ¹) per post on City Hall Facebook account	67.2	72.3	44.7	10% annual increase
Cupertino 311: Average response time to customers organization-wide (in days) ² :	Average Close Time 3.1 Days	Average Close Time 2.8 Days	Average Close Time 2.65 Days	Average Close Time 5 days

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 Division

Goal: Implement Cupertino's Climate Action Plan and General Plan Sustainability Element to achieve quantifiable emissions reductions, conserve finite resources, and achieve utility cost avoidance and savings across municipal operations and community partners.

Benefit: Cupertino is a healthy, resilient, environmentally-vibrant city for current and future residents to live, work, learn and play.

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
% community-wide emissions reduced from baseline of 307,288 MT CO ₂ e/yr ¹	2018 inventory: 24% decrease in emissions from baseline (258,659 MT CO ₂ e/yr)			15% reduction by 2020 (261,195 MT CO ₂ e/yr)
Initiate and implement all Climate Action Plan near-term measures:				
x% initiated	100%	100%	100%	100%
x% complete or ongoing	45%	79%	79%	100%
% municipal operations emissions reduced from baseline of 1,865 MT CO ₂ e/yr	2018 inventory: 66% reduction in emissions from baseline: 642 MT CO ₂ e			15% reduction by 2020
5% utility cost savings identified each year	New performance measure proposed for FY2021			Projects identified to exceed 5% new utility savings each year
Pursue grant and incentive funding for special projects and base operations	New performance measure proposed for FY2021			Offset 10% of special projects expenses with grants, rebates, or avoided utility expenses.

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

Economic Development Division

Goal: To actively pursue opportunities in the areas of business attraction, retention, and expansion as a means of promoting economic vitality, and strengthening the City's sales tax base to support Cupertino's excellent quality of life for its residents, businesses, and daytime population.

Benefit: Cupertino's economy and sales tax revenue base are diversified to further enhance the City's financial stability and its ability to provide quality amenities to the community.

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY2021 July-Dec	Ongoing Target
Economic Development Business Buzz Subscribers	1442	2,000	2,500	2,800
Economic Development Business Workshops & Events	16	11	3	12 per year

Multimedia Division

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
Percentage of total video productions performed vs scheduled productions (city meetings excluded)	176% 60/34	145% 32/22	900%* 18/2	100%
Percentage of total engineering projects vs scheduled projects	112% 9/8	233% 7/3	260% 13/5	100%
Total video views on Youtube and Granicus platforms combined	135,716	215,607	156,677	5% annual increase

1The Multimedia Division is responsible for producing videos for both city staff as well as the general Cupertino public. Typically, dozens of video productions are completed every year. Video productions range in scope from relatively simple 30-second public service announcements to major projects like CREST that require more than two months of on-going field production, post-production editing, and a live awards program telecast. This specific Workload Indicator clearly indicates that a large percentage of annual video projects are unscheduled or unanticipated. The main reason is that video productions are oftentimes evaluated and prioritized on the basis of their immediate organizational value, impact and/or newsworthiness. Oftentimes, these unanticipated projects are identified and assigned with only a few days or weeks of advanced notice. As such, there is an on-going need within the division for workflow and work schedule adaptability when it comes to evaluating video productions and completing them on time and on budget. The measurements here are tracked in the "milestones" document located in our City Channel documentation folder. The milestones document is a comprehensive dataset of all the video division projects--both large and small--and is maintained by the entire Multimedia Division staff. City meeting telecasts are not included in this particular dataset.

2Multimedia staff is responsible for designing, managing, and maintaining the many audiovisual and broadcast systems located within the organization. These include systems within the conference and multipurpose rooms, office and huddle spaces, as well as the complex broadcast systems within the video control room at Community Hall. Engineering projects differ from simple repairs, tasks, and modifications in that projects, as defined, require a phased-in approach with advanced planning, design, budgeting, resource acquisition, and implementation. Most engineering projects are scheduled well in advance; occasionally, however, Multimedia Division staff may need to implement unanticipated projects if staff or council priorities require as such. The Workload Indicator here measures the number of projects completed

vs. the number of scheduled projects. These measurements are tracked in the "engineering milestones" document located in our City Channel documentation folder. This document is maintained by Pete Coglianese, who is the broadcast engineer for the division.

3Multimedia staff historically tracks viewership data within our primary online video platforms--YouTube and Granicus. We continue to see an upward trend in viewership of our videos which are used to promote city meetings, city programs, and city services. Our target is to increase viewership by 5% annually. Both YouTube and Granicus provide advanced reporting modules that allow us to accurately track the number of views over a given date range. The numbers here indicate total views rather than total unique views. Other online platforms were considered as part of this dataset; however, because we do not consistently post videos to our other social media sites such as Facebook, Twitter, Instagram, and Nextdoor, those statistics were not included as part of this specific performance measure. Similarly, we do have accurate viewership data for the City Channel, our government access television channel, so that platform was excluded as well.

*Percentage skewed due to the pandemic

Workload Indicators

City Clerk Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
City Council minutes for regular meetings presented for Council approval by the following regular meeting	18/18	22/22	11/11
Adopted City Council resolutions and ordinances processed and scanned to Laserfiche within a week of Clerk's office receipt of final, signed document	124/124 resos; 10/10 ords	182/272 resos; 12/18 ords	27/55 resos; 6/12 ords
Public Record Act requests responded to by the Statutory deadline date	131/131	104/104	68/68

Office of Communications

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Social Media Engagement: Post per year (Facebook, Nextdoor, Twitter, Instagram)	890	1182	818
Number of Media Inquiries	N/A	N/A	N/A
Number of Topics initiated via Online Community Engagement Feedback with Open City Hall	N/A	N/A	N/A
Number of Community Information and Outreach Program products provided (newsletters, press releases, website postings, flyers, etc.)	N/A	N/A	N/A

Sustainability Division

Staff plans to update workload indicators and performance measures as part of CAP 2.0 development in FY2021.

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Number of local businesses visited / reached out to as part of GreenBiz program outreach (est)	50	36	5
Events related to increasing awareness of reducing greenhouse gas emissions (staff organized or staff tabled) (est)	14	10	3
Sustainability related metrics tracked and / or analyzed (est)	90	90	85
Climate Action Plan action steps initiated or implemented (est)	55	64	69
\$ value of utility savings projects and opportunities identified.	New workload indicator proposed for FY2021.		
Monitor all major utility spend accounts (water, gas, electricity)	New workload indicator proposed for FY2021.		

Economic Development Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Meetings with large groups/organizations; appointments with brokers, prospective business owners, business owners and operators, City staff, etc.	275		
Special events, including small business workshops and seminars, ICSC conferences and events, ribbon cuttings and grand openings, networking events, and Small Business Saturday Celebration event and/or activities	24		
Presentations to local organizations and visiting delegations	12		
Respond to calls and email inquires	250		

Multimedia Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Percentage of total video productions performed vs scheduled productions (city meetings excluded)	176% 60/34	145% 32/22	900%* 18/2
Percentage of total engineering projects vs scheduled projects	112% 9/8	233% 7/3	260% 13/5
Total video views on Youtube and Granicus platforms combined 3	135,716	215,607	156,677

The Multimedia Division is responsible for producing videos for both city staff as well as the general Cupertino public. Typically, dozens of video productions are completed every year. Video productions range in scope from relatively simple 30-second public service announcements to major projects like CREST that require more than two months of on-going field production, post-production editing, and a live awards program telecast. This specific Workload Indicator clearly indicates that a large percentage of annual video projects are unscheduled or unanticipated. The main reason is that video productions are oftentimes evaluated and prioritized on the basis of their immediate organizational value, impact and/or newsworthiness. Oftentimes, these unanticipated projects are identified and assigned with only a few days or weeks of advanced notice. As such, there is an on-going need within the division for workflow and work schedule adaptability when it comes to evaluating video productions and completing them on time and on budget. The measurements here are tracked in the "milestones" document located in our City Channel documentation folder. The milestones document is a comprehensive dataset of all the video division projects--both large and small--and is maintained by the entire video staff. City meeting telecasts are not

included in this particular dataset.

2Multimedia staff is responsible for designing, managing, and maintaining the many audiovisual and broadcast systems located within the organization. These include systems within the conference and multipurpose rooms, office and huddle spaces, as well as the complex broadcast systems within the video control room at Community Hall. Engineering projects differ from simple repairs, tasks, and modifications in that projects, as defined, require a phased-in approach with advanced planning, design, budgeting, resource acquisition, and implementation. Most engineering projects are scheduled well in advance; occasionally, however, video staff may need to implement unanticipated projects if staff or council priorities require as such. The Workload Indicator here measures the number of projects completed vs. the number of scheduled projects. These measurements are tracked in the "engineering milestones" document located in our City Channel documentation folder. This document is maintained by Pete Coglianese, who is the broadcast engineer for the division.

3Multimedia staff historically tracks viewership data within our primary online video platforms--YouTube and Granicus. We continue to see an upward trend in viewership of our videos which are used to promote city meetings, city programs, and city services. Our target is to increase viewership by 5% annually. Both YouTube and Granicus provide advanced reporting modules that allow us to accurately track the number of views over a given date range. The numbers here indicate total views rather than total unique views. Other online platforms were considered as part of this dataset; however, because we do not consistently post videos to our other social media sites such as Facebook, Twitter, Instagram, and Nextdoor, those statistics were not included as part of this specific performance measure. Similarly, we do have accurate viewership data for the City Channel, our government access television channel, so that platform was excluded as well.

* Percentage skewed due to pandemic

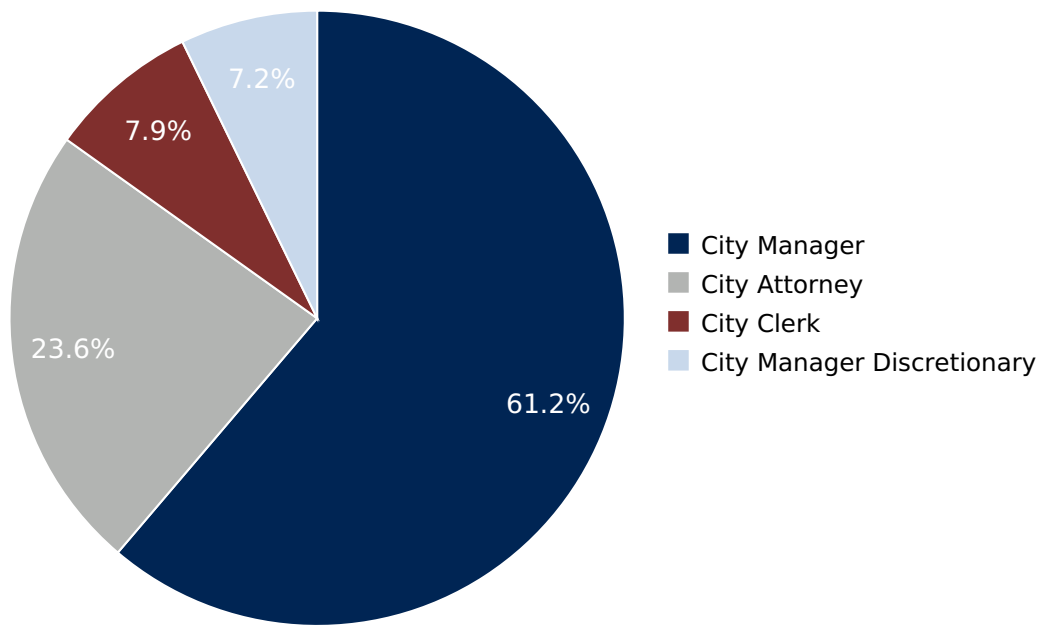
Proposed Budget

It is recommended that City Council approve a budget of \$8,221,379 for the Administration department. This represents an increase of \$203,535 (2.5%) from the FY 2020-21 Adopted Budget.

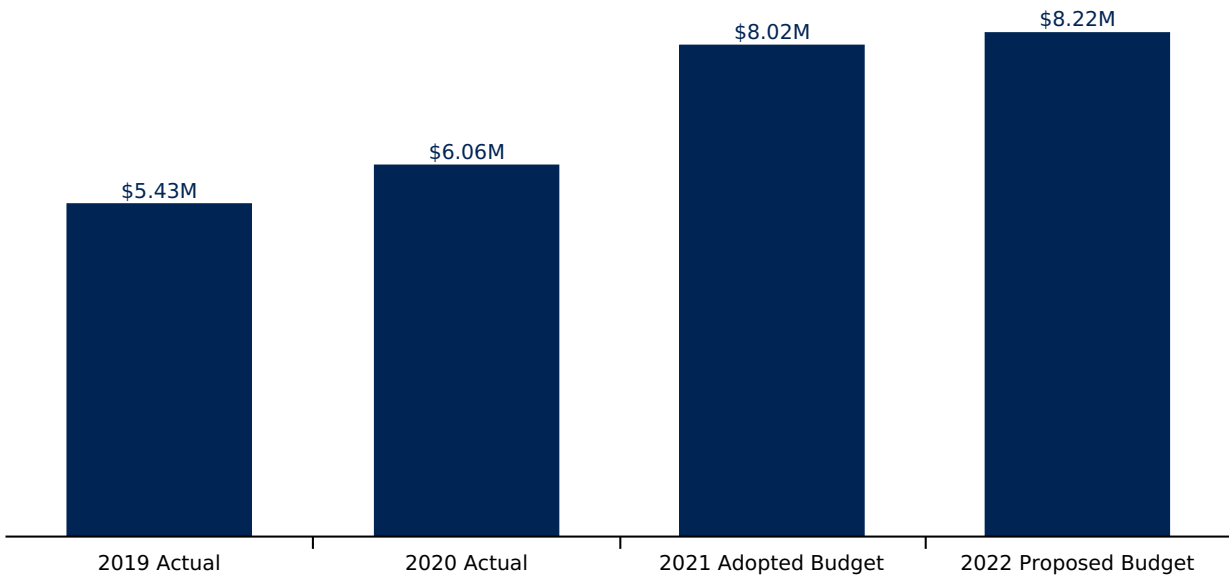
This increase is primarily due to a request to add a full-time Emergency Management Analyst and the following potential City Work Program items*: New City Seal, Personal Preparedness Campaign, and the Climate Action Plan update. This increase is offset by the reorganization of Economic Development into the Community Development Department.

*These items are pending approval. Once the final City Work Program is adopted, the budget will be updated to reflect the approved projects.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 1,300	\$ 33,209	\$ -	\$ -
Charges for Services	\$ 712,070	\$ 1,137,815	\$ 1,388,254	\$ 1,739,136
Miscellaneous Revenue	\$ 20,506	\$ 14,494	\$ 27,592	\$ -
Total Revenues	\$ 733,876	\$ 1,185,518	\$ 1,415,846	\$ 1,739,136
Expenditures				
Employee Compensation	\$ 1,820,343	\$ 1,860,354	\$ 2,524,754	\$ 2,944,170
Employee Benefits	\$ 653,296	\$ 699,664	\$ 1,019,993	\$ 1,288,316
Materials	\$ 361,441	\$ 297,319	\$ 452,399	\$ 440,135
Contract Services	\$ 1,998,612	\$ 2,702,604	\$ 2,782,757	\$ 2,338,470
Cost Allocation	\$ 537,762	\$ 469,747	\$ 481,712	\$ 513,713
Special Projects	\$ 59,291	\$ 31,841	\$ 175,092	\$ 78,000
Contingencies	\$ -	\$ -	\$ 581,137	\$ 618,575
Total Expenditures	\$ 5,430,745	\$ 6,061,529	\$ 8,017,844	\$ 8,221,379
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 4,696,869	\$ 4,876,011	\$ 6,601,998	\$ 6,482,243

Staffing

Total current positions - 17.85 FTE

Total proposed positions - 18.85 FTE

City Manager

Budget Unit 100-12-120

General Fund - City Manager - City Manager

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 637,444
Total Expenditures	\$ 1,521,821
Fund Balance	\$ -
General Fund Costs	\$ 884,377
% Funded by General Fund	58.1%
Total Staffing	4.9 FTE

Program Overview

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

Service Objectives

- Accomplish the Council-approved City Work Program.
- Manage City operations.
- Ensure all laws and ordinances of the City are duly enforced and that all franchises, permits, licenses, and privileges granted by the City are faithfully performed and observed.
- Advise the City Council on policy, and the 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,521,821 for the City Manager program. This represents an increase of \$192,967 (14.5%) from the FY 2020-21 Adopted Budget.

This increase is primarily due to the conversion of a full-time vacancy in Parks and Recreation to a Management Analyst in the City Manager's Office. This increase in full-time salary and benefit costs was partially offset by a decrease in part-time compensation.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ 33,209	\$ -	\$ -
Charges for Services	\$ 332,342	\$ 401,525	\$ 452,422	\$ 637,444
Miscellaneous Revenue	\$ 3,145	\$ -	\$ 27,592	\$ -
Total Revenues	\$ 335,487	\$ 434,734	\$ 480,014	\$ 637,444
Expenditures				
Employee Compensation	\$ 450,190	\$ 760,394	\$ 843,072	\$ 964,238
Employee Benefits	\$ 120,510	\$ 269,702	\$ 293,674	\$ 402,900
Materials	\$ 52,935	\$ 37,468	\$ 43,830	\$ 49,338
Contract Services	\$ 62,307	\$ 91,435	\$ 117,400	\$ 101,572
Cost Allocation	\$ 55,273	\$ 40,423	\$ -	\$ -
Special Projects	\$ -	\$ -	\$ 27,592	\$ -
Contingencies	\$ -	\$ -	\$ 3,286	\$ 3,773
Total Expenditures	\$ 741,215	\$ 1,199,422	\$ 1,328,854	\$ 1,521,821
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 405,728	\$ 764,687	\$ 848,840	\$ 884,377

Staffing

Total current positions - 4.90 FTE

Total proposed positions - 4.90 FTE

A full-time vacancy in Parks and Recreation was converted to a Management Analyst in the City Manager's Office in FY 2020-21.

Sustainability

Budget Unit 100-12-122

General Fund - City Manager - Sustainability

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 866,420
Fund Balance	\$ -
General Fund Costs	\$ 866,420
% Funded by General Fund	100.0%
Total Staffing	1.8 FTE

Program Overview

The Sustainability Division works to implement the City's Climate Action Plan, and work across departments 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, and seeks grant funding to develop collective approaches to implement the City's ambitious Climate Action Plan.

Service Objectives

- Collect and analyze relevant data to demonstrate municipal compliance with current and 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.

Proposed Budget

It is recommended that City Council approve a budget of \$866,420 for the Sustainability program. This represents an increase of \$65,069 (8.1%) from the FY 2020-21 Adopted Budget.

This increase is largely due to increases in cost allocation expenses due to increased cost of internal services provided by Human Resources and IT. This proposed budget also includes a request for \$78,000 to complete phase 2 of the City Work Program item Climate Action & Adaptation plan update.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Climate Action & Adaption Plan update (phase 2)	\$78,000	\$78,000	General Fund	A proposed increase in funding to complete phase 2 of the update to the Cupertino Climate Action Plan (Work Program item approved for FY 2020-21). This funding will allow staff to complete phase 2 of the project which includes additional community engagement as well as completion of the required CEQA documentation.
Electric Cooking Workshop Series	\$6,400	\$6,400	General Fund	Cooking class for Cupertino residents
Total	\$84,400	\$84,400		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 5,963	\$ 14,494	\$ -	\$ -
Total Revenues	\$ 5,963	\$ 14,494	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 172,616	\$ 161,002	\$ 244,755	\$ 273,730
Employee Benefits	\$ 90,645	\$ 80,086	\$ 118,784	\$ 131,482
Materials	\$ 14,035	\$ 10,204	\$ 20,687	\$ 29,955
Contract Services	\$ 109,918	\$ 60,747	\$ 94,074	\$ 100,779
Cost Allocation	\$ 155,255	\$ 116,846	\$ 208,182	\$ 249,106
Special Projects	\$ 33,423	\$ 20,174	\$ 112,000	\$ 78,000
Contingencies	\$ -	\$ -	\$ 2,869	\$ 3,368
Total Expenditures	\$ 575,892	\$ 449,059	\$ 801,351	\$ 866,420
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 569,929	\$ 434,564	\$ 801,351	\$ 866,420

Staffing

Total current positions - 1.80 FTE

Total proposed positions - 1.80 FTE

There are no changes to the current level of staffing.

Office of Communications

Budget Unit 100-12-126

General Fund - City Manager - Office of Communications

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 783,955
Fund Balance	\$ -
General Fund Costs	\$ 783,955
% Funded by General Fund	100.0%
Total Staffing	3.0 FTE

Program Overview

The Office of Communications is responsible for community outreach to ensure that residents have access to timely, useful, and important information. The Office of Communications 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. The Office of Communications 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

Proposed Budget

It is recommended that City Council approve a budget of \$783,955 for the Office of Communications program. This represents an increase of \$98,113 (14.3%) from the FY 2020-21 Adopted Budget.

The increase in contract services is due to a budget request for a new city seal.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
New City Seal	\$75,000	\$75,000	General Fund	City Work Program: Identification of new seal/log for the City
Total	\$75,000	\$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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 121,818	\$ 260,873	\$ -	\$ -
Total Revenues	\$ 121,818	\$ 260,873	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 249,333	\$ 266,759	\$ 360,868	\$ 347,178
Employee Benefits	\$ 95,524	\$ 103,636	\$ 144,494	\$ 160,426
Materials	\$ 112,689	\$ 97,245	\$ 153,222	\$ 159,755
Contract Services	\$ 33,926	\$ 34,762	\$ 22,856	\$ 109,856
Cost Allocation	\$ 70,741	\$ 28,441	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 4,402	\$ 6,740
Total Expenditures	\$ 562,213	\$ 530,843	\$ 685,842	\$ 783,955
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 440,394	\$ 269,970	\$ 685,842	\$ 783,955

Staffing

Total current positions - 2.95 FTE

Total proposed positions - 2.95 FTE

There are no changes to the current level of staffing.

Multimedia

Budget Unit 100-12-305

General Fund - City Manager - Multimedia

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 414,196
Total Expenditures	\$ 916,347
Fund Balance	\$ -
General Fund Costs	\$ 502,151
% Funded by General Fund	54.8%
Total Staffing	3.0 FTE

Program Overview

In FY 2020-21, this program transferred from Innovation Technology to the City Manager's Office. Historical data can be found under Budget Unit 100-31-305. The primary goal of the Multimedia 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. Multimedia staff also oversees the design, maintenance, and engineering of the City's broadcast and audiovisual systems.

Service Objectives

Multimedia 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

Proposed Budget

It is recommended that City Council approve a budget of \$916,347 for the Multimedia program. This represents an increase of \$150,891 (19.7%) from the FY 2020-21 Adopted Budget.

The increase in employee compensation is due to part-time video staff. The increase in contract services is due to an EOC control system upgrade and an upgrade to the Radio Cupertino computer system (PC) that manages the software for both recording and on-air playback. The upgrade to the Radio Cupertino computer system can be 100% funded from the City's PEG fund as it also relates to the City's City Channel playback audio system.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
EOC Control System Upgrade	\$15,000	\$15,000	General Fund	Emergency operations center technology enhancement
Radio Windows 10 Replacement	\$10,000	\$10,000	General Fund	Radio Cupertino system upgrade
Total	\$25,000	\$25,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 293,110	\$ 414,196
Total Revenues	\$ -	\$ -	\$ 293,110	\$ 414,196
Expenditures				
Employee Compensation	\$ -	\$ -	\$ 397,965	\$ 500,123
Employee Benefits	\$ -	\$ -	\$ 178,244	\$ 215,203
Materials	\$ -	\$ -	\$ 55,769	\$ 60,521
Contract Services	\$ -	\$ -	\$ 94,228	\$ 135,597
Special Projects	\$ -	\$ -	\$ 35,500	\$ -
Contingencies	\$ -	\$ -	\$ 3,750	\$ 4,903
Total Expenditures	\$ -	\$ -	\$ 765,456	\$ 916,347
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ 472,346	\$ 502,151

Staffing

Total current positions - 3.00 FTE

Total proposed positions - 3.00 FTE

There are no changes to the current level of staffing.

Public Access Support

Budget Unit 100-12-307

General Fund - City Manager - Public Access Support

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 79,531
Fund Balance	\$ -
General Fund Costs	\$ 79,531
% Funded by General Fund	100.0%
Total Staffing	0.0 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.

Proposed Budget

It is recommended that City Council approve a budget of \$79,531 for the Public Access Support program. This represents a decrease of \$489 (-0.6%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ -	\$ -	\$ 75,120	\$ 75,120
Cost Allocation	\$ -	\$ -	\$ 3,022	\$ 2,533
Contingencies	\$ -	\$ -	\$ 1,878	\$ 1,878
Total Expenditures	\$ -	\$ -	\$ 80,020	\$ 79,531
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ 80,020	\$ 79,531

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

There is no staffing associated with this program.

Community Outreach and Neighborhood Watch

Budget Unit 100-12-632

General Fund - City Manager - Community Outreach and Neighborhood Watch

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 170,392
Fund Balance	\$ -
General Fund Costs	\$ 170,392
% 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.

Proposed Budget

It is recommended that City Council approve a budget of \$170,392 for the Community Outreach and Neighborhood Watch program. This represents a decrease of \$21,431 (-11.2%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 68,853	\$ 104,593	\$ 90,970	\$ 55,908
Employee Benefits	\$ 21,550	\$ 37,535	\$ 32,425	\$ 34,044
Materials	\$ 9,450	\$ 3,346	\$ 11,272	\$ 11,386
Cost Allocation	\$ 29,357	\$ 43,100	\$ 56,874	\$ 68,769
Contingencies	\$ -	\$ -	\$ 282	\$ 285
Total Expenditures	\$ 129,210	\$ 188,574	\$ 191,823	\$ 170,392
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 129,210	\$ 188,574	\$ 191,823	\$ 170,392

Staffing

Total current positions - 0.75 FTE

Total proposed positions - 0.75 FTE

Office of Emergency Management

Budget Unit 100-12-633

General Fund - City Manager - Office of Emergency Management

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 694,734
Fund Balance	\$ -
General Fund Costs	\$ 694,734
% Funded by General Fund	100.0%
Total Staffing	2.0 FTE

Program Overview

The mission of the Office of Emergency Management is to lead and direct the City in prevention, preparation, mitigation, response, and recovery from all emergencies, hazards, incidents, and events.

Service Objectives

- Develop and implement the goals and objectives of Cupertino's Office of Emergency Management.
- Maintain the City's Emergency Operations Center (EOC) in a perpetual state of operational readiness.
- Support Citizen Corps including the Block Leader Program, Neighborhood Watch, Community Emergency Response Team (CERT), Cupertino Amateur Radio Emergency Service (CARES), and Medical Reserve Corps (MRC).
- Prepare, test, and revise emergency response and recovery policies, plans, and procedures in compliance with the California Emergency Services Act, the Standardized Emergency Management System (SEMS), and the National Incident Management System (NIMS).
- Coordinate training of City staff in personal preparedness, SEMS/NIMS, and EOC functions.
- Maintain effective liaison with local, state, and national emergency management organizations and/or allied disaster preparedness and response agencies.

Proposed Budget

It is recommended that City Council approve a budget of \$694,734 for the Office of Emergency Management program. This represents an increase of \$299,131 (75.6%) from the FY 2020-21 Adopted Budget.

This increase in compensation and benefits expenses is primarily due to a request to add a full-time Emergency Services Analyst. This proposed budget better reflects the time needed to develop a comprehensive emergency management program for all hazards, including earthquakes, wildfires, flooding, and COVID-19. Additionally, this proposed budget includes the proposed City Work Program item, Personal Preparedness Campaign.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Personal Preparedness Kit	\$10,000	\$10,000	General Fund	City Work Program: Personal preparedness kits
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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 1,300	\$ -	\$ -	\$ -
Total Revenues	\$ 1,300	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 80,231	\$ 126,289	\$ 165,751	\$ 305,225
Employee Benefits	\$ 24,121	\$ 37,900	\$ 52,268	\$ 139,281
Materials	\$ 15,746	\$ 27,158	\$ 40,475	\$ 52,799
Contract Services	\$ -	\$ 320	\$ 7,100	\$ 7,139
Cost Allocation	\$ 60,802	\$ 106,193	\$ 128,820	\$ 188,792
Contingencies	\$ -	\$ -	\$ 1,189	\$ 1,498
Total Expenditures	\$ 180,900	\$ 297,860	\$ 395,603	\$ 694,734
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 179,600	\$ 297,860	\$ 395,603	\$ 694,734

Staffing

Total current positions - 0.95 FTE

Total proposed positions - 1.95 FTE

A proposed full-time Emergency Services Analyst is being requested. The additional position will enhance the City of Cupertino's ability to conduct comprehensive emergency management planning and response to all hazards. This position will primarily assist with planning processes and training to address a whole community approach and engage with others within the City, external partner agencies, and the general public.

Economic Development

Budget Unit 100-12-705

General Fund - City Manager - Economic Development

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2021-22, this program was transferred to the Community Development Department. A complete discussion of this program can be found under Budget Unit 100-71-705. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 63,749	\$ 40,726	\$ -	\$ -
Employee Benefits	\$ 18,332	\$ 14,011	\$ 1,221	\$ -
Materials	\$ 20,163	\$ 42,055	\$ 54,995	\$ -
Contract Services	\$ 45,272	\$ 213,350	\$ 316,900	\$ -
Cost Allocation	\$ 25,257	\$ 32,159	\$ 50,406	\$ -
Special Projects	\$ 2,500	\$ 11,667	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 6,972	\$ -
Total Expenditures	\$ 175,273	\$ 353,968	\$ 430,494	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 175,272	\$ 353,968	\$ 430,494	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

City Clerk

Budget Unit 100-13-130

General Fund - City Clerk - City Clerk

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 144,551
Total Expenditures	\$ 603,333
Fund Balance	\$ -
General Fund Costs	\$ 458,782
% Funded by General Fund	76.0%
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; compliance with Public Records Act requests; and provides partial mail service for all City Departments.

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$603,333 for the City Clerk program. This represents an increase of \$89,566 (17.4%) from the FY 2020-21 Adopted Budget.

Increases in employee compensation are primarily due to part-time staffing and negotiated salary increases.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 63,559	\$ 65,544	\$ 91,584	\$ 144,551
Total Revenues	\$ 63,559	\$ 65,544	\$ 91,584	\$ 144,551
Expenditures				
Employee Compensation	\$ 347,154	\$ 294,834	\$ 311,593	\$ 384,695
Employee Benefits	\$ 118,002	\$ 107,721	\$ 141,916	\$ 143,987
Materials	\$ 23,452	\$ 37,326	\$ 24,609	\$ 35,382
Contract Services	\$ 42,893	\$ 44,336	\$ 34,179	\$ 37,448
Cost Allocation	\$ 47,103	\$ 34,341	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 1,470	\$ 1,821
Total Expenditures	\$ 578,604	\$ 518,558	\$ 513,767	\$ 603,333
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 515,045	\$ 453,015	\$ 422,183	\$ 458,782

Staffing

Total current positions - 2.50 FTE

Total proposed positions - 2.50 FTE

There are no changes to the current level of staffing.

Duplicating and Mail Services

Budget Unit 100-13-132

General Fund - City Clerk - Duplicating and Mail Services

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 47,794
Fund Balance	\$ -
General Fund Costs	\$ 47,794
% Funded by General Fund	100.0%
Total Staffing	0.0 FTE

Program Overview

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

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$47,794 for the Duplicating and Mail Services program. This represents a decrease of \$28,018 (-37.0%) from the FY 2020-21 Adopted Budget.

The decrease is due to a decrease in cost allocation 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 25,683	\$ -	\$ -	\$ -
Employee Benefits	\$ 10,028	\$ 216	\$ -	\$ -
Materials	\$ 36,055	\$ 30,750	\$ 36,050	\$ 36,410
Contract Services	\$ 8,121	\$ 6,065	\$ 5,900	\$ 5,959
Cost Allocation	\$ 21	\$ -	\$ 32,813	\$ 4,366
Special Projects	\$ 23,368	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 1,049	\$ 1,059
Total Expenditures	\$ 103,276	\$ 37,031	\$ 75,812	\$ 47,794
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 103,277	\$ 37,032	\$ 75,812	\$ 47,794

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

There is no staffing associated with this program.

Elections

Budget Unit 100-13-133

General Fund - City Clerk - Elections

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 147
Fund Balance	\$ -
General Fund Costs	\$ 147
% Funded by General Fund	100.0%
Total Staffing	0.0 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.

Proposed Budget

It is recommended that City Council approve a budget of \$147 for the Elections program. This represents a decrease of \$160,444 (-99.9%) from the FY 2020-21 Adopted Budget.

The decrease is because there are no elections this fiscal year. Elections occur every 2 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 11,398	\$ -	\$ -	\$ -
Total Revenues	\$ 11,398	\$ -	\$ -	\$ -
Expenditures				
Materials	\$ 6,766	\$ 58	\$ 6,947	\$ -
Contract Services	\$ 101,710	\$ -	\$ 150,000	\$ -
Cost Allocation	\$ -	\$ -	\$ 1,595	\$ 147
Contingencies	\$ -	\$ -	\$ 2,049	\$ -
Total Expenditures	\$ 108,476	\$ 58	\$ 160,591	\$ 147
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 97,078	\$ 58	\$ 160,591	\$ 147

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

There is no staffing associated with this program.

City Manager Contingency

Budget Unit 100-14-123

General Fund - City Manager Discretionary - City Manager Contingency

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 593,250
Fund Balance	\$ -
General Fund Costs	\$ 593,250
% Funded by General Fund	100.0%
Total Staffing	0.0 FTE

Program Overview

The City Manager Contingency program was established to meet citywide unexpected expenses that may occur during the year. In FY 2013-14, a Contingencies expenditure category was added to each General Fund program to serve as a contingency for any unexpected expenditures that might occur during the year. In FY 2020-21, program contingencies were reduced from 5% of budgeted General Fund materials and contract services to 2.5%. Program contingencies have been allocated proportionately among operating programs based on each program's share of General Fund budget for materials and contract services. The City Manager Contingency is a second level of contingency established for unexpected expenditures that may occur over the program contingency. In FY 2020-21, City Manager contingencies were also reduced from 5% of budgeted General Fund materials and contract services to 2.5%. This brings total contingencies for the General Fund to 5% of 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. Program contingency budgets may be used to cover unanticipated program expenses at the department's discretion, while use of the City Manager Contingency will require City Manager approval. The Sheriff's and City Attorney services contracts are excluded from the contingency calculation.

Proposed Budget

It is recommended that City Council approve a budget of \$593,250 for the City Manager Contingency program. This represents an increase of \$41,423 (7.5%) from the FY 2020-21 Adopted Budget.

The City Manager Contingency budget is increasing because General Fund materials and contract services are increasing.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Materials	\$ 45,320	\$ 743	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 551,827	\$ 593,250
Total Expenditures	\$ 45,320	\$ 743	\$ 551,827	\$ 593,250
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 45,320	\$ 743	\$ 551,827	\$ 593,250

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

There is no staffing associated with this program.

City Attorney

Budget Unit 100-15-141

General Fund - City Attorney - City Attorney

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 542,945
Total Expenditures	\$ 1,943,655
Fund Balance	\$ -
General Fund Costs	\$ 1,400,710
% Funded by General Fund	72.1%
Total Staffing	1.0 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, 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,943,655 for the City Attorney program. This represents a decrease of \$92,749 (-4.6%) from the FY 2020-21 Adopted Budget.

The following table shows contract attorney service for fiscal year.

Legal Services	Appropriation
General City Attorney Services	\$1,095,000
Specialized Attorney Services	\$480,000
Litigation and Related Services	\$190,000

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 194,351	\$ 409,873	\$ 551,138	\$ 542,945
Total Revenues	\$ 194,351	\$ 409,873	\$ 551,138	\$ 542,945
Expenditures				
Employee Compensation	\$ 362,534	\$ 105,757	\$ 109,780	\$ 113,073
Employee Benefits	\$ 154,584	\$ 48,857	\$ 56,967	\$ 60,993
Materials	\$ 24,830	\$ 10,966	\$ 4,543	\$ 4,589
Contract Services	\$ 1,594,465	\$ 2,251,589	\$ 1,865,000	\$ 1,765,000
Cost Allocation	\$ 93,953	\$ 68,244	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 114	\$ -
Total Expenditures	\$ 2,230,366	\$ 2,485,413	\$ 2,036,404	\$ 1,943,655
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 2,036,016	\$ 2,075,540	\$ 1,485,266	\$ 1,400,710

Staffing

Total current positions - 1.00 FTE

Total proposed positions - 1.00 FTE

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Law Enforcement

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Department Overview

Budget Units

Budget Unit	Program	2022 Proposed Budget
Law Enforcement		\$ 15,756,350
100-20-200	Law Enforcement	\$ 15,706,972
100-20-201	Interoperability Project	\$ 49,378
100-20-202	Code Enforcement	\$ -
Total		\$ 15,756,350

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 887,259
Total Expenditures	\$ 15,756,350
Fund Balance	\$ -
General Fund Costs	\$ 14,869,091
% Funded by General Fund	94.4%
Total Staffing	0.0 FTE

Organization

Captain Rich Urena, Office of the Sheriff

Law Enforcement
(Contracted)

Performance Measures

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

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

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
Response time for emergency calls				
Priority 1	4.39	3.51	3.1	5 minutes
Priority 2	6.23	6.37	5.96	9 minutes
Priority 3	12.11	11.96	12.05	20 minutes
% programs maintaining minimum attendance				
Teen Academy	72%	83%	0%	80%
Citizen Academy	92%	65%	0%	80%

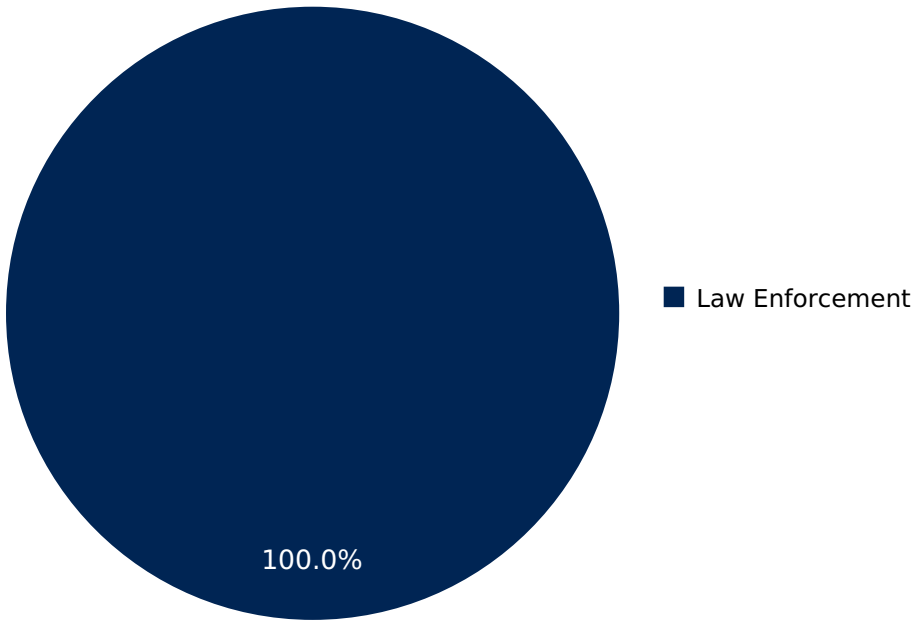
Workload Indicators

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Total Priority 1 Calls	67	57	12
Total Priority 2 Calls	4,185	3,917	1,524
Total Priority 3 Calls	5,014	4,909	2,228
Total Teen/Community Academy Participants	41	76	0

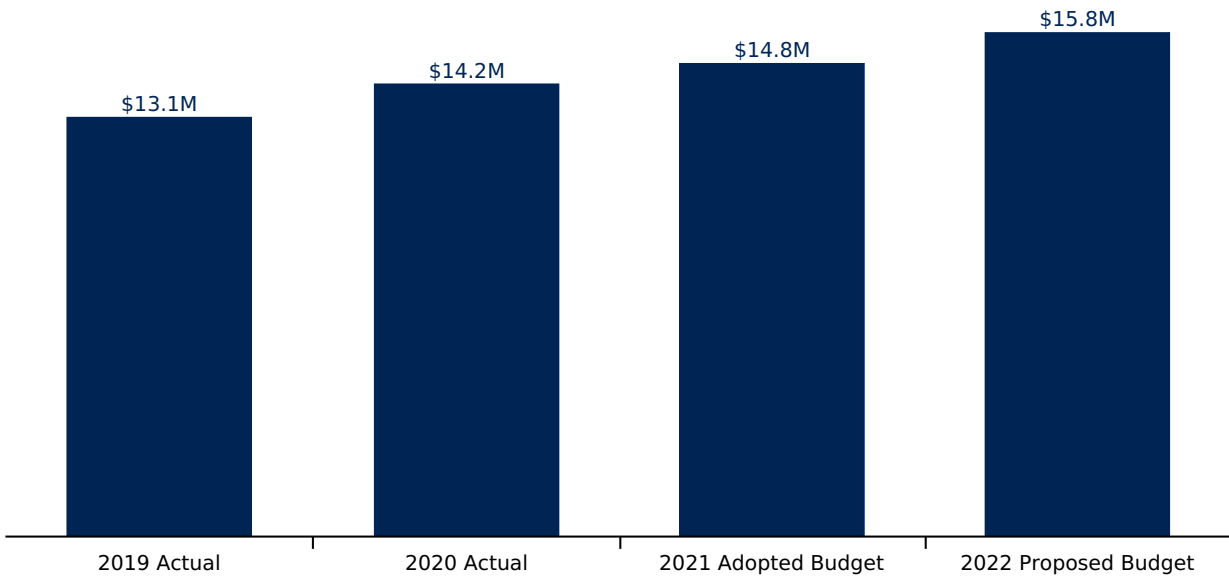
Proposed Budget

It is recommended that City Council approve a budget of \$15,756,350 for the Law Enforcement department. This represents an increase of \$963,902 (6.5%) from the FY 2020-21 Adopted Budget.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 148,747	\$ 155,948	\$ 100,000	\$ -
Charges for Services	\$ 352,944	\$ 753,798	\$ -	\$ -
Fines and Forfeitures	\$ 320,922	\$ 200,105	\$ 200,000	\$ -
Miscellaneous Revenue	\$ 561,271	\$ 796,826	\$ 837,328	\$ 887,259
Total Revenues	\$ 1,383,884	\$ 1,906,677	\$ 1,137,328	\$ 887,259
Expenditures				
Employee Compensation	\$ 81,099	\$ -	\$ -	\$ -
Employee Benefits	\$ 38,072	\$ -	\$ -	\$ -
Materials	\$ 54,519	\$ 43,729	\$ 53,357	\$ 53,891
Contract Services	\$ 12,884,671	\$ 14,049,296	\$ 14,614,029	\$ 15,534,026
Cost Allocation	\$ 50,370	\$ 58,388	\$ 123,731	\$ 168,433
Contingencies	\$ -	\$ -	\$ 1,331	\$ -
Total Expenditures	\$ 13,108,731	\$ 14,151,413	\$ 14,792,448	\$ 15,756,350
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 11,724,848	\$ 12,244,735	\$ 13,655,120	\$ 14,869,091

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Law Enforcement

Budget Unit 100-20-200

General Fund - Law Enforcement - Law Enforcement

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 887,259
Total Expenditures	\$ 15,706,972
Fund Balance	\$ -
General Fund Costs	\$ 14,819,713
% Funded by General Fund	94.4%
Total Staffing	0.0 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.

Proposed Budget

It is recommended that City Council approve a budget of \$15,706,972 for the Law Enforcement program. This represents an increase of \$963,791 (6.5%) from the FY 2020-21 Adopted Budget.

This budget program increases annually based on the effective contract with Santa Clara County Sheriff's Office. The contract services increases by consumer price index (CPI) + 2% + retirement cost increases.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 148,747	\$ 155,948	\$ 100,000	\$ -
Charges for Services	\$ 352,631	\$ 753,798	\$ -	\$ -
Fines and Forfeitures	\$ 255,217	\$ 200,105	\$ 200,000	\$ -
Miscellaneous Revenue	\$ 561,271	\$ 796,826	\$ 837,328	\$ 887,259
Total Revenues	\$ 1,317,866	\$ 1,906,677	\$ 1,137,328	\$ 887,259
Expenditures				
Materials	\$ 50,703	\$ 43,729	\$ 53,357	\$ 53,891
Contract Services	\$ 12,805,201	\$ 14,049,296	\$ 14,565,490	\$ 15,485,487
Cost Allocation	\$ 41,818	\$ 57,618	\$ 123,003	\$ 167,594
Contingencies	\$ -	\$ -	\$ 1,331	\$ -
Total Expenditures	\$ 12,897,722	\$ 14,150,643	\$ 14,743,181	\$ 15,706,972
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 11,579,857	\$ 12,243,965	\$ 13,605,853	\$ 14,819,713

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Interoperability Project

Budget Unit 100-20-201

General Fund - Law Enforcement - Interoperability Project

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 49,378
Fund Balance	\$ -
General Fund Costs	\$ 49,378
% Funded by General Fund	100.0%
Total Staffing	0.0 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.

Proposed Budget

It is recommended that City Council approve a budget of \$49,378 for the Interoperability Project program. This represents an increase of \$111 (0.2%) from the FY 2020-21 Adopted Budget.

This budget program is remaining relatively unchanged over the previous 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ -	\$ -	\$ 48,539	\$ 48,539
Cost Allocation	\$ 1,059	\$ 770	\$ 728	\$ 839
Total Expenditures	\$ 1,059	\$ 770	\$ 49,267	\$ 49,378
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,059	\$ 770	\$ 49,267	\$ 49,378

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Code Enforcement

Budget Unit 100-20-202

General Fund - Law Enforcement - Code Enforcement

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2018-19, this program was transferred to a new Code Enforcement division in Planning and Community Development as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-74-202. This program will remain in order to maintain historical data. Once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 313	\$ -	\$ -	\$ -
Fines and Forfeitures	\$ 65,705	\$ -	\$ -	\$ -
Total Revenues	\$ 66,018	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 81,099	\$ -	\$ -	\$ -
Employee Benefits	\$ 38,072	\$ -	\$ -	\$ -
Materials	\$ 3,816	\$ -	\$ -	\$ -
Contract Services	\$ 79,470	\$ -	\$ -	\$ -
Cost Allocation	\$ 7,493	\$ -	\$ -	\$ -
Total Expenditures	\$ 209,950	\$ -	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 143,932	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Innovation and Technology

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Department Overview

Budget Units

Budget Unit	Program	2022 Proposed Budget
I&T Administration		\$ 252,124
610-30-300	Innovation & Technology Administration	\$ 252,124
Video		\$ -
100-31-305	Video	\$ -
100-31-307	Public Access Support	\$ -
Applications		\$ 2,369,287
100-32-308	Applications	\$ 2,369,287
Infrastructure		\$ 2,202,453
610-34-310	Infrastructure	\$ 2,202,453
GIS		\$ 1,424,906
610-35-986	GIS	\$ 1,424,906
Total		\$ 6,248,770

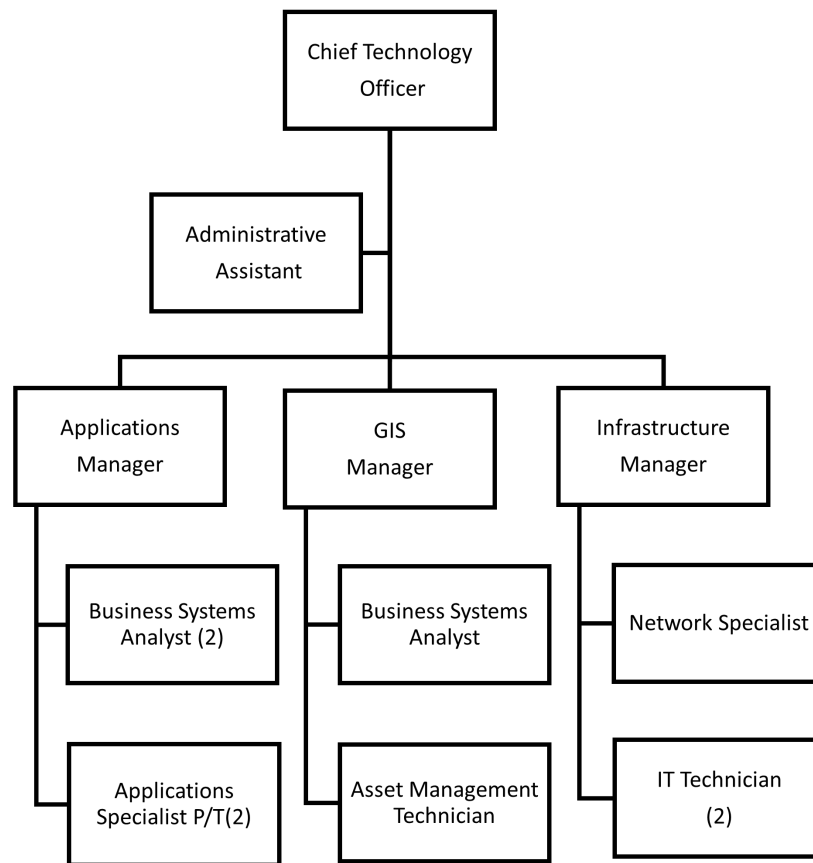
Budget at a Glance

2022 Proposed Budget

Total Revenues	\$ 4,572,658
Total Expenditures	\$ 6,248,770
Fund Balance	\$ (727,802)
General Fund Costs	\$ 948,310
% Funded by General Fund	15.2%
Total Staffing	11.9 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.

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July - Dec	Ongoing Target
GIS: Increase Open Data average site visits per month	210	1504	895	300
GIS: % of time spent Developing Applications/% of time Maintaining applications	Not tracked	10%/90%	11%/89%	35%/65%
GIS: Met Requests within SLA (map, data, Web maps, Cityworks, schema, other) completed	Not Tracked	287	130	300
GIS: Increase Property Information (Internal/External) site visits per month	420/383	665/2671	369/1588	610/440
GIS: Cityworks utilization - # of assets Cupertino maintains vs # of assets maintained in Cityworks. Also the % increase of work units completed (WOs, INSP,SRs)	40/27 -3%	40/31 70%	40/31 20%	40/40 20%
Infrastructure: Percentage based upon number of scheduled projects/Number of projects completed on time	Not tracked	80% 4/5	100% 3/3	100%
Infrastructure: Percentage based upon number of HelpDesk tickets/SLA measurements	Not tracked	93%	92%	90%
Infrastructure: % Customer satisfaction based upon Satisfaction Rate from helpdesk tickets	Not tracked	99.1% 110/111	100% 50/50	85%
Infrastructure: % of network uptime (not including planned maintenance)	Not tracked	99.9%	100%	99%
Applications: % of citywide-enterprise application project management performed on time and on budget	95%	96%	95%	95%
Applications: Number of website visits/hits ¹	1,615,799	1,624,377	800,164	1,500,000

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July - Dec	Ongoing Target
Applications: Number of support request for the applications support per month	Not tracked	45	65	20
Video ²				

¹ Corrected to include total number of visits/hits

² Video Division Performance Measures can be found in the Administration Department

Workload Indicators

Applications Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Enterprise Programs Support & Maintenance ¹	Not tracked	2,500 hours	1,900 hours
Application Development ²	Not tracked	1,500 hours	800 hours
Percentage of Project Management Performed on Time and Budget for Citywide Applications ³	96%	95%	95%

¹The Application division is responsible for supporting enterprise business platforms like ERP, Land Management System, Recreation System, City Digital Records, City Website and many programs like Admin Services digital transformation, citywide permitting, licensing and enforcement solutions. All these programs and services require constant enhancements, support and maintenance. The related tasks may range from providing staff user access to these platforms to issues that may require intensive programming and configurations to resolve. Troubleshooting existing or building new application configuration rules and parameters based on the current business process or new requirements. Creating custom application workflows in back office enterprise platforms like Accela, and New World to configuring business processes and integrating these enterprise software systems. Some issues require working and coordinating with software vendors to identify and resolve business workflows and other operational related problems. Application integrations is a big solution in providing end to end business solutions. Coordinating the scheduling of corrective patches and upgrades between vendors and staff.

²Applications division creates custom software solutions like Bid Management solution and Permit Parking software solutions. Application development for these kind of software solution goes through all stages of Software Development Life Cycle (SDLC) of Requirement-gathering, Analysis, Designing, Coding, Testing and Deployment of these custom software solutions. The Application team works with various city department and other key stakeholders during phases of SDLC. Application staff gather business requirements, participate in a variety of system user and work groups to identify user needs and operational, programmatic, and or regulatory changes affecting application requirements and other related issues. Perform software application coding, building system integration and interfaces between applications. Perform end user application tests for functionality and usability. Writing test scripts based on business processes. Perform system tests, integration test and performance (volume) tests.

³This measure involves the task of project research and communications, project charter creation, creating or reviewing statement of work, contractor research and selection process, activity and resource planning, creation of work breakdown structure, team building, time management, deliverable management, customer satisfaction, risk management, communication management, project closeout process and documentation.

Infrastructure Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Percentage of helpdesk requests completed 48 hours or less ¹	93%	92%	92%
% of network uptime ²	99.9%	99.9%	100%
Number of IT Projects Completed ³	80% 4/5	100% 3/3	167% 5/3

¹Infrastructure is responsible for the acquisition, maintenance and support of all computer hardware necessary for the City's leading edge network (server, storage, switch, security, appliance) and end user (PC, tablet, VoIP Devices, Smartphones) services. Exemplary customer service coupled with highly skilled staff is the trademark of this team.

²Ensuring the City's vast network environment meets Business Continuity and Disaster Recovery requirements is a major responsibility of Infrastructure. Two geographically diverse data centers connected with a high speed Ethernet connection that traverses over 1000 miles provides this much needed service. 24x7 monitoring is done via a plethora of tools and contract services managed by Infrastructure.

³PC based applications such as Microsoft Office, Team Collaboration, Adobe, Softphone, Antivirus, Teleconferencing and many more are procured, configured, maintained and supported. Citywide education of these products as well as end user security is the responsibility of Infrastructure which ensures a skilled City staff that know how to utilize software efficiently and securely.

GIS Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Hours Spent Web Application Development ¹	Not tracked	460/tracking is still being refined. This is not an accurate account.	250/ tracking is still being refined. This is not an accurate account
Map, Data, Analysis, Report, Application Configuration Requests, Workflow Enhancements Completed Requests ²	Not tracked	422	176
Number of I&T workplan projects completed ³	Not tracked	100% 11/11	70% 7/10
GIS Training staff on all things GIS - GIS capabilities, how to use applications, demoing the GIS tools City staff have available to them, etc.	Not tracked	Not tracked	Not tracked

¹The GIS Division builds web applications for staff to use as a tool in their daily workflows. The web application Property Info is a great example of this. Staff use it to review properties for development - select a property see all the associated layers of data, and access any related laserfiche documents. Property info is the main web mapping application staff use so we are constantly making improvements based on requests or new advancements in web development, or available widgets. We also create a number of web applications for the public <https://www.cupertino.org/online-services/open-government-data/city-maps/web-maps-and-applications> everything from the service finder that give residents a one stop shop of all City services to the CIP story map that give the public a visually appealing way to quickly interpret what capitol improvement projects are scheduled this year, where the project is located, what the project entails, and current status.

²GIS receives requests from staff and sometimes Commissioners, Sheriffs office, City Council members... These requests range from hard copy maps (ex. Update a zoning designation and print all new zoning maps) to interactive web maps (ex. PW had a consultant evaluate a section of Regnart Rd and Chad asked us to create a web map with the data point locations and associate photos), data request (ex. how many Trees were trimmed this year), Data changes (ex. can I see this layer symbolized by status and added to property info application), crystal report requests (ex. fleet wants a report that shows how many times each vehicle has a repair work order based on a dynamic timeframe), to application modifications (ex. the Tree Division is tasked with mediating a tree virus issue and they would like a new work order type so they can track the problem over time or Planning had us create a layer for private trees and then add it to the Property info application.) Evaluating staff use of an application and implementing ways to streamline that workflow. Reduce the number of steps to performing a task by configuring/coding an application in a way that eliminates redundancies. We are also asked to configure GIS for enterprise applications such as Accela and ActiveNet.

³Project research and communications, project charter creation, SOW creation, contractor research and selection process, activity & resource planning/work breakdown structure, team building and motivation, time management, deliverable management, ensuring customer satisfaction, risk management, communication management, project closeout process, documentation

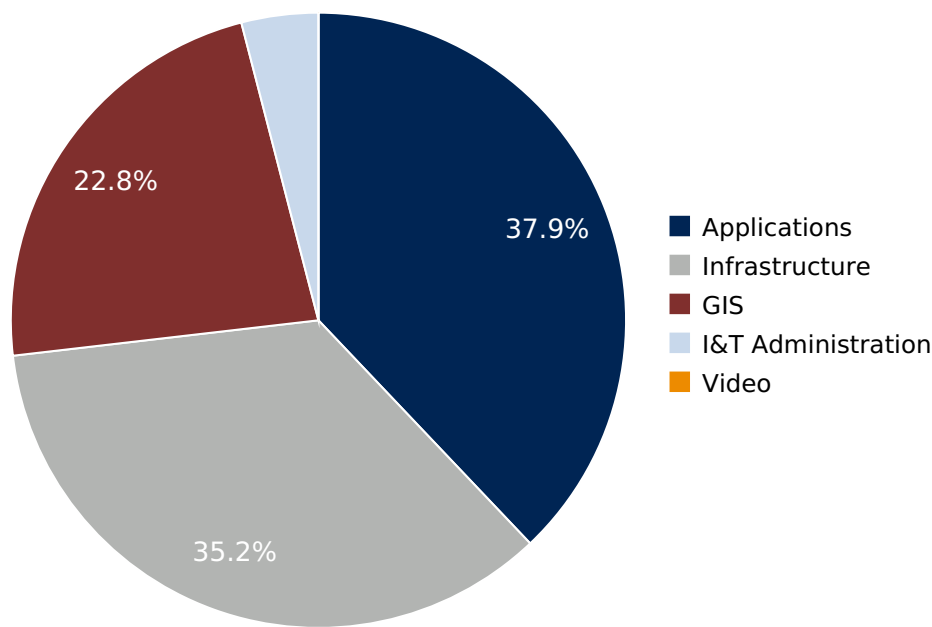
Multimedia Division

Multimedia Division Workload Indicators can be found in the Administration Department

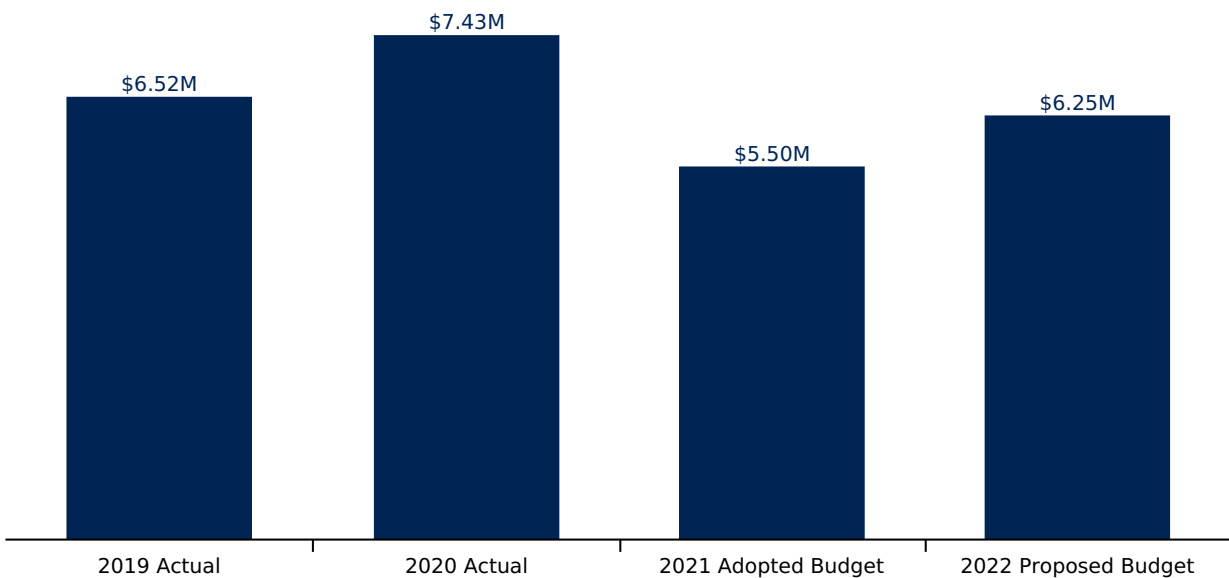
Proposed Budget

It is recommended that City Council approve a budget of \$6,248,770 for the Innovation and Technology department. This represents an increase of \$752,992 (13.7%) from the FY 2020-21 Adopted Budget.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 13,496	\$ -	\$ -	\$ -
Charges for Services	\$ 3,765,092	\$ 2,739,704	\$ 3,989,234	\$ 4,572,658
Total Revenues	\$ 3,778,588	\$ 2,739,704	\$ 3,989,234	\$ 4,572,658
Expenditures				
Employee Compensation	\$ 2,060,331	\$ 2,193,929	\$ 1,935,740	\$ 2,072,164
Employee Benefits	\$ 818,248	\$ 1,039,353	\$ 786,454	\$ 857,214
Materials	\$ 1,200,801	\$ 1,611,936	\$ 1,700,226	\$ 1,969,176
Contract Services	\$ 917,642	\$ 839,759	\$ 458,179	\$ 908,600
Cost Allocation	\$ 1,295,911	\$ 1,437,210	\$ 246,932	\$ 303,672
Special Projects	\$ 230,769	\$ 310,676	\$ 320,000	\$ 66,000
Contingencies	\$ -	\$ -	\$ 48,247	\$ 71,944
Total Expenditures	\$ 6,523,702	\$ 7,432,863	\$ 5,495,778	\$ 6,248,770
Fund Balance	\$ 257,917	\$ (1,072,796)	\$ (588,048)	\$ (727,802)
General Fund Costs	\$ 3,003,035	\$ 3,620,365	\$ 918,496	\$ 948,310

Staffing

Total current positions - 11.93 FTE

Total proposed positions - 11.93 FTE

Innovation & Technology Administration

Budget Unit 610-30-300

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

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 252,124
Fund Balance	\$ (252,124)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.5 FTE

Program Overview

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

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$252,124 for the Innovation & Technology Administration program. This represents a decrease of \$104,382 (-29.3%) from the FY 2020-21 Adopted Budget.

Increases in Compensation and Benefits are due to negotiated salary and benefits changes.

The decrease is primarily due to a reduction of Special Projects from FY20-21. The projects completed included pilot adaptive traffic signaling, pilot multi-modal traffic count, pilot noise measurement, and pilot pollution monitoring.

For FY21-22, staff will be focusing on building a Security Framework and Audit. This proposal is two-fold: 1) Staff will utilize outside assistance in creating a security framework and 2) Conduct a in-depth cyber and physical security penetration test to identify current weaknesses in the City's security posture.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Security Framework and Audit	\$60,000	\$60,000	Internal Service Fund	Cyber security posture enhancements
Total	\$60,000	\$60,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 359,741	\$ 235,631	\$ -	\$ -
Total Revenues	\$ 359,741	\$ 235,631	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 95,800	\$ 93,426	\$ 112,457	\$ 115,790
Employee Benefits	\$ 39,116	\$ 42,452	\$ 45,468	\$ 49,027
Materials	\$ 9,900	\$ 11,456	\$ 7,450	\$ 9,878
Contract Services	\$ 21,329	\$ 1,440	\$ 5,800	\$ 75,300
Cost Allocation	\$ 85,954	\$ 89,236	\$ -	\$ -
Special Projects	\$ -	\$ -	\$ 185,000	\$ -
Contingencies	\$ -	\$ -	\$ 331	\$ 2,129
Total Expenditures	\$ 252,099	\$ 238,010	\$ 356,506	\$ 252,124
Fund Balance	\$ 107,642	\$ (2,379)	\$ (356,506)	\$ (252,124)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.53 FTE

Total proposed positions - 0.53 FTE

There are no changes to the current level of staffing.

Video

Budget Unit 100-31-305

General Fund - Video - Video

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2020-21, this program will be transferred to the City Manager’s Office. A complete discussion of this program can be found under Budget Unit 100-12-305. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 13,496	\$ -	\$ -	\$ -
Charges for Services	\$ 11,164	\$ 8,003	\$ -	\$ -
Total Revenues	\$ 24,660	\$ 8,003	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 493,401	\$ 505,578	\$ -	\$ -
Employee Benefits	\$ 177,043	\$ 210,977	\$ -	\$ -
Materials	\$ 38,380	\$ 43,830	\$ -	\$ -
Contract Services	\$ 103,565	\$ 77,271	\$ -	\$ -
Cost Allocation	\$ 344,883	\$ 280,610	\$ -	\$ -
Special Projects	\$ 188,879	\$ 340,362	\$ -	\$ -
Total Expenditures	\$ 1,346,151	\$ 1,458,628	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,321,493	\$ 1,450,626	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Public Access Support

Budget Unit 100-31-307

General Fund - Video - Public Access Support

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2020-21, this program will be transferred to the City Manager's Office. A complete discussion of this program can be found under Budget Unit 100-12-307. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 70,301	\$ 73,850	\$ -	\$ -
Cost Allocation	\$ 1,961	\$ 1,828	\$ -	\$ -
Total Expenditures	\$ 72,262	\$ 75,678	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 72,262	\$ 75,678	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Applications

Budget Unit 100-32-308

General Fund - Applications - Applications

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 1,613,055
Total Expenditures	\$ 2,369,287
Fund Balance	\$ -
General Fund Costs	\$ 756,232
% Funded by General Fund	31.9%
Total Staffing	3.5 FTE

Program Overview

The Applications Division manages business requirements gathering, design, development, procurement, project management, implementation and ongoing maintenance and support of all enterprise-wide business systems and programs. These systems include Financial Enterprise Resource Planning (ERP), Land-use Management System, Recreation Management System and their related customer facing portals. Additionally Applications division is responsible for electronic content management (records retention) system and city's procurement management system.

The Applications Division manages the City's website, Intranet, and mobile apps development. The division staff supports e-service programs and services like permitting, licensing and enforcement. Applications division is responsible for creating custom SaaS software platforms like bid management solution and residential parking permits solution. They are also responsible for application integrations so critical business data can flow between enterprise platforms. Applications division staff also generate critical business analytics and reports to aid city staff in getting insight through data visualization and helps department supervisors and managers in decision making and measurements of key performance index and goals.

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 application platforms are relevant and provide value to all the stakeholders.
- Collaborate with various City departments to determine that the City's enterprise software solutions 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.

- Generate business data dashboards to city staff and external stakeholders.

Proposed Budget

It is recommended that City Council approve a budget of \$2,369,287 for the Applications program. This represents an increase of \$387,988 (19.6%) from the FY 2020-21 Adopted Budget.

Increases in Compensation and Benefits are due to negotiated salary and benefits changes.

During the last fiscal year, the Application Division implemented large business critical enterprise applications as well as various other mid-size and smaller application solutions to solve the organizational business need.

For FY21-22, the Applications team will support and maintain programs and enterprise application systems by continuing with implementation of new business solutions, enterprise applications integrations and by building custom reporting to help run the City's business processes smoothly and seamlessly. Applications team will work on various projects including migration of Business License administration from the New World ERP to Accela, city's land-use management system, ERP need analysis, implementation of the customer services solution, redesigning of city's website, HR performance management solution and Intranet hub. The applications staff will focus on using Business Intelligence tools to perform data analysis and building custom dashboards thus developing the data analysis functionality layer on top of the citywide application systems.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Accela Business License	\$25,000	\$25,000	General Fund	Conversion to new Business License system
Campaign Docs	\$3,500	\$3,500	General Fund	Campaign disclosure enhancements
City Data Services	\$1,500	\$1,500	General Fund	Community Funding Grant Program data management
Community Climate Solutions	\$4,000	\$4,000	General Fund	Community engagement efforts for CAP
Customer Service Solution for CDD	\$65,000	\$65,000	General Fund	Request and data management for CDD customer communications

ERP Exploration	\$50,000	\$50,000	General Fund	Exploration of new financial system
Esports	\$1,700	\$1,700	General Fund	Parks & Recreation app programming
Green Halo	\$7,860	\$7,860	General Fund	Construction recycling management
Intranet Hub Consulting Services	\$20,000	\$20,000	General Fund	Intranet revamp and enhancement
Lobbyist Registration System in Netfile	\$15,000	\$15,000	General Fund	Lobbyist management and monitoring system
Performance Management Application	\$32,000	\$32,000	General Fund	System for employee performance and coaching
Pre-Employment Assessment and Tests	\$5,000	\$5,000	General Fund	System for pre-employment enhancements
Public Engagement	\$20,000	\$20,000	General Fund	Public engagement enhancements
Redesign of City Website	\$45,000	\$45,000	General Fund	Redesign of City website
Total	\$295,560	\$295,560		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 1,307,803	\$ 1,613,055
Total Revenues	\$ -	\$ -	\$ 1,307,803	\$ 1,613,055
Expenditures				
Employee Compensation	\$ 488,649	\$ 471,362	\$ 623,650	\$ 671,629
Employee Benefits	\$ 167,895	\$ 153,882	\$ 225,939	\$ 242,843
Materials	\$ 510,914	\$ 981,919	\$ 958,682	\$ 1,053,932
Contract Services	\$ 298,617	\$ 236,801	\$ 124,833	\$ 365,400
Cost Allocation	\$ 143,205	\$ 178,096	\$ -	\$ -
Special Projects	\$ -	\$ -	\$ 25,000	\$ -
Contingencies	\$ -	\$ -	\$ 23,195	\$ 35,483
Total Expenditures	\$ 1,609,280	\$ 2,022,060	\$ 1,981,299	\$ 2,369,287
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,609,280	\$ 2,022,061	\$ 673,496	\$ 756,232

Staffing

Total current positions - 3.50 FTE

Total proposed positions - 3.50 FTE

There are no changes to the current level of staffing.

Infrastructure

Budget Unit 610-34-310

Information Technology - Infrastructure - Infrastructure

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 1,882,195
Total Expenditures	\$ 2,202,453
Fund Balance	\$ (128,180)
General Fund Costs	\$ 192,078
% Funded by General Fund	8.7%
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.

Proposed Budget

It is recommended that City Council approve a budget of \$2,202,453 for the Infrastructure program. This represents an increase of \$125,739 (6.1%) from the FY 2020-21 Adopted Budget.

Increases in Compensation and Benefits are due to negotiated salary and benefits changes.

Over the past year(s), the Infrastructure Division has re-engineered the compute and applications infrastructure for the City. Improvements include the rebuild of the City's wired/wireless network, server, telephone, and storage environments. Additionally, Disaster Recovery solutions and Active Network Threat remediation.

For FY21-22, IT will move forward with additional Active Net Payment Card Readers, updating the Council Voting system infrastructure, Multi Factor Authorization, Interactive Projector System, a Redundant Satellite network System, multi-factor authentication, Line Locator with GPS, Access Controls for the Senior Center Facility, a Skydio UAV Done, Wireless Bridge for the OES Vehicle, and WiFi network Expansion in City Parks.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
ActiveNet Additional Readers	\$9,000	\$9,000	Internal Service Fund	Payment processing machines
Council Voting System and Timer	\$32,000	\$32,000	Internal Service Fund	Council voting and meeting enhancements
Multi-Factor Authentication	\$19,500	\$19,500	Internal Service Fund	Dual authentication network security
Interactive Projector System with Games	\$7,000	\$7,000	Internal Service Fund	Projector and gaming
Line Locator with GPS	\$15,000	\$15,000	Internal Service Fund	Underground power lines mapping
Redundant Satellite Network	\$10,000	\$10,000	Internal Service Fund	Reliable communications during emergency
Senior Center Access Controls	\$16,000	\$16,000	Internal Service Fund	Building access controls
Skydio Drone	\$18,000	\$18,000	Internal Service Fund	Drone for image capture and disaster assessment
Wireless Bridge	\$12,400	\$12,400	Internal Service Fund	City's OES vehicle connection with facilities
Wireless Network and Internet Park Expansion	\$20,500	\$20,500	Internal Service Fund	WiFi expansion
Total	\$159,400	\$159,400		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 2,284,031	\$ 1,629,376	\$ 1,767,098	\$ 1,882,195
Total Revenues	\$ 2,284,031	\$ 1,629,376	\$ 1,767,098	\$ 1,882,195
Expenditures				
Employee Compensation	\$ 537,277	\$ 605,073	\$ 645,656	\$ 657,676
Employee Benefits	\$ 248,851	\$ 353,426	\$ 283,050	\$ 307,679
Materials	\$ 516,478	\$ 445,355	\$ 544,670	\$ 653,369
Contract Services	\$ 300,142	\$ 303,138	\$ 247,546	\$ 192,900
Cost Allocation	\$ 553,720	\$ 701,888	\$ 246,932	\$ 303,672
Special Projects	\$ 41,890	\$ (29,686)	\$ 90,000	\$ 66,000
Contingencies	\$ -	\$ -	\$ 18,860	\$ 21,157
Total Expenditures	\$ 2,198,358	\$ 2,379,194	\$ 2,076,714	\$ 2,202,453
Fund Balance	\$ 85,672	\$ (677,818)	\$ (64,616)	\$ (128,180)
General Fund Costs	\$ -	\$ 72,000	\$ 245,000	\$ 192,078

Staffing

Total current positions - 4.50 FTE

Total proposed positions - 4.50 FTE

There are no changes to the current level of staffing.

GIS

Budget Unit 610-35-986

Information Technology - GIS - GIS

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 1,077,408
Total Expenditures	\$ 1,424,906
Fund Balance	\$ (347,498)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	3.4 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, reports, dashboards, 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,424,906 for the GIS program. This represents an increase of \$343,647 (31.8%) from the FY 2020-21 Adopted Budget.

Increases in Compensation and Benefits are due to negotiated salary and benefits changes.

Last Fiscal year, GIS implemented telematics for City vehicles. Telematics has enabled fleet managers to download engine performance, and vehicle operations data for City vehicles. This data will help improve preventative maintenance, operator safety, fuel efficiency, vehicle utilization, and reduce vehicle downtime.

For FY21-22, GIS will move forward with bringing Augmented Reality to McClellan Ranch, develop Data Governance and Data Warehouse, Drone Deploy, and replacing the static display at Quinlan Community Center with a state of the art interactive displays.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
AR McClellan Ranch	\$40,000	\$40,000	Internal Service Fund	Augmented reality bringing the native wildlife to life at McClellan Ranch
Data Governance and Data Warehouse	\$75,000	\$75,000	Internal Service Fund	Migrate data from existing applications to a common database.
Drone Deploy	\$18,000	\$18,000	Internal Service Fund	Process drone data with survey grade accuracy.
ESRI Web Editor Licenses	\$10,000	\$10,000	Internal Service Fund	Continue to build and deploy web maps and apps used by Cupertino residents and staff, but have better security, quicker deployment, and single sign-on behind the scenes.
Online Services Subscription Fees	\$2,200	\$2,200	Internal Service Fund	Subscription fees for building and deploying web maps and apps.
Quinlan Touch Screen	\$40,000	\$40,000	Internal Service Fund	Interactive touch screen for visitors at Quinlan Community Center.
Rapid Plan	\$4,000	\$4,000	Internal Service Fund	Software for designing and creating high level traffic plans for roadway shutdowns.
Total	\$189,200	\$189,200		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 1,110,156	\$ 866,694	\$ 914,333	\$ 1,077,408
Total Revenues	\$ 1,110,156	\$ 866,694	\$ 914,333	\$ 1,077,408
Expenditures				
Employee Compensation	\$ 445,204	\$ 518,490	\$ 553,977	\$ 627,069
Employee Benefits	\$ 185,343	\$ 278,616	\$ 231,997	\$ 257,665
Materials	\$ 125,129	\$ 129,376	\$ 189,424	\$ 251,997
Contract Services	\$ 123,688	\$ 147,259	\$ 80,000	\$ 275,000
Cost Allocation	\$ 166,188	\$ 185,552	\$ -	\$ -
Special Projects	\$ -	\$ -	\$ 20,000	\$ -
Contingencies	\$ -	\$ -	\$ 5,861	\$ 13,175
Total Expenditures	\$ 1,045,552	\$ 1,259,293	\$ 1,081,259	\$ 1,424,906
Fund Balance	\$ 64,603	\$ (392,599)	\$ (166,926)	\$ (347,498)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 3.40 FTE

Total proposed positions - 3.40 FTE

There are no changes to the current level of staffing.

Administrative Services

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Department Overview

Budget Units

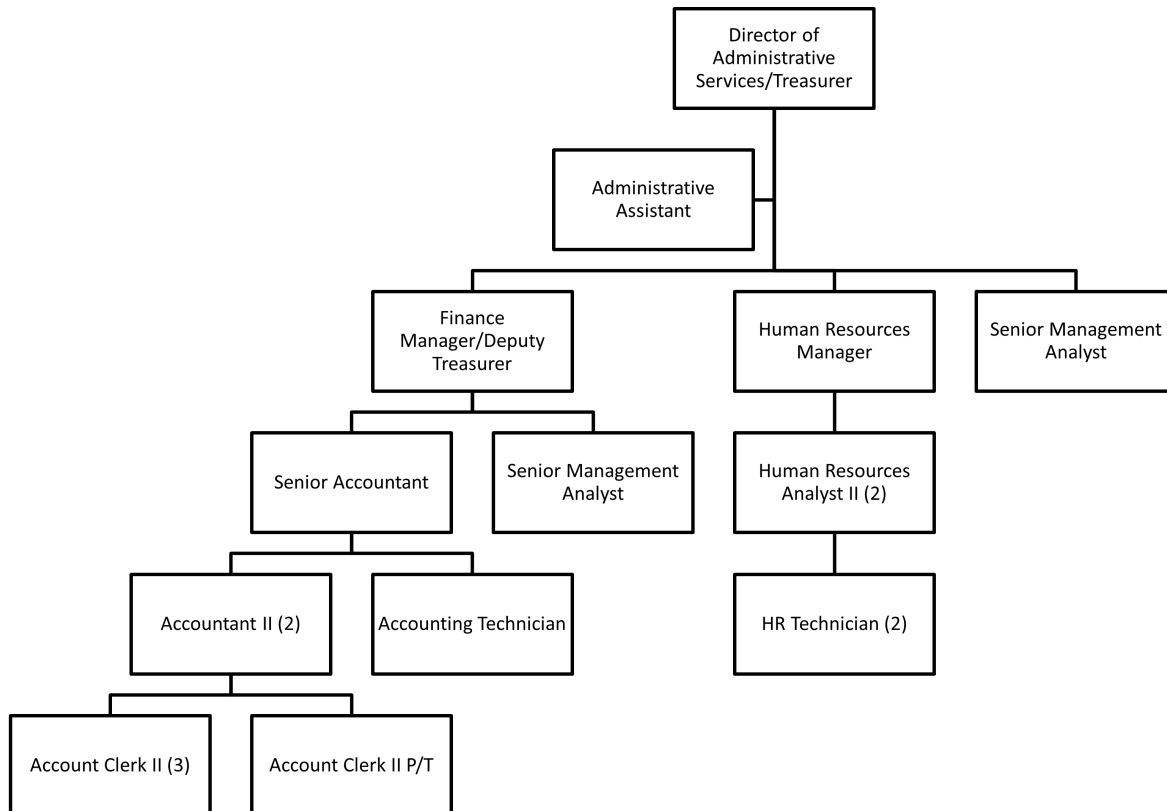
Budget Unit	Program	2022 Proposed Budget
Administrative Services		\$ 926,303
100-40-400	Administrative Services Administration	\$ 926,303
Finance		\$ 2,007,377
100-41-405	Accounting	\$ 1,603,000
100-41-406	Business Licenses	\$ 404,377
Human Resources		\$ 4,837,435
100-44-412	Human Resources	\$ 1,479,115
642-44-414	Retiree Benefits	\$ 1,241,926
100-44-417	Insurance Administration	\$ 965,352
620-44-418	Workers Compensation Insurance	\$ 434,840
641-44-419	Short Term and Long Term Disability	\$ 95,612
641-44-420	Compensated Absences	\$ 620,590
Total		\$ 7,771,115

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 4,837,735
Total Expenditures	\$ 7,771,115
Fund Balance	\$ (941,848)
General Fund Costs	\$ 1,991,532
% Funded by General Fund	25.6%
Total Staffing	16.9 FTE

Organization

Kristina Alfaro, Director of Administrative Services



Performance Measures

Finance Division

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

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

Performance Measure	FY 2019 July-Jun	FY 2020 July-Jun	FY 2021 July-Dec	Ongoing Target
General fund balance as a % of budgeted appropriations	70%	69%	67%	35%
Credit Rating	AA+	AA+	AA+	AA+
Funding allocated to high priority services (Public Works, Community Development, Law Enforcement)	48%	43%	24%	63%
Actual revenue vs. budget (within x% budget)	5%	12%	-23%	10%
Actual expenditures (% below budget)	10%	17%	8%	5%

Human Resources Division

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

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

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
# of Worker's Compensation Cases	12	15	2	0
Total Recordable Injury Rate YTD	4.6%	5.7%	0.8%	0%
% absenteeism (% of total annual work hours)	2%	3%	2%	2%
% turnover rate	7%	3%	1%	1%
% employee satisfaction	N/A	N/A	N/A	100%
% employee participation in wellness activities	63%	47%	26%	75%
Average # of applications received per recruitment	37	41	88	50
Recruitment timeline - # days from hiring request to offer letter	68	85	74	60
# of employees using the Telework program	16	N/A	N/A	17
% utilization of full-service employee portal	100%	N/A	N/A	100%

Workload Indicators

Finance Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
# of vendor checks processed	6,536	5,668	2,306
# of payroll checks processed	10,301	9,953	3,978
# of business license applications	1,154	14,204	4,560
# of business license renewals	2,893	2,842	906
# of journal entries posted	4,521	4,637	1,847
# of purchase orders approved	600	495	305
# of receipts processed	13,913	14,204	4,560

Human Resources Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
# of regular recruitments	21	20	11
# of regular new hires	16	20	12
# of temporary new hires	105		
# of personnel payroll changes	938	1104	470
# of full-time employee exits processed	21	14	10
# of mandated training classes offered*	1	2	2
# of employees participating in the wellness program	119	91	51

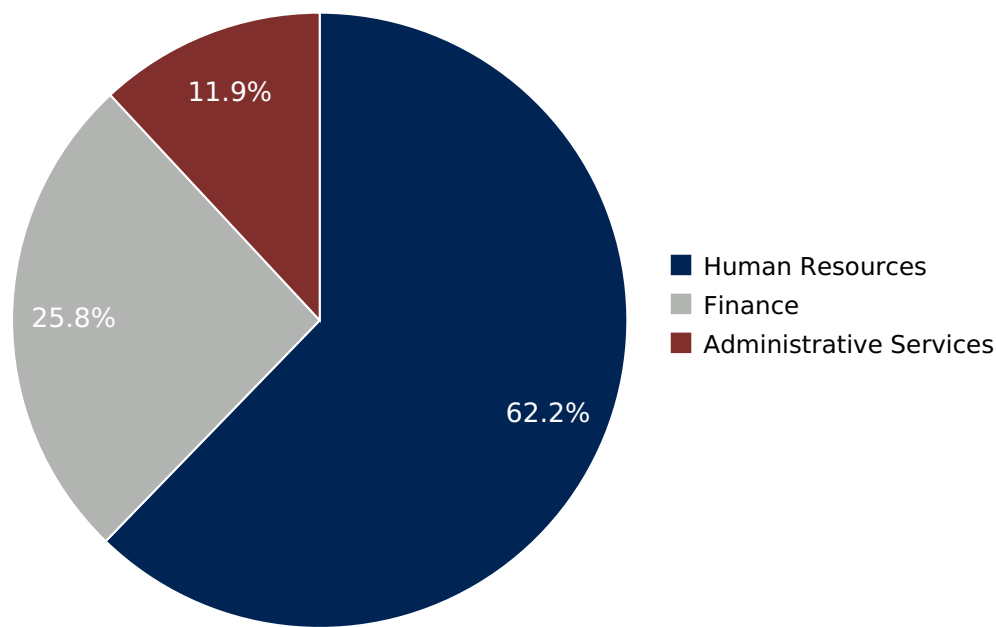
* some trainings mandated every other year, however not on the same annual schedule

Proposed Budget

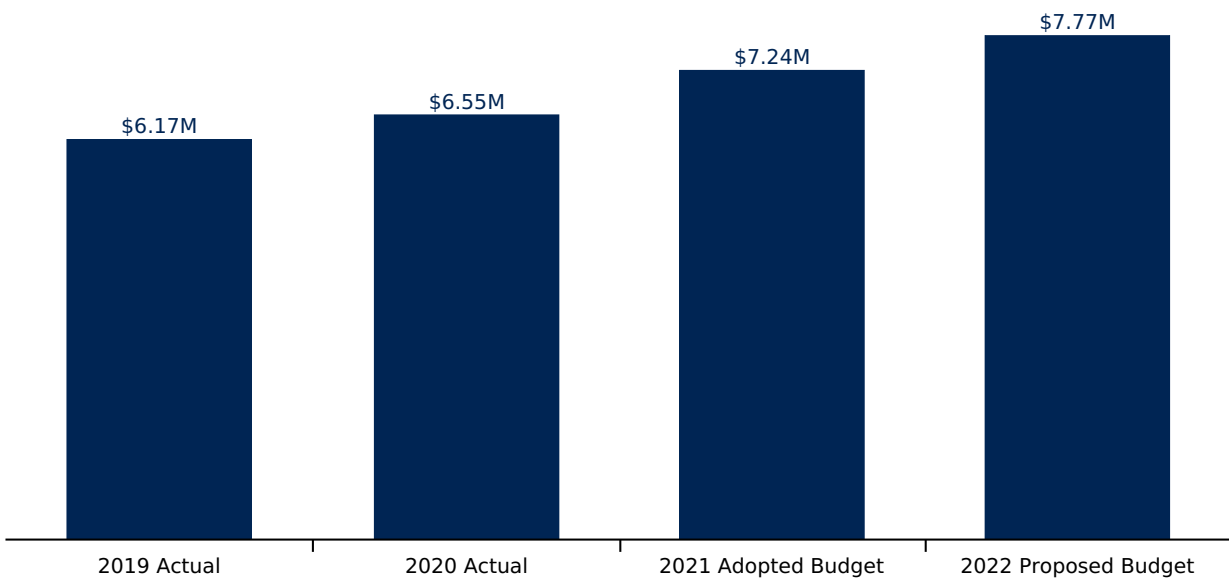
It is recommended that City Council approve a budget of \$7,771,115 for the Administrative Services department. This represents an increase of \$536,099 (7.4%) from the FY 2020-21 Adopted Budget.

Increases in compensation and benefits are due to the addition of a Human Resources Technician. Increases in contract services are due to expenses for 2022 labor negotiations.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 3,324,380	\$ 3,898,699	\$ 4,156,788	\$ 4,837,735
Miscellaneous Revenue	\$ 60,999	\$ 35,060	\$ -	\$ -
Total Revenues	\$ 3,385,379	\$ 3,933,759	\$ 4,156,788	\$ 4,837,735
Expenditures				
Employee Compensation	\$ 1,759,429	\$ 2,028,226	\$ 2,129,859	\$ 2,259,659
Employee Benefits	\$ 1,865,631	\$ 2,096,913	\$ 2,181,294	\$ 2,321,303
Materials	\$ 140,482	\$ 184,873	\$ 160,639	\$ 166,641
Contract Services	\$ 2,104,076	\$ 1,972,395	\$ 2,360,978	\$ 2,612,344
Cost Allocation	\$ 299,513	\$ 266,331	\$ 341,705	\$ 341,693
Contingencies	\$ -	\$ -	\$ 60,541	\$ 69,475
Total Expenditures	\$ 6,169,131	\$ 6,548,738	\$ 7,235,016	\$ 7,771,115
Fund Balance	\$ 105,210	\$ 1,807,757	\$ (1,794,063)	\$ (941,848)
General Fund Costs	\$ 2,888,963	\$ 4,422,735	\$ 1,284,165	\$ 1,991,532

Staffing

Total current positions - 16.90 FTE

Total proposed positions - 16.90 FTE

Administrative Services Administration

Budget Unit 100-40-400

General Fund - Administrative Services - Administrative Services Administration

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 183,169
Total Expenditures	\$ 926,303
Fund Balance	\$ -
General Fund Costs	\$ 743,134
% Funded by General Fund	80.2%
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, as well as the Santa Clara County Leadership Academy.

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.
- Provide staff support to the Santa Clara County Leadership Academy

Proposed Budget

It is recommended that City Council approve a budget of \$926,303 for the Administrative Services Administration program. This represents an increase of \$38,920 (4.4%) from the FY 2020-21 Adopted Budget.

Increases in this budget program are due to negotiated labor increases in salaries and benefits.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 52,182	\$ 69,263	\$ 185,799	\$ 183,169
Miscellaneous Revenue	\$ 51,504	\$ -	\$ -	\$ -
Total Revenues	\$ 103,686	\$ 69,263	\$ 185,799	\$ 183,169
Expenditures				
Employee Compensation	\$ 586,160	\$ 541,196	\$ 576,540	\$ 594,796
Employee Benefits	\$ 242,161	\$ 239,759	\$ 260,866	\$ 280,580
Materials	\$ 48,002	\$ 76,682	\$ 45,140	\$ 46,067
Contract Services	\$ 14,179	\$ -	\$ 3,618	\$ 3,618
Cost Allocation	\$ 47,985	\$ 35,067	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 1,219	\$ 1,242
Total Expenditures	\$ 938,487	\$ 892,704	\$ 887,383	\$ 926,303
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 834,801	\$ 823,441	\$ 701,584	\$ 743,134

Staffing

Total current positions - 3.75 FTE

Total proposed positions - 3.75 FTE

Accounting

Budget Unit 100-41-405

General Fund - Finance - Accounting

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 2,175,347
Total Expenditures	\$ 1,603,000
Fund Balance	\$ -
General Fund Costs	\$ (572,347)
% Funded by General Fund	-35.7%
Total Staffing	6.9 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,603,000 for the Accounting program. This represents an increase of \$1,762 (0.1%) from the FY 2020-21 Adopted Budget.

Activities in this budget program are remaining relatively unchanged over the previous 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 1,197,426	\$ 1,673,028	\$ 2,114,792	\$ 2,175,347
Miscellaneous Revenue	\$ 9,495	\$ 35,060	\$ -	\$ -
Total Revenues	\$ 1,206,921	\$ 1,708,088	\$ 2,114,792	\$ 2,175,347
Expenditures				
Employee Compensation	\$ 631,541	\$ 730,307	\$ 824,704	\$ 831,742
Employee Benefits	\$ 282,102	\$ 320,800	\$ 377,877	\$ 401,927
Materials	\$ 35,726	\$ 16,564	\$ 22,903	\$ 23,131
Contract Services	\$ 260,518	\$ 188,162	\$ 368,470	\$ 337,192
Cost Allocation	\$ 80,706	\$ 58,882	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 7,284	\$ 9,008
Total Expenditures	\$ 1,290,593	\$ 1,314,715	\$ 1,601,238	\$ 1,603,000
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 83,672	\$ (393,373)	\$ (513,554)	\$ (572,347)

Staffing

Total current positions - 6.85 FTE

Total proposed positions - 6.85 FTE

Business Licenses

Budget Unit 100-41-406

General Fund - Finance - Business Licenses

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 404,377
Fund Balance	\$ -
General Fund Costs	\$ 404,377
% Funded by General Fund	100.0%
Total Staffing	1.1 FTE

Program Overview

The Business Licenses program monitors business licensing activity for compliance with the City Municipal Code and applicable state law.

Service Objectives

- Issue business licenses to entities conducting business within the city limits of Cupertino.
- Collect appropriate business license fees.
- Monitor compliance with the Business License Tax Code and provide useful information related to business activity to City departments.
- Identify non-compliant business activity.

Proposed Budget

It is recommended that City Council approve a budget of \$404,377 for the Business Licenses program. This represents a decrease of \$3,721 (-0.9%) from the FY 2020-21 Adopted Budget.

Activities in this budget program remain relatively unchanged over the previous 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 75,264	\$ 86,146	\$ 95,622	\$ 101,611
Employee Benefits	\$ 37,305	\$ 46,954	\$ 60,442	\$ 62,881
Materials	\$ 416	\$ 179	\$ -	\$ -
Contract Services	\$ 6,508	\$ 9,003	\$ -	\$ -
Cost Allocation	\$ 75,257	\$ 95,029	\$ 252,034	\$ 239,885
Total Expenditures	\$ 194,750	\$ 237,311	\$ 408,098	\$ 404,377
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 194,750	\$ 237,311	\$ 408,098	\$ 404,377

Staffing

Total current positions - 1.10 FTE

Total proposed positions - 1.10 FTE

Human Resources

Budget Unit 100-44-412

General Fund - Human Resources - Human Resources

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 2,122,380
Total Expenditures	\$ 1,479,115
Fund Balance	\$ -
General Fund Costs	\$ (643,265)
% Funded by General Fund	-43.5%
Total Staffing	4.9 FTE

Program Overview

The Human Resources Division is responsible for the administration of human resource, employee benefits, and labor relation programs including personnel selection, classification, compensation, equal employment opportunity, labor negotiations, employee relations, employee training and 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,479,115 for the Human Resources program. This represents an increase of \$344,219 (30.3%) from the FY 2020-21 Adopted Budget.

Increases in compensation and benefits are due to the conversion of a full-time vacancy in Parks and Recreation to a Human Resources Technician. Increases in contract services represent estimated expenses for 2022 labor negotiations with OE3 and CEA/Local 21 including total compensation surveys, legal advice/Chief

Negotiator. Additional increases are estimates for services such as personnel investigations and executive recruitments.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 788,243	\$ 959,351	\$ 1,609,812	\$ 2,122,380
Total Revenues	\$ 788,243	\$ 959,351	\$ 1,609,812	\$ 2,122,380
Expenditures				
Employee Compensation	\$ 436,100	\$ 623,303	\$ 585,422	\$ 683,904
Employee Benefits	\$ 214,096	\$ 321,161	\$ 280,114	\$ 327,828
Materials	\$ 56,335	\$ 84,975	\$ 92,596	\$ 97,443
Contract Services	\$ 389,069	\$ 463,988	\$ 170,194	\$ 358,540
Cost Allocation	\$ 57,838	\$ 42,307	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 6,570	\$ 11,400
Total Expenditures	\$ 1,153,438	\$ 1,535,734	\$ 1,134,896	\$ 1,479,115
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 365,195	\$ 576,383	\$ (474,916)	\$ (643,265)

Staffing

Total current positions - 4.85 FTE

Total proposed positions - 4.85 FTE

A full-time vacancy in Parks and Recreation was converted to a Human Resources Technician in Human Resources in FY 2020-21.

Retiree Benefits

Budget Unit 642-44-414

Retiree Medical - Human Resources - Retiree Benefits

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,241,926
Fund Balance	\$ (169,215)
General Fund Costs	\$ 1,072,711
% Funded by General Fund	86.4%
Total Staffing	0.0 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,241,926 for the Retiree Benefits program. This represents an increase of \$30,593 (2.5%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Benefits	\$ 1,075,908	\$ 1,142,793	\$ 1,179,851	\$ 1,227,045
Contract Services	\$ -	\$ -	\$ 20,000	\$ -
Cost Allocation	\$ 5,745	\$ 6,262	\$ 10,982	\$ 14,881
Contingencies	\$ -	\$ -	\$ 500	\$ -
Total Expenditures	\$ 1,081,653	\$ 1,149,055	\$ 1,211,333	\$ 1,241,926
Fund Balance	\$ 49,821	\$ 1,242,945	\$ (1,165,333)	\$ (169,215)
General Fund Costs	\$ 1,131,474	\$ 2,392,000	\$ 46,000	\$ 1,072,711

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Insurance Administration

Budget Unit 100-44-417

General Fund - Human Resources - Insurance Administration

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 965,352
Fund Balance	\$ -
General Fund Costs	\$ 965,352
% Funded by General Fund	100.0%
Total Staffing	0.2 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.

Proposed Budget

It is recommended that City Council approve a budget of \$965,352 for the Insurance Administration program. This represents an increase of \$41,399 (4.5%) from the FY 2020-21 Adopted Budget.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 788,243	\$ 959,351	\$ -	\$ -
Total Revenues	\$ 788,243	\$ 959,351	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 11,054	\$ 18,312	\$ 19,372	\$ 19,005
Employee Benefits	\$ 5,186	\$ 8,734	\$ 9,623	\$ 8,730
Materials	\$ 3	\$ 2	\$ -	\$ -
Contract Services	\$ 593,373	\$ 602,487	\$ 827,910	\$ 866,155
Cost Allocation	\$ 10,698	\$ 7,789	\$ 46,350	\$ 49,808
Contingencies	\$ -	\$ -	\$ 20,698	\$ 21,654
Total Expenditures	\$ 620,314	\$ 637,324	\$ 923,953	\$ 965,352
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (167,929)	\$ (322,027)	\$ 923,953	\$ 965,352

Staffing

Total current positions - 0.15 FTE

Total proposed positions - 0.15 FTE

Workers Compensation Insurance

Budget Unit 620-44-418

Workers' Compensation - Human Resources - Workers Compensation Insurance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 356,839
Total Expenditures	\$ 434,840
Fund Balance	\$ (78,001)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.2 FTE

Program Overview

This program provides oversight of the Workers' Compensation program, including claims, proactive Risk Management, return to work accommodations and excess workers compensation insurance.

Service Objectives

- Manage employee personal injuries and illnesses and provide proactive risk management for disability avoidance.
- Monitor costs associated with claims.
- Analyze and implement proactive measures to curtail costs.
- Implement a return to work policy.

Proposed Budget

It is recommended that City Council approve a budget of \$434,840 for the Workers Compensation Insurance program. This represents an increase of \$158,617 (57.4%) from the FY 2020-21 Adopted Budget.

Increase related to reclassification of CSAC and workers compensation excess insurance premiums and unemployment insurance from 44-412 to 44-418

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 498,286	\$ 237,706	\$ 246,385	\$ 356,839
Total Revenues	\$ 498,286	\$ 237,706	\$ 246,385	\$ 356,839
Expenditures				
Employee Compensation	\$ 19,310	\$ 28,962	\$ 28,199	\$ 28,601
Employee Benefits	\$ 8,873	\$ 16,712	\$ 12,521	\$ 12,312
Materials	\$ -	\$ 6,471	\$ -	\$ -
Contract Services	\$ 235,169	\$ 160,237	\$ 205,786	\$ 356,839
Cost Allocation	\$ 16,896	\$ 16,672	\$ 24,572	\$ 28,167
Contingencies	\$ -	\$ -	\$ 5,145	\$ 8,921
Total Expenditures	\$ 280,248	\$ 229,054	\$ 276,223	\$ 434,840
Fund Balance	\$ 218,037	\$ 8,653	\$ (29,838)	\$ (78,001)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.20 FTE

Total proposed positions - 0.20 FTE

There are no changes to the current level of staffing

Short Term and Long Term Disability

Budget Unit 641-44-419

Compensated Absence/LTD - Human Resources - Short Term and Long Term Disability

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 95,612
Fund Balance	\$ (95,612)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

This program oversees claims and premiums associated with Long and Short Term Disability.

Service Objectives

- Obtain and manage insurance policies
- Negotiate rates
- Coordination of claims

Proposed Budget

It is recommended that City Council approve a budget of \$95,612 for the Short Term and Long Term Disability program. This represents a decrease of \$76,225 (-44.4%) from the FY 2020-21 Adopted Budget.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 156,540	\$ 167,319	\$ 165,000	\$ 90,000
Cost Allocation	\$ 1,616	\$ 1,634	\$ 2,712	\$ 3,362
Contingencies	\$ -	\$ -	\$ 4,125	\$ 2,250
Total Expenditures	\$ 158,156	\$ 168,953	\$ 171,837	\$ 95,612
Fund Balance	\$ (158,156)	\$ (168,953)	\$ (171,837)	\$ (95,612)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Compensated Absences

Budget Unit 641-44-420

Compensated Absence/LTD - Human Resources - Compensated Absences

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 620,590
Fund Balance	\$ (599,020)
General Fund Costs	\$ 21,570
% Funded by General Fund	3.5%
Total Staffing	0.0 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.

Proposed Budget

It is recommended that City Council approve a budget of \$620,590 for the Compensated Absences program. This represents an increase of \$535 (0.1%) from the FY 2020-21 Adopted Budget.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 448,720	\$ 381,199	\$ 600,000	\$ 600,000
Cost Allocation	\$ 2,772	\$ 2,689	\$ 5,055	\$ 5,590
Contingencies	\$ -	\$ -	\$ 15,000	\$ 15,000
Total Expenditures	\$ 451,492	\$ 383,888	\$ 620,055	\$ 620,590
Fund Balance	\$ (4,492)	\$ 725,112	\$ (427,055)	\$ (599,020)
General Fund Costs	\$ 447,000	\$ 1,109,000	\$ 193,000	\$ 21,570

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

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Parks and Recreation

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Department Overview

Budget Units

Budget Unit	Program	2022 Proposed Budget
Parks and Recreation		\$ 1,637,046
100-60-601	Recreation Administration	\$ 1,403,256
100-60-634	Park Planning and Restoration	\$ -
100-60-636	Library Services	\$ 233,790
Business and Community Services		\$ 1,522,167
100-61-602	Administration	\$ 722,137
100-61-605	Cultural Events	\$ 433,137
100-61-630	Facilities	\$ 366,893
100-61-632	Community Outreach and Neighborhood Watch	\$ -
Recreation and Education		\$ 4,199,612
100-62-608	Administration	\$ 722,159
580-62-613	Youth Teen Recreation	\$ 1,828,845
100-62-623	Senior Center	\$ 1,117,651
100-62-639	Teen Programs	\$ 367,838
100-62-640	Neighborhood Events	\$ 163,119
Sports, Safety and Outdoor Recreation		\$ 6,138,105
100-63-612	Park Facilities	\$ 1,280,136
100-63-615	Administration	\$ 117,951
560-63-616	Blackberry Farm Golf Course	\$ 679,646
580-63-620	Outdoor Recreation	\$ 1,158,012
570-63-621	Sports Center Operations	\$ 2,902,360
100-63-633	Disaster Preparedness	\$ -
Total		\$ 13,496,930

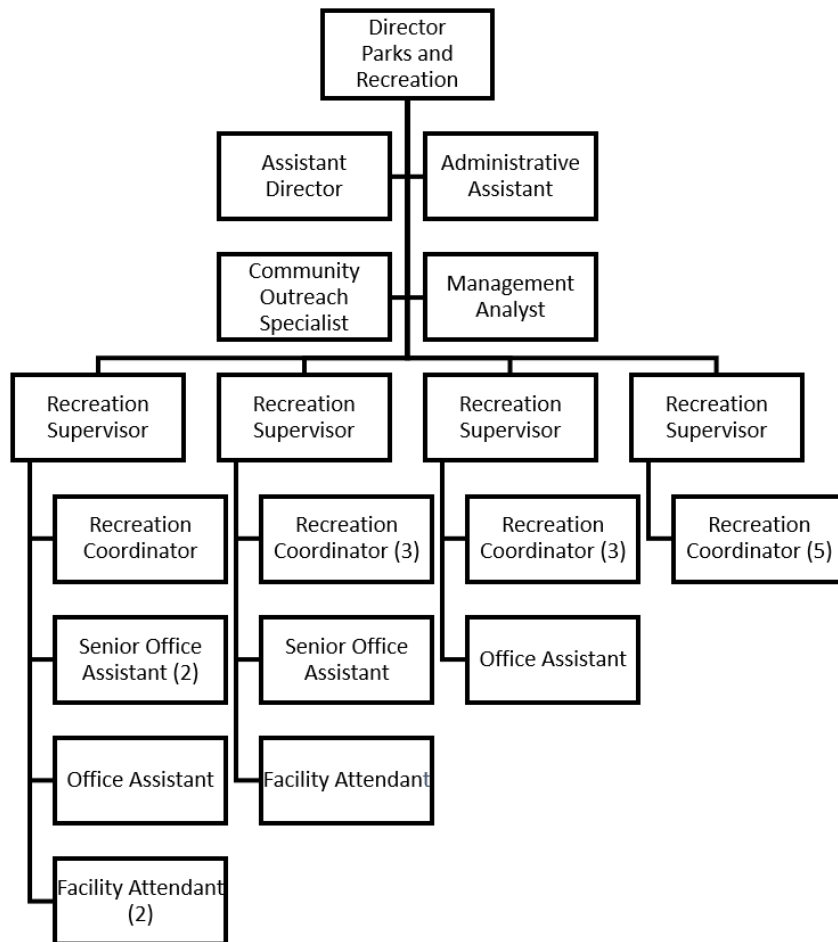
Budget at a Glance

2022 Proposed Budget

Total Revenues	\$ 4,980,895
Total Expenditures	\$ 13,496,930
Fund Balance	\$ (1,242,062)
General Fund Costs	\$ 7,273,973
% Funded by General Fund	53.9%
Total Staffing	27.9 FTE

Organization

Joanne Magrini, Director of Parks and Recreation



Performance Measures

Goal: Create a positive, healthy and connected community.

Benefit: Cupertino has an exceptional system of parks & services that align with community values.

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
% of Parks and Recreation Department customers surveyed who rate services as good or excellent	98%	98%	95%	85%
% of programs maintaining minimum registration	70%	62%	32%	80%
% Department's total cost recovery for all (direct and indirect) costs	44%	37%	35%	40%
# of new programs or events offered	105	89	24	50
% change in participants ¹	-7%	-16%	-63%	+1%

¹ Decrease due to building closures and reduced programs offered due to COVID

Workload Indicators

Business and Community Services Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Number of reservations at Quinlan Center	402	321	8
Number of festival applications received	10	11	6

Recreation and Education Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Number of registrations	9,165	7,142	552
Number of survey respondents	2187	1,615	75
Number of Senior Center classes offered	320	289	55
Number of Senior Center trips offered	45	26	0

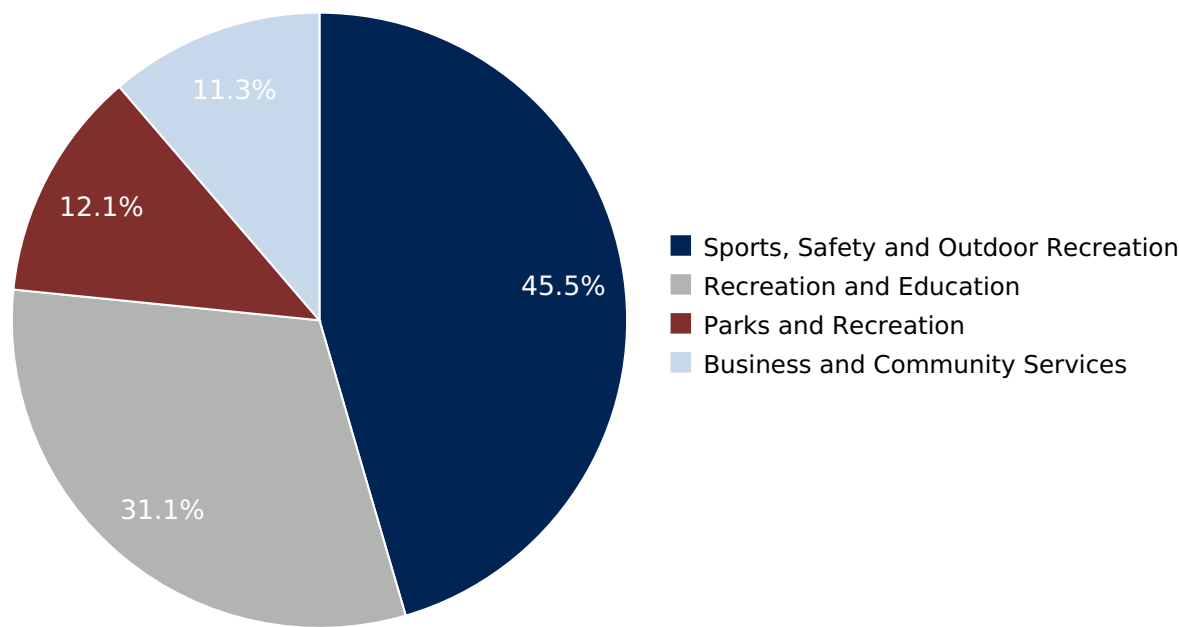
Sports, Safety, and Outdoor Recreation Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Number of programs offered	567	724	419
Number of picnic reservations at BBF	154	227	0
Number of rounds of golf at BBF Golf Course	27,205	26,747	21,943
Number of Sports Center Memberships	1,829	4,094	1,337

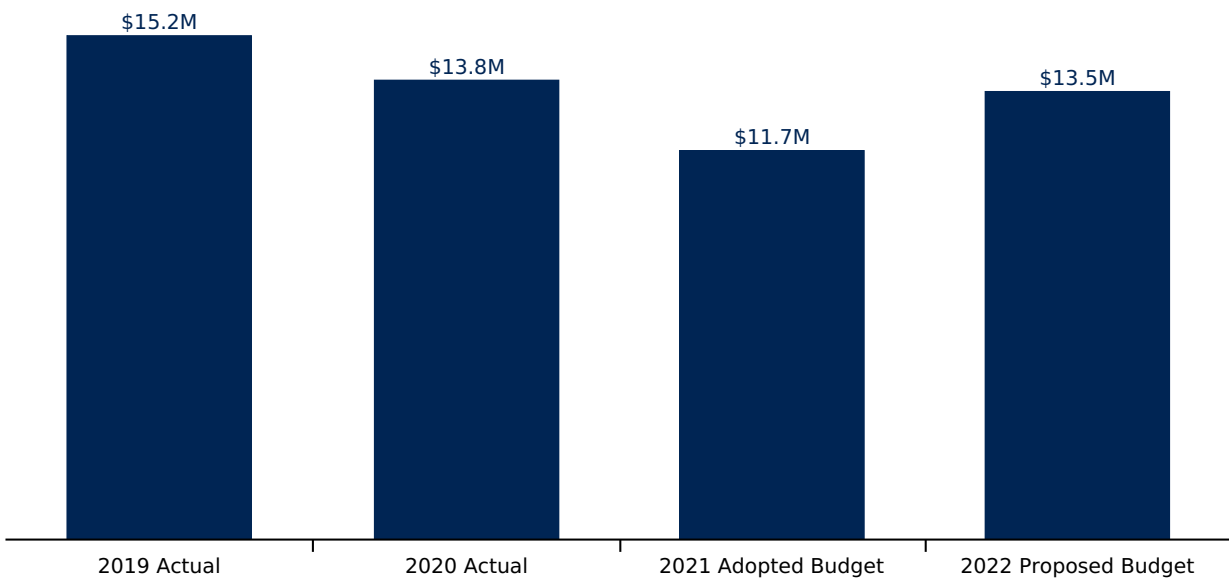
Proposed Budget

It is recommended that City Council approve a budget of \$13,496,930 for the Parks and Recreation department. This represents an increase of \$1,779,583 (15.2%) from the FY 2020-21 Adopted Budget.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 617,779	\$ 562,335	\$ 546,520	\$ 878,500
Charges for Services	\$ 5,503,172	\$ 4,821,021	\$ 2,663,809	\$ 4,071,395
Miscellaneous Revenue	\$ -	\$ (7,245)	\$ 31,000	\$ 31,000
Total Revenues	\$ 6,120,951	\$ 5,376,111	\$ 3,241,329	\$ 4,980,895
Expenditures				
Employee Compensation	\$ 4,276,261	\$ 3,954,752	\$ 4,415,056	\$ 4,481,811
Employee Benefits	\$ 1,346,670	\$ 1,445,922	\$ 1,504,047	\$ 1,547,823
Materials	\$ 766,499	\$ 475,640	\$ 630,587	\$ 840,765
Contract Services	\$ 4,382,802	\$ 3,362,305	\$ 2,814,526	\$ 4,255,717
Cost Allocation	\$ 4,327,431	\$ 4,527,709	\$ 2,229,446	\$ 2,243,403
Special Projects	\$ 79,258	\$ 71,628	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 123,685	\$ 127,411
Total Expenditures	\$ 15,178,921	\$ 13,837,956	\$ 11,717,347	\$ 13,496,930
Fund Balance	\$ (1,535,531)	\$ 266,437	\$ 42,275	\$ (1,242,062)
General Fund Costs	\$ 7,522,438	\$ 8,728,282	\$ 8,518,293	\$ 7,273,973

Staffing

Total current positions - 27.88 FTE

Total proposed positions - 27.88 FTE

Recreation Administration

Budget Unit 100-60-601

General Fund - Parks and Recreation - Recreation Administration

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 1,403,256
Fund Balance	\$ -
General Fund Costs	\$ 1,403,256
% Funded by General Fund	100.0%
Total Staffing	4.5 FTE

Program Overview

The Recreation Administration program provides overall department administration, project management, community outreach, support to the Parks and Recreation and Library Commissions, and administration of recreation management software.

Service Objectives

- Provide overall department administration, budget control, contract support, policy development, administration of recreation management software, and employee development and evaluation.
- Support the Planning and Public Works Departments in the development, renovation, and improvements of parks and open spaces.
- Implementation of recommendations from the Parks and Recreation System Master Plan.
- Monitor and facilitate partnerships in regards to Library and other community organizations.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,403,256 for the Recreation Administration program. This represents an increase of \$186,408 (15.3%) from the FY 2020-21 Adopted Budget.

Increases in Compensation and Benefits are due to negotiated salary and benefits changes. The increases in Materials is mainly due to the addition of funds for Community Outreach efforts (\$26,800) and the #CupertinoCares program (\$75,000).

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
#CupertinoCares	\$75,000	\$75,000	General Fund	Connectivity and engagement activities and events with residents during the pandemic.
Total	\$75,000	\$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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 450,419	\$ 609,735	\$ 686,212	\$ 712,741
Employee Benefits	\$ 166,122	\$ 211,543	\$ 305,203	\$ 316,133
Materials	\$ 51,321	\$ 103,613	\$ 146,553	\$ 284,446
Contract Services	\$ 1,618	\$ 62,355	\$ 74,629	\$ 80,805
Cost Allocation	\$ 35,426	\$ 27,563	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 4,251	\$ 9,131
Total Expenditures	\$ 704,906	\$ 1,014,809	\$ 1,216,848	\$ 1,403,256
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 704,906	\$ 1,014,809	\$ 1,216,848	\$ 1,403,256

Staffing

Total current positions - 4.50 FTE

Total proposed positions - 4.50 FTE

There are no changes to the current level of staffing.

Park Planning and Restoration

Budget Unit 100-60-634

General Fund - Parks and Recreation - Park Planning and Restoration

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2018-19, this program was transferred to Public Works. A complete discussion of this program can be found under Budget Unit 100-82-806. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 55,606	\$ -	\$ -	\$ -
Employee Benefits	\$ 24,386	\$ -	\$ -	\$ -
Materials	\$ 22	\$ -	\$ -	\$ -
Cost Allocation	\$ 6,796	\$ -	\$ -	\$ -
Total Expenditures	\$ 86,810	\$ -	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 86,810	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Library Services

Budget Unit 100-60-636

General Fund - Parks and Recreation - Library Services

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 233,790
Fund Balance	\$ -
General Fund Costs	\$ 233,790
% Funded by General Fund	100.0%
Total Staffing	0.0 FTE

Program Overview

This budget augments the existing library service currently provided to our community through the Santa Clara County (SCC) Library Joint Powers Authority.

Service Objectives

- Provide increased library service for our constituents through support of the Go Go Biblio Program.
- Explore partnerships with the SCC Library for recreation and community programs.

Proposed Budget

It is recommended that City Council approve a budget of \$233,790 for the Library Services program. This represents a decrease of \$84,550 (-26.6%) from the FY 2020-21 Adopted Budget.

Due to the COVID-19 Pandemic, the Go Go Biblio Program was suspended in FY 2020-21. In anticipation of the program's return next fiscal year, the unspent funds will be proposed to carry forward into FY 2021-22. Revenues and contract services will be amended as part of the final budget due to an anticipated lease amendment with the Santa Clara County Library JPA.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 468,023	\$ 117,000	\$ 117,000	\$ -
Cost Allocation	\$ 501,482	\$ 681,040	\$ 198,415	\$ 233,790
Contingencies	\$ -	\$ -	\$ 2,925	\$ -
Total Expenditures	\$ 969,505	\$ 798,040	\$ 318,340	\$ 233,790
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 969,505	\$ 798,040	\$ 318,340	\$ 233,790

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Administration

Budget Unit 100-61-602

General Fund - Business and Community Services - Administration

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 722,137
Fund Balance	\$ -
General Fund Costs	\$ 722,137
% Funded by General Fund	100.0%
Total Staffing	3.6 FTE

Program Overview

The Business Division supports department programs and services through the provision of customer service and analytical support, development, and administration of policies. The division is also responsible for the department's community outreach programs, including community festivals and City events at a variety of parks. 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.
- Administer recreation software system for customer registration, memberships, point-of-sale, and facility rentals.
- Collect and analyze data from customer satisfaction surveys and program and revenue reports to improve programs and services.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$722,137 for the Administration program. This represents a decrease of \$40,477 (-5.3%) from the FY 2020-21 Adopted Budget.

The decrease is mainly due to a change in cost allocation methodology.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 407,471	\$ 336,728	\$ 323,637	\$ 309,384
Employee Benefits	\$ 204,778	\$ 176,722	\$ 182,434	\$ 183,164
Materials	\$ 12,607	\$ 1,159	\$ 2,390	\$ 2,315
Contract Services	\$ 3,934	\$ -	\$ -	\$ -
Cost Allocation	\$ 135,290	\$ 147,895	\$ 254,093	\$ 227,216
Contingencies	\$ -	\$ -	\$ 60	\$ 58
Total Expenditures	\$ 764,080	\$ 662,504	\$ 762,614	\$ 722,137
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 764,080	\$ 662,503	\$ 762,614	\$ 722,137

Staffing

Total current positions - 3.75 FTE

Total proposed positions - 3.55 FTE

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

Cultural Events

Budget Unit 100-61-605

General Fund - Business and Community Services - Cultural Events

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 31,000
Total Expenditures	\$ 433,137
Fund Balance	\$ -
General Fund Costs	\$ 402,137
% Funded by General Fund	92.8%
Total Staffing	0.5 FTE

Program Overview

The Business and Community Service Division's events program produces the City's special events including 4th of July festivities and Big Bunny 5K, 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.

Service Objectives

- Provide a summer concert series at Memorial Park.
- Produce a summer movie series at Memorial Park.
- 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.
- Organize and facilitate the Big Bunny 5K fun run.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$433,137 for the Cultural Events program. This represents an increase of \$73,874 (20.6%) from the FY 2020-21 Adopted Budget.

The increase is primarily due to the return of the Summer Events for FY 2021-22, which was reduced in FY 2020-21 due to the COVID-19 Pandemic and State-mandated orders in effect at that time.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ -	\$ (8,595)	\$ 31,000	\$ 31,000
Total Revenues	\$ -	\$ (8,595)	\$ 31,000	\$ 31,000
Expenditures				
Employee Compensation	\$ 71,232	\$ 77,563	\$ 104,897	\$ 88,433
Employee Benefits	\$ 29,846	\$ 29,605	\$ 39,342	\$ 31,624
Materials	\$ 7,925	\$ 18,199	\$ 36,860	\$ 34,737
Contract Services	\$ 179,672	\$ 122,202	\$ 115,410	\$ 219,004
Cost Allocation	\$ 45,209	\$ 43,037	\$ 58,947	\$ 52,995
Contingencies	\$ -	\$ -	\$ 3,807	\$ 6,344
Total Expenditures	\$ 333,884	\$ 290,606	\$ 359,263	\$ 433,137
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 333,884	\$ 299,202	\$ 328,263	\$ 402,137

Staffing

Total current positions - 0.50 FTE

Total proposed positions - 0.50 FTE

There are no changes to the current level of staffing.

Facilities

Budget Unit 100-61-630

General Fund - Business and Community Services - Facilities

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 168,395
Total Expenditures	\$ 366,893
Fund Balance	\$ -
General Fund Costs	\$ 198,498
% Funded by General Fund	54.1%
Total Staffing	2.2 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 Parks and Recreation 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 and 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 an Emergency Operations Shelter in case of disasters.

Proposed Budget

It is recommended that City Council approve a budget of \$366,893 for the Facilities program. This represents a decrease of \$100,083 (-21.4%) from the FY 2020-21 Adopted Budget.

The decrease is primarily due to staff time being reallocated to other programs.

Proposed revenues have been reduced to account for current restrictions due to the COVID-19 Pandemic.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 213,102	\$ 118,874	\$ 170,000	\$ 115,000
Charges for Services	\$ 458,471	\$ 404,343	\$ 36,455	\$ 53,395
Total Revenues	\$ 671,573	\$ 523,217	\$ 206,455	\$ 168,395
Expenditures				
Employee Compensation	\$ 244,541	\$ 255,932	\$ 307,331	\$ 237,255
Employee Benefits	\$ 68,225	\$ 89,831	\$ 127,096	\$ 93,053
Materials	\$ 33,778	\$ 13,486	\$ 26,379	\$ 28,121
Contract Services	\$ 12,060	\$ 19,164	\$ 5,376	\$ 7,572
Cost Allocation	\$ 151,524	\$ 58,657	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 794	\$ 892
Total Expenditures	\$ 510,128	\$ 437,070	\$ 466,976	\$ 366,893
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (161,445)	\$ (86,147)	\$ 260,521	\$ 198,498

Staffing

Total current positions - 2.50 FTE

Total proposed positions - 2.20 FTE

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

Community Outreach and Neighborhood Watch

Budget Unit 100-61-632

General Fund - Business and Community Services - Community Outreach and Neighborhood Watch

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2018-19, this program was transferred to the City Manager's Office. A complete discussion of this program can be found under Budget Unit 100-12-632. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 40,485	\$ -	\$ -	\$ -
Employee Benefits	\$ 13,650	\$ -	\$ -	\$ -
Materials	\$ 4,179	\$ -	\$ -	\$ -
Contract Services	\$ 91	\$ -	\$ -	\$ -
Cost Allocation	\$ 9,786	\$ -	\$ -	\$ -
Total Expenditures	\$ 68,191	\$ -	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 68,190	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Administration

Budget Unit 100-62-608

General Fund - Recreation and Education - Administration

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 12,500
Total Expenditures	\$ 722,159
Fund Balance	\$ -
General Fund Costs	\$ 709,659
% Funded by General Fund	98.3%
Total Staffing	3.1 FTE

Program Overview

This program includes administrative support of senior programs offered at the Senior Center. Administrative duties support the facility and senior programs that focus on enhancing a healthy lifestyle through quality education, recreation, travel, socials, community resources, volunteer opportunities, and facility rentals.

Service Objectives

- Provide management and supervision of all programs, activities, personnel, and facilities within the senior services division.
- Establish program goals and priorities.
- Ensure operational hours accommodate community desires.
- Provide first-rate customer service and manage customer registration, memberships, point-of-sale, and facility rentals at the Senior Center.

Proposed Budget

It is recommended that City Council approve a budget of \$722,159 for the Administration program. This represents a decrease of \$62,352 (-7.9%) from the FY 2020-21 Adopted Budget.

The decrease is primarily due to changes in cost allocation methodology.

Proposed revenues have been reduced to account for current restrictions due to the COVID-19 Pandemic.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 28,134	\$ 17,816	\$ 25,000	\$ 12,500
Total Revenues	\$ 28,134	\$ 17,816	\$ 25,000	\$ 12,500
Expenditures				
Employee Compensation	\$ 323,242	\$ 329,984	\$ 377,605	\$ 360,823
Employee Benefits	\$ 114,270	\$ 135,429	\$ 147,638	\$ 148,586
Materials	\$ 22,426	\$ 7,627	\$ 15,880	\$ 16,039
Contract Services	\$ 3,836	\$ 431	\$ 2,800	\$ 3,640
Cost Allocation	\$ 690,664	\$ 311,932	\$ 240,121	\$ 192,579
Contingencies	\$ -	\$ -	\$ 467	\$ 492
Total Expenditures	\$ 1,154,438	\$ 785,403	\$ 784,511	\$ 722,159
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,126,305	\$ 767,588	\$ 759,511	\$ 709,659

Staffing

Total current positions - 3.05 FTE

Total proposed positions - 3.05 FTE

There are no changes to the current level of staffing.

Youth Teen Recreation

Budget Unit 580-62-613

Recreation Program - Recreation and Education - Youth Teen Recreation

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 742,000
Total Expenditures	\$ 1,828,845
Fund Balance	\$ (1,086,845)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	1.7 FTE

Program Overview

This program encompasses fee-based youth and teen programs such as academic and enrichment classes, STEAM programming, recreational camps, preschool, and special events, enrichment classes for adults, and special interest programming.

Service Objectives

- Provide a preschool program, summer camps, and an extensive variety of contract classes for youth, teens, and adults, 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 and interest in programs.
- Increase the number of youth and teen Science Technology Engineering Art, and Math (STEAM) programs offered.
- Expand all-day summer camp offerings to meet daycare needs of working families.
- Provide family-oriented programs designed to increase community engagement.
- Provide safe, fun, life-long learning activities that promote the foundations of self-confidence, skill development, and personal growth.
- Provide programs that enhance cultural awareness to youth and teens.

Proposed Budget

It is recommended that City Council approve a budget of \$1,828,845 for the Youth Teen Recreation program. This represents a decrease of \$134,945 (-6.9%) from the FY 2020-21 Adopted Budget.

The decrease is primarily due to a reduction in Contract Services due to the COVID-19 Pandemic.

Proposed revenues have also been reduced to account for the current restrictions due to the pandemic.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 1,222,219	\$ 1,195,694	\$ 1,108,517	\$ 742,000
Total Revenues	\$ 1,222,219	\$ 1,195,694	\$ 1,108,517	\$ 742,000
Expenditures				
Employee Compensation	\$ 392,428	\$ 332,247	\$ 444,713	\$ 470,409
Employee Benefits	\$ 78,652	\$ 97,533	\$ 83,645	\$ 102,897
Materials	\$ 68,662	\$ 15,732	\$ 32,030	\$ 31,437
Contract Services	\$ 844,453	\$ 695,551	\$ 1,125,286	\$ 918,285
Cost Allocation	\$ 346,668	\$ 1,068,022	\$ 250,857	\$ 282,074
Contingencies	\$ -	\$ -	\$ 27,259	\$ 23,743
Total Expenditures	\$ 1,730,863	\$ 2,209,085	\$ 1,963,790	\$ 1,828,845
Fund Balance	\$ (508,644)	\$ (1,013,391)	\$ (855,273)	\$ (1,086,845)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 1.60 FTE

Total proposed positions - 1.70 FTE

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

Senior Center

Budget Unit 100-62-623

General Fund - Recreation and Education - Senior Center

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 164,000
Total Expenditures	\$ 1,117,651
Fund Balance	\$ -
General Fund Costs	\$ 953,651
% Funded by General Fund	85.3%
Total Staffing	3.0 FTE

Program Overview

This program includes the coordination and delivery of program services for seniors at the Senior Center. Staff coordinates a well-maintained Senior Center for adults age 50+ including senior adult recreation programs such as enrichment classes, educational presentations, group trips and tours, and social events. In addition, the Senior Center team leverages members to support programs and services through more than 24,000 hours of volunteer service annually. Staff provides referrals for resources available to seniors.

Service Objectives

- Enhance partnerships with Fremont Union High School District Adult Education, the Santa Clara County Library District, De Anza College, and other local nonprofit agencies.
- Provide appreciation events for senior volunteers who support the Parks and Recreation Department throughout the year.
- Offer fitness and enrichment courses, educational presentations, group trips and tours, and socialization opportunities to adults age 50+.
- Provide volunteer service opportunities for adults age 50+.
- Provide a senior-focused annual health fair and senior resource referrals.

Proposed Budget

It is recommended that City Council approve a budget of \$1,117,651 for the Senior Center program. This represents a decrease of \$46,387 (-4.0%) from the FY 2020-21 Adopted Budget.

The decrease is primarily due to the reallocation of staff funds to other programs in the City and a change in cost allocation methodology. This is mostly offset by increases in Materials and Contract Services from the return of the Travel Program to the budget, which was reduced in FY 2020-21 in response to the COVID-19 Pandemic and State-mandated orders in effect at that time.

Proposed revenues have been reduced to account for the current restrictions due to the pandemic.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 3,846	\$ 252	\$ -	\$ -
Charges for Services	\$ 388,892	\$ 361,427	\$ 167,000	\$ 164,000
Miscellaneous Revenue	\$ -	\$ 1,350	\$ -	\$ -
Total Revenues	\$ 392,738	\$ 363,029	\$ 167,000	\$ 164,000
Expenditures				
Employee Compensation	\$ 528,003	\$ 470,472	\$ 542,283	\$ 418,283
Employee Benefits	\$ 194,515	\$ 177,296	\$ 100,391	\$ 155,952
Materials	\$ 129,906	\$ 85,075	\$ 80,860	\$ 116,815
Contract Services	\$ 255,290	\$ 199,364	\$ 80,280	\$ 126,280
Cost Allocation	\$ 415,210	\$ 357,244	\$ 356,195	\$ 294,244
Contingencies	\$ -	\$ -	\$ 4,029	\$ 6,077
Total Expenditures	\$ 1,522,924	\$ 1,289,451	\$ 1,164,038	\$ 1,117,651
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,130,186	\$ 926,421	\$ 997,038	\$ 953,651

Staffing

Total current positions - 2.95 FTE

Total proposed positions - 2.95 FTE

There are no changes to the current level of staffing.

Teen Programs

Budget Unit 100-62-639

General Fund - Recreation and Education - Teen Programs

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 3,000
Total Expenditures	\$ 367,838
Fund Balance	\$ -
General Fund Costs	\$ 364,838
% Funded by General Fund	99.2%
Total Staffing	0.8 FTE

Program Overview

This program supports teen programs and services for the Recreation and Education Division. It provides for the supervision and operation of the Cupertino Teen Center, the Youth Activity Board, the Cupertino Teen Leadership Academy, and the teen summer volunteer program.

Service Objectives

- Empower youth by creating enriching and stress-free programs that foster physical, mental, and social development.
- Provide an exclusive space for Cupertino Teens to de-stress, create, study, and to socially develop.
- Create opportunities for youth and teens to build their leadership abilities by creating activities, events, and programs by teens for teens.
- Create reciprocal engagement and outreach efforts between the City of Cupertino and Cupertino teens.
- Develop teen leadership skills and career growth opportunities by providing an interactive teen leadership program.
- Provide the opportunity for teens to gain applied skills and develop leadership abilities by participating in the Leader in Training or Junior Swim Instructor programs.
- Create programs that support mental health and wellness in youth and teens.

Proposed Budget

It is recommended that City Council approve a budget of \$367,838 for the Teen Programs program. This represents an increase of \$94,925 (34.8%) from the FY 2020-21 Adopted Budget.

The increase is primarily due to the reallocation of staff time and a change in cost allocation methodology for this program. This budget now includes expenses for the Hack Cupertino Event (\$5,000) which was moved from 100-11-165.

Proposed revenues have been reduced to account for current restrictions due to the COVID-19 Pandemic.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 210	\$ 2,030	\$ 2,520	\$ 1,000
Charges for Services	\$ 962	\$ 2,388	\$ 2,500	\$ 2,000
Total Revenues	\$ 1,172	\$ 4,418	\$ 5,020	\$ 3,000
Expenditures				
Employee Compensation	\$ 113,823	\$ 117,060	\$ 173,684	\$ 208,032
Employee Benefits	\$ 14,299	\$ 16,625	\$ 30,452	\$ 44,515
Materials	\$ 23,870	\$ 18,747	\$ 38,595	\$ 45,616
Contract Services	\$ 1,761	\$ 145	\$ 800	\$ 800
Cost Allocation	\$ -	\$ -	\$ 28,397	\$ 67,715
Contingencies	\$ -	\$ -	\$ 985	\$ 1,160
Total Expenditures	\$ 153,753	\$ 152,577	\$ 272,913	\$ 367,838
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 152,581	\$ 148,159	\$ 267,893	\$ 364,838

Staffing

Total current positions - 0.55 FTE

Total proposed positions - 0.75 FTE

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

Neighborhood Events

Budget Unit 100-62-640

General Fund - Recreation and Education - Neighborhood Events

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 163,119
Fund Balance	\$ -
General Fund Costs	\$ 163,119
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Neighborhood Programs provide a varied schedule of summer events in neighborhood parks. Events include outdoor concerts, outdoor movies, performances, and free arts and fitness programs in the parks. These programs are designed to engage new customers and to promote current programs.

Service Objectives

- To provide outdoor summer concerts in neighborhood parks.
- To provide outdoor summer movies in neighborhood parks.
- To provide outdoor summer fitness opportunities in neighborhood parks.
- To provide outdoor summer arts opportunities in neighborhood parks.
- To provide an array of outdoor cultural special events in neighborhood parks.
- To provide activities for kids and families of all ages.

Proposed Budget

It is recommended that City Council approve a budget of \$163,119 for the Neighborhood Events program. This represents a decrease of \$2,061 (-1.2%) from the FY 2020-21 Adopted Budget.

The decreases in Employee Compensation and Benefits are due to the reallocation of staff budget to a different program. This is offset by increases in Materials, Contract Services, and Cost Allocation due to the return of the Neighborhood Events program, which was reduced in FY 2020-21 in response to the COVID-19 Pandemic and State-mandated orders in effect at that time.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 61,618	\$ 55,145	\$ 86,072	\$ 52,384
Employee Benefits	\$ 2,667	\$ 4,065	\$ 21,325	\$ 6,904
Materials	\$ 41,809	\$ 11,693	\$ 7,500	\$ 14,756
Contract Services	\$ 66,096	\$ 45,920	\$ 36,500	\$ 59,800
Cost Allocation	\$ -	\$ -	\$ 12,683	\$ 27,411
Contingencies	\$ -	\$ -	\$ 1,100	\$ 1,864
Total Expenditures	\$ 172,190	\$ 116,823	\$ 165,180	\$ 163,119
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 172,190	\$ 116,823	\$ 165,180	\$ 163,119

Staffing

Total current positions - 0.10 FTE

Total proposed positions - 0.10 FTE

There are no changes to the current level of staffing.

Park Facilities

Budget Unit 100-63-612

General Fund - Sports, Safety and Outdoor Recreation - Park Facilities

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 162,000
Total Expenditures	\$ 1,280,136
Fund Balance	\$ -
General Fund Costs	\$ 1,118,136
% Funded by General Fund	87.3%
Total Staffing	2.7 FTE

Program Overview

Blackberry Farm provides the community with recreational space to swim, picnic, enjoy ranger-led activities, and 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 and swim lessons.
- Continue to offer a Junior Lifeguard course for teens, ages 13 -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.
- Continue to offer Park Ranger-led activities such as interpretive walks, star-gazing events, and implement a Stevens Creek Corridor volunteer program.

McClellan Ranch Preserve:

- Continue to offer drop-in visitor hours at the Environmental Education Center and Blacksmith Shop on Saturdays, Sundays, and some school holidays.
- 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.
- Develop 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, preschool programming, classes, and camps.
- Make space available for co-sponsored clubs and rentals.

Proposed Budget

It is recommended that City Council approve a budget of \$1,280,136 for the Park Facilities program. This represents an increase of \$96,251 (8.1%) from the FY 2020-21 Adopted Budget.

The increase is primarily due to increases in Employee Compensation for part-time staff from the reopening of Blackberry Farm Café and Pool for summer of 2021 and adjustments to cost allocation methodology.

Proposed revenues have been reduced to account for current restrictions due to the COVID-19 Pandemic.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Environmental Education Center Animal Displays	\$1,000	\$1,000	General Fund	EEC animal display enhancements
Total	\$1,000	\$1,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 203,590	\$ 61,446	\$ 59,000	\$ 57,000
Charges for Services	\$ 176,470	\$ 122,328	\$ 65,000	\$ 105,000
Total Revenues	\$ 380,060	\$ 183,774	\$ 124,000	\$ 162,000
Expenditures				
Employee Compensation	\$ 663,199	\$ 556,910	\$ 600,364	\$ 685,551
Employee Benefits	\$ 145,783	\$ 142,660	\$ 177,586	\$ 149,233
Materials	\$ 107,451	\$ 56,796	\$ 85,053	\$ 92,460
Contract Services	\$ 17,946	\$ 13,937	\$ 86,926	\$ 87,380
Cost Allocation	\$ 1,277,319	\$ 1,202,972	\$ 229,792	\$ 261,016
Special Projects	\$ 74,498	\$ 71,628	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 4,164	\$ 4,496
Total Expenditures	\$ 2,286,196	\$ 2,044,903	\$ 1,183,885	\$ 1,280,136
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,906,136	\$ 1,861,129	\$ 1,059,885	\$ 1,118,136

Staffing

Total current positions - 2.68 FTE

Total proposed positions - 2.68 FTE

There are no changes to the current level of staffing.

Administration

Budget Unit 100-63-615

General Fund - Sports, Safety and Outdoor Recreation - Administration

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 117,951
Fund Balance	\$ -
General Fund Costs	\$ 117,951
% 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, special events, aquatics, golf, and specialty classes.

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, and field use permitting for nine school sites and various City fields.
- Continue to improve coordination among staff within the Stevens Creek Corridor in order to enhance customer service and the experience for park visitors.
- Oversee marketing, budget development, and program plans for all locations.
- Continue to expand the aquatics program.

Proposed Budget

It is recommended that City Council approve a budget of \$117,951 for the Administration program. This represents an increase of \$7,751 (7.0%) from the FY 2020-21 Adopted Budget.

The increase is primarily due to changes in cost allocation methodology.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 49,338	\$ 38,405	\$ 54,067	\$ 55,657
Employee Benefits	\$ 18,936	\$ 14,462	\$ 24,066	\$ 24,944
Materials	\$ 2,600	\$ 475	\$ 270	\$ 273
Contract Services	\$ 412	\$ 20	\$ -	\$ -
Cost Allocation	\$ 108,578	\$ 43,392	\$ 31,790	\$ 37,070
Contingencies	\$ -	\$ -	\$ 7	\$ 7
Total Expenditures	\$ 179,864	\$ 96,754	\$ 110,200	\$ 117,951
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 179,864	\$ 96,755	\$ 110,200	\$ 117,951

Staffing

Total current positions - 0.45 FTE

Total proposed positions - 0.45 FTE

There are no changes to the current level of staffing.

Blackberry Farm Golf Course

Budget Unit 560-63-616

Blackberry Farm - Sports, Safety and Outdoor Recreation - Blackberry Farm Golf Course

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 340,000
Total Expenditures	\$ 679,646
Fund Balance	\$ (259,654)
General Fund Costs	\$ 79,992
% Funded by General Fund	11.8%
Total Staffing	1.2 FTE

Program Overview

Blackberry Farm Golf Course provides a nine-hole golf facility to the community that serves all ages.

Service Objectives

- Increase the golfer base through private golf instruction, family events, high school golf team partnerships, leagues, and camps.
- Continue to operate a golf course pro shop where customers may purchase golfing accessories and concessions.

Proposed Budget

It is recommended that City Council approve a budget of \$679,646 for the Blackberry Farm Golf Course program. This represents a decrease of \$4,586 (-0.7%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 28,489	\$ 32,687	\$ 30,000	\$ 30,000
Charges for Services	\$ 288,128	\$ 305,524	\$ 180,000	\$ 310,000
Total Revenues	\$ 316,617	\$ 338,211	\$ 210,000	\$ 340,000
Expenditures				
Employee Compensation	\$ 148,832	\$ 101,209	\$ 170,410	\$ 175,778
Employee Benefits	\$ 41,855	\$ 53,912	\$ 58,778	\$ 60,543
Materials	\$ 93,667	\$ 96,060	\$ 108,003	\$ 105,045
Contract Services	\$ 258,580	\$ 252,429	\$ 248,885	\$ 274,845
Cost Allocation	\$ 91,476	\$ 82,294	\$ 89,471	\$ 53,938
Contingencies	\$ -	\$ -	\$ 8,685	\$ 9,497
Total Expenditures	\$ 634,410	\$ 585,904	\$ 684,232	\$ 679,646
Fund Balance	\$ (317,793)	\$ 362,307	\$ (24,232)	\$ (259,654)
General Fund Costs	\$ -	\$ 610,000	\$ 450,000	\$ 79,992

Staffing

Total current positions - 1.15 FTE

Total proposed positions - 1.15 FTE

There no changes to the current level of staffing.

Outdoor Recreation

Budget Unit 580-63-620

Recreation Program - Sports, Safety and Outdoor Recreation - Outdoor Recreation

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 657,000
Total Expenditures	\$ 1,158,012
Fund Balance	\$ 305,797
General Fund Costs	\$ 806,809
% Funded by General Fund	69.7%
Total Staffing	1.9 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 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.
- Manage user group field rentals under the Cupertino Union School District/City Joint Use Agreement.
- Increase nature, blacksmithing, and environmental classes for parent/child, teens, and adults.
- Provide a summer nature and science program.
- Offer fee-based gardening programs for youth and adults.

Proposed Budget

It is recommended that City Council approve a budget of \$1,158,012 for the Outdoor Recreation program. This represents an increase of \$250,317 (27.6%) from the FY 2020-21 Adopted Budget.

The increase is primarily due to increases in Employee Compensation for part-time staff from the return of the Learn-to-Swim program and Contract Services from the return of outdoor contractual camps and classes, which were reduced and canceled in FY 2020-21 in response to the COVID-19 Pandemic and the State-mandated orders in effect at that time.

Proposed revenues have been reduced to account for the current restrictions due to the pandemic.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 139,590	\$ 62,726	\$ 140,000	\$ 312,000
Charges for Services	\$ 624,377	\$ 330,156	\$ 343,225	\$ 345,000
Total Revenues	\$ 763,967	\$ 392,882	\$ 483,225	\$ 657,000
Expenditures				
Employee Compensation	\$ 305,646	\$ 309,752	\$ 234,270	\$ 309,653
Employee Benefits	\$ 111,674	\$ 156,600	\$ 97,848	\$ 93,440
Materials	\$ 120,385	\$ 14,874	\$ 24,153	\$ 21,969
Contract Services	\$ 409,487	\$ 187,681	\$ 254,261	\$ 444,888
Cost Allocation	\$ 245,281	\$ 263,234	\$ 281,896	\$ 276,391
Contingencies	\$ -	\$ -	\$ 15,267	\$ 11,671
Total Expenditures	\$ 1,192,473	\$ 932,141	\$ 907,695	\$ 1,158,012
Fund Balance	\$ (428,506)	\$ 25,742	\$ 737,530	\$ 305,797
General Fund Costs	\$ -	\$ 565,000	\$ 1,162,000	\$ 806,809

Staffing

Total current positions - 1.85 FTE

Total proposed positions - 1.85 FTE

There are no changes to the current level of staffing.

Sports Center Operations

Budget Unit 570-63-621

Sports Center - Sports, Safety and Outdoor Recreation - Sports Center Operations

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 2,701,000
Total Expenditures	\$ 2,902,360
Fund Balance	\$ (201,360)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	2.5 FTE

Program Overview

The Cupertino Sports Center offers a variety of health and wellness activities including a full fitness center, and a wide assortment of fitness classes, youth sports classes, and a variety of racquet sports, including tennis, table tennis, pickle ball, and badminton classes, camps, and programs.

Service Objectives

- Increase memberships, participation in fitness classes, and enrollment in contract camps and classes.
- Market programs through social media, the recreation schedule, a new electronic sign on Stevens Creek Blvd., and the City website.
- Collaborate with Public Works to ensure successful implementation of Capital Improvement Projects.
- Explore new program offerings.

Proposed Budget

It is recommended that City Council approve a budget of \$2,902,360 for the Sports Center Operations program. This represents an increase of \$1,545,498 (113.9%) from the FY 2020-21 Adopted Budget.

The increase is primarily due to the return of Contract Services for tennis and exercise programs, camps, and classes, which were reduced and canceled in FY 2020-21 in response to the COVID-19 Pandemic and State-mandated orders in effect at that time and the Sports Center closure from the seismic retrofit construction in the fall of 2020.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 818	\$ 266,504	\$ 120,000	\$ 351,000
Charges for Services	\$ 2,343,653	\$ 2,099,161	\$ 761,112	\$ 2,350,000
Total Revenues	\$ 2,344,471	\$ 2,365,665	\$ 881,112	\$ 2,701,000
Expenditures				
Employee Compensation	\$ 373,687	\$ 363,610	\$ 309,511	\$ 397,428
Employee Benefits	\$ 99,189	\$ 139,639	\$ 108,243	\$ 136,835
Materials	\$ 41,425	\$ 32,104	\$ 26,061	\$ 46,736
Contract Services	\$ 1,859,543	\$ 1,646,106	\$ 666,373	\$ 2,032,418
Cost Allocation	\$ 246,455	\$ 240,427	\$ 196,789	\$ 236,964
Special Projects	\$ 4,760	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 49,885	\$ 51,979
Total Expenditures	\$ 2,625,059	\$ 2,421,886	\$ 1,356,862	\$ 2,902,360
Fund Balance	\$ (280,588)	\$ 891,779	\$ 184,250	\$ (201,360)
General Fund Costs	\$ -	\$ 948,000	\$ 660,000	\$ -

Staffing

Total current positions - 2.25 FTE

Total proposed positions - 2.45 FTE

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

Disaster Preparedness

Budget Unit 100-63-633

General Fund - Sports, Safety and Outdoor Recreation - Disaster Preparedness

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2018-19, this program was transferred to the City Manager’s Office. A complete discussion of this program can be found under Budget Unit 100-12-633. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 46,691	\$ -	\$ -	\$ -
Employee Benefits	\$ 17,823	\$ -	\$ -	\$ -
Materials	\$ 4,466	\$ -	\$ -	\$ -
Cost Allocation	\$ 20,267	\$ -	\$ -	\$ -
Total Expenditures	\$ 89,247	\$ -	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 89,246	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

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Community Development

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Department Overview

Budget Units

Budget Unit	Program	2022 Proposed Budget
Community Development		\$ 923,490
100-70-700	Community Development Administration	\$ 923,490
Planning		\$ 4,800,888
100-71-701	Current Planning	\$ 2,939,626
100-71-702	Mid and Long Term Planning	\$ 1,524,188
100-71-704	Annexations	\$ -
100-71-705	Economic Development	\$ 337,074
Housing Services		\$ 2,075,372
260-72-707	CDBG General Admin	\$ 124,376
260-72-709	CDBG Capital/Housing Projects	\$ 258,214
260-72-710	CDBG Public Service Grants	\$ 59,588
265-72-711	BMR Affordable Housing Fund	\$ 1,509,132
100-72-712	Human Service Grants	\$ 124,062
Building		\$ 4,583,593
100-73-713	General Building	\$ 1,019,751
100-73-714	Building Plan Review	\$ 1,995,799
100-73-715	Building Code Enforcement	\$ 1,481,425
100-73-718	Muni Code Enforcement	\$ 86,618
Code Enforcement		\$ 1,202,392
100-74-202	Code Enforcement	\$ 1,202,392
Total		\$ 13,585,735

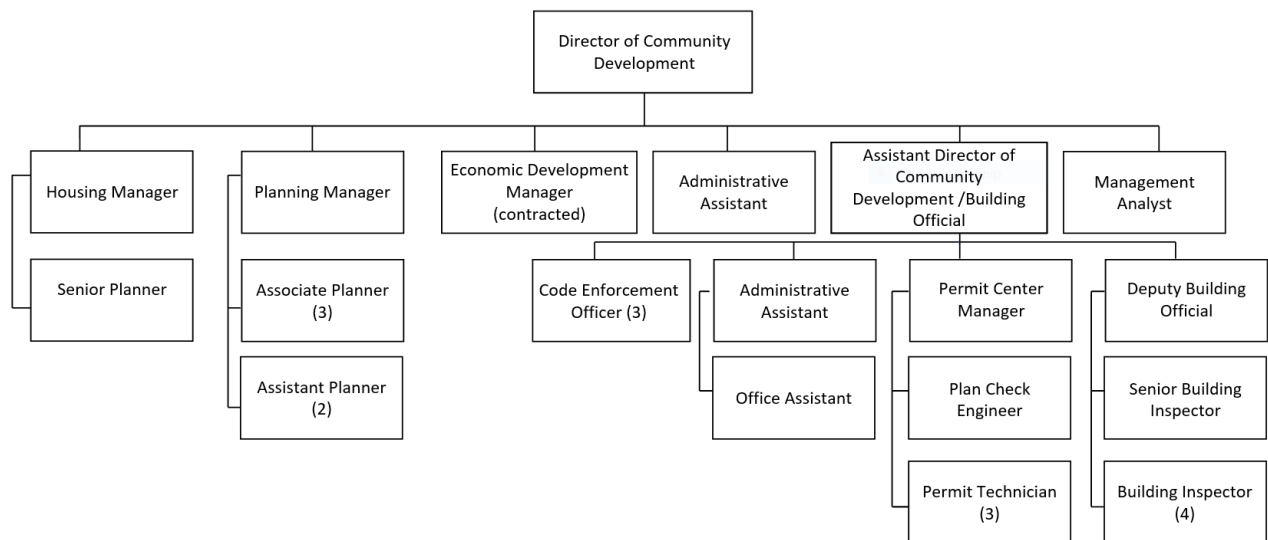
Budget at a Glance

2022 Proposed Budget

Total Revenues	\$ 8,528,607
Total Expenditures	\$ 13,585,735
Fund Balance	\$ 2,061,047
General Fund Costs	\$ 7,118,175
% Funded by General Fund	52.4%
Total Staffing	30.5 FTE

Organization

Benjamin Fu, 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.

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
Building permit applications plan reviewed within 15 business days	N/A	92%	94%	80%
Customer/Applicants visiting the Building Permit Counter shall be assisted within 15 minutes	N/A	93%	**0%	80%
Applicants visiting the Planning Counter shall be assisted	N/A	91%	**0%	50%
Building permit applications reviewed over-the-counter (OTC)	68%	63%	**0%	75%
Average number of days to initiate investigation of code complaints	1.35	0.21	0.05	< 7
Code enforcement cases resolved without issuance of citations	88.63%	85%	98%	80%
Landlord-tenant counseling and dispute resolution cases provided	55	29	21	100 per year
Below market rate rental and purchase vacancies filled	11	12	6	15 per year
Housing resources and referrals provided	1040	600	300	400 per year
Complimentary/courtesy prelim app reviews completed within 4 weeks ²	N/A	83%	72%	80%
Public Outreach Events	N/A	4	2	12 per year

*Data provided from July 2019 - February 2020 due to the shelter-in-place mandate.

** No data due to closure of city hall.

Workload Indicators

Planning Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Number of preliminary reviews	90	112	75
Number of planning applications received	138	198	132
Number of planning counter inquiries	N/A	2284*	0**

Housing Services Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Number of housing resources and referrals	1040	139	77
Number of BMR rental and ownership vacancies filled	11	12	6
Number of landlord tenant counseling and dispute cases received	55	29	21
Number of annual HUD documents (CAPER, Action Plan, Consolidated Plan, Affirmatively Furthering Fair Housing) completed	2	2	2
Housing and Human Services Grant Funds inquiries	35	9	25

Building Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Number of permits received	2,321	2,133	1,159
Number of inspections requested	13,625	19,331	5,891
Number of building counter inquiries	N/A	5,571*	0**

*Data provided from July 2019 - February 2020 due to the shelter-in-place mandate.

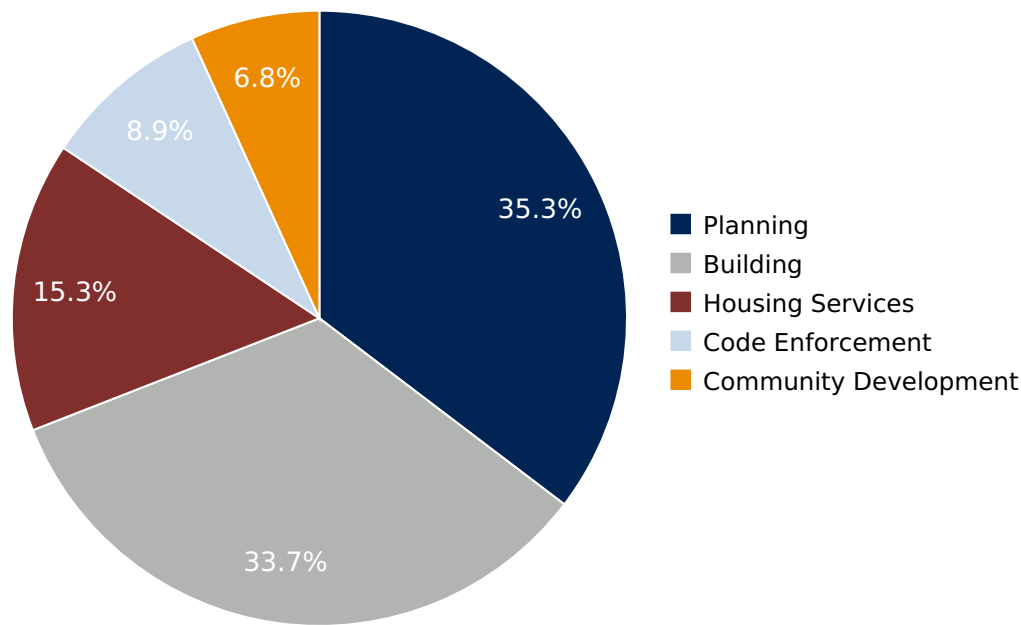
** No data due to closure of city hall.

Proposed Budget

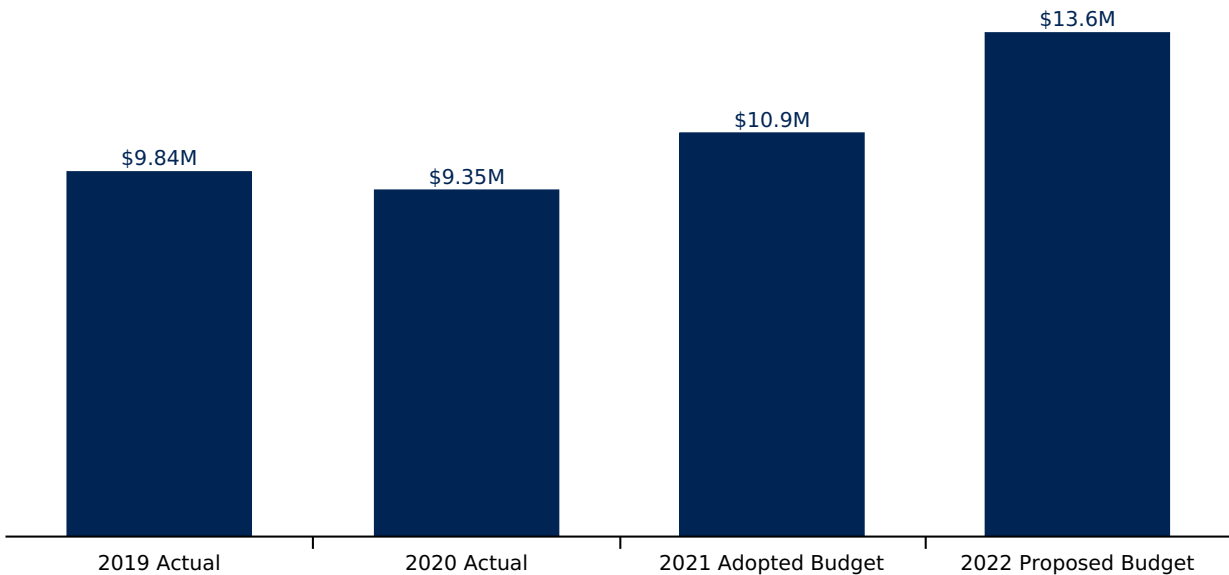
It is recommended that City Council approve a budget of \$13,585,735 for the Community Development department. This represents an increase of \$2,701,020 (24.8%) from the FY 2020-21 Adopted Budget.

The increase is primarily due to General Plan update and City Work Plan contract services.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Taxes	\$ 159,179	\$ 39,000	\$ 3,025,898	\$ 3,611,855
Licenses and Permits	\$ 4,072,243	\$ 4,665,560	\$ 3,115,000	\$ 3,115,000
Use of Money and Property	\$ 2,659	\$ 2,581	\$ 3,300	\$ 3,300
Intergovernmental Revenue	\$ 344,323	\$ 357,527	\$ 397,270	\$ 397,202
Charges for Services	\$ 3,387,551	\$ 1,169,345	\$ 1,135,000	\$ 1,135,000
Fines and Forfeitures	\$ 190,550	\$ 127,723	\$ 225,000	\$ 225,000
Miscellaneous Revenue	\$ 302,940	\$ 62,014	\$ 48,750	\$ 41,250
Total Revenues	\$ 8,459,445	\$ 6,423,750	\$ 7,950,218	\$ 8,528,607
Expenditures				
Employee Compensation	\$ 3,132,061	\$ 3,520,711	\$ 3,866,430	\$ 4,293,176
Employee Benefits	\$ 1,271,121	\$ 1,498,384	\$ 1,699,406	\$ 1,953,575
Materials	\$ 714,672	\$ 696,404	\$ 873,685	\$ 963,012
Contract Services	\$ 334,768	\$ 525,498	\$ 586,888	\$ 1,277,825
Cost Allocation	\$ 2,490,593	\$ 2,440,524	\$ 3,592,758	\$ 4,214,034
Special Projects	\$ 1,895,890	\$ 664,235	\$ 250,000	\$ 850,000
Contingencies	\$ -	\$ -	\$ 15,548	\$ 34,113
Total Expenditures	\$ 9,839,105	\$ 9,345,756	\$ 10,884,715	\$ 13,585,735
Fund Balance	\$ (269,573)	\$ (485,463)	\$ 2,343,202	\$ 2,061,047
General Fund Costs	\$ 1,110,087	\$ 2,436,544	\$ 5,277,699	\$ 7,118,175

Staffing

Total current positions - 29.49 FTE

Total proposed positions - 30.49 FTE

Community Development Administration

Budget Unit 100-70-700

General Fund - Community Development - Community Development Administration

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 923,490
Fund Balance	\$ -
General Fund Costs	\$ 923,490
% Funded by General Fund	100.0%
Total Staffing	0.5 FTE

Program Overview

The Community Development Administration program manages general office and oversight functions for the Community Development Department.

Service Objectives

- Coordinate and direct general office affairs related to community development functions.
- Manage professional and administrative staff.
- Prepare and implement the department budget.
- Coordinate as necessary with other departments in the City.
- Review and evaluate City and department goals and objectives.

Proposed Budget

It is recommended that City Council approve a budget of \$923,490 for the Community Development Administration program. This represents an increase of \$192,907 (26.4%) from the FY 2020-21 Adopted Budget.

The increase is primarily due to an increase in cost allocation resulting from a change in methodology.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 20	\$ 180	\$ -	\$ -
Total Revenues	\$ 20	\$ 180	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 79,223	\$ 98,923	\$ 112,188	\$ 101,876
Employee Benefits	\$ 30,403	\$ 32,218	\$ 37,199	\$ 39,243
Materials	\$ 5,596	\$ 7,719	\$ 24,674	\$ 23,726
Contract Services	\$ 1,843	\$ 66,498	\$ 103,380	\$ 103,380
Cost Allocation	\$ 498,053	\$ 454,929	\$ 449,941	\$ 652,087
Contingencies	\$ -	\$ -	\$ 3,201	\$ 3,178
Total Expenditures	\$ 615,118	\$ 660,287	\$ 730,583	\$ 923,490
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 615,098	\$ 660,108	\$ 730,583	\$ 923,490

Staffing

Total current positions - 0.50 FTE

Total proposed positions - 0.50 FTE

There are no changes to the current level of staffing.

Current Planning

Budget Unit 100-71-701

General Fund - Planning - Current Planning

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 1,037,500
Total Expenditures	\$ 2,939,626
Fund Balance	\$ -
General Fund Costs	\$ 1,902,126
% Funded by General Fund	64.7%
Total Staffing	7.6 FTE

Program Overview

The Current Planning program serves to review projects and implement City ordinances, land use plans and the General Plan goals and objectives through the planning review and building plan check processes.

Service Objectives

- Maintain a high level of customer service.
- Provide assistance at the public counter, over the telephone, or via email.
- Implement the City's General Plan, land use plans and Zoning Ordinance.
- Evaluate Planning applications for consistency with City ordinance, General Plan goals, and applicable State and Federal regulations.
- Coordinate internal review of Planning applications with other City departments.
- Conduct environmental review of projects in compliance with California Environmental Quality Act (CEQA) and applicable regional, State and Federal regulations.
- Provide technical analysis and recommendations to the Council, Planning Commission and Design Review Committee.
- Review building permits to ensure implementation of zoning requirements, environmental mitigation measures and planning entitlement conditions of approval.

Proposed Budget

It is recommended that City Council approve a budget of \$2,939,626 for the Current Planning program. This represents an increase of \$192,331 (7.0%) from the FY 2020-21 Adopted Budget.

The increase is primarily due to an increase in cost allocation resulting from a change in methodology.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 1,534,193	\$ 1,129,604	\$ 1,000,000	\$ 1,000,000
Miscellaneous Revenue	\$ 70,846	\$ 57,522	\$ 45,000	\$ 37,500
Total Revenues	\$ 1,605,039	\$ 1,187,126	\$ 1,045,000	\$ 1,037,500
Expenditures				
Employee Compensation	\$ 875,109	\$ 860,832	\$ 1,003,612	\$ 1,066,941
Employee Benefits	\$ 326,246	\$ 337,398	\$ 407,829	\$ 446,712
Materials	\$ 31,711	\$ 10,225	\$ 32,374	\$ 30,910
Contract Services	\$ 2,334	\$ 9,983	\$ -	\$ 1,464
Cost Allocation	\$ 729,234	\$ 731,686	\$ 1,252,671	\$ 1,392,790
Special Projects	\$ 388,463	\$ 306,761	\$ 50,000	\$ -
Contingencies	\$ -	\$ -	\$ 809	\$ 809
Total Expenditures	\$ 2,353,097	\$ 2,256,885	\$ 2,747,295	\$ 2,939,626
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 748,056	\$ 1,069,758	\$ 1,702,295	\$ 1,902,126

Staffing

Total current positions - 7.58 FTE

Total proposed positions - 7.58 FTE

There are no changes to the current level of staffing.

Mid and Long Term Planning

Budget Unit 100-71-702

General Fund - Planning - Mid and Long Term Planning

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 138,750
Total Expenditures	\$ 1,524,188
Fund Balance	\$ -
General Fund Costs	\$ 1,385,438
% Funded by General Fund	90.9%
Total Staffing	2.5 FTE

Program Overview

The Mid- and Long-Term Planning program assists the community in preparing, reviewing and amending documents including the General Plan, Specific Plans, Conceptual Plans, and the Municipal Code, including the Zoning Ordinance. Additionally, the program anticipates and evaluates trends, and develops strategies and plans to help the City address change.

Service Objectives

- Review and amend the City's General Plan, Housing Element, and Municipal Code, including the Zoning Ordinance, Specific, Conceptual and Master Plans.
- Ensure City processes and regulations are in compliance with State and Federal regulations, including the California Environmental Quality Act (CEQA).
- Review and implement policies in the General Plan, Housing Element, Zoning Ordinance, Specific, Conceptual and Master Plans.
- Coordinate with various local, regional, State and Federal agencies on projects.
- Facilitate the planning and implementation of the City Council's annual community development goals and objectives.

Proposed Budget

It is recommended that City Council approve a budget of \$1,524,188 for the Mid and Long Term Planning program. This represents an increase of \$509,805 (50.3%) from the FY 2020-21 Adopted Budget.

The increase is due to City Work Plan contract services, primarily the RHNA and General Plan Update items noted in the Special Projects table below.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Development Accountability	\$10,000	\$10,000	General Fund	City Work Program: Analyze methods to limit the implementation timeline for entitled/future projects and encourage development. Monitor implementation of development agreements and conditions of approval. Review and establish accountability in the project approval process.
Sign Ordinance Update	\$25,000	\$25,000	General Fund	City Work Program: Update existing provisions particularly in the temporary sign regulations.
RHNA and General Plan Update	\$300,000	\$300,000	General Fund	City Work Program: Housing Element update and associated rezoning/possible Specific Plan updates
General Plan and Muni Code Update	\$250,000	\$250,000	General Fund	City Work Program: Evaluate General Plan and Muni Code for improvement
Residential and Mixed Use Design Standards	\$40,000	\$40,000	General Fund	City Work Program: Create objective design standards for residential and mixed use projects

Laserfiche planning map scanning	\$30,000	\$30,000	General Fund	Scanning files into laserfiche to assist with mapping services for residents
Total	\$655,000	\$655,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 1,415,725	\$ 17,930	\$ 135,000	\$ 135,000
Miscellaneous Revenue	\$ 160,835	\$ -	\$ 3,750	\$ 3,750
Total Revenues	\$ 1,576,560	\$ 17,930	\$ 138,750	\$ 138,750
Expenditures				
Employee Compensation	\$ 282,913	\$ 333,541	\$ 386,265	\$ 401,324
Employee Benefits	\$ 103,392	\$ 125,704	\$ 151,978	\$ 159,373
Materials	\$ 2,417	\$ 2,307	\$ 4,224	\$ 14,260
Contract Services	\$ 847	\$ 8,911	\$ 7,500	\$ 372,500
Cost Allocation	\$ 157,674	\$ 170,561	\$ 264,123	\$ 317,062
Special Projects	\$ 920,313	\$ 270,101	\$ 200,000	\$ 250,000
Contingencies	\$ -	\$ -	\$ 293	\$ 9,669
Total Expenditures	\$ 1,467,556	\$ 911,125	\$ 1,014,383	\$ 1,524,188
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (109,004)	\$ 893,195	\$ 875,633	\$ 1,385,438

Staffing

Total current positions - 2.49 FTE

Total proposed positions - 2.49 FTE

There are no changes to the current level of staffing.

Annexations

Budget Unit 100-71-704

General Fund - Planning - Annexations

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 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

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 903	\$ -	\$ 727	\$ -
Total Expenditures	\$ 903	\$ -	\$ 727	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 903	\$ -	\$ 727	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Economic Development

Budget Unit 100-71-705

General Fund - Planning - Economic Development

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 337,074
Fund Balance	\$ -
General Fund Costs	\$ 337,074
% Funded by General Fund	100.0%
Total Staffing	0.0 FTE

Program Overview

The Economic Development program specifically targets business retention, expansion, and attraction with a focus on small business development, in order to support the City's financial stability.

Service Objectives

- Provide assistance and support to businesses to enable job creation, new business formation, private investment, and industry evolution.
- Conduct outreach to existing small businesses to create strong working relationships.
- Collaborate with internal city team members to keep the needs of businesses in the forefront when reviewing applications and projects.
- Partner with local business associations, agencies, and organizations to create a strong and cohesive network offering business support and assistance.
- Provide the public with current data and information easily accessible online or in printed format.
- Assist with policy formation to align with business and community goals.

Proposed Budget

It is recommended that City Council approve a budget of \$337,074 for the Economic Development program.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
City Marketing	\$5,000	\$5,000	General Fund	As part of the FY 2019-20 City Work Program, this marketing effort includes a "Cupertino Store" with City-branded items
Regulating Diversified Retail	\$5,000	\$5,000	General Fund	Research, analysis, and outreach
Targeted Marketing Program to Assist Small Businesses	\$9,100	\$9,100	General Fund	Additional funding to align with increased demand for small local business assistance
Total	\$19,100	\$19,100		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 37,374	\$ -	\$ -	\$ -
Employee Benefits	\$ 11,075	\$ -	\$ -	\$ -
Materials	\$ 5,887	\$ -	\$ -	\$ 53,848
Contract Services	\$ 10,327	\$ -	\$ -	\$ 262,100
Cost Allocation	\$ 8,419	\$ -	\$ -	\$ 13,227
Special Projects	\$ 16,728	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ -	\$ 7,899
Total Expenditures	\$ 89,810	\$ -	\$ -	\$ 337,074
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 89,810	\$ -	\$ -	\$ 337,074

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

CDBG General Admin

Budget Unit 260-72-707

CDBG - Housing Services - CDBG General Admin

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 79,439
Total Expenditures	\$ 124,376
Fund Balance	\$ (44,937)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.5 FTE

Program Overview

The General Administration of the Community Development Block Grant (CDBG) federal entitlement program is reserved for program administration costs to cover salary and benefits of staff who operate the CDBG program. The CDBG program is a federal entitlement program which serves low- and moderate-income Cupertino residents. CDBG program administration costs represent 20% of the City's annual federal CDBG allocation plus prior year program income.

Service Objectives

- Prepare and submit an Annual Plan to the US Department of Housing and Urban Development (HUD).
- Prepare and submit annual Consolidated Annual Performance and Evaluation Report (CAPER) to HUD.
- Prepare and submit a five-year Consolidated Plan to HUD.
- Meet quarterly with Santa Clara County CDBG Coordinators.
- Conduct four-eight public hearings per year to allocate CDBG funding, review Annual Plan, CAPER, and Consolidated Plan.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance with federal regulations.

Proposed Budget

It is recommended that City Council approve a budget of \$124,376 for the CDBG General Admin program. This represents an increase of \$27,181 (28.0%) from the FY 2020-21 Adopted Budget.

The increase is primarily due to an increase in negotiated salary and benefits.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 48,691	\$ 75,442	\$ 79,450	\$ 79,439
Total Revenues	\$ 48,691	\$ 75,442	\$ 79,450	\$ 79,439
Expenditures				
Employee Compensation	\$ 36,624	\$ 57,144	\$ 65,674	\$ 84,330
Employee Benefits	\$ 20,011	\$ 27,543	\$ 31,521	\$ 40,046
Total Expenditures	\$ 56,635	\$ 84,687	\$ 97,195	\$ 124,376
Fund Balance	\$ (7,944)	\$ (9,245)	\$ (17,745)	\$ (44,937)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.49 FTE

Total proposed positions - 0.49 FTE

There are no current changes to the current level of staffing.

CDBG Capital/Housing Projects

Budget Unit 260-72-709

CDBG - Housing Services - CDBG Capital/Housing Projects

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 261,475
Total Expenditures	\$ 258,214
Fund Balance	\$ 3,261
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

This portion of the Community Development Block Grant (CDBG) federal entitlement program is reserved for grants and loans to non-profit developers and agencies for eligible activities such as public improvements, property acquisition for affordable housing, rehabilitation of affordable units, and development of affordable housing. CDBG Capital/Housing costs represent 65% of the City's annual federal CDBG allocation plus prior year program income.

Service Objectives

- Issue Requests for Proposals (RFPs) on an annual basis for Capital/Housing Projects.
- Review applications and make funding recommendations to Housing Commission and City Council.
- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each grantee.
- Review quarterly reports and reimbursements requests from agencies and enter data into HUD IDIS program.
- Coordinate entitlement process with the Planning Division for affordable development projects.
- Monitor project progress of grantees through the construction phase.
- Coordinate CEQA/NEPA environmental review processes for all affordable developments.
- Coordinate preparation of all grant and loan agreements, Deeds of Trust, Promissory Notes, and Regulatory Agreements.
- On an annual basis, prepare grant agreements or amendments for each grantee.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance with federal regulations.

Proposed Budget

It is recommended that City Council approve a budget of \$258,214 for the CDBG Capital/Housing Projects program. This represents a decrease of \$1,786 (-0.7%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged since last fiscal year.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 2,659	\$ 2,581	\$ 3,300	\$ 3,300
Intergovernmental Revenue	\$ 240,201	\$ 227,111	\$ 258,232	\$ 258,175
Total Revenues	\$ 242,860	\$ 229,692	\$ 261,532	\$ 261,475
Expenditures				
Materials	\$ 240,201	\$ 227,111	\$ 260,000	\$ 258,214
Total Expenditures	\$ 240,201	\$ 227,111	\$ 260,000	\$ 258,214
Fund Balance	\$ 2,659	\$ 2,581	\$ 1,532	\$ 3,261
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

CDBG Public Service Grants

Budget Unit 260-72-710

CDBG - Housing Services - CDBG Public Service Grants

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 59,588
Total Expenditures	\$ 59,588
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

This portion of the Community Development Block Grant (CDBG) federal entitlement program is reserved for grants to nonprofit agencies serving low- and moderate-income Cupertino residents. The agencies provide services such as food assistance, job training, emergency housing, legal assistance, etc. CDBG Public Services costs represent 15% of the City's annual federal CDBG allocation plus prior year program income.

Service Objectives

- Issue Requests for Proposals (RFPs) on a bi- or tri-annual basis for public services programs.
- Review applications and make funding recommendations to Housing Commission and City Council.
- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each grantee.
- Review quarterly reports and reimbursements requests from agencies and enter data into HUD IDIS program.
- On an annual basis, prepare grant agreements or amendments for each grantee.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance with federal regulations.

Proposed Budget

It is recommended that City Council approve a budget of \$59,588 for the CDBG Public Service Grants program. This represents a decrease of \$5,412 (-8.3%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged since last fiscal year.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 55,431	\$ 54,974	\$ 59,588	\$ 59,588
Total Revenues	\$ 55,431	\$ 54,974	\$ 59,588	\$ 59,588
Expenditures				
Materials	\$ 55,431	\$ 54,974	\$ 65,000	\$ 59,588
Total Expenditures	\$ 55,431	\$ 54,974	\$ 65,000	\$ 59,588
Fund Balance	\$ -	\$ -	\$ (5,412)	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

BMR Affordable Housing Fund

Budget Unit 265-72-711

BMR Housing - Housing Services - BMR Affordable Housing Fund

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 3,611,855
Total Expenditures	\$ 1,509,132
Fund Balance	\$ 2,102,723
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	1.2 FTE

Program Overview

This program covers administration of the Below Market Rate (BMR) Housing program.

Service Objectives

- Contract with BMR Program Administrator annually for services relating to rental and ownership units.
- Prepare and monitor agreement, process monthly reimbursement requests, and provide technical assistance to BMR Program Administrator.
- Review and maintain the Policy and Procedures Manual for Administering Deed Restricted Affordable Housing Units (BMR Manual).
- Review and maintain the BMR Housing Mitigation Program Procedural Manual (Housing Mitigation Manual)

Proposed Budget

It is recommended that City Council approve a budget of \$1,509,132 for the BMR Affordable Housing Fund program. This represents an increase of \$848,061 (128.3%) from the FY 2020-21 Adopted Budget.

The increase is due to special projects contracts and cost allocation resulting from a change in methodology.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Affordable Strategies	\$300,000	\$300,000		City Work Program: Explore the development of strategies that provides a variety of products across the affordability levels including updates to the City's density bonus ordinance, housing for the developmentally disabled, as well as those with moderate, low, very low, and extremely low income.
City Plan on Homeless	\$300,000	\$300,000		City Work Program: Partner with non-profits/social service providers to bring mobile hygiene services to Cupertino and to accommodate the needs of homeless residents by evaluating the potential of adding amenities to future City building
Total	\$600,000	\$600,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Taxes	\$ 159,179	\$ 39,000	\$ 3,025,898	\$ 3,611,855
Charges for Services	\$ 29,145	\$ 1,442	\$ -	\$ -
Miscellaneous Revenue	\$ 901	\$ 1,515	\$ -	\$ -
Total Revenues	\$ 189,225	\$ 41,957	\$ 3,025,898	\$ 3,611,855
Expenditures				
Employee Compensation	\$ 37,739	\$ 58,884	\$ 67,674	\$ 170,709
Employee Benefits	\$ 20,648	\$ 28,396	\$ 32,480	\$ 80,982
Materials	\$ 227,955	\$ 257,581	\$ 310,786	\$ 330,371
Contract Services	\$ 78,934	\$ 174,121	\$ 201,288	\$ 226,588
Cost Allocation	\$ -	\$ 28	\$ 48,843	\$ 100,482
Special Projects	\$ 88,236	\$ 1,746	\$ -	\$ 600,000
Total Expenditures	\$ 453,512	\$ 520,756	\$ 661,071	\$ 1,509,132
Fund Balance	\$ (264,288)	\$ (478,799)	\$ 2,364,827	\$ 2,102,723
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 1.21 FTE

Total proposed positions - 1.21 FTE

There are no changes to the current level of staffing.

Human Service Grants

Budget Unit 100-72-712

General Fund - Housing Services - Human Service Grants

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 124,062
Fund Balance	\$ -
General Fund Costs	\$ 124,062
% Funded by General Fund	100.0%
Total Staffing	0.0 FTE

Program Overview

The City of Cupertino sets aside \$100,000 from its General Fund for non-profit agencies providing services to low- and moderate-income Cupertino residents. Eligible programs include senior services, homeless services, and others that serve low- and moderate-income residents.

Service Objectives

- Issue Requests for Proposals (RFPs) on a bi- or tri-annual basis for public services programs.
- Review applications and make funding recommendations to Housing Commission and City Council.
- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each grantee.
- Review quarterly reports and reimbursements requests from agencies.
- On an annual basis, prepare grant agreements or amendments for each grantee.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance.

Proposed Budget

It is recommended that City Council approve a budget of \$124,062 for the Human Service Grants program. This represents an increase of \$17,132 (16.0%) from the FY 2020-21 Adopted Budget.

The increase is due to an increase in grant funding allocation.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Materials	\$ 83,599	\$ 83,600	\$ 100,000	\$ 115,780
Cost Allocation	\$ 3,010	\$ 2,840	\$ 4,430	\$ 5,387
Contingencies	\$ -	\$ -	\$ 2,500	\$ 2,895
Total Expenditures	\$ 86,609	\$ 86,440	\$ 106,930	\$ 124,062
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 86,609	\$ 86,440	\$ 106,930	\$ 124,062

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

General Building

Budget Unit 100-73-713

General Fund - Building - General Building

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 315,000
Total Expenditures	\$ 1,019,751
Fund Balance	\$ -
General Fund Costs	\$ 704,751
% Funded by General Fund	69.1%
Total Staffing	3.1 FTE

Program Overview

The General Building program establishes the minimum requirements to safeguard the public health, safety and general welfare through structural strength, means of egress facilities, stability, accessibility, sanitation, adequate lighting and ventilation and energy conservation; safety to life and property from fire and other hazards attributed to the built environment; and to provide safety to fire fighters and emergency responders during emergency operations.

Service Objectives

- Provide efficient and friendly service that will assist customers with their building permit goals and objectives.
- Continue to streamline the workflow process to provide efficient and friendly customer service.
- Work proactively to enhance the public interface and information systems.
- Continue efforts to create a more effective records management system and land use data system using Geographic Information System (GIS).
- Increase staff knowledge through in-house training, meetings, and seminars

Proposed Budget

It is recommended that City Council approve a budget of \$1,019,751 for the General Building program. This represents an increase of \$120,013 (13.3%) from the FY 2020-21 Adopted Budget.

The increase is due to an increase in negotiated salary and benefits and cost allocation resulting from a change in methodology.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Licenses and Permits	\$ 396,662	\$ 277,460	\$ 315,000	\$ 315,000
Charges for Services	\$ 2,466	\$ -	\$ -	\$ -
Miscellaneous Revenue	\$ 158	\$ -	\$ -	\$ -
Total Revenues	\$ 399,286	\$ 277,460	\$ 315,000	\$ 315,000
Expenditures				
Employee Compensation	\$ 322,821	\$ 390,103	\$ 410,670	\$ 465,040
Employee Benefits	\$ 133,281	\$ 161,280	\$ 179,641	\$ 210,336
Materials	\$ 17,328	\$ 8,745	\$ 18,479	\$ 17,603
Contract Services	\$ 1,011	\$ -	\$ -	\$ -
Cost Allocation	\$ 270,495	\$ 258,746	\$ 290,486	\$ 326,332
Special Projects	\$ 8,292	\$ 16,837	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 462	\$ 440
Total Expenditures	\$ 753,228	\$ 835,711	\$ 899,738	\$ 1,019,751
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 353,941	\$ 558,252	\$ 584,738	\$ 704,751

Staffing

Total current positions - 3.12 FTE

Total proposed positions - 3.12 FTE

There are no changes to the current level of staffing.

Building Plan Review

Budget Unit 100-73-714

General Fund - Building - Building Plan Review

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 1,300,000
Total Expenditures	\$ 1,995,799
Fund Balance	\$ -
General Fund Costs	\$ 695,799
% Funded by General Fund	34.9%
Total Staffing	6.7 FTE

Program Overview

The Building Plan Review program is responsible for the timely and accurate review and approval of construction drawings for all residential, commercial and industrial permit applications for buildings and structures to ensure the proposed design meets or exceeds the minimum life safety, plumbing, mechanical, electrical, accessibility, energy and structural safety standards of the California Building Code and all governing local amendments.

Service Objectives

- Provide a streamlined building plan review system that will ensure plans comply with all applicable state and local codes and ordinances.
- Continue to streamline the internal application processing system and permit review process.
- Confer with design professionals on project application and pre-application meetings.
- Provide general code information for property owners, design professionals, developers, contractors and the general public.
- Assist building inspectors in difficult or unusual code interpretation as it applies to various buildings and structures.
- Assist in training of building inspectors and permit technicians in conducting residential and minor commercial plan review.

Proposed Budget

It is recommended that City Council approve a budget of \$1,995,799 for the Building Plan Review program. This represents an increase of \$337,551 (20.4%) from the FY 2020-21 Adopted Budget.

Increase in compensation and benefits due to negotiated salary and benefit changes. Also increased costs in cost allocation are due to a change in allocation methodology.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Licenses and Permits	\$ 1,505,039	\$ 2,689,605	\$ 1,300,000	\$ 1,300,000
Charges for Services	\$ 110,007	\$ 15,287	\$ -	\$ -
Miscellaneous Revenue	\$ 26,501	\$ 2,276	\$ -	\$ -
Total Revenues	\$ 1,641,547	\$ 2,707,168	\$ 1,300,000	\$ 1,300,000
Expenditures				
Employee Compensation	\$ 630,862	\$ 704,699	\$ 743,419	\$ 891,852
Employee Benefits	\$ 281,577	\$ 324,457	\$ 356,239	\$ 451,145
Materials	\$ 19,815	\$ 10,454	\$ 7,189	\$ 17,455
Contract Services	\$ 6,305	\$ 985	\$ -	\$ -
Cost Allocation	\$ 436,132	\$ 382,304	\$ 551,221	\$ 634,911
Special Projects	\$ 110,860	\$ 49,149	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 180	\$ 436
Total Expenditures	\$ 1,485,551	\$ 1,472,048	\$ 1,658,248	\$ 1,995,799
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (155,995)	\$ (1,235,121)	\$ 358,248	\$ 695,799

Staffing

Total current positions - 6.70 FTE

Total proposed positions - 6.70 FTE

There are no changes to the current level of staffing.

Building Code Enforcement

Budget Unit 100-73-715

General Fund - Building - Building Code Enforcement

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 1,500,000
Total Expenditures	\$ 1,481,425
Fund Balance	\$ -
General Fund Costs	\$ (18,575)
% Funded by General Fund	-1.3%
Total Staffing	5.2 FTE

Program Overview

The Building Inspection program is established to enforce certain minimum standards pursuant to the California Building Code and all local amendments for all new and existing buildings and structures within the City of Cupertino jurisdiction. These minimum standards include public safety, health and general welfare through structural strength, stability, sanitation, adequate light and ventilation, and safety to life and property from fire, hurricane, and other hazards attributed to the built environment. These include alteration, repair, removal, demolition, use, and occupancy of buildings, structures or premises. The Building Inspections Division also regulates the installation and maintenance of all electrical, gas, mechanical and plumbing systems, which may be referred to as service systems. The program also responds to stormwater pollution protection, emergency situations and complaints of unsafe structures, work without permits, and prepares Notices of Violation as necessary. Unabated cases are referred to the Code Enforcement Division for further action.

Service Objectives

- Build and maintain a positive working relationship with co-workers, other city employees and the general public using principles of quality customer service.
- Build and maintain a partnership with property owners, developers, and contractors to help our customers meet their building occupancy goals.
- Perform building inspections within 48 hours of receiving the request.
- Consistently and accurately document non-complying code issues to ensure proper and safe installation of routine and complex building systems.
- Ensure that minimum building code safety requirements are met in all phases of construction for structural, electrical, plumbing, mechanical and accessibility installations.
- Educate community members about life and safety inspection issues as they occur before and during the construction process.
- Work with owners, developers, and contractors to implement principles of green building as required in the CALGreen Building Code and Cupertino green building requirements.

Proposed Budget

It is recommended that City Council approve a budget of \$1,481,425 for the Building Code Enforcement program. This represents an increase of \$78,507 (5.6%) from the FY 2020-21 Adopted Budget.

Increase in compensation and benefits due to negotiated salary and benefit changes. Also increased costs in cost allocation are due to a change in allocation methodology.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Licenses and Permits	\$ 2,170,542	\$ 1,698,495	\$ 1,500,000	\$ 1,500,000
Charges for Services	\$ 292,735	\$ -	\$ -	\$ -
Miscellaneous Revenue	\$ 43,679	\$ -	\$ -	\$ -
Total Revenues	\$ 2,506,956	\$ 1,698,495	\$ 1,500,000	\$ 1,500,000
Expenditures				
Employee Compensation	\$ 536,891	\$ 614,038	\$ 643,621	\$ 675,434
Employee Benefits	\$ 224,832	\$ 280,247	\$ 306,336	\$ 326,593
Materials	\$ 17,411	\$ 22,485	\$ 32,750	\$ 22,867
Contract Services	\$ 71,494	\$ 6,659	\$ -	\$ -
Cost Allocation	\$ 299,990	\$ 277,818	\$ 419,429	\$ 455,997
Special Projects	\$ 362,998	\$ 19,641	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 782	\$ 534
Total Expenditures	\$ 1,513,616	\$ 1,220,888	\$ 1,402,918	\$ 1,481,425
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (993,339)	\$ (477,606)	\$ (97,082)	\$ (18,575)

Staffing

Total current positions - 5.15 FTE

Total proposed positions - 5.15 FTE

There are no changes to the current level of staffing.

Muni Code Enforcement

Budget Unit 100-73-718

General Fund - Building - Muni Code Enforcement

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 86,618
Fund Balance	\$ -
General Fund Costs	\$ 86,618
% Funded by General Fund	100.0%
Total Staffing	0.3 FTE

Program Overview

The Community Development Code Enforcement program provides enforcement of various provisions of the municipal code relating to nonconforming land use and building code compliance. These activities include building without permits, unpermitted removal of protected trees, nonconforming accessory structures, various use permit violations, private residential fence height/setback violations, and nonconforming signs. Assistance is provided to Planning and Building Division staff in the resolution of different code violations and land use concerns, which are contrary to the municipal code.

Service Objectives

- Respond to citizen, City department, or outside agency referrals within 48 hours.
- Provide services with an emphasis on community education and customer service.
- Enforce the codes in a fair, equitable, and objective manner.

Proposed Budget

It is recommended that City Council approve a budget of \$86,618 for the Muni Code Enforcement program. This represents an increase of \$3,591 (4.3%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged since last fiscal year.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 62,523	\$ 30,013	\$ 31,201	\$ 32,750
Employee Benefits	\$ 29,045	\$ 13,691	\$ 14,868	\$ 15,815
Materials	\$ 3,134	\$ 1,084	\$ 80	\$ 80
Contract Services	\$ 764	\$ -	\$ -	\$ -
Cost Allocation	\$ 64,205	\$ 56,117	\$ 36,878	\$ 37,973
Total Expenditures	\$ 159,671	\$ 100,905	\$ 83,027	\$ 86,618
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 159,671	\$ 100,905	\$ 83,027	\$ 86,618

Staffing

Total current positions - 0.25 FTE

Total proposed positions - 0.25 FTE

There are no changes to the current level of staffing.

Code Enforcement

Budget Unit 100-74-202

General Fund - Code Enforcement - Code Enforcement

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 225,000
Total Expenditures	\$ 1,202,392
Fund Balance	\$ -
General Fund Costs	\$ 977,392
% Funded by General Fund	81.3%
Total Staffing	3.0 FTE

Program Overview

The Code Enforcement program provides enforcement of various provisions of the municipal code relating to parking citations, noise, animal control, zoning and building, and other compliance areas. Assistance is provided to the Sheriff Department in the areas of traffic control and other complaint responses.

Service Objectives

- Respond to resident, City department, or outside agency referrals within 48 hours.
- Provide services with an emphasis on community education and customer service.
- Enforce the codes in a fair, equitable, and objective manner.
- Manage the animal control services contract with the City of San José.

Proposed Budget

It is recommended that City Council approve a budget of \$1,202,392 for the Code Enforcement program. This represents an increase of \$44,792 (3.9%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged since last fiscal year.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 3,280	\$ 5,082	\$ -	\$ -
Fines and Forfeitures	\$ 190,550	\$ 127,723	\$ 225,000	\$ 225,000
Miscellaneous Revenue	\$ -	\$ 521	\$ -	\$ -
Total Revenues	\$ 193,830	\$ 133,326	\$ 225,000	\$ 225,000
Expenditures				
Employee Compensation	\$ 229,982	\$ 372,534	\$ 402,106	\$ 402,920
Employee Benefits	\$ 90,611	\$ 167,450	\$ 181,315	\$ 183,330
Materials	\$ 4,187	\$ 10,119	\$ 18,129	\$ 18,310
Contract Services	\$ 160,909	\$ 258,341	\$ 274,720	\$ 311,793
Cost Allocation	\$ 22,478	\$ 105,495	\$ 274,009	\$ 277,786
Contingencies	\$ -	\$ -	\$ 7,321	\$ 8,253
Total Expenditures	\$ 508,167	\$ 913,939	\$ 1,157,600	\$ 1,202,392
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 314,337	\$ 780,613	\$ 932,600	\$ 977,392

Staffing

Total current positions - 2.00 FTE

Total proposed positions - 3.00 FTE

There are no changes to the current level of staffing.

Public Works

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Department Overview

Budget Units

Budget Unit	Program	2022 Proposed Budget
Public Works Administration		\$ 966,732
100-80-800	Public Works Administration	\$ 966,732
Environmental Programs		\$ 4,116,582
520-81-801	Resource Recovery	\$ 2,152,096
230-81-802	Non-Point Source	\$ 1,185,579
230-81-855	Storm Drain Maintenance	\$ 778,907
Developmental Services		\$ 3,146,817
100-82-804	Plan Review	\$ 1,608,551
100-82-806	CIP Administration	\$ 1,538,266
Service Center		\$ 1,254,725
100-83-807	Service Center Administration	\$ 1,254,725
Grounds		\$ 7,083,763
100-84-808	McClellan Ranch Park	\$ 187,822
100-84-809	Memorial Park	\$ 868,977
100-84-811	BBF Ground Maintenance	\$ 338,791
100-84-812	School Site Maintenance	\$ 1,599,983
100-84-813	Neighborhood Parks	\$ 2,647,280
100-84-814	Sport Fields Jollyman, Creekside	\$ 925,750
100-84-815	Civic Center Maintenance	\$ 515,160
Streets		\$ 10,330,897
100-85-818	Storm Drain Maintenance	\$ -
270-85-820	Sidewalk Curb and Gutter	\$ 1,868,903
270-85-821	Street Pavement Maintenance	\$ 4,797,069
270-85-822	Street Sign Marking	\$ 901,865
100-85-848	Street Lighting	\$ 988,320
630-85-849	Equipment Maintenance	\$ 1,557,044
100-85-850	Environmental Materials	\$ 217,696
Trees and Right of Way		\$ 4,154,282
Total		\$ 40,208,765

Budget Unit	Program	2022 Proposed Budget
100-86-824	Overpasses and Medians	\$ 1,651,835
100-86-825	Street Tree Maintenance	\$ 1,930,432
100-86-826	Sheriff Work Program	\$ 572,015
Facilities and Fleet		\$ 4,981,448
100-87-827	City Hall Maintenance	\$ 655,463
100-87-828	Library Maintenance	\$ 646,923
100-87-829	Service Center Maintenance	\$ 410,725
100-87-830	Quinlan Community Center Maintenance	\$ 561,259
100-87-831	Senior Center Maintenance	\$ 401,923
100-87-832	McClellan Ranch Maintenance	\$ 234,438
100-87-833	Monta Vista Community Center Maintenance	\$ 194,762
100-87-834	Wilson Park Maintenance	\$ 101,531
100-87-835	Portal Park Maintenance	\$ 60,736
570-87-836	Sports Center Maintenance	\$ 623,052
100-87-837	Creeside Park Maintenance	\$ 106,935
100-87-838	Community Hall Maintenance	\$ 259,761
100-87-839	Teen Center Maintenance	\$ 48,987
100-87-840	Park Bathrooms Maintenance	\$ 126,256
100-87-841	Blackberry Farm Maintenance	\$ 542,039
100-87-852	Franco Traffic Operations Center	\$ 6,658
Transportation		\$ 3,172,502
100-88-844	Traffic Engineering	\$ 1,514,399
100-88-845	Traffic Signal Maintenance	\$ 811,832
100-88-846	Safe Routes 2 School	\$ 846,271
Non-Departmental		\$ 1,001,017
210-90-978	Minor Storm Drain Improvement	\$ -
630-90-985	Fixed Assets Acquisition	\$ 1,001,017
Total		\$ 40,208,765

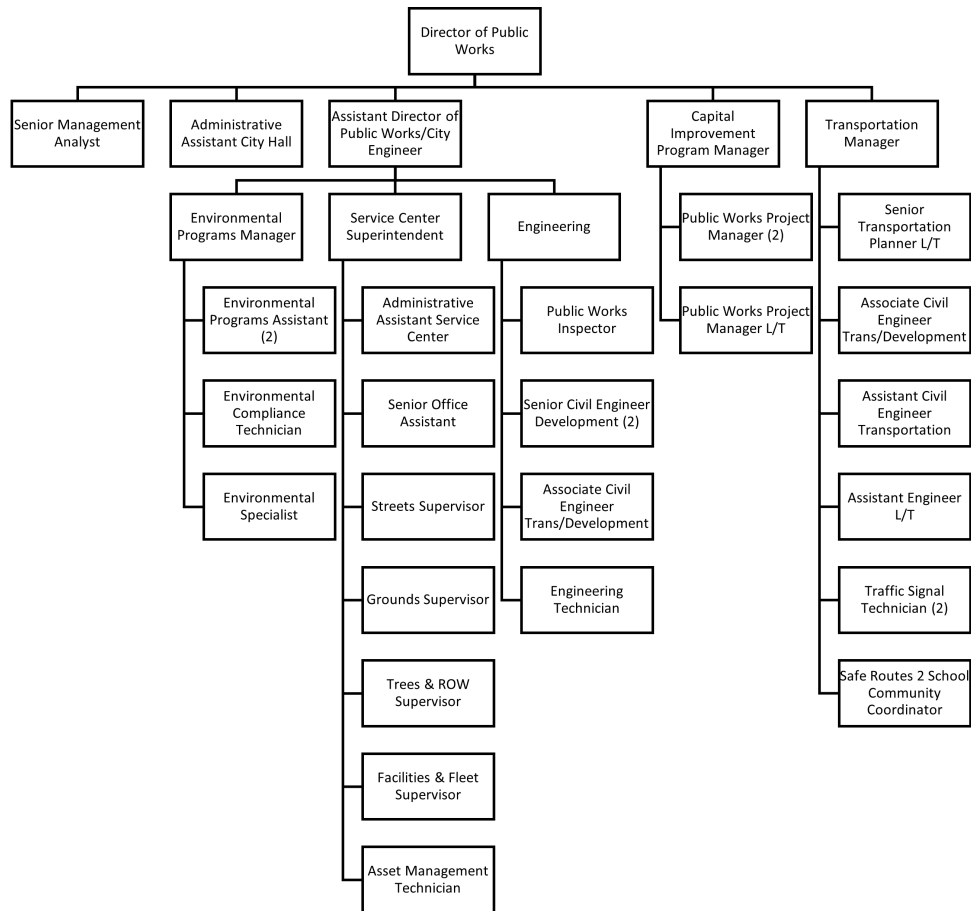
Budget at a Glance

2022 Proposed Budget

Total Revenues	\$ 8,689,084
Total Expenditures	\$ 40,208,765
Fund Balance	\$ (8,108,971)
General Fund Costs	\$ 23,455,710
% Funded by General Fund	58.3%
Total Staffing	91.1 FTE

Organization

Roger Lee, Director of Public Works



Performance Measures

Capital Project Delivery

Goal: Develop and deliver projects on time and within budget that serve the resident's needs and supports the City's stability and growth.

Benefit: Residents and businesses are assured their community is being improved by insightful, targeted and efficient use of taxes and fees towards maintaining and improving the City's facilities and assets.

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
Percentage of projects completed on budget	70%	95%	93%	95%
Percentage of construction projects completed on time	62%	78%	81%	95%

**FY2021 on-budget: 93% = 39 of 42 projects, FY 2020 figures are approximate

Environment

Goal: Protect our natural environment for current and future generations.

Benefit: Current and future residents enjoy a healthy, sustainable environment.

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
Respond to reports of actual or potential discharge the same business day	90%	89%	99%	95%
Percent of businesses in compliance during annual proactive stormwater pollution prevention inspections	93%	96%	N/A*	75%
Diversion rate from all single-family, multi-family, and commercial accounts as reported by Recology tonnage reports	CY 2018 53%	CY 2019 54%	CY 2020 54%	55%
Percent of non-exempt businesses and multi-family accounts separating organics	CY 2018 56%	CY 2019 64%	CY 2020 67%	100% by 7/1/2022 (SB1383)
Percent trash/litter reduction achieved to meet Stormwater Permit requirements	90%	92%	N/A**	100% by 7/1/2022
Percent of plan reviews completed in required number of days	79%	83%	90%	100%
Cubic yards of compost distributed via compost site	788 CY	740 CY	545 CY	1000 CY
Percent of vegetation obstructions resolved within 15 days from time of report	57%	38%	28%	100%

*Inspections begin March 2021

**Calculated for Annual Report in September

Development Services

Goal: Provide timely review and permitting of privately completed improvements within the public right of way.

Benefit: Customers can expect quality reviews and permitting on a defined schedule, and the community can expect quality public facilities.

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
Respond to complete plan submittals or applications within two (2) weeks	N/A	95%	98%	90%
Respond to complete encroachment permit applications within (2) weeks	93%	93%	94%	90%
Respond to public inquiries at the Public Works counter in City Hall within 15 minutes.	N/A	95%	N/A*	95%

*In-person counter closed starting March 2020

Grounds Division

Goal: Provide well maintained, clean, and safe areas for the community's recreational use and enjoyment at optimal life cycle costs.

Benefit: Cupertino has a well maintained public park system that meets the needs of the community and is beneficial to personal wellness.

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
Percent of 311 requests that are responded to and closed within 3 business days	83%	72%	94%	80%
Percent of the 2964 park inspections, including play grounds, performed 3 times weekly	100%	100%	100%	100%
Percent of Backflow Prevention Devices inspected, tested and repaired annually	100%	100%	100%	100%

Streets Division

Goal: Timely maintenance of public sidewalks, streets, streetlights and storm drain system in good condition to ensure safe, environmentally compliant, and accessible infrastructure that minimizes liability and has an optimal life cycle cost.

Benefit: Cupertino has well maintained street and storm drain systems that meet the needs of the community.

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
Pavement condition index (PCI) > or equal to 82	85	85	84	82
Percent of the 2199 storm drain inlets inspected and cleaned in fiscal year	42%	94%	8%	100%
Percent of Inlets with Trash Capture Screens inspected and cleaned twice yearly	100%	100%	100%	100%
Percent of roadway regulatory & street name signs repaired or replaced	8.9%	5.1%	5.5%	7%
Percent of trip and fall complaints investigated and mitigated within 2 business days	100%	100%	95%	98%
Percent of reported streetlight outages investigated and repaired in 3 business days	86%	89%	90%	90%

Trees and Right of Way Division

Goal: Maintain and enhance the City's street trees and medians to ensure a safe, healthy and environmentally conscious Urban Forest.

Benefit: Cupertino has a healthy and safe urban forest and medians provide good aesthetic and environmental value.

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
Percent of 311 requests that are responded to and closed within 3 business days	96%	96%	95%	95%
Percent of trees inspected and maintained in the yearly maintenance zone (8 year maintenance cycle)	66%	76%	42%	100%
Percent of trees planted versus trees removed	124%	76%	73%	101%
# planted/# removed	192/155	69/91	74/102	

Facilities and Fleet Division

Goal: Timely maintain City Facilities and City Fleet to meet staff, community and environmental requirements at an optimal life cycle cost.

Benefit: Cupertino has well maintained, usable, and safe facilities and fleet in order to meet the needs of staff and the community.

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
Percent of preventative maintenance work orders completed for Fleet assets within 14 days of the due date.	64%	82%	81%	85%
Percent of facilities maintenance requests closed within 30 days.	99%	90%	N/A (Due to COVID-19)	90%

Transportation Division

Goal: Ensure the efficiency and safety of the transportation system for all modes of travel.

Benefit: Having a safe and efficient transportation system that is inviting for all modes of travel.

Performance Measure	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec	Ongoing Target
Percent of non-emergency traffic signal requests addressed within 72 hours.	90%	90%	90%	100%
Percent of emergency traffic signal requests addressed within 2 hours.	100%	100%	100%	100%
Percent of traffic engineering requests responded to within 72 hours	98%	95%	90%	95%
Annual mileage increase of separated bicycle lanes and pedestrian paths.	0	0.72	0.65	1 mile

Workload Indicators

Capital Improvement Program

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Number of projects started in the first year funded	8/13	N/A	9/9
Number of active projects vs total number of projects	29/40	N/A	42/48

Environmental Programs Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Number of actual or potential discharges	72 actual 8 potential	75 actual 4 potential	36 actual 3 potential
Number of storm water pollution prevention industrial commercial inspections	125	155	N/A*
Number of building and demolition permits reviewed	114	495	304
Number of non-exempt businesses and multi-family accounts required to separate organics	475	463	459
Tons of waste entering landfill from single-family, multi-family, and commercial accounts as reported by Recology	21,108	21,368	9,887
Number of visitors to compost site	1639	1333	1284
Number of vegetation obstructions reported	21	80	76

*Inspections begin annually in March

Developmental Services Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Number of development permit applications received	136	105	61
Number of encroachment permit applications received	434	418	336
Number of customers service visits	Not Tracked	1139	N/A

Grounds Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Maintain city grounds (#) with total acreage (SF)	27 sites/148 AC	27 sites/148 AC	28 sites/151 AC
Maintain school sites (#)with total acreage (SF)	9 sites/46 AC	9 sites/46 AC	9 sites/46 AC
Total Number of 311 Requests	29	53	34
Total number of play grounds maintained	37	37	37
Total number of irrigation controllers maintained	74	74	74
Total number of park trees maintained	4132	4132	4132
Total number of park furniture maintained (tables and benches)	429	431	432
Total number of city trash receptacles maintained	420	420	420
Total number of backflow preventers maintained	174	174	174

Streets Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Total roadway miles	138	138	138
Total concrete sidewalk miles	196	196	196
Total number of unique sidewalk repair sites addressed	785	1770	290
Total square footage of sidewalk, curb and gutter repaired/replaced	73,894	43,411	3,692
Total number of storm drain inlets	2,199	2,199	2,199
Total number of drain inlets with trash capture devices	146	146	162
Total number of streetlights	3287	3287	3287
Total number of roadway signs	9,979	9,979	9,979
Total miles of storm drain pipe maintained	104.7	104.7	104.7
Total number of crosswalks maintained	694	694	694
Total miles of pavement striping maintained	161	161	161
Total number of street miles swept monthly	696	696	696

Trees and Right of Way Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Total number of street trees	20,158	20,136	20,108
Total acreage of medians maintained	40 AC	40 AC	40 AC
Total number of median islands maintained	286	286	286
Total square feet of median landscape converted or installed to water efficient landscaping	35,875	47,319	17,574
Total number of irrigation controllers maintained	44	44	44
Total number of 311 Requests for tree maintenance	180	197	168
Miles of pedestrian and bicycle trails maintained	0.85	0.85	0.85

Facilities and Fleet Division

Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Total number of city facilities maintained	49/210,000 SF	49/210,000 SF	49/210,000 SF
Total number of Fleet vehicles maintained	104	104	104
Total number of special equipment maintained (tractors, trailers, chippers, riding mowers, club car, forklift, generator)	129	129	129
Total number of small equipment maintained	516	516	516
	668 Facilities	1580 Facilities	622 Facilities
Total number of work orders completed	581 Fleet	628 Fleet	295 Fleet
Fleet vehicles replaced with hybrid and/or electric models	16	17	19
Annual number of site visits to ensure janitorial compliance	848	848	848

Transportation

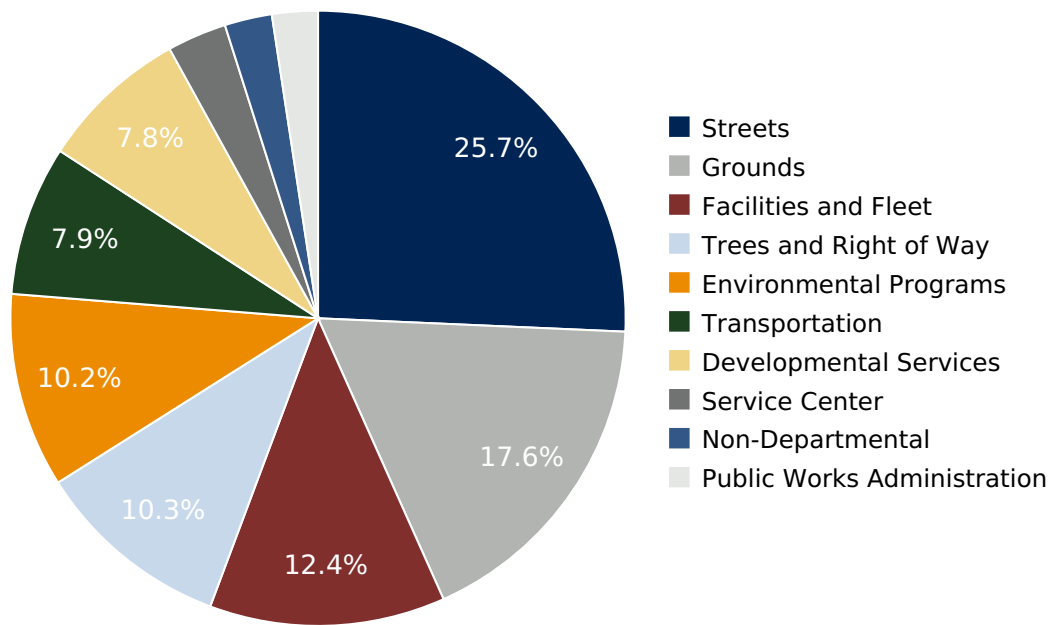
Workload Indicator	FY 2019 July-June	FY 2020 July-June	FY 2021 July-Dec
Number of signalized intersections	60	60	60

Proposed Budget

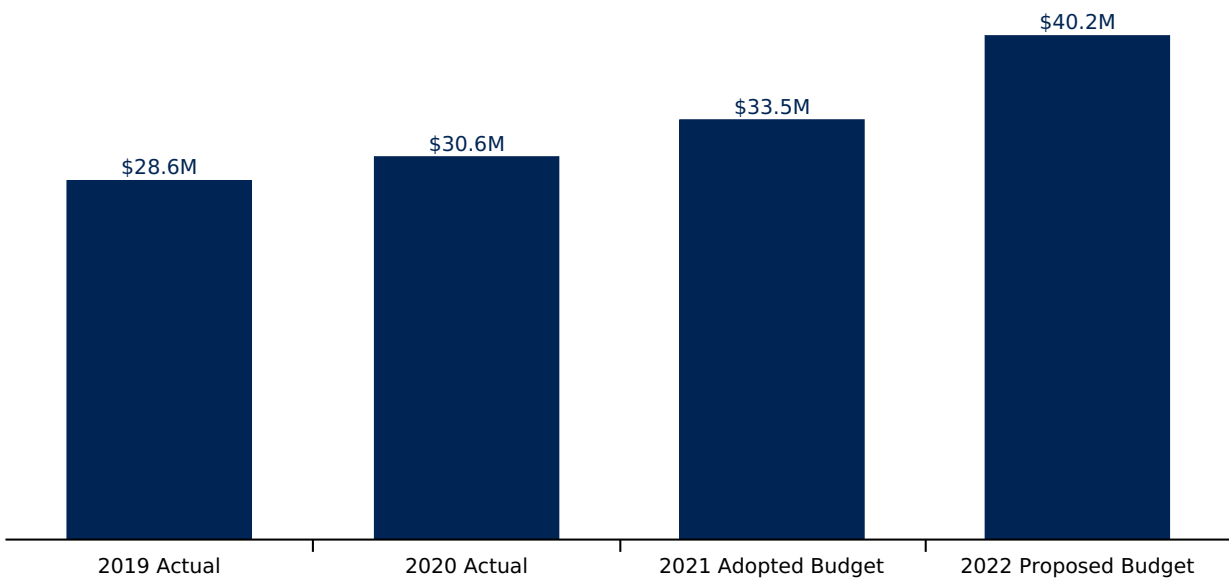
It is recommended that City Council approve a budget of \$40,208,765 for the Public Works department. This represents an increase of \$6,709,982 (20.0%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to an increase in salary and benefits for currently funded full-time positions, a change in methodology for cost allocations, and special projects.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 216,483	\$ 362,504	\$ 238,442	\$ 132,466
Intergovernmental Revenue	\$ 1,693,844	\$ 1,678,791	\$ 1,638,826	\$ 1,696,698
Charges for Services	\$ 6,889,754	\$ 8,770,453	\$ 6,979,000	\$ 6,711,817
Fines and Forfeitures	\$ 22,541	\$ 16,175	\$ 10,000	\$ 10,000
Miscellaneous Revenue	\$ 197,736	\$ 139,467	\$ 146,244	\$ 138,103
Total Revenues	\$ 9,020,358	\$ 10,967,390	\$ 9,012,512	\$ 8,689,084
Expenditures				
Employee Compensation	\$ 7,865,671	\$ 8,616,476	\$ 9,861,882	\$ 10,257,608
Employee Benefits	\$ 3,528,882	\$ 4,114,572	\$ 4,703,469	\$ 5,240,693
Materials	\$ 3,212,328	\$ 3,333,096	\$ 4,216,133	\$ 4,679,817
Contract Services	\$ 3,705,523	\$ 3,609,577	\$ 4,291,920	\$ 5,699,924
Cost Allocation	\$ 3,838,768	\$ 4,947,624	\$ 6,911,037	\$ 8,112,169
Capital Outlays	\$ 4,000	\$ 982,379	\$ 800,000	\$ 1,000,000
Special Projects	\$ 6,490,496	\$ 4,947,393	\$ 2,505,960	\$ 4,959,200
Contingencies	\$ -	\$ -	\$ 208,382	\$ 259,354
Total Expenditures	\$ 28,645,668	\$ 30,551,117	\$ 33,498,783	\$ 40,208,765
Fund Balance	\$ 871,138	\$ (4,264,817)	\$ (4,294,807)	\$ (8,108,971)
General Fund Costs	\$ 20,506,452	\$ 15,318,915	\$ 20,206,464	\$ 23,455,710

Staffing

Total current positions - 90.12 FTE

Total proposed positions - 91.12 FTE

Public Works Administration

Budget Unit 100-80-800

General Fund - Public Works Administration - Public Works Administration

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 966,732
Fund Balance	\$ -
General Fund Costs	\$ 966,732
% Funded by General Fund	100.0%
Total Staffing	3.1 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.

Proposed Budget

It is recommended that City Council approve a budget of \$966,732 for the Public Works Administration program. This represents an increase of \$83,053 (9.4%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to increase in salary and benefits for currently funded full-time positions.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Municipal Water System	\$100,000	\$100,000	General Fund	City Work Program: Municipal Water System
Total	\$100,000	\$100,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ -	\$ 111,092	\$ 120,000	\$ -
Charges for Services	\$ 728	\$ -	\$ -	\$ -
Total Revenues	\$ 728	\$ 111,092	\$ 120,000	\$ -
Expenditures				
Employee Compensation	\$ 435,895	\$ 585,438	\$ 588,451	\$ 607,834
Employee Benefits	\$ 139,533	\$ 203,702	\$ 232,171	\$ 244,422
Materials	\$ 18,685	\$ 13,326	\$ 12,739	\$ 14,123
Contract Services	\$ 7,319	\$ 15,620	\$ -	\$ -
Cost Allocation	\$ 72,830	\$ 52,945	\$ -	\$ -
Special Projects	\$ -	\$ -	\$ 50,000	\$ 100,000
Contingencies	\$ -	\$ -	\$ 318	\$ 353
Total Expenditures	\$ 674,262	\$ 871,031	\$ 883,679	\$ 966,732
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 673,534	\$ 759,938	\$ 763,679	\$ 966,732

Staffing

Total current positions - 3.05 FTE

Total proposed positions - 3.05 FTE

There are no changes to the current level of staffing.

Resource Recovery

Budget Unit 520-81-801

Resource Recovery - Environmental Programs - Resource Recovery

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 1,494,578
Total Expenditures	\$ 2,152,096
Fund Balance	\$ (657,518)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	3.5 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 State source reduction and recycling mandates; oversees the free compost giveaway at the compost site; and represents the City on countywide committees. The public education and outreach programs led by this division include visits to businesses and apartment complexes to provide recycling instruction, kitchen containers, and visual materials; presentations at events and schools and employee training for businesses on-site as needed. The program coordinates many complimentary activities with the Sustainability program in the Office of the City Manager.

Service Objectives

- Meet State requirements to divert recyclables and organics from landfill. Help businesses implement the City's Mandatory Organics Recycling ordinance (6.24.037) which ensures compliance with AB 1826. Provide landlords and property owners with support and educational materials for their tenants. Conduct waste characterization studies to determine future services.
- Provide contract oversight and customer service for garbage and recycling collection, yard waste processing, composting and household hazardous waste. Manage community events such as the citywide Garage Sale and free compost giveaway for residents. Assist CUSD and high school teachers and students with student recycling and composting projects related to teachers' curriculum and the City's environmental initiatives.

Proposed Budget

It is recommended that City Council approve a budget of \$2,152,096 for the Resource Recovery program. This represents an increase of \$451,871 (26.6%) from the FY 2020-21 Adopted Budget.

This increase is mainly due to an increase in salary and benefits for currently funded full-time positions, changes to the solid waste, recycling, organics collection, and disposal franchise agreement, and the addition of one full-time position.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
SB1383				SB1383
Procurement Requirements	\$50,000	\$50,000	Resource Recovery	Procurement Requirements
Total	\$50,000	\$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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 101,341	\$ 110,972	\$ -	\$ -
Intergovernmental Revenue	\$ 30,023	\$ 14,950	\$ 15,000	\$ 14,000
Charges for Services	\$ 1,658,612	\$ 1,796,907	\$ 1,420,188	\$ 1,470,578
Miscellaneous Revenue	\$ 61,643	\$ 9,819	\$ -	\$ 10,000
Total Revenues	\$ 1,851,619	\$ 1,932,648	\$ 1,435,188	\$ 1,494,578
Expenditures				
Employee Compensation	\$ 486,937	\$ 473,539	\$ 371,232	\$ 444,991
Employee Benefits	\$ 236,592	\$ 272,876	\$ 144,051	\$ 211,635
Materials	\$ 42,135	\$ 45,987	\$ 52,258	\$ 68,701
Contract Services	\$ 780,363	\$ 972,827	\$ 803,608	\$ 1,061,051
Cost Allocation	\$ 186,630	\$ 182,836	\$ 275,854	\$ 337,474
Special Projects	\$ 3,228	\$ 265,338	\$ 32,500	\$ -
Contingencies	\$ -	\$ -	\$ 20,722	\$ 28,244
Total Expenditures	\$ 1,735,885	\$ 2,213,403	\$ 1,700,225	\$ 2,152,096
Fund Balance	\$ 115,735	\$ (280,756)	\$ (265,037)	\$ (657,518)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 2.50 FTE

Total proposed positions - 3.50 FTE

One additional staff position added for SB1383 compliance.

Non-Point Source

Budget Unit 230-81-802

Env Mgmt Cln Creek Storm Drain - Environmental Programs - Non-Point Source

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 1,553,100
Total Expenditures	\$ 1,185,579
Fund Balance	\$ 367,521
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	2.8 FTE

Program Overview

The Non-Point Source program manages the City's compliance with its State-mandated Municipal Regional Stormwater NPDES Permit. Compliance activities include program and policy development and implementation of state-mandated complaint response and enforcement programs as well as annual interdepartmental staff training; and scheduled business and construction site inspections. The program reviews 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 City communication channels, visits to businesses and presentations at local schools, De Anza College and community events. Public participation events in a typical year include two or more annual volunteer creek cleanup days, 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; post-construction oversight of permanent stormwater treatment measures installed at private new and redeveloped sites; implementation of, and annual progress assessments for the eight-year litter reduction plan; oversight of construction best management practices during private and public construction; inspection of grease-generating and wet-waste food facilities and other businesses to prevent water-polluting discharges; complaint response and investigation to protect water quality; and education of staff and

local businesses on best management practices for outdoor storage and activities.

- Represent the City on county and regional committees to prevent creek and San Francisco Bay pollution, erosion, and illegal dumping.

Proposed Budget

It is recommended that City Council approve a budget of \$1,185,579 for the Non-Point Source program. This represents an increase of \$144,409 (13.9%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to an increase in salary and benefits for currently funded full-time positions and a change in methodology for cost allocations.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 524	\$ 651	\$ -	\$ -
Charges for Services	\$ 369,014	\$ 1,403,738	\$ 1,522,493	\$ 1,543,100
Fines and Forfeitures	\$ 22,541	\$ 16,175	\$ 10,000	\$ 10,000
Total Revenues	\$ 392,079	\$ 1,420,564	\$ 1,532,493	\$ 1,553,100
Expenditures				
Employee Compensation	\$ 221,636	\$ 277,260	\$ 319,706	\$ 350,885
Employee Benefits	\$ 96,764	\$ 119,595	\$ 156,579	\$ 175,214
Materials	\$ 27,812	\$ 28,350	\$ 31,415	\$ 32,103
Contract Services	\$ 239,633	\$ 277,836	\$ 384,248	\$ 361,611
Cost Allocation	\$ 73,001	\$ 70,925	\$ 136,205	\$ 255,923
Special Projects	\$ -	\$ -	\$ 2,500	\$ -
Contingencies	\$ -	\$ -	\$ 10,517	\$ 9,843
Total Expenditures	\$ 658,846	\$ 773,966	\$ 1,041,170	\$ 1,185,579
Fund Balance	\$ 169,232	\$ 1,306,597	\$ 491,323	\$ 367,521
General Fund Costs	\$ 436,000	\$ 660,000	\$ -	\$ -

Staffing

Total current positions - 2.82 FTE

Total proposed positions - 2.82 FTE

Storm Drain Maintenance

Budget Unit 230-81-855

Env Mgmt Cln Creek Storm Drain - Environmental Programs - Storm Drain Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 778,907
Fund Balance	\$ (778,907)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	2.2 FTE

Program Overview

The Storm Drain Maintenance program manages the City's storm drainage collection system, which is comprised of approximately 90 miles of pipe, 2215 drain inlets, and storm outfalls to local waterways. An inspector and on-call staff provide emergency response to pollutant discharges, and crews perform general system maintenance including annual cleanout of drain inlets, and trash capture devices. Collection and management of storm water for the City is regulated under the terms of a Bay Area-wide National Pollutant Discharge Elimination System (NPDES) and the Municipal Separate Storm Sewer System (MS4) Permit.

Service Objectives

- Provide effective and timely inspection and maintenance of the storm drain system including inlet and outfall structures and collection system.
- Provide annual cleaning and inspection of all inlets and full trash capture devices.

Proposed Budget

It is recommended that City Council approve a budget of \$778,907 for the Storm Drain Maintenance program. This represents an increase of \$25,923 (3.4%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ 223,786	\$ 234,075
Employee Benefits	\$ -	\$ -	\$ 101,262	\$ 112,087
Materials	\$ -	\$ -	\$ 23,332	\$ 23,332
Contract Services	\$ -	\$ -	\$ 302,762	\$ 252,762
Cost Allocation	\$ -	\$ -	\$ 92,340	\$ 149,749
Special Projects	\$ -	\$ -	\$ 2,600	\$ -
Contingencies	\$ -	\$ -	\$ 6,902	\$ 6,902
Total Expenditures	\$ -	\$ -	\$ 752,984	\$ 778,907
Fund Balance	\$ -	\$ -	\$ (752,984)	\$ (778,907)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 2.20 FTE

Total proposed positions - 2.20 FTE

There are no changes to the current level of staffing.

Plan Review

Budget Unit 100-82-804

General Fund - Developmental Services - Plan Review

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 988,368
Total Expenditures	\$ 1,608,551
Fund Balance	\$ -
General Fund Costs	\$ 620,183
% Funded by General Fund	38.6%
Total Staffing	4.3 FTE

Program Overview

The Development Services Division is comprised of two areas:

- Development Services - reviews plans for private developments and utility encroachments to ensure conformance with City standards and policies.
- Inspection Services - ensures compliance with City standards and approved plans on all public and private developments and utility projects.

Service Objectives

- Ensure that private development projects provide necessary supporting infrastructure and potential impacts on the community are mitigated.
- Place safety of the general public, City employees and construction workers as the highest priority on construction sites.
- Inspect utility encroachment permits for work within the City right-of-way and return streets and sidewalks to City standards.
- Ensure compliance with stormwater permits and prevent runoff from polluting nearby watersheds. Work closely with the Environmental Programs Division to continue inspecting job sites before, during and after each rain event and conduct annual inspections of all Post Construction Treatments and Stormwater Pollution Prevention Plan (SWPPP) compliance.
- Respond to public inquiries or complaints in a timely manner.
- Provide aid and information to other City Divisions and Departments, including Community Development, Building, Capital Improvements, City Attorney's Office, Public Works Maintenance and Operations and Parks and Recreation as needed to facilitate private developments and public infrastructure projects.

Proposed Budget

It is recommended that City Council approve a budget of \$1,608,551 for the Plan Review program. This represents a decrease of \$53,882 (-3.2%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 31,233	\$ 77,209	\$ 31,500	\$ 44,804
Charges for Services	\$ 667,697	\$ 970,777	\$ 688,144	\$ 939,133
Miscellaneous Revenue	\$ 11,411	\$ 5,365	\$ 11,845	\$ 4,431
Total Revenues	\$ 710,341	\$ 1,053,351	\$ 731,489	\$ 988,368
Expenditures				
Employee Compensation	\$ 726,468	\$ 752,058	\$ 804,380	\$ 743,036
Employee Benefits	\$ 283,463	\$ 298,223	\$ 322,042	\$ 337,402
Materials	\$ 9,501	\$ 3,567	\$ 9,568	\$ 9,654
Contract Services	\$ 195,943	\$ 50,198	\$ 173,040	\$ 117,289
Cost Allocation	\$ 171,369	\$ 177,337	\$ 323,847	\$ 398,005
Special Projects	\$ 97,297	\$ 74,622	\$ 25,000	\$ -
Contingencies	\$ -	\$ -	\$ 4,556	\$ 3,165
Total Expenditures	\$ 1,484,041	\$ 1,356,005	\$ 1,662,433	\$ 1,608,551
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 773,701	\$ 302,655	\$ 930,944	\$ 620,183

Staffing

Total current positions - 5.00 FTE

Total proposed positions - 4.25 FTE

There are no changes to the current level of staffing.

CIP Administration

Budget Unit 100-82-806

General Fund - Developmental Services - CIP Administration

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 1,538,266
Fund Balance	\$ -
General Fund Costs	\$ 1,538,266
% Funded by General Fund	100.0%
Total Staffing	6.5 FTE

Program Overview

The Capital Improvement Program (CIP) Division plans, manages, and implements improvements to city land, parks, building and infrastructure. These projects are derived from resident input, master plans, needs assessments, interdepartmental requirements, maintenance of the City's facilities, and innovations in our understandings of how the facilities can best serve our population. The division undertakes all aspects of project implementation, including contract administration for design, construction, and overall project management. Project types include, but are not limited to streets, sidewalks, storm drainage, buildings, parks, bicycle and pedestrian improvements and other public facilities. Responsibilities also include claims avoidance, environmental and regulatory compliance and monitoring, and the development of the annual budget and program scope.

Service Objectives

- Ensure that all public improvements are designed and constructed in accordance with community expectations and City standards.
- Place safety of the general public, City employees and workers as the highest priority in the delivery of capital projects.
- Respond to public inquiries or complaints in a timely manner.

Proposed Budget

It is recommended that City Council approve a budget of \$1,538,266 for the CIP Administration program. This represents an increase of \$76,741 (5.3%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 468,286	\$ 485,581	\$ 1,003,803	\$ 1,038,908
Employee Benefits	\$ 164,939	\$ 209,583	\$ 443,986	\$ 484,264
Materials	\$ 8,268	\$ 6,553	\$ 13,401	\$ 14,726
Contract Services	\$ 368	\$ 3,950	\$ -	\$ -
Cost Allocation	\$ 74,624	\$ 72,239	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 335	\$ 368
Total Expenditures	\$ 716,485	\$ 777,906	\$ 1,461,525	\$ 1,538,266
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 716,484	\$ 777,906	\$ 1,461,525	\$ 1,538,266

Staffing

Total current positions - 5.70 FTE

Total proposed positions - 6.45 FTE

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

Service Center Administration

Budget Unit 100-83-807

General Fund - Service Center - Service Center Administration

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 98,674
Total Expenditures	\$ 1,254,725
Fund Balance	\$ -
General Fund Costs	\$ 1,156,051
% Funded by General Fund	92.1%
Total Staffing	3.5 FTE

Program Overview

The Service Center Administration program manages Public Works maintenance operations that include the major divisions of streets, grounds, trees and medians, facilities and fleet, as well as the minor divisions of signs/markings, storm drain, sidewalk, curb and gutter, overpasses and storm water; provides customer service to the general public; provides administrative support for maintenance staff, supervisors, and management; general training prioritization; assignment of service calls; provides oversight of various contracted services including street sweeping, janitorial and a wide variety of maintenance and minor public works contracts; manages the sheriff's work furlough program 7 days per week; and collaborates with Public Works Engineering for asset improvements beyond routine maintenance.

Service Objectives

- Create a positive environment that fosters efficiency and innovation for service center employees.
- Ensure proper documentation and inventory of trees, sidewalk repair, striping and legends, street signs, vehicle and equipment, streetlights and stormwater pollution.
- Maintain records of all complaints and requests for services by tracking responses through computer programs and written service request forms.
- Process the payments for all services and materials generated through the Service Center.
- Maintain productivity units of measure for key tasks performed.
- Support Public Works Engineering in the collection of field data, review of improvement drawings and development of capital improvement projects.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,254,725 for the Service Center Administration program. This represents an increase of \$10,950 (0.9%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 61,075	\$ 39,462	\$ 62,933	\$ 62,933
Miscellaneous Revenue	\$ 34,669	\$ 68,832	\$ 35,741	\$ 35,741
Total Revenues	\$ 95,744	\$ 108,294	\$ 98,674	\$ 98,674
Expenditures				
Employee Compensation	\$ 367,372	\$ 423,063	\$ 476,257	\$ 448,436
Employee Benefits	\$ 148,076	\$ 178,211	\$ 197,380	\$ 228,399
Materials	\$ 63,001	\$ 225,982	\$ 122,327	\$ 150,357
Contract Services	\$ 22,436	\$ 9,442	\$ 17,973	\$ 92,973
Cost Allocation	\$ 339,672	\$ 482,408	\$ 331,330	\$ 328,477
Special Projects	\$ 457,010	\$ 112,112	\$ 95,000	\$ -
Contingencies	\$ -	\$ -	\$ 3,508	\$ 6,083
Total Expenditures	\$ 1,397,567	\$ 1,431,218	\$ 1,243,775	\$ 1,254,725
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,301,823	\$ 1,322,924	\$ 1,145,101	\$ 1,156,051

Staffing

Total current positions - 3.50 FTE

Total proposed positions - 3.50 FTE

There are no changes to the current level of staffing.

McClellan Ranch Park

Budget Unit 100-84-808

General Fund - Grounds - McClellan Ranch Park

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 187,822
Fund Balance	\$ -
General Fund Costs	\$ 187,822
% Funded by General Fund	100.0%
Total Staffing	0.4 FTE

Program Overview

McClellan Ranch Park is one of 19 parks and open space areas managed by the Grounds Division of the Public Works Department.

Service Objectives

- The main objective of the Grounds Division is to provide the 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 Parks & Recreation Department for all of the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$187,822 for the McClellan Ranch Park program. This represents an increase of \$42,008 (28.8%) from the FY 2020-21 Adopted Budget.

The increase is mainly due to an increase in salary and benefits for currently funded full-time positions and a special project.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Fence Replacement	\$30,000	\$30,000	General Fund	McClellan Ranch Preserve 4H Fence Replacement
Total	\$30,000	\$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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 30,076	\$ 34,057	\$ 40,975	\$ 41,060
Employee Benefits	\$ 13,992	\$ 15,752	\$ 20,753	\$ 22,844
Materials	\$ 15,214	\$ 10,150	\$ 33,106	\$ 20,289
Contract Services	\$ 15,200	\$ 12,100	\$ 8,240	\$ 46,242
Cost Allocation	\$ 11,786	\$ 18,545	\$ 42,081	\$ 55,724
Contingencies	\$ -	\$ -	\$ 659	\$ 1,663
Total Expenditures	\$ 86,268	\$ 90,604	\$ 145,814	\$ 187,822
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 86,268	\$ 90,603	\$ 145,814	\$ 187,822

Staffing

Total current positions - 0.40 FTE

Total proposed positions - 0.40 FTE

There are no changes to the current level of staffing.

Memorial Park

Budget Unit 100-84-809

General Fund - Grounds - Memorial Park

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 868,977
Fund Balance	\$ -
General Fund Costs	\$ 868,977
% Funded by General Fund	100.0%
Total Staffing	2.5 FTE

Program Overview

Memorial Park is one of 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Memorial Park is the largest and most utilized park in Cupertino.

Service Objectives

- The main objective of the Grounds Division is to provide the citizens of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.
- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and basic play structure inspections and maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas, tennis court cleaning and general maintenance, basketball court maintenance and programmed play structure inspections and maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications, playground woodchip replenishing and preparation of athletic fields for seasonal use.
- Maintain all playgrounds in accordance with California playground safety requirements.
- Minimize the negative effects of waterfowl to park patrons.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$868,977 for the Memorial Park program. This represents an increase of \$72,495 (9.1%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to an increase in benefits for currently funded full-time positions and a change in methodology for cost allocations.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 261,346	\$ 235,356	\$ 209,464	\$ 209,111
Employee Benefits	\$ 128,154	\$ 112,387	\$ 109,320	\$ 120,481
Materials	\$ 141,858	\$ 154,553	\$ 182,937	\$ 209,660
Contract Services	\$ 22,633	\$ 20,681	\$ 30,584	\$ 30,146
Cost Allocation	\$ 83,673	\$ 153,681	\$ 258,949	\$ 293,608
Contingencies	\$ -	\$ -	\$ 5,228	\$ 5,971
Total Expenditures	\$ 637,664	\$ 676,658	\$ 796,482	\$ 868,977
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 637,664	\$ 676,657	\$ 796,482	\$ 868,977

Staffing

Total current positions - 2.50 FTE

Total proposed positions - 2.50 FTE

There are no changes to the current level of staffing.

BBF Ground Maintenance

Budget Unit 100-84-811

General Fund - Grounds - BBF Ground Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 338,791
Fund Balance	\$ -
General Fund Costs	\$ 338,791
% Funded by General Fund	100.0%
Total Staffing	1.0 FTE

Program Overview

Blackberry Farm is managed by the Grounds Division of the Public Works Department.

Service Objectives

- The main objective of the Grounds Division is to provide the 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 and programmed play structure inspections and maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications, playground woodchip replenishing and preparation of athletic fields for seasonal use.
- Maintain all playgrounds in accordance with California playground safety requirements.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$338,791 for the BBF Ground Maintenance program. This represents an increase of \$165,320 (95.3%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to an increase in salary and benefits for currently funded full-time positions, the addition of cost allocations, and budgeting of contract services for the first year in this new program.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Refinishing Arbors	\$15,000	\$15,000	General Fund	Refinishing arbors
Stevens Creek Corridor Tree Inventory	\$65,000	\$65,000	General Fund	Inventory and maintenance of tree for Stevens Creek Corridor
Total	\$80,000	\$80,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ 120,076	\$ 123,044
Employee Benefits	\$ -	\$ -	\$ 49,884	\$ 55,199
Materials	\$ -	\$ -	\$ 360	\$ 992
Contract Services	\$ -	\$ -	\$ 3,106	\$ 47,323
Cost Allocation	\$ -	\$ -	\$ -	\$ 46,025
Special Projects	\$ -	\$ -	\$ -	\$ 65,000
Contingencies	\$ -	\$ -	\$ 45	\$ 1,208
Total Expenditures	\$ -	\$ -	\$ 173,471	\$ 338,791
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ 173,471	\$ 338,791

Staffing

Total current positions - 1.00 FTE

Total proposed positions - 1.00 FTE

There are no changes to the current level of staffing.

School Site Maintenance

Budget Unit 100-84-812

General Fund - Grounds - School Site Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 149,448
Total Expenditures	\$ 1,599,983
Fund Balance	\$ -
General Fund Costs	\$ 1,450,535
% Funded by General Fund	90.7%
Total Staffing	4.2 FTE

Program Overview

Under a joint use agreement with Cupertino Union School District, nine athletic fields and landscape areas, constituting approximately 52 acres, are managed by the Grounds Division of the Public Works Department. These sites include Hyde and Kennedy Middle Schools, Collins, Eaton, Lincoln, Regnart, Faria, Stevens Creek and Garden Gate Elementary Schools.

Service Objectives

- The main objective of the Grounds Division is to provide the 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,599,983 for the School Site Maintenance program. This represents an increase of \$36,010 (2.3%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last fiscal year.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Backflow Prevention Device Replacements	\$6,000	\$6,000	General Fund	Backflow prevention device replacements

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 143,707	\$ 138,336	\$ 143,700	\$ 149,448
Total Revenues	\$ 143,707	\$ 138,336	\$ 143,700	\$ 149,448
Expenditures				
Employee Compensation	\$ 327,671	\$ 356,085	\$ 367,561	\$ 367,708
Employee Benefits	\$ 163,835	\$ 185,109	\$ 206,910	\$ 222,111
Materials	\$ 286,591	\$ 322,980	\$ 475,709	\$ 559,569
Contract Services	\$ 19,433	\$ 15,655	\$ 3,605	\$ 14,816
Cost Allocation	\$ 106,639	\$ 206,111	\$ 346,605	\$ 421,419
Special Projects	\$ -	\$ -	\$ 151,600	\$ -
Contingencies	\$ -	\$ -	\$ 11,983	\$ 14,360
Total Expenditures	\$ 904,169	\$ 1,085,940	\$ 1,563,973	\$ 1,599,983
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 760,462	\$ 947,604	\$ 1,420,273	\$ 1,450,535

Staffing

Total current positions - 4.20 FTE

Total proposed positions - 4.20 FTE

There are no changes to the current level of staffing.

Neighborhood Parks

Budget Unit 100-84-813

General Fund - Grounds - Neighborhood Parks

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 2,647,280
Fund Balance	\$ -
General Fund Costs	\$ 2,647,280
% Funded by General Fund	100.0%
Total Staffing	8.6 FTE

Program Overview

Neighborhood Parks include 13 of the 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Neighborhood park sites include Linda Vista, Mary Avenue Dog Park, Monta Vista, Portal, Somerset, Varian, Wilson, Three Oaks, Hoover, Canyon Oak (Little Rancho), Franco Park, Sterling/Barnhart, and Oak Valley.

Service Objectives

- The main objective of the Grounds Division is to provide the 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 Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$2,647,280 for the Neighborhood Parks program. This represents an increase of \$287,936 (12.2%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to an increase in benefits for currently funded full-time positions, a change in

methodology for cost allocations and Special Projects.

Special Projects

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

Special Projects	Appropriation	Revenue	Funding Source	Description
Backflow Prevention Device Replacement	\$15,000	\$15,000	General Fund	Backflow prevention device replacement
Refinish Basketball Courts	\$20,000	\$20,000	General Fund	Refinish basketball courts
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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 576,364	\$ 595,490	\$ 668,743	\$ 688,772
Employee Benefits	\$ 295,279	\$ 320,719	\$ 368,546	\$ 406,276
Materials	\$ 312,131	\$ 330,612	\$ 486,847	\$ 555,771
Contract Services	\$ 105,127	\$ 180,951	\$ 26,933	\$ 158,407
Cost Allocation	\$ 165,814	\$ 363,239	\$ 619,768	\$ 820,200
Special Projects	\$ 65,700	\$ 33,610	\$ 176,000	\$ -
Contingencies	\$ -	\$ -	\$ 12,507	\$ 17,854
Total Expenditures	\$ 1,520,415	\$ 1,824,621	\$ 2,359,344	\$ 2,647,280
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,520,415	\$ 1,824,621	\$ 2,359,344	\$ 2,647,280

Staffing

Total current positions - 8.60 FTE

Total proposed positions - 8.60 FTE

Sport Fields Jollyman, Creekside

Budget Unit 100-84-814

General Fund - Grounds - Sport Fields Jollyman, Creekside

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 925,750
Fund Balance	\$ -
General Fund Costs	\$ 925,750
% Funded by General Fund	100.0%
Total Staffing	2.5 FTE

Program Overview

The sports fields at Jollyman and Creekside parks are among the 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Sports fields at these two parks are heavily used and enjoyed by the community.

Service Objectives

- The main objective of the Grounds Division is to provide the citizens of Cupertino with the cleanest and safest recreational areas and sports fields in the Bay Area.
- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and other maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas, programmed play structure inspections, and other maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications and preparing sports fields for seasonal use.
- Maintain sports fields for recreational activities including soccer, baseball, cricket, track and field, softball and a variety of other sports.
- Maintain all playgrounds in accordance with California playground safety requirements.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$925,750 for the Sport Fields Jollyman, Creekside program. This represents an increase of \$120,334 (14.9%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to an increase in salary and benefits for currently funded full-time positions, a

change in methodology for cost allocations, and special projects.

Special Projects

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

Special Projects	Appropriation	Revenue	Funding Source	Description
Backflow Prevention Device Replacements	\$4,000	\$4,000	General Fund	Backflow prevention device replacements
Refinish Basketball Courts	\$10,000	\$10,000	General Fund	Refinish basketball courts
Total	\$14,000	\$14,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 212,260	\$ 217,222	\$ 198,684	\$ 211,813
Employee Benefits	\$ 106,205	\$ 108,278	\$ 103,383	\$ 110,638
Materials	\$ 164,048	\$ 165,762	\$ 250,074	\$ 282,783
Contract Services	\$ 15,014	\$ 31,539	\$ 8,871	\$ 17,335
Cost Allocation	\$ 66,998	\$ 149,449	\$ 238,074	\$ 295,678
Special Projects	\$ 9,300	\$ 10,000	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 6,330	\$ 7,503
Total Expenditures	\$ 573,825	\$ 682,250	\$ 805,416	\$ 925,750
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 573,824	\$ 682,250	\$ 805,416	\$ 925,750

Staffing

Total current positions - 2.50 FTE

Total proposed positions - 2.50 FTE

Civic Center Maintenance

Budget Unit 100-84-815

General Fund - Grounds - Civic Center Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 299,961
Total Expenditures	\$ 515,160
Fund Balance	\$ -
General Fund Costs	\$ 215,199
% Funded by General Fund	41.8%
Total Staffing	0.8 FTE

Program Overview

The Civic Center grounds are one of 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Due to the close proximity to City Hall, Community Hall, and the Library, the Civic Center grounds are well utilized. Civic Center maintenance includes the adjacent Library Field.

Service Objectives

- The main objective of the Grounds Division is to provide the 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.

Proposed Budget

It is recommended that City Council approve a budget of \$515,160 for the Civic Center Maintenance program. This represents a decrease of \$5,948 (-1.1%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 196,807	\$ 204,590	\$ 253,880	\$ 299,961
Total Revenues	\$ 196,807	\$ 204,590	\$ 253,880	\$ 299,961
Expenditures				
Employee Compensation	\$ 87,113	\$ 92,926	\$ 77,106	\$ 77,090
Employee Benefits	\$ 43,952	\$ 48,044	\$ 43,943	\$ 45,689
Materials	\$ 54,924	\$ 60,600	\$ 309,633	\$ 375,634
Contract Services	\$ -	\$ -	\$ 80,675	\$ 7,184
Cost Allocation	\$ 22,078	\$ 43,997	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 9,751	\$ 9,563
Total Expenditures	\$ 208,067	\$ 245,567	\$ 521,108	\$ 515,160
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 11,261	\$ 40,977	\$ 267,228	\$ 215,199

Staffing

Total current positions - 0.80 FTE

Total proposed positions - 0.80 FTE

There are no changes to the current level of staffing.

Storm Drain Maintenance

Budget Unit 100-85-818

General Fund - Streets - Storm Drain Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2020-21, this program was transferred to the Environmental Programs Division. A complete discussion of this program can be found under Budget Unit 230-81-855. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 108,311	\$ 113,012	\$ -	\$ -
Employee Benefits	\$ 43,589	\$ 54,182	\$ -	\$ -
Materials	\$ 14,044	\$ 5,591	\$ -	\$ -
Contract Services	\$ 24,293	\$ 209,335	\$ -	\$ -
Cost Allocation	\$ 43,770	\$ 47,104	\$ -	\$ -
Total Expenditures	\$ 234,007	\$ 429,224	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 234,007	\$ 429,225	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Sidewalk Curb and Gutter

Budget Unit 270-85-820

Transportation Fund - Streets - Sidewalk Curb and Gutter

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 1,868,903
Fund Balance	\$ (1,868,903)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	1.4 FTE

Program Overview

Maintain sidewalks, curb and gutter to a standard that is functional and improves accessibility and minimizes liability. Optimize the use of available funds by coordinating with other improvement projects.

Service Objectives

- Timely maintain concrete improvements in response to citizen complaints and coordinate with programmed asphalt improvements.

Proposed Budget

It is recommended that City Council approve a budget of \$1,868,903 for the Sidewalk Curb and Gutter program. This represents an increase of \$357,832 (23.7%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to an increase in salary and benefits for currently funded full-time positions and increased costs for pavement repair.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Annual Sidewalk Curb & Gutter	1,300,000	1,300,000	Transportation Fund/General Fund	Annual Sidewalk Curb & Gutter
Annual Sidewalk Grinding Project	100,000	100,000	Transportation Fund/General Fund	Annual Sidewalk Grinding Project
Total	\$1,400,000	\$1,400,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 3,765	\$ -	\$ -	\$ -
Total Revenues	\$ 3,765	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 123,763	\$ 139,588	\$ 161,978	\$ 173,207
Employee Benefits	\$ 61,597	\$ 71,386	\$ 85,044	\$ 87,647
Materials	\$ 4,730	\$ 9,110	\$ 10,873	\$ 16,320
Contract Services	\$ 90	\$ 30,000	\$ 30,900	\$ 30,900
Cost Allocation	\$ 62,753	\$ 69,677	\$ 141,232	\$ 159,648
Special Projects	\$ 898,000	\$ 1,008,913	\$ 1,080,000	\$ 1,400,000
Contingencies	\$ -	\$ -	\$ 1,044	\$ 1,181
Total Expenditures	\$ 1,150,933	\$ 1,328,674	\$ 1,511,071	\$ 1,868,903
Fund Balance	\$ (347,168)	\$ (1,107,675)	\$ (1,511,071)	\$ (1,868,903)
General Fund Costs	\$ 800,000	\$ 221,000	\$ -	\$ -

Staffing

Total current positions - 1.40 FTE

Total proposed positions - 1.40 FTE

There are no changes to the current level of staffing.

Street Pavement Maintenance

Budget Unit 270-85-821

Transportation Fund - Streets - Street Pavement Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 1,624,285
Total Expenditures	\$ 4,797,069
Fund Balance	\$ (3,172,784)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	4.0 FTE

Program Overview

This program maintains streets to a standard that balances preventative maintenance with stop-gap measures while minimizing liability.

Service Objectives

- Perform preventative maintenance activities of fog seal and crack fill.
- Perform stop-gap maintenance of arterial, collector and residential streets.
- Oversee and manage contracted pavement maintenance projects.

Proposed Budget

It is recommended that City Council approve a budget of \$4,797,069 for the Street Pavement Maintenance program. This represents an increase of \$2,550,065 (113.5%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to an increase in salary and benefits for currently funded full-time positions and the increased cost of the Annual Asphalt, Fog Seal and Crack Seal Projects.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Pavement Maintenance (capital outlay)	\$3,100,000	\$3,100,000	Transportation Fund/General Fund/SB1	Annual Asphalt Project
Annual Fog Seal Project	\$245,926	\$245,926	Transportation Fund/General Fund	Annual Fog Seal Project
Annual Crack Seal Project	\$105,925	\$105,925	Transportation Fund/General Fund	Annual Crack Seal Project
Total	\$3,451,851	\$3,451,851		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 1,520,114	\$ 1,515,323	\$ 1,480,126	\$ 1,533,250
Charges for Services	\$ 3,862	\$ -	\$ 3,978	\$ 3,978
Miscellaneous Revenue	\$ 84,521	\$ 24,291	\$ 87,057	\$ 87,057
Total Revenues	\$ 1,608,497	\$ 1,539,614	\$ 1,571,161	\$ 1,624,285
Expenditures				
Employee Compensation	\$ 266,381	\$ 301,014	\$ 421,137	\$ 449,590
Employee Benefits	\$ 122,979	\$ 143,054	\$ 204,518	\$ 226,523
Materials	\$ 29,731	\$ 21,445	\$ 33,577	\$ 36,591
Contract Services	\$ 120,699	\$ 115,322	\$ 428,750	\$ 552,632
Cost Allocation	\$ 174,145	\$ 223,884	\$ 347,464	\$ 417,002
Capital Outlays	\$ -	\$ 978,379	\$ 800,000	\$ 1,000,000
Special Projects	\$ 3,515,876	\$ 2,560,653	\$ -	\$ 2,100,000
Contingencies	\$ -	\$ -	\$ 11,558	\$ 14,731
Total Expenditures	\$ 4,229,811	\$ 4,343,751	\$ 2,247,004	\$ 4,797,069
Fund Balance	\$ 2,378,685	\$ (2,804,136)	\$ (675,843)	\$ (3,172,784)
General Fund Costs	\$ 5,000,000	\$ -	\$ -	\$ -

Staffing

Total current positions - 3.95 FTE

Total proposed positions - 3.95 FTE

There are no changes to the current level of staffing.

Street Sign Marking

Budget Unit 270-85-822

Transportation Fund - Streets - Street Sign Marking

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 901,865
Fund Balance	\$ (901,865)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	3.4 FTE

Program Overview

This program maintains street regulatory and informational signs, street striping, markings, and legends, as well as removes graffiti within street right-of-way in a timely manner.

Service Objectives

- Respond to regulatory and informational sign issues in a timely manner.
- Coordinate and respond to work orders from the Traffic Engineer.
- Maintain street sign and traffic marking assets in compliance with the Manual of Uniform Traffic Control Devices.
- Remove graffiti in a timely manner.

Proposed Budget

It is recommended that City Council approve a budget of \$901,865 for the Street Sign Marking program. This represents an increase of \$47,730 (5.6%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 9,566	\$ 505	\$ -	\$ -
Miscellaneous Revenue	\$ -	\$ 594	\$ -	\$ -
Total Revenues	\$ 9,566	\$ 1,099	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 259,861	\$ 290,588	\$ 316,230	\$ 309,427
Employee Benefits	\$ 128,668	\$ 148,667	\$ 169,030	\$ 182,761
Materials	\$ 115,311	\$ 126,033	\$ 126,683	\$ 136,534
Contract Services	\$ 11,044	\$ 60	\$ 25,750	\$ 26,523
Cost Allocation	\$ 115,555	\$ 122,018	\$ 206,819	\$ 242,544
Special Projects	\$ -	\$ -	\$ 5,600	\$ -
Contingencies	\$ -	\$ -	\$ 4,023	\$ 4,076
Total Expenditures	\$ 630,439	\$ 687,366	\$ 854,135	\$ 901,865
Fund Balance	\$ (620,873)	\$ (686,268)	\$ (854,135)	\$ (901,865)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 3.40 FTE

Total proposed positions - 3.40 FTE

There are not changes to the current level of staffing.

Street Lighting

Budget Unit 100-85-848

General Fund - Streets - Street Lighting

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 988,320
Fund Balance	\$ -
General Fund Costs	\$ 988,320
% Funded by General Fund	100.0%
Total Staffing	1.1 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.

Proposed Budget

It is recommended that City Council approve a budget of \$988,320 for the Street Lighting program. This represents an increase of \$164,794 (20.0%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to an increase in salary and benefits for currently funded full-time positions and Special Projects.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Street Light Pole Replacement	208,000	208,000	General Fund	Street light pole replacement
Don Burnett Bridge LED Light Upgrade Project	47,000	47,000	General Fund	Don Burnett Bridge LED light upgrade
Civic Center/Library Atrium LED Light Upgrade Project	47,000	47,000	General Fund	Civic Center/Library Atrium LED light upgrade
Total	\$302,000	\$302,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ -	\$ 3,990	\$ -	\$ -
Total Revenues	\$ -	\$ 3,990	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 124,003	\$ 150,344	\$ 124,061	\$ 122,335
Employee Benefits	\$ 53,055	\$ 73,691	\$ 55,232	\$ 59,797
Materials	\$ 286,924	\$ 298,228	\$ 292,672	\$ 295,599
Contract Services	\$ 101,339	\$ 110,632	\$ 63,232	\$ 63,329
Cost Allocation	\$ 39,199	\$ 49,730	\$ 127,431	\$ 136,287
Special Projects	\$ 197,959	\$ 150,551	\$ 152,000	\$ 302,000
Contingencies	\$ -	\$ -	\$ 8,898	\$ 8,973
Total Expenditures	\$ 802,479	\$ 833,176	\$ 823,526	\$ 988,320
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 802,480	\$ 829,187	\$ 823,526	\$ 988,320

Staffing

Total current positions - 1.05 FTE

Total proposed positions - 1.05 FTE

There are no changes to the current level of staffing.

Equipment Maintenance

Budget Unit 630-85-849

Vehicle/Equip Replacement - Streets - Equipment Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 1,718,598
Total Expenditures	\$ 1,557,044
Fund Balance	\$ 527,554
General Fund Costs	\$ 366,000
% Funded by General Fund	23.5%
Total Staffing	3.0 FTE

Program Overview

The Fleet Division maintains all fleet equipment, including small power equipment. Equipment includes vehicles (103) and all power equipment (681). Equipment includes trailers, mowers and other equipment required to maintain the City's infrastructure. The division also manages above ground fuel storage tank at Service Center.

Service Objectives

- Maintain all city vehicles and equipment to reduce operating costs and increase safety.
- Fabricate, weld and repair equipment that includes vehicles, apparatus, structures, facilities for function and safety.
- Develop specifications and bid per City policy the purchases of trucks, tractors and other significant equipment.
- Maintain surplus vehicles and other equipment per City policy.
- Ensure all vehicles conform to State of California emission regulations.
- Maintain/inspect above ground fuel tanks as required.
- Maintain accurate inventory of fleet/equipment assets.
- Maintain a safe and clean working environment be approved for the equipment mechanics and welding.

Proposed Budget

It is recommended that City Council approve a budget of \$1,557,044 for the Equipment Maintenance program. This represents an increase of \$61,928 (4.1%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 1,056,968	\$ 1,352,200	\$ 1,633,518	\$ 1,718,598
Total Revenues	\$ 1,056,968	\$ 1,352,200	\$ 1,633,518	\$ 1,718,598
Expenditures				
Employee Compensation	\$ 225,658	\$ 277,828	\$ 275,235	\$ 306,916
Employee Benefits	\$ 112,056	\$ 179,355	\$ 143,809	\$ 161,739
Materials	\$ 267,065	\$ 265,631	\$ 302,698	\$ 305,712
Contract Services	\$ 82,733	\$ 60,398	\$ 103,497	\$ 106,602
Cost Allocation	\$ 791,875	\$ 812,995	\$ 650,752	\$ 665,797
Special Projects	\$ (10,950)	\$ -	\$ 9,000	\$ -
Contingencies	\$ -	\$ -	\$ 10,125	\$ 10,278
Total Expenditures	\$ 1,468,437	\$ 1,596,207	\$ 1,495,116	\$ 1,557,044
Fund Balance	\$ (411,469)	\$ (244,007)	\$ 144,402	\$ 527,554
General Fund Costs	\$ -	\$ -	\$ 6,000	\$ 366,000

Staffing

Total current positions - 3.00 FTE

Total proposed positions - 3.00 FTE

There are no changes to the current level of staffing.

Environmental Materials

Budget Unit 100-85-850

General Fund - Streets - Environmental Materials

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 217,696
Fund Balance	\$ -
General Fund Costs	\$ 217,696
% Funded by General Fund	100.0%
Total Staffing	0.7 FTE

Program Overview

This program manages Service Center solid waste disposal, Service Center safety inspections, handling/disposal/reporting of City generated hazardous waste and materials – including waste that may be illegally deposited upon the right-of-way. Provide street cleaning for unforeseen events such as debris from trucks or other sources.

Service Objectives

- Coordinate disposal of solid waste.
- Adhere to the requirements of hazardous waste/materials storage, handling and reporting.
- Comply with Fire Marshal safety inspection requirements for Service Center facilities.
- Inspect and maintain below ground fuel tanks as required.
- Clean up traffic debris that may become deposited on streets while reducing traffic hazards.

Proposed Budget

It is recommended that City Council approve a budget of \$217,696 for the Environmental Materials program. This represents an increase of \$22,806 (11.7%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to the increased costs of hazardous waste disposal.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 60,442	\$ 60,650	\$ 64,688	\$ 66,061
Employee Benefits	\$ 26,976	\$ 28,786	\$ 32,575	\$ 35,191
Materials	\$ 32,367	\$ 36,039	\$ 32,730	\$ 48,706
Contract Services	\$ 2,157	\$ 3,575	\$ 6,773	\$ -
Cost Allocation	\$ 58,129	\$ 53,909	\$ 57,136	\$ 66,520
Contingencies	\$ -	\$ -	\$ 988	\$ 1,218
Total Expenditures	\$ 180,071	\$ 182,959	\$ 194,890	\$ 217,696
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 180,071	\$ 182,959	\$ 194,890	\$ 217,696

Staffing

Total current positions - 0.65 FTE

Total proposed positions - 0.65 FTE

There are no changes to the current staffing level.

Overpasses and Medians

Budget Unit 100-86-824

General Fund - Trees and Right of Way - Overpasses and Medians

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,651,835
Fund Balance	\$ -
General Fund Costs	\$ 1,651,835
% Funded by General Fund	100.0%
Total Staffing	6.3 FTE

Program Overview

The Overpasses and Medians program maintains 31.67 developed acres of median island hardscapes and softscapes as well as 21.69 undeveloped acres of city right-of-way, the landscaped area of the Lawrence trail, and the landscaped area of the Don Burnett Bridge.

Service Objectives

- Maintain and improve median islands, landscape strips, trails, landscaped roadsides and public right-of-ways.
- Maintain and improve water efficient programming of irrigation systems.
- Meet all Department of Pesticide Regulation requirements for weed and pest control.
- Timely pruning of plant material to promote plant health, maximize aesthetics and to reduce future maintenance requirements.
- Plant and care for new plant stock to help ensure future plant health and reduce future maintenance requirements.
- Conserve water through the planting of appropriate plant stock.

Proposed Budget

It is recommended that City Council approve a budget of \$1,651,835 for the Overpasses and Medians program. This represents an increase of \$173,178 (11.7%) from the FY 2020-21 Adopted Budget.

This increase is mainly due to the increase in salary and benefits for full-time positions.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 54	\$ -	\$ -
Miscellaneous Revenue	\$ 4,652	\$ 25,151	\$ 10,761	\$ -
Total Revenues	\$ 4,652	\$ 25,205	\$ 10,761	\$ -
Expenditures				
Employee Compensation	\$ 463,208	\$ 459,097	\$ 506,867	\$ 542,333
Employee Benefits	\$ 233,368	\$ 238,883	\$ 274,057	\$ 296,529
Materials	\$ 188,138	\$ 186,681	\$ 186,715	\$ 208,572
Contract Services	\$ 97,752	\$ 142,709	\$ 14,343	\$ 55,731
Cost Allocation	\$ 227,651	\$ 273,248	\$ 491,649	\$ 542,062
Contingencies	\$ -	\$ -	\$ 5,026	\$ 6,608
Total Expenditures	\$ 1,210,117	\$ 1,300,618	\$ 1,478,657	\$ 1,651,835
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,205,465	\$ 1,275,412	\$ 1,467,896	\$ 1,651,835

Staffing

Total current positions - 6.30 FTE

Total proposed positions - 6.30 FTE

There are no changes to the current level of staffing.

Street Tree Maintenance

Budget Unit 100-86-825

General Fund - Trees and Right of Way - Street Tree Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 16,210
Total Expenditures	\$ 1,930,432
Fund Balance	\$ -
General Fund Costs	\$ 1,959,222
% Funded by General Fund	101.5%
Total Staffing	8.4 FTE

Program Overview

The Trees Division maintains the safety, health and appearance of approximately 23,300 Street and Right-of-Way trees, as well as promotes disease-free trees to enhance the City's urban forest.

Service Objectives

- Proactively perform the activities of trimming, staking, pest management and other tree health-related functions.
- Respond to citizen requests to perform the trimming or other tree health-related services in a timely manner.
- Remove diseased and damaged trees as needed.
- Plant replacement trees for trees removed due to disease and damage.
- Continue activities to maintain standing as a Tree City USA program.
- Update the forestry work plan as needed to establish goals and objectives of the tree maintenance program for the City.
- Oversee street tree maintenance and removal contracts.

Proposed Budget

It is recommended that City Council approve a budget of \$1,930,432 for the Street Tree Maintenance program. This represents an increase of \$243,598 (14.4%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to increase in salary and benefits for currently funded full-time positions and special projects.

Special Projects

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

Special Projects	Appropriation	Revenue	Funding Source	Description
Cage Conversion to Rope Shop	\$10,000	\$10,000	General Fund	Convert cage to rope shop
Tree Maintenance for Foothill Blvd Median	\$30,000	\$30,000	General Fund	Tree maintenance contract for Foothill Boulevard median
Total	\$40,000	\$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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 16,879	\$ 7,737	\$ 10,761	\$ 16,210
Total Revenues	\$ 16,879	\$ 7,737	\$ 10,761	\$ 16,210
Expenditures				
Employee Compensation	\$ 473,588	\$ 588,720	\$ 652,491	\$ 713,778
Employee Benefits	\$ 253,771	\$ 305,112	\$ 362,736	\$ 422,520
Materials	\$ 90,695	\$ 53,262	\$ 112,892	\$ 124,663
Contract Services	\$ 19,975	\$ 2,325	\$ 9,078	\$ 39,792
Cost Allocation	\$ 232,296	\$ 274,584	\$ 531,588	\$ 625,568
Special Projects	\$ 113,347	\$ 20,876	\$ 15,000	\$ -
Contingencies	\$ -	\$ -	\$ 3,049	\$ 4,111
Total Expenditures	\$ 1,183,672	\$ 1,244,879	\$ 1,686,834	\$ 1,930,432
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,176,794	\$ 1,237,142	\$ 1,691,073	\$ 1,959,222

Staffing

Total current positions - 8.40 FTE

Total proposed positions - 8.40 FTE

Sheriff Work Program

Budget Unit 100-86-826

General Fund - Trees and Right of Way - Sheriff Work Program

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 572,015
Fund Balance	\$ -
General Fund Costs	\$ 572,015
% Funded by General Fund	100.0%
Total Staffing	2.3 FTE

Program Overview

The Sheriff Work Program supplements existing Service Center staffing with individuals in a sentencing alternative program. Participants of the program perform manual labor type duties. The work performed by this program reduces the number of full-time maintenance workers required.

Service Objectives

- Efficiently administer and schedule the Sheriff Work Program for a variety of non-skilled activities, including trash pick-up, weed control, right-of-way maintenance and sandbag filling.
- Offset manual work currently performed by skilled labor so as to increase overall productivity at the Service Center.

Proposed Budget

It is recommended that City Council approve a budget of \$572,015 for the Sheriff Work Program program. This represents an increase of \$6,632 (1.2%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 203,981	\$ 180,870	\$ 233,440	\$ 245,009
Employee Benefits	\$ 80,549	\$ 87,481	\$ 100,848	\$ 115,968
Materials	\$ 11,490	\$ 5,106	\$ 9,873	\$ 9,971
Contract Services	\$ 22	\$ -	\$ -	\$ -
Cost Allocation	\$ 93,211	\$ 119,669	\$ 220,975	\$ 200,818
Contingencies	\$ -	\$ -	\$ 247	\$ 249
Total Expenditures	\$ 389,253	\$ 393,126	\$ 565,383	\$ 572,015
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 389,253	\$ 393,126	\$ 565,383	\$ 572,015

Staffing

Total current positions - 2.30 FTE

Total proposed positions - 2.30 FTE

There are no changes to the current level of staffing.

City Hall Maintenance

Budget Unit 100-87-827

General Fund - Facilities and Fleet - City Hall Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 452,294
Total Expenditures	\$ 655,463
Fund Balance	\$ -
General Fund Costs	\$ 203,169
% Funded by General Fund	31.0%
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.

Proposed Budget

It is recommended that City Council approve a budget of \$655,463 for the City Hall Maintenance program. This represents an increase of \$183,974 (39.0%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to special projects.

Special Projects

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

Special Projects	Appropriations	Revenue	Funding Source	Description
Lower Floor Carpet Replacement	\$70,000	\$70,000	General Fund	Lower floor carpet replacement
Facia Repair and Repainting	\$60,000	\$60,000	General Fund	Facia repair and repainting
Electrical Preventative Maintenance	\$25,000	\$25,000	General Fund	Electrical preventative maintenance
Boiler Preventative Maintenance	\$5,000	\$5,000	General Fund	Boiler preventative maintenance
Total	\$160,000	\$160,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 303,250	\$ 459,503	\$ 500,394	\$ 452,294
Total Revenues	\$ 303,250	\$ 459,503	\$ 500,394	\$ 452,294
Expenditures				
Employee Compensation	\$ 97,313	\$ 106,601	\$ 110,447	\$ 108,611
Employee Benefits	\$ 45,179	\$ 50,159	\$ 53,019	\$ 56,238
Materials	\$ 183,154	\$ 162,358	\$ 199,247	\$ 213,109
Contract Services	\$ 197,252	\$ 94,289	\$ 101,271	\$ 265,547
Cost Allocation	\$ 52,555	\$ 81,746	\$ -	\$ -
Special Projects	\$ 14,389	\$ 20,342	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 7,505	\$ 11,958
Total Expenditures	\$ 589,842	\$ 515,495	\$ 471,489	\$ 655,463
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 286,591	\$ 55,992	\$ (28,905)	\$ 203,169

Staffing

Total current positions - 1.00 FTE

Total proposed positions - 1.00 FTE

There are no changes to the current level of staffing.

Library Maintenance

Budget Unit 100-87-828

General Fund - Facilities and Fleet - Library Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ 292,694
Total Expenditures	\$ 646,923
Fund Balance	\$ -
General Fund Costs	\$ 354,229
% Funded by General Fund	54.8%
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.

Proposed Budget

It is recommended that City Council approve a budget of \$646,923 for the Library Maintenance program. This represents an increase of \$58,928 (10.0%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to an increase in building maintenance costs.

Special Projects

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

Special Projects	Appropriations	Revenue	Funding Source	Description
Exterior Door Repainting	\$6,000	\$6,000	General Fund	Exterior door repainting
Boiler Preventative Maintenance	\$5,000	\$5,000	General Fund	Boiler preventative maintenance
Total	\$11,000	\$11,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 22,310	\$ 23,118	\$ 24,009	\$ 24,729
Charges for Services	\$ 377,363	\$ 614,222	\$ 263,745	\$ 267,965
Total Revenues	\$ 399,673	\$ 637,340	\$ 287,754	\$ 292,694
Expenditures				
Employee Compensation	\$ 68,183	\$ 72,491	\$ 75,343	\$ 73,584
Employee Benefits	\$ 33,798	\$ 37,072	\$ 40,244	\$ 41,650
Materials	\$ 9,030	\$ 8,502	\$ 9,854	\$ 9,951
Contract Services	\$ 292,334	\$ 282,294	\$ 370,074	\$ 419,245
Cost Allocation	\$ 23,259	\$ 45,986	\$ 82,239	\$ 91,770
Special Projects	\$ -	\$ 60,539	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 10,241	\$ 10,723
Total Expenditures	\$ 426,604	\$ 506,884	\$ 587,995	\$ 646,923
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 26,930	\$ (130,455)	\$ 300,241	\$ 354,229

Staffing

Total current positions - 0.80 FTE

Total proposed positions - 0.80 FTE

There are no changes to the current level of staffing.

Service Center Maintenance

Budget Unit 100-87-829

General Fund - Facilities and Fleet - Service Center Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 410,725
Fund Balance	\$ -
General Fund Costs	\$ 410,725
% Funded by General Fund	100.0%
Total Staffing	0.7 FTE

Program Overview

This program maintains the Service Center buildings to ensure employee satisfaction and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Service Center staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$410,725 for the Service Center Maintenance program. This represents an increase of \$121,495 (42.0%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to special projects.

Special Projects

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

Special Projects	Appropriation	Revenue	Funding Source	Description
Shop Building Roof Recoating	\$50,000	\$50,000	General Fund	Shop building roof recoating
Emergency Power Upgrades	\$28,000	\$28,000	General Fund	Emergency power upgrades
Storage Shed Replacement	\$7,000	\$7,000	General Fund	Storage shed replacement
Locksmith Training	\$4,000	\$4,000	General Fund	Locksmith training
Total	\$89,000	\$89,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 323,466	\$ 262,382	\$ -	\$ -
Total Revenues	\$ 323,466	\$ 262,382	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 60,845	\$ 66,132	\$ 68,702	\$ 69,623
Employee Benefits	\$ 29,789	\$ 32,976	\$ 35,903	\$ 38,473
Materials	\$ 54,732	\$ 52,604	\$ 41,783	\$ 54,259
Contract Services	\$ 52,806	\$ 54,038	\$ 44,995	\$ 154,636
Cost Allocation	\$ 21,652	\$ 40,518	\$ 80,684	\$ 88,518
Special Projects	\$ -	\$ -	\$ 15,000	\$ -
Contingencies	\$ -	\$ -	\$ 2,163	\$ 5,216
Total Expenditures	\$ 219,824	\$ 246,268	\$ 289,230	\$ 410,725
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (103,642)	\$ (16,114)	\$ 289,230	\$ 410,725

Staffing

Total current positions - 0.70 FTE

Total proposed positions - 0.70 FTE

There are no changes to the current level of staffing.

Quinlan Community Center Maintenance

Budget Unit 100-87-830

General Fund - Facilities and Fleet - Quinlan Community Center Maintenance

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 561,259
Fund Balance	\$ -
General Fund Costs	\$ 561,259
% Funded by General Fund	100.0%
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 Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$561,259 for the Quinlan Community Center Maintenance program. This represents an increase of \$921 (0.2%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last fiscal year.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Boiler Preventative Maintenance	\$5,000	\$5,000	General Fund	Boiler preventative maintenance
Total	\$5,000	\$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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 181,950	\$ 385,272	\$ -	\$ -
Total Revenues	\$ 181,950	\$ 385,272	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 71,650	\$ 76,220	\$ 78,511	\$ 77,783
Employee Benefits	\$ 30,438	\$ 33,819	\$ 35,976	\$ 38,658
Materials	\$ 130,641	\$ 138,323	\$ 158,272	\$ 170,310
Contract Services	\$ 195,601	\$ 104,831	\$ 145,295	\$ 155,922
Cost Allocation	\$ 32,352	\$ 55,406	\$ 99,702	\$ 110,437
Special Projects	\$ 83,678	\$ 20,450	\$ 35,000	\$ -
Contingencies	\$ -	\$ -	\$ 7,582	\$ 8,149
Total Expenditures	\$ 544,360	\$ 429,049	\$ 560,338	\$ 561,259
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 362,411	\$ 43,777	\$ 560,338	\$ 561,259

Staffing

Total current positions - 0.80 FTE

Total proposed positions - 0.80 FTE

There are no changes to the current level of staffing.

Senior Center Maintenance

Budget Unit 100-87-831

General Fund - Facilities and Fleet - Senior Center Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 401,923
Fund Balance	\$ -
General Fund Costs	\$ 401,923
% Funded by General Fund	100.0%
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 Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$401,923 for the Senior Center Maintenance program. This represents an increase of \$22,276 (5.9%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 181,950	\$ 262,630	\$ -	\$ -
Total Revenues	\$ 181,950	\$ 262,630	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 57,894	\$ 64,182	\$ 69,883	\$ 73,337
Employee Benefits	\$ 30,160	\$ 35,232	\$ 40,208	\$ 44,062
Materials	\$ 83,535	\$ 75,855	\$ 85,080	\$ 92,977
Contract Services	\$ 77,775	\$ 102,474	\$ 95,794	\$ 102,137
Cost Allocation	\$ 13,387	\$ 35,231	\$ 78,167	\$ 84,539
Special Projects	\$ 136	\$ 12,500	\$ 6,000	\$ -
Contingencies	\$ -	\$ -	\$ 4,515	\$ 4,871
Total Expenditures	\$ 262,887	\$ 325,474	\$ 379,647	\$ 401,923
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 80,937	\$ 62,845	\$ 379,647	\$ 401,923

Staffing

Total current positions - 0.80 FTE

Total proposed positions - 0.80 FTE

There are no changes to the current level of staffing.

McClellan Ranch Maintenance

Budget Unit 100-87-832

General Fund - Facilities and Fleet - McClellan Ranch Maintenance

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ 874
Total Expenditures	\$ 234,438
Fund Balance	\$ -
General Fund Costs	\$ 233,564
% Funded by General Fund	99.6%
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 Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$234,438 for the McClellan Ranch Maintenance program. This represents an increase of \$29,865 (14.6%) from the FY 2020-21 Adopted Budget.

This increase is mainly due to a change in methodology for cost allocation and special projects.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Audubon Building Exterior Repainting	\$20,000	\$20,000	General Fund	Audubon building exterior repainting
Total	\$20,000	\$20,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 95,425	\$ -	\$ -
Miscellaneous Revenue	\$ 840	\$ 840	\$ 840	\$ 874
Total Revenues	\$ 840	\$ 96,265	\$ 840	\$ 874
Expenditures				
Employee Compensation	\$ 51,152	\$ 55,872	\$ 58,549	\$ 54,471
Employee Benefits	\$ 23,337	\$ 25,955	\$ 28,211	\$ 28,720
Materials	\$ 15,168	\$ 14,761	\$ 17,126	\$ 18,405
Contract Services	\$ 43,066	\$ 41,526	\$ 40,974	\$ 66,903
Cost Allocation	\$ 12,832	\$ 26,690	\$ 58,140	\$ 63,811
Special Projects	\$ 37,657	\$ 15,061	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 1,573	\$ 2,128
Total Expenditures	\$ 183,212	\$ 179,865	\$ 204,573	\$ 234,438
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 182,373	\$ 83,600	\$ 203,733	\$ 233,564

Staffing

Total current positions - 0.60 FTE

Total proposed positions - 0.60 FTE

There are no changes to the current level of staffing.

Monta Vista Community Center Maintenance

Budget Unit 100-87-833

General Fund - Facilities and Fleet - Monta Vista Community Center Maintenance

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 194,762
Fund Balance	\$ -
General Fund Costs	\$ 194,762
% Funded by General Fund	100.0%
Total Staffing	0.4 FTE

Program Overview

This program maintains Monta Vista Community Center and adjacent buildings to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$194,762 for the Monta Vista Community Center Maintenance program. This represents a decrease of \$46,571 (-19.3%) from the FY 2020-21 Adopted Budget.

This decrease is mainly due to the completion of special 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 121,300	\$ 118,070	\$ -	\$ -
Total Revenues	\$ 121,300	\$ 118,070	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 35,405	\$ 37,832	\$ 39,284	\$ 40,132
Employee Benefits	\$ 16,507	\$ 18,486	\$ 20,390	\$ 21,495
Materials	\$ 26,460	\$ 19,606	\$ 28,805	\$ 30,938
Contract Services	\$ 42,834	\$ 38,079	\$ 44,217	\$ 45,053
Cost Allocation	\$ 9,984	\$ 22,103	\$ 49,814	\$ 55,247
Special Projects	\$ 18,062	\$ 27,610	\$ 57,000	\$ -
Contingencies	\$ -	\$ -	\$ 1,823	\$ 1,897
Total Expenditures	\$ 149,252	\$ 163,716	\$ 241,333	\$ 194,762
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 27,952	\$ 45,647	\$ 241,333	\$ 194,762

Staffing

Total current positions - 0.40 FTE

Total proposed positions - 0.40 FTE

There are no changes to the current level of staffing.

Wilson Park Maintenance

Budget Unit 100-87-834

General Fund - Facilities and Fleet - Wilson Park Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 101,531
Fund Balance	\$ -
General Fund Costs	\$ 101,531
% Funded by General Fund	100.0%
Total Staffing	0.2 FTE

Program Overview

This program maintains Wilson Park Ceramics Center to ensure efficient operations, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$101,531 for the Wilson Park Maintenance program. This represents an increase of \$33,004 (48.2%) from the FY 2020-21 Adopted Budget.

This increase is mainly due to the addition of contract maintenance services and a change in methodology for cost allocations.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 77,225	\$ -	\$ -
Total Revenues	\$ -	\$ 77,225	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 19,077	\$ 19,820	\$ 20,105	\$ 20,323
Employee Benefits	\$ 10,108	\$ 11,011	\$ 11,723	\$ 12,622
Materials	\$ 13,002	\$ 13,135	\$ 80	\$ 12,794
Contract Services	\$ 22,414	\$ 12,330	\$ -	\$ 16,465
Cost Allocation	\$ 8,158	\$ 12,432	\$ 36,619	\$ 38,598
Contingencies	\$ -	\$ -	\$ -	\$ 729
Total Expenditures	\$ 72,759	\$ 68,728	\$ 68,527	\$ 101,531
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 72,759	\$ (8,497)	\$ 68,527	\$ 101,531

Staffing

Total current positions - 0.20 FTE

Total proposed positions - 0.20 FTE

There are no changes to the current level of staffing.

Portal Park Maintenance

Budget Unit 100-87-835

General Fund - Facilities and Fleet - Portal Park Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 60,736
Fund Balance	\$ -
General Fund Costs	\$ 60,736
% 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 Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$60,736 for the Portal Park Maintenance program. This represents a decrease of \$23,754 (-28.1%) from the FY 2020-21 Adopted Budget.

This decrease is due mainly to the completion of special 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 41,483	\$ -	\$ -
Total Revenues	\$ -	\$ 41,483	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 9,372	\$ 9,778	\$ 9,938	\$ 10,162
Employee Benefits	\$ 5,016	\$ 5,464	\$ 5,861	\$ 6,311
Materials	\$ 4,823	\$ 5,078	\$ 19,540	\$ 8,717
Contract Services	\$ 3,862	\$ 3,122	\$ 22,021	\$ 5,922
Cost Allocation	\$ 5,416	\$ 8,466	\$ 26,092	\$ 29,259
Contingencies	\$ -	\$ -	\$ 1,038	\$ 365
Total Expenditures	\$ 28,489	\$ 31,908	\$ 84,490	\$ 60,736
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 28,489	\$ (9,576)	\$ 84,490	\$ 60,736

Staffing

Total current positions - 0.10 FTE

Total proposed positions - 0.10 FTE

There are no changes to the current level of staffing.

Sports Center Maintenance

Budget Unit 570-87-836

Sports Center - Facilities and Fleet - Sports Center Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 623,052
Fund Balance	\$ (623,052)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
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 Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$623,052 for the Sports Center Maintenance program. This represents an increase of \$135,612 (27.8%) from the FY 2020-21 Adopted Budget.

This increase is mainly due to special projects.

Special Projects

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

Special Projects	Appropriation	Revenue	Funding Source	Description
Exterior Repainting	\$45,000	\$45,000	General Fund	Exterior repainting
Exterior Lighting Improvements	\$24,000	\$24,000	General Fund	Exterior lighting improvements
Multipurpose Room Floor Refinishing	\$20,000	\$20,000	General Fund	Multipurpose room hardwood floor refinishing
Door Refinishing	\$15,000	\$15,000	General Fund	Door refinishing
Locker Room Bench Refinishing	\$5,000	\$5,000	General Fund	Locker room bench refinishing
Total	\$109,000	\$109,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 4,998	\$ -	\$ -	\$ -
Total Revenues	\$ 4,998	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 75,404	\$ 72,404	\$ 71,339	\$ 73,552
Employee Benefits	\$ 34,804	\$ 48,861	\$ 38,965	\$ 41,742
Materials	\$ 115,245	\$ 123,610	\$ 128,792	\$ 140,248
Contract Services	\$ 104,227	\$ 107,593	\$ 124,356	\$ 235,692
Cost Allocation	\$ 81,296	\$ 89,668	\$ 117,665	\$ 122,425
Special Projects	\$ -	\$ 2,435	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 6,323	\$ 9,393
Total Expenditures	\$ 410,976	\$ 444,571	\$ 487,440	\$ 623,052
Fund Balance	\$ (405,979)	\$ (444,572)	\$ (487,440)	\$ (623,052)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.70 FTE

Total proposed positions - 0.70 FTE

There are no changes to the current level of staffing.

Creekside Park Maintenance

Budget Unit 100-87-837

General Fund - Facilities and Fleet - Creekside Park Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 106,935
Fund Balance	\$ -
General Fund Costs	\$ 106,935
% Funded by General Fund	100.0%
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 Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$106,935 for the Creekside Park Maintenance program. This represents an increase of \$3,774 (3.7%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 60,650	\$ 47,545	\$ -	\$ -
Total Revenues	\$ 60,650	\$ 47,545	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 19,703	\$ 21,033	\$ 23,189	\$ 22,585
Employee Benefits	\$ 9,311	\$ 9,948	\$ 10,576	\$ 10,911
Materials	\$ 14,631	\$ 10,486	\$ 15,989	\$ 17,167
Contract Services	\$ 18,948	\$ 11,152	\$ 14,638	\$ 14,895
Cost Allocation	\$ 8,509	\$ 17,199	\$ 38,004	\$ 40,576
Special Projects	\$ 96,486	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 765	\$ 801
Total Expenditures	\$ 167,588	\$ 69,818	\$ 103,161	\$ 106,935
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 106,938	\$ 22,274	\$ 103,161	\$ 106,935

Staffing

Total current positions - 0.20 FTE

Total proposed positions - 0.20 FTE

There are no changes to the current level of staffing.

Community Hall Maintenance

Budget Unit 100-87-838

General Fund - Facilities and Fleet - Community Hall Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 259,761
Fund Balance	\$ -
General Fund Costs	\$ 259,761
% Funded by General Fund	100.0%
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 Community Hall users.
- Manage and responsibly coordinate work completed by contractors.
- Ensure water quality and functionality of interactive fountain.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$259,761 for the Community Hall Maintenance program. This represents an increase of \$28,818 (12.5%) from the FY 2020-21 Adopted Budget.

This increase is due mainly to an increase in salary and benefits for currently funded full-time positions and special projects.

Special Projects

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

Special Projects	Appropriations	Revenue	Funding Source	Description
Exterior Door Painting	\$4,000	\$4,000	General Fund	Paint exterior doors
Water Bottle Filler Installation	\$13,000	\$13,000	General Fund	Install water bottle filler
Total	\$17,000	\$17,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 202,167	\$ 233,028	\$ -	\$ -
Total Revenues	\$ 202,167	\$ 233,028	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 37,845	\$ 40,280	\$ 42,926	\$ 44,689
Employee Benefits	\$ 20,231	\$ 23,022	\$ 25,778	\$ 28,262
Materials	\$ 42,681	\$ 39,846	\$ 45,110	\$ 49,734
Contract Services	\$ 81,152	\$ 34,725	\$ 51,445	\$ 70,580
Cost Allocation	\$ 14,384	\$ 28,215	\$ 63,275	\$ 63,493
Special Projects	\$ 43,378	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 2,409	\$ 3,003
Total Expenditures	\$ 239,671	\$ 166,088	\$ 230,943	\$ 259,761
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 37,505	\$ (66,940)	\$ 230,943	\$ 259,761

Staffing

Total current positions - 0.50 FTE

Total proposed positions - 0.50 FTE

There are no changes to the current level of staffing.

Teen Center Maintenance

Budget Unit 100-87-839

General Fund - Facilities and Fleet - Teen Center Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 48,987
Fund Balance	\$ -
General Fund Costs	\$ 48,987
% Funded by General Fund	100.0%
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 Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$48,987 for the Teen Center Maintenance program. This represents an increase of \$1,113 (2.3%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 80,867	\$ 21,469	\$ -	\$ -
Total Revenues	\$ 80,867	\$ 21,469	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 9,594	\$ 10,939	\$ 11,741	\$ 10,162
Employee Benefits	\$ 5,077	\$ 5,717	\$ 5,861	\$ 6,311
Materials	\$ 5,285	\$ 5,427	\$ 6,299	\$ 6,875
Contract Services	\$ 8,800	\$ -	\$ -	\$ -
Cost Allocation	\$ 3,951	\$ 5,587	\$ 23,817	\$ 25,468
Special Projects	\$ 16,740	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 156	\$ 171
Total Expenditures	\$ 49,447	\$ 27,670	\$ 47,874	\$ 48,987
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (31,420)	\$ 6,201	\$ 47,874	\$ 48,987

Staffing

Total current positions - 0.10 FTE

Total proposed positions - 0.10 FTE

There are no changes to the current level of staffing.

Park Bathrooms Maintenance

Budget Unit 100-87-840

General Fund - Facilities and Fleet - Park Bathrooms Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 126,256
Fund Balance	\$ -
General Fund Costs	\$ 126,256
% 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.

Proposed Budget

It is recommended that City Council approve a budget of \$126,256 for the Park Bathrooms Maintenance program. This represents an increase of \$5,575 (4.6%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last 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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 85,967	\$ -	\$ -
Total Revenues	\$ -	\$ 85,967	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 16,658	\$ 17,348	\$ 17,667	\$ 17,930
Employee Benefits	\$ 8,405	\$ 9,057	\$ 9,615	\$ 10,374
Materials	\$ 15,364	\$ 13,036	\$ 21,166	\$ 21,478
Contract Services	\$ 57,344	\$ 29,736	\$ 35,399	\$ 35,954
Cost Allocation	\$ 8,402	\$ 14,572	\$ 35,422	\$ 39,086
Special Projects	\$ 15,115	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 1,412	\$ 1,434
Total Expenditures	\$ 121,288	\$ 83,749	\$ 120,681	\$ 126,256
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 121,288	\$ (2,218)	\$ 120,681	\$ 126,256

Staffing

Total current positions - 0.20 FTE

Total proposed positions - 0.20 FTE

There are no changes to the current level of staffing.

Blackberry Farm Maintenance

Budget Unit 100-87-841

General Fund - Facilities and Fleet - Blackberry Farm Maintenance

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 542,039
Fund Balance	\$ -
General Fund Costs	\$ 542,039
% Funded by General Fund	100.0%
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 Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$542,039 for the Blackberry Farm Maintenance program. This represents an increase of \$12,907 (2.4%) from the FY 2020-21 Adopted Budget.

This budget is relatively unchanged from last fiscal year.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Pool Building Hydration Station	\$13,000	\$13,000	General Fund	Pool building hydration station
Pool Cover Replacement	\$11,000	\$11,000	General Fund	Pool cover replacement
Pool Uninterruptible Power Supply Installation	\$5,000	\$5,000	General Fund	Pool power supply installation
Total	\$29,000	\$29,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 444,766	\$ 322,155	\$ -	\$ -
Total Revenues	\$ 444,766	\$ 322,155	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 68,144	\$ 73,858	\$ 77,428	\$ 67,730
Employee Benefits	\$ 38,086	\$ 42,193	\$ 45,760	\$ 45,507
Materials	\$ 93,040	\$ 98,579	\$ 131,429	\$ 130,316
Contract Services	\$ 71,882	\$ 56,939	\$ 81,053	\$ 99,618
Cost Allocation	\$ 83,822	\$ 122,841	\$ 188,709	\$ 193,129
Special Projects	\$ 26,242	\$ 1,972	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 4,753	\$ 5,739
Total Expenditures	\$ 381,216	\$ 396,382	\$ 529,132	\$ 542,039
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (63,549)	\$ 74,227	\$ 529,132	\$ 542,039

Staffing

Total current positions - 0.90 FTE

Total proposed positions - 0.90 FTE

There are no changes to the current level of staffing.

Franco Traffic Operations Center

Budget Unit 100-87-852

General Fund - Facilities and Fleet - Franco Traffic Operations Center

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 6,658
Fund Balance	\$ -
General Fund Costs	\$ 6,658
% Funded by General Fund	100.0%
Total Staffing	0.0 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.

Proposed Budget

It is recommended that City Council approve a budget of \$6,658 for the Franco Traffic Operations Center program. This represents a decrease of \$922 (-12.2%) from the FY 2020-21 Adopted Budget.

This decrease is due mainly to a change in methodology for cost allocation.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Materials	\$ 414	\$ 434	\$ 134	\$ 135
Contract Services	\$ 23,117	\$ 2,192	\$ 1,883	\$ 1,930
Cost Allocation	\$ 35,633	\$ 26,737	\$ 5,513	\$ 4,541
Special Projects	\$ 22,164	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 50	\$ 52
Total Expenditures	\$ 81,328	\$ 29,363	\$ 7,580	\$ 6,658
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 81,328	\$ 29,362	\$ 7,580	\$ 6,658

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

There are no changes to the current level of staffing.

Traffic Engineering

Budget Unit 100-88-844

General Fund - Transportation - Traffic Engineering

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 1,514,399
Fund Balance	\$ -
General Fund Costs	\$ 1,514,399
% Funded by General Fund	100.0%
Total Staffing	3.9 FTE

Program Overview

The Transportation Division oversees traffic operations, traffic studies, transportation planning, and transportation capital improvements to safely and efficiently manage all modes of travel within the City's street and trail network. This includes responding to citizen requests and concerns regarding traffic issues, developing plans for the installation of traffic signals, traffic signs, and pavement markings, and developing design standards. The Division assists in the preparation of the General Plan, street plan lines and the capital improvement program related to street improvements. Division staff are active on Santa Clara Valley Transportation Authority (VTA) subcommittees and working groups and keeps abreast regarding current developments in the field as well as grant funding opportunities for large projects.

The Transportation Division also participates in the review of private development proposals to identify potential traffic impacts and to require necessary mitigations to maintain levels of service and safe and efficient traffic operations.

Service Objectives

- Ensure the efficiency and safety of the street system for all modes of travel through continual observation of traffic patterns, traffic signals and other traffic control devices.
- Review traffic collision reports, traffic flow patterns, and neighborhood traffic issues and respond as needed.
- Cooperate with neighboring jurisdictions on regional issues that affect both traffic safety and traffic efficiency at City boundaries.
- Continue training personnel in traffic engineering by encouraging attendance at classes and seminars.
- Encourage the use of alternate modes of transportation to the single occupancy vehicle through the implementation of recommendations from the Bicycle and Pedestrian Transportation Plans.
- Supports transit initiatives, ride-share programs, carpool programs, and transportation planning work for all modes of transportation.

Proposed Budget

It is recommended that City Council approve a budget of \$1,514,399 for the Traffic Engineering program. This represents an increase of \$285,370 (23.2%) from the FY 2020-21 Adopted Budget.

This increase is primarily due to a one-time special project for VMT to LOS standards in the amount of \$130,000.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
VMT to LOS Standards	\$130,000	\$130,000	General Fund	Updating standards to level of service
Total	\$130,000	\$130,000		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Charges for Services	\$ 623,129	\$ 3,903	\$ 681,899	\$ -
Miscellaneous Revenue	\$ -	\$ 585	\$ -	\$ -
Total Revenues	\$ 623,129	\$ 4,488	\$ 681,899	\$ -
Expenditures				
Employee Compensation	\$ 429,522	\$ 452,447	\$ 505,506	\$ 598,026
Employee Benefits	\$ 165,357	\$ 187,475	\$ 213,982	\$ 277,673
Materials	\$ 13,810	\$ 18,202	\$ 18,751	\$ 20,232
Contract Services	\$ 216,177	\$ 151,312	\$ 252,914	\$ 333,821
Cost Allocation	\$ 106,461	\$ 126,644	\$ 233,018	\$ 275,796
Special Projects	\$ 766,657	\$ 530,233	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 4,858	\$ 8,851
Total Expenditures	\$ 1,697,984	\$ 1,466,313	\$ 1,229,029	\$ 1,514,399
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,074,854	\$ 1,461,825	\$ 547,130	\$ 1,514,399

Staffing

Total current positions - 3.90 FTE

Total proposed positions - 3.90 FTE

Traffic Signal Maintenance

Budget Unit 100-88-845

General Fund - Transportation - Traffic Signal Maintenance

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 811,832
Fund Balance	\$ -
General Fund Costs	\$ 811,832
% 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.

Proposed Budget

It is recommended that City Council approve a budget of \$811,832 for the Traffic Signal Maintenance program. This represents a decrease of \$86,782 (-9.7%) from the FY 2020-21 Adopted Budget.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ 10,182	\$ -	\$ -
Charges for Services	\$ -	\$ 3,666	\$ -	\$ -
Total Revenues	\$ -	\$ 13,848	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 128,810	\$ 217,978	\$ 229,892	\$ 252,216
Employee Benefits	\$ 49,213	\$ 92,420	\$ 104,817	\$ 114,015
Materials	\$ 185,601	\$ 135,471	\$ 156,848	\$ 158,596
Contract Services	\$ 51,337	\$ 17,500	\$ 46,025	\$ 47,406
Cost Allocation	\$ 84,404	\$ 81,649	\$ 175,960	\$ 234,449
Special Projects	\$ -	\$ 19,576	\$ 180,000	\$ -
Contingencies	\$ -	\$ -	\$ 5,072	\$ 5,150
Total Expenditures	\$ 499,365	\$ 564,594	\$ 898,614	\$ 811,832
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 499,365	\$ 550,747	\$ 898,614	\$ 811,832

Staffing

Total current positions - 2.00 FTE

Total proposed positions - 2.00 FTE

Safe Routes 2 School

Budget Unit 100-88-846

General Fund - Transportation - Safe Routes 2 School

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 846,271
Fund Balance	\$ -
General Fund Costs	\$ 846,271
% 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.
- Enhance bicyclist and pedestrian student safety through coordination of skills classes and distribution of educational material.

Proposed Budget

It is recommended that City Council approve a budget of \$846,271 for the Safe Routes 2 School program. This represents an increase of \$241,601 (40.0%) from the FY 2020-21 Adopted Budget.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Pedestrian Education	\$44,240	\$44,240	General Fund	Pedestrian education supplementing CUSD's curriculum
Riding for Focus Program	\$49,000	\$49,000	General Fund	Bicycle life skills program
Total	\$93,240	\$93,240		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 98,480	\$ 111,475	\$ 125,081	\$ 127,273
Employee Benefits	\$ 36,674	\$ 42,629	\$ 48,521	\$ 52,333
Materials	\$ 21,049	\$ 22,235	\$ 19,409	\$ 23,214
Contract Services	\$ 261,022	\$ 200,290	\$ 293,598	\$ 545,550
Cost Allocation	\$ 18,613	\$ 85,404	\$ 69,076	\$ 83,682
Special Projects	\$ -	\$ -	\$ 41,160	\$ -
Contingencies	\$ -	\$ -	\$ 7,825	\$ 14,219
Total Expenditures	\$ 435,838	\$ 462,033	\$ 604,670	\$ 846,271
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 435,837	\$ 462,032	\$ 604,670	\$ 846,271

Staffing

Total current positions - 1.00 FTE

Total proposed positions - 1.00 FTE

Minor Storm Drain Improvement

Budget Unit 210-90-978

Storm Drain Improvement - Non-Departmental - Minor Storm Drain Improvement

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 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.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Capital Outlays	\$ 4,000	\$ 4,000	\$ -	\$ -
Total Expenditures	\$ 4,000	\$ 4,000	\$ -	\$ -
Fund Balance	\$ (4,000)	\$ (4,000)	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Fixed Assets Acquisition

Budget Unit 630-90-985

Vehicle/Equip Replacement - Non-Departmental - Fixed Assets Acquisition

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,001,017
Fund Balance	\$ (1,001,017)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

This program purchases vehicles and equipment having a value greater than \$5,000 and expected life of more than one year. Equipment users are charged for the use of these assets through a depreciation schedule. Equipment used by Special Revenue and Enterprise funds are charged to the respective funds.

Service Objectives

- Obtain quality equipment through competitive bidding.
- Purchase energy efficient vehicles whenever practical.
- Purchase quiet, ergonomic and environmentally friendly equipment whenever practical.

Proposed Budget

It is recommended that City Council approve a budget of \$1,001,017 for the Fixed Assets Acquisition program. This represents an increase of \$616,995 (160.7%) from the FY 2020-21 Adopted Budget.

This increase is due to the new request for a Vac-Con Combination Sewer and Storm Drain Cleaner.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Vehicle Replacement	\$626,200	\$626,200	General Fund	Annual vehicle replacement
Vactor Truck	\$366,000	\$366,000	Special Revenue Fund	Storm drain maintenance vactor truck
Total	\$992,200	\$992,200		

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Cost Allocation	\$ -	\$ -	\$ 9,022	\$ 8,817
Special Projects	\$ 3,025	\$ -	\$ 375,000	\$ 992,200
Total Expenditures	\$ 3,025	\$ -	\$ 384,022	\$ 1,001,017
Fund Balance	\$ (3,025)	\$ -	\$ (384,022)	\$ (1,001,017)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

There are no changes to the current level of staffing.

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Non-Departmental

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Department Overview

Budget Units

Budget Unit	Program	2022 Proposed Budget
Non-Departmental		\$ 13,960,487
100-90-001	General Fund Transfers Out	\$ 11,269,487
281-90-001	Tree Fund Transfers Out	\$ 15,000
429-90-001	Capital Reserve Transfers Out	\$ -
365-90-500	Facility Lease Debt Service	\$ 2,676,000
Total		\$ 13,960,487

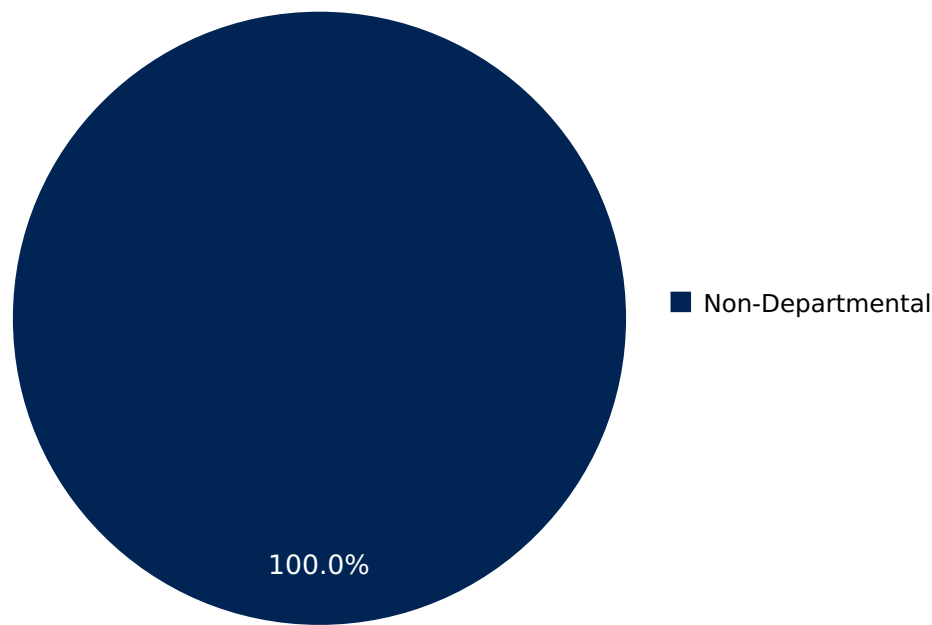
Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 13,960,487
Fund Balance	\$ (2,691,000)
General Fund Costs	\$ 11,269,487
% Funded by General Fund	80.7%
Total Staffing	0.0 FTE

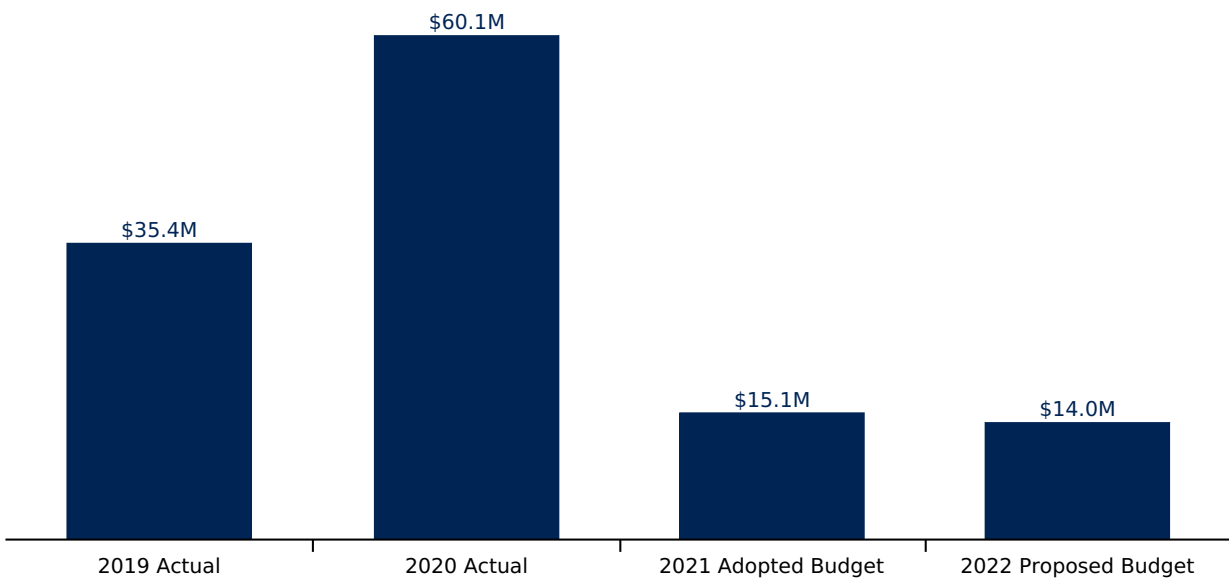
Proposed Budget

It is recommended that City Council approve a budget of \$13,960,487 for the Non-Departmental department. This represents a decrease of \$1,161,789 (-7.7%) from the FY 2020-21 Adopted Budget.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 126,433	\$ 173,764	\$ -	\$ -
Charges for Services	\$ 10,087	\$ 900	\$ -	\$ -
Total Revenues	\$ 136,520	\$ 174,664	\$ -	\$ -
Expenditures				
Materials	\$ 9	\$ 43	\$ -	\$ 17,503
Contract Services	\$ -	\$ 1,500	\$ -	\$ -
Cost Allocation	\$ 35,358,525	\$ 60,134,832	\$ 15,122,276	\$ 13,942,984
Total Expenditures	\$ 35,358,534	\$ 60,136,375	\$ 15,122,276	\$ 13,960,487
Fund Balance	\$ (325,730)	\$ (8,716,673)	\$ (5,173,587)	\$ (2,691,000)
General Fund Costs	\$ 34,896,284	\$ 51,245,038	\$ 9,948,689	\$ 11,269,487

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

General Fund Transfers Out

Budget Unit 100-90-001

General Fund - Non-Departmental - General Fund Transfers Out

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 11,269,487
Fund Balance	\$ -
General Fund Costs	\$ 11,269,487
% Funded by General Fund	100.0%
Total Staffing	0.0 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 fund the total budget costs associated with Annual Debt Payment, Compensated Absences, and Retiree Health.

Proposed Budget

It is recommended that City Council approve a budget of \$11,269,487 for the General Fund Transfers Out program. This represents an increase of \$1,320,798 (13.3%) from the FY 2020-21 Adopted Budget.

General Fund Transfers Out are as follows:

Receiving Fund	Description	Amount
Special Revenue Funds	Storm Drain, Non-Point Source, Sidewalk, Curb and Gutter Maintenance	\$6,457,824
Debt Service Funds	Annual Debt Payment	\$2,621,000
Enterprise Funds	Blackberry Farm Golf Course, Sports Center Operation, Outdoor Recreation	\$886,801
Internal Service Funds	IT Infrastructure, Compensated Absences, and Retiree Medial	\$1,286,359
Total		\$11,269,487

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Materials	\$ 9	\$ 43	\$ -	\$ 17,503
Cost Allocation	\$ 19,376,087	\$ 30,892,276	\$ 9,948,689	\$ 11,251,984
Total Expenditures	\$ 19,376,096	\$ 30,892,319	\$ 9,948,689	\$ 11,269,487
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 19,376,096	\$ 30,892,319	\$ 9,948,689	\$ 11,269,487

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Tree Fund Transfers Out

Budget Unit 281-90-001

Tree Fund - Non-Departmental - Tree Fund Transfers Out

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 15,000
Fund Balance	\$ (15,000)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 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.

Proposed Budget

It is recommended that City Council approve a budget of \$15,000 for the Tree Fund Transfers Out program. This budget is unchanged from the prior year.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 4,317	\$ 6,384	\$ -	\$ -
Charges for Services	\$ 10,087	\$ 900	\$ -	\$ -
Total Revenues	\$ 14,404	\$ 7,284	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 10,000	\$ 12,000	\$ 15,000	\$ 15,000
Total Expenditures	\$ 10,000	\$ 12,000	\$ 15,000	\$ 15,000
Fund Balance	\$ 4,404	\$ (4,716)	\$ (15,000)	\$ (15,000)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Capital Reserve Transfers Out

Budget Unit 429-90-001

Capital Reserve - Non-Departmental - Capital Reserve Transfers Out

Budget at a Glance

2022 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 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.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Use of Money and Property	\$ 122,116	\$ 167,380	\$ -	\$ -
Total Revenues	\$ 122,116	\$ 167,380	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 12,801,500	\$ 26,057,719	\$ 1,989,449	\$ -
Total Expenditures	\$ 12,801,500	\$ 26,057,719	\$ 1,989,449	\$ -
Fund Balance	\$ (328,634)	\$ (5,537,620)	\$ (1,989,449)	\$ -
General Fund Costs	\$ 12,350,750	\$ 20,352,719	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Facility Lease Debt Service

Budget Unit 365-90-500

Public Facilities Corp - Non-Departmental - Facility Lease Debt Service

Budget at a Glance

	2022 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 2,676,000
Fund Balance	\$ (2,676,000)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 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. On September 29, 2020, the City's 2020A Certificates of Participation (2020 COPs) were successfully sold in order to refund the City's 2012 Certificates of Participation for debt service savings. The refunding generated net present value savings of approximately \$3.14 million, 11.61% of refunded par and a True Interest Cost of 0.72%. Savings to the City's General Fund

amounts to approximately \$494,000 per year for the next 10 years, or almost \$5 million in total savings.

Schedule of Lease Payments

Bond Year (Ending June 1)	Principal	Interest	Annual Lease Payment
2021	2,140,000.00	536,306.67	2,676,306.67
2022	1,880,000.00	796,000.00	2,676,000.00
2023	1,955,000.00	720,800.00	2,675,800.00
2024	2,035,000.00	642,600.00	2,677,600.00
2025	2,115,000.00	561,200.00	2,676,200.00
2026	2,200,000.00	476,600.00	2,676,600.00
2027	2,285,000.00	388,600.00	2,673,600.00
2028	2,380,000.00	297,200.00	2,677,200.00
2029	2,475,000.00	202,000.00	2,677,000.00
2030	2,575,000.00	103,000.00	2,678,000.00
Total	\$22,040,000.00	\$4,724,306.67	\$26,764,306.67

Proposed Budget

It is recommended that City Council approve a budget of \$2,676,000 for the Facility Lease Debt Service program. This represents a decrease of \$493,138 (-15.6%) from the FY 2020-21 Adopted Budget.

The decrease is attributed to the savings achieved as a result of the refinancing completed in the fall of 2020.

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 Proposed Budget for the current fiscal year:

Category	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ -	\$ 1,500	\$ -	\$ -
Cost Allocation	\$ 3,170,938	\$ 3,172,837	\$ 3,169,138	\$ 2,676,000
Total Expenditures	\$ 3,170,938	\$ 3,174,337	\$ 3,169,138	\$ 2,676,000
Fund Balance	\$ (1,500)	\$ (3,174,337)	\$ (3,169,138)	\$ (2,676,000)
General Fund Costs	\$ 3,169,438	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Appendix

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Personnel Schedule

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	Change	FY 21-22
CITY COUNCIL/COMMISSIONS								
City Council	0.45	0.30	1.15	1.05	0.85	0.85	0.00	0.85
Sister Cities	0.05	0.05	0.10	0.10	0.40	0.10	0.00	0.10
Technology, Information & Communications Commission	0.10	0.10	0.00	0.00	0.05	0.07	0.00	0.07
Library Commission	0.05	0.05	0.05	0.05	0.03	0.10	0.05	0.15
Fine Arts Commission	0.15	0.15	0.15	0.15	0.15	0.15	0.00	0.15
Public Safety Commission	0.00	0.00	0.00	0.05	0.05	0.05	0.00	0.05
Bicycle and Pedestrian Commission	0.00	0.00	0.00	0.00	0.00	0.15	0.00	0.15
Parks and Recreation Commission	0.10	0.10	0.10	0.10	0.12	0.10	0.00	0.10
Teen Commission	0.25	0.30	0.30	0.30	0.30	0.30	0.00	0.30
Planning Commission	0.30	0.25	0.25	0.30	0.31	0.26	0.00	0.26
Housing Commission	0.15	0.15	0.15	0.15	0.15	0.15	0.00	0.15
Sustainability Commission	0.00	0.10	0.10	0.10	0.10	0.15	0.00	0.15
Audit Committee	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.10
	1.60	1.55	2.35	2.35	2.51	2.53	0.05	2.58
ADMINISTRATION								
City Manager	3.30	3.02	3.37	3.62	4.90	3.90	1.00	4.90
Sustainability	1.55	1.55	1.80	1.80	1.40	1.80	0.00	1.80
Office of Communications	0.00	0.00	1.85	2.15	2.65	2.95	0.00	2.95
Video	0.00	0.00	0.00	0.00	0.00	3.00	0.00	3.00
Community Outreach & Neighborhood Watch	0.00	0.00	0.00	0.00	0.75	0.75	0.00	0.75
Office of Emergency Management	0.00	0.00	0.00	0.00	0.95	0.95	1.00	1.95
Economic Development	0.00	0.00	0.00	0.00	1.00	1.00	-1.00	0.00
City Clerk	3.00	3.00	3.10	2.90	2.50	2.50	0.00	2.50
City Attorney	3.00	3.00	4.00	5.00	1.00	1.00	0.00	1.00
	10.85	10.57	14.12	15.47	15.15	17.85	1.00	18.85
INNOVATION & TECHNOLOGY								
Administration	1.15	2.45	0.85	0.70	0.55	0.53	0.00	0.53
Cupertino Scene	0.35	0.30	0.00	0.00	0.00	0.00	0.00	0.00
Video	2.95	3.40	3.25	3.20	3.25	0.00	0.00	0.00
Applications	0.95	0.80	3.20	3.45	3.45	3.50	0.00	3.50
Infrastructure	4.00	4.70	4.60	4.50	4.50	4.50	0.00	4.50
GIS	2.00	2.30	2.65	3.20	3.20	3.40	0.00	3.40
	11.40	13.95	14.55	15.05	14.95	11.93	0.00	11.93
ADMINISTRATIVE SERVICES								
Administration	2.50	2.50	2.80	3.80	3.80	3.75	0.00	3.75
Accounting	5.20	5.75	5.40	6.40	6.90	6.85	0.00	6.85
Business Licensing	1.10	0.55	0.60	0.60	1.10	1.10	0.00	1.10
Human Resources	3.15	3.15	2.85	2.85	3.85	3.85	1.00	4.85
Insurance Administration	0.35	0.35	0.35	0.35	0.35	0.35	0.00	0.35
	12.30	12.30	12.00	14.00	16.00	15.90	1.00	16.90
PARKS AND RECREATION								
Administration	2.95	2.85	2.90	3.85	4.55	4.55	-0.05	4.50
Business and Community Services	8.85	9.55	10.60	10.30	8.00	7.45	-1.20	6.25
Recreation and Education	5.58	11.85	10.70	10.00	10.05	10.55	-2.00	8.55
Sports, Safety and Outdoor Recreation	6.00	8.83	10.93	10.65	9.50	9.35	-0.77	8.58
Senior Center/Stevens Creek Trail/Blue Pheasant	8.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Community Outreach	0.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	32.18	33.08	35.13	34.80	32.10	31.90	-4.02	27.88

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	Change	FY 20-21
COMMUNITY DEVELOPMENT								
Administration	0.90	0.55	0.55	0.55	0.60	0.50	0.00	0.50
Planning	8.60	10.63	10.63	10.58	9.67	9.97	0.10	10.07
Housing Services	0.80	0.80	0.80	0.80	0.80	0.80	0.90	1.70
Building	13.30	13.95	13.85	13.95	13.97	14.22	1.00	15.22
Economic Development/RDA Successor Agency	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Muni/Building Code Enforcement	2.70	1.25	1.25	1.25	0.25	0.00	0.00	0.00
Code Enforcement	0.00	0.00	0.00	0.00	3.00	3.00	0.00	3.00
	27.30	28.18	28.08	28.13	28.29	28.49	2.00	30.49
PUBLIC WORKS								
Administration	3.25	3.25	3.25	3.25	2.05	3.05	0.00	3.05
Environmental Programs	6.22	6.22	6.27	6.20	6.10	7.55	0.97	8.52
Development Services	7.40	7.40	7.50	8.50	11.50	11.20	-0.50	10.70
Service Center	2.70	3.70	3.05	2.55	3.65	3.50	0.00	3.50
Grounds	19.75	19.75	19.60	20.00	20.00	20.00	0.00	20.00
Streets	13.65	13.65	13.95	13.95	13.95	13.45	0.00	13.45
Trees and Right of Way	16.40	16.40	16.40	16.00	17.00	17.00	0.00	17.00
Facilities and Fleet	8.15	8.15	8.00	8.00	8.00	8.00	0.00	8.00
Transportation	4.60	5.60	6.50	6.50	6.50	6.40	0.50	6.90
	82.12	84.12	84.52	84.95	88.75	90.15	0.97	91.12
LAW ENFORCEMENT								
Code Enforcement	2.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00
	2.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00
Total Benefitted Positions	179.75	185.75	192.75	196.75	197.75	198.75	1.00	199.75
Total Benefitted Positions (including Councilmembers)	184.75	190.75	197.75	201.75	202.75	203.75	1.00	204.75

CIP Schedule

Note: The FY 2021-22 Proposed Budget doesn't currently include funding for capital projects as those will be discussed after the printing of this document at a study session on the Capital Improvement Program (CIP). The CIP Schedule will be updated as part of the printing of the final budget document.

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