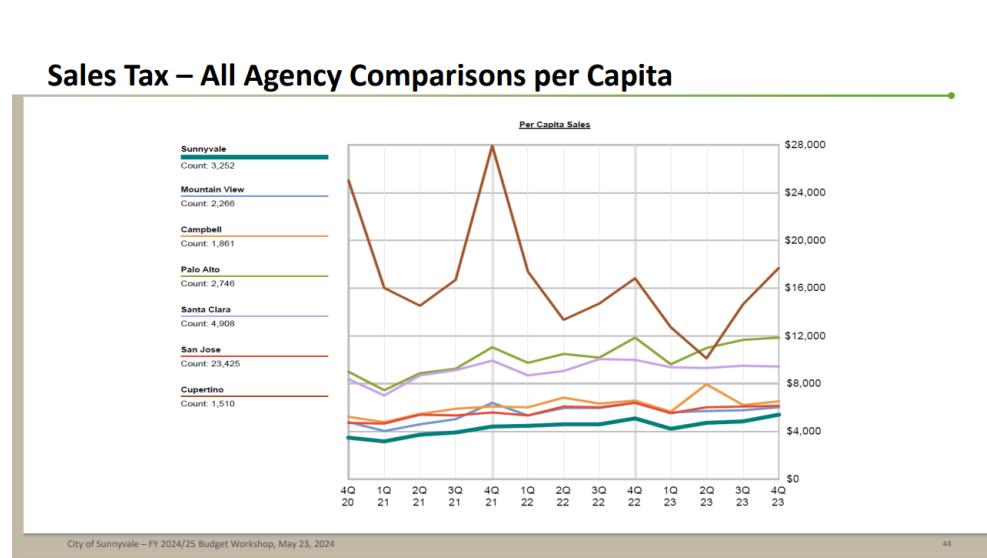


RESPONSE TO COUNCIL QUESTIONS RE: 5/23/2024 BUDGET WORKSHOP

Council Question/Request: On Sales Tax (slide 44) – All Agency Comparisons per Capita slide, what is the \$4,000?

Staff Response: The scale on the right-hand vertical axis represents the dollar amount per capita. As shown on the chart, Sunnyvale is at the lowest for sales per capita in this comparison against other local agencies. This underscores the importance of effective land use planning and economic development to ensure the preservation and expansion of retail within Sunnyvale's borders, contributing to sales tax revenue stability and growth.



Council Question/Request: UUT projection – How much of the loss in revenue for the Gas Tax is offset by the increase of usage of EV chargers (electric)?

Staff Response: Revenue from the sales of gasoline and diesel don't only generate gas tax but also sales tax revenue. The City receives approximately \$9.4M total from Gas Tax, Road Maintenance and Rehabilitation funds, and sales tax from fuel and service stations per year. UUT revenue from electricity totals approximately \$8.3M per year. A blog post on Consumer Reports estimates that if every car and light truck in the US were switched to electric today the increase demand on the electric grid would be 22%. It is very unlikely that the UUT gained from charging EVs will totally offset the revenues received related to gasoline consumption.

Council Question/Request: Golf – Provide where we are with the master plan and what the pieces are recommended and the estimated costs?

Staff Response: Project 836150 – Golf Course Assessment is planned to begin in FY 2024/25. Some of the needs identified in the recently completed Golf Study include:

- Features rebuilding (greens, tees, and bunkers).
- Re-grassing both courses.
- Arbor management.
- Clubhouse replacement/refurbishment.
- Maintenance facility repairs/upgrades.

A copy of the Sunnyvale Golf Courses Study report has been attached to this response as Exhibit A.

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Council Question/Request: Did not see any concessions for Sunnyvale Muni Golf Course?

Staff Response: When the new Oracle system was put into place the chart of accounts was consolidated to simplify where charges should go. Staff can break out the concessions for Sunnyvale Municipal Golf Course into a separate account to provide more visibility.

Council Question/Request: Suggest splitting golf and tennis pieces going forward into separate funds.

Staff Response: Tennis operations is in its own program for tracking operating costs, however it is rolled up in the Golf and Tennis Operations Fund. Going forward staff can separate golf and tennis into two operations lines for transparency purposes. Due to its small size, staff does not recommend breaking it into two separate funds.

Council Question/Request: How is the trust fund investment going?

Staff Response: The current balance in the Pension Trust is \$20,971,637 with a return since inception of 5.82%. The current balance in the OPEB Trust is \$168,894,413 with a return since inception of 7.28%.

Council Question/Request: NOVAworks – Would like to get an update on what are the populations that are served especially those that have been laid-off?

Staff Response: NOVAworks' unique model registers and serves every customer who seeks our services including the unhoused, students and recent graduates, and people re-entering the workforce. Regarding those that have been laid-off, see attached Exhibit B for an infographic that presents a monthly snapshot of the Adult and Dislocated Workers customers that we served in April.

Council Question/Request: Provide an update on the Clean Water Master Plan and Recycled Water Master Plan.

Staff Response: In April 2023, HydroScience Engineers (HSe) was hired to develop the Recycled Water Master Plan. The project is currently in progress and expected to be finished by summer 2024.

The Sunnyvale Clean Water Program Master Plan update is currently in progress and about 75% complete. The draft is expected to be completed by November 2025 with Council adoption scheduled for December 2026 after the completion of the CEQA review. The project scope includes updating all elements of the current Master Plan to account for regulatory and land use changes. It also includes the design of the cogeneration engines.

A copy of the Sunnyvale Cleanwater Program Bimonthly Report – Final (Jan-Feb 2024) has been attached to this response as Exhibit C.

Council Question/Request: What are the plans to replace other sewer lines in the city?

Staff Response: The City conducts CCTV inspections of the sewer system on an ongoing basis to assess the conditions of the sewer lines. Certified crew staff reviews the videos and reports, prioritizes pipes according to the severity of their defects, and add them to one of two CIP projects: 805253 – Sewer Emergency Repair and Replacement, is for pipes that require spot repairs; and 825331 – Replacement/Repair/Rehabilitation of Sanitary Sewer System, is for pipes that need to be replaced or rehabbed in its entirety. Project 805253 current contains over 150 pipes with defects that require replacement or spot repairs. These repairs are addressed by either in-house crew or a qualified contractor on an ongoing basis depending on staff and equipment availability. The list for project 825331 currently has a total of 10,500 LF of pipes ranging from 6" to 12" and is currently under design and will be advertised for construction by July 2024. The budget for pipe

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replacements over the next 20 years is \$49,000,000, while the budget for spot repairs is \$8,100,000 for the same period.

Copies of the project information sheets from Volume II of the FY 2024/25 Recommended Budget for projects 805253 and 825331 are attached to this response as Exhibit D.

Council Question/Request: Trash capture - How is this communicated to staff for sites that are blocked? Update Council with the process of how the department is detecting, managing and staffing for this process.

Staff Response: The City has a program in place to clean all capture devices twice a year. In addition to the twice a year cleaning, during storm events staff will conduct patrols to clean any trash capture devices that are blocked and causing localized flooding. Staff also responds to service requests from Sunnyvale residents to clean any blocked trash capture devices.

Council Question/Request: Tree maintenance – Can you provide a report to council on where we stand on trees and how we are tracking that?

Staff Response: Fiscal YTD, the Tree Program has pruned approximately 3,900 Right of Way trees (3,000 by contractor, 900 by City Staff). The current block pruning contract of 3,000 street trees just ended and the City is negotiating an additional 3,000-5,000 trees pruned over the next fiscal year, per agreement, with the current vendor. Regarding the “back log” pruning contract, a vendor has been selected and is in process for a contract award with Council this summer.

In general, most of the work occurred west of Sunnyvale/Saratoga Road., south of Central Expressway and north of Remington Drive. The work was directed focused there as that area has the most emergency call outs due to limb or tree failure, which is directly related to tree species (i.e., Chinese Pistache, Liquidambar). Once the block pruning contract is renewed and the backlog pruning contract is in place, we will be able to address other areas throughout the City.

Council Question/Request: How many buffered bike lanes and trails do we have? What is being planned in the next year or two? Where?

Staff Response: We currently have 19.3 miles of Class I (shared-use path facilities) and 12.8 miles of Class IIB (buffered bicycle lanes). We are currently working on the design of Class I facility on Evelyn Avenue between Mathilda Place and Bernardo Avenue (1.13 miles). We are also studying Mathilda Avenue between Almanor Avenue and Del Rey Avenue in the southbound direction for 0.26 miles of Class IIB facility and designing Maude Avenue between Bayview Avenue and Fair Oaks Avenue for 0.6 miles of Class IIB facility.

Council Question/Request: How many crosswalks are being evaluated and what is the backlog?

Staff Response: We are currently working on 14 locations for crosswalks/crosswalk improvements and have 38 other requested locations in the queue waiting.

It is anticipated that the crosswalk backlog can be addressed in approximately 12-18 months once the team is fully staffed. Please note that this same team also performs work related to Development Review, so if there is a spike in development activity, crosswalk/transportation studies may be delayed.

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Council Question/Request: Regarding the Housing Element, can staff provide an update on the different programs in the Housing Element and when they are moving forward?

Staff Response: Community Development staff is working out the details of implementing the Housing Element programs along with other study items. We are currently filling vacancies in Planning and Housing and will have more detailed schedules in a month or two.

Council Question/Request: Please provide a schedule for completion of the Arques Specific Plan.

Staff Response: Community Development staff met with their consultant on May 30 for a check-in, and the latest update is that we are on track for a summer 2025 completion date.

Council Question/Request: Please provide an update on the negotiations for the Tier 2 water allocation negotiations.

Staff Response: The Tier 2 water allocation negotiation started in early 2022 and is due to finish by the end of 2024. The negotiation focuses on building a model to allocate water usage cutbacks among the 26 SFPUC wholesale water customers during a regional drought. If agencies fail to achieve the allocated cutback, SFPUC will continue to deliver water but will impose an excess water charge. The latest version of the model shows that if SFPUC were to call for a regional cutback of 20%, the 26 wholesale agencies would be allocated a cutback target ranging from 6% to 30%, with Sunnyvale's target being around 24%. For Sunnyvale to agree to such a reduction target, staff will recommend to the City Council to consider approving the new Tier 2 model if and only if the two elements described below are agreed upon. Otherwise, Sunnyvale could be exposed to significant surcharge fees during a drought when Tier 2 is activated. In the event that the 26 agencies cannot come to an agreement on this Tier 2 negotiation, the SFPUC will then set the target for each agency.

A few elements are still under negotiation, including the establishment of a "Family Plan," in which SFPUC would not impose an excess water charge as long as the 26 agencies collectively achieve the regional target. Another element is a "Rebound Period" after a drought during which SFPUC would waive the take-or-pay penalties for the four agencies—with Sunnyvale being one of them—that have minimum purchase requirements (MPR). In parallel to this Tier 2 negotiation, the four MPR agencies are also negotiating with SFPUC to reduce the MPR permanently. SFPUC has tentatively agreed to these elements, and most agencies are supportive of them. The next negotiation meeting is scheduled for June 10.

Council Question/Request: Please provide background on how the locations for Automated License Plate Readers will be determined.

Staff Response: The process for determining placement of ALPRs will involve staff members from Police Services, Special Operations and the vendor, a subject matter expert on strategic placement of ALPRs. Several considerations will guide this process. Analysis of major thoroughfares, consideration of ALPRs in neighboring jurisdictions and evaluation of strategic placement. By considering these factors and leveraging the expertise of staff in Police Services, Special Operations, and the vendor organization, DPS can strategically and effectively deploy ALPRs to enhance public safety.

Council Question/Request: Please update what the "New organics processing at the plant" will accomplish.

Staff Response: SMaRT station has installed new food scraps pre-processing equipment which is expected to increase diversion. The old equipment had reached its end of life. This new machine will increase material

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processing capacity and is expected to increase recovery rate by 30-35%. This project is grant funded by CalRecycle.

Council Question/Request: Please provide schedule and Outreach plan for future Split Bin replacement.

Staff Response: In response to community feedback, staff is continuing to explore alternate designs for the garbage / food cycle split carts. Currently, replacement of the existing split garbage / food cycle carts with new-design carts is planned for 2027. This timing is cost-effective as the current carts have a warranty life of ten years and are due for replacement in 2027. Changing the design will have a cost impact. The cost to replace all 31,000 carts like for like is about \$4.6 million while replacing the carts with a new design will likely be around \$5.6 Million. Costs are typically spread over the 10-year period so the rate impact will be spread over that period. There may also be a subsequent increase in cost if the garbage disposal volume increases as a result of the new cart design.

This project is still in early phases. Specialty has identified a manufacturer who can produce the needed volume of 31,000 carts. However, Specialty must first test them in the field to determine if they are functional, durable and meet the needs of the program. Staff will develop an outreach plan as we work with the manufacturer and get more information. Outreach will be conducted with residents during the testing period. Staff will present the proposed cart to Council at the appropriate time for discussion and approval.