



Sunnyvale

2020 Study Issues/ Budget Issues Workshop

February 27, 2020

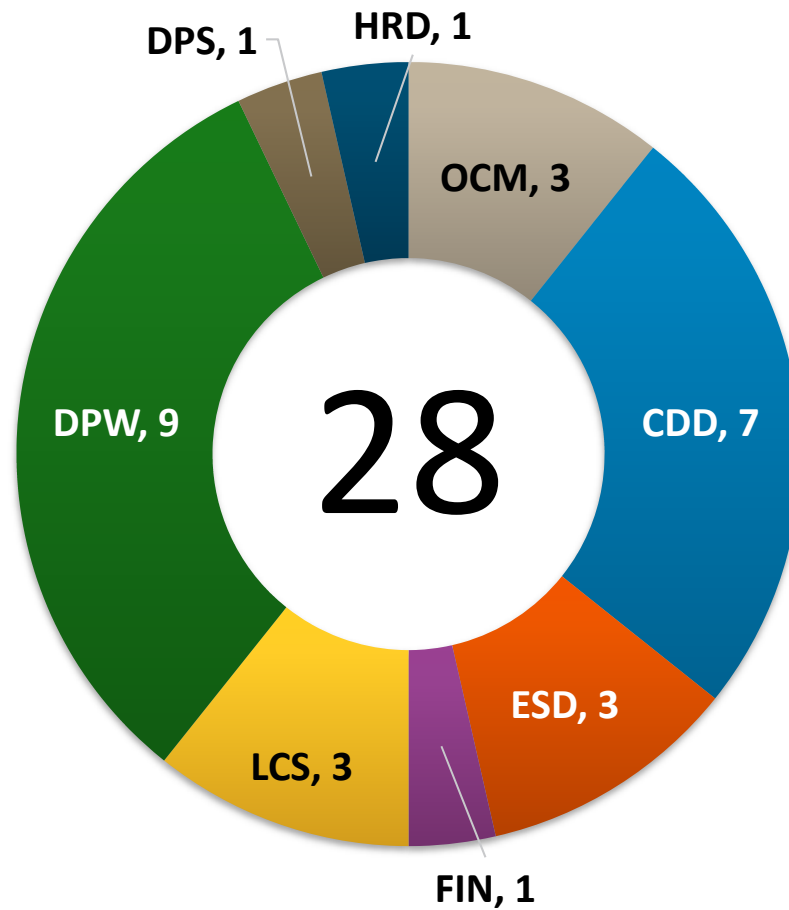




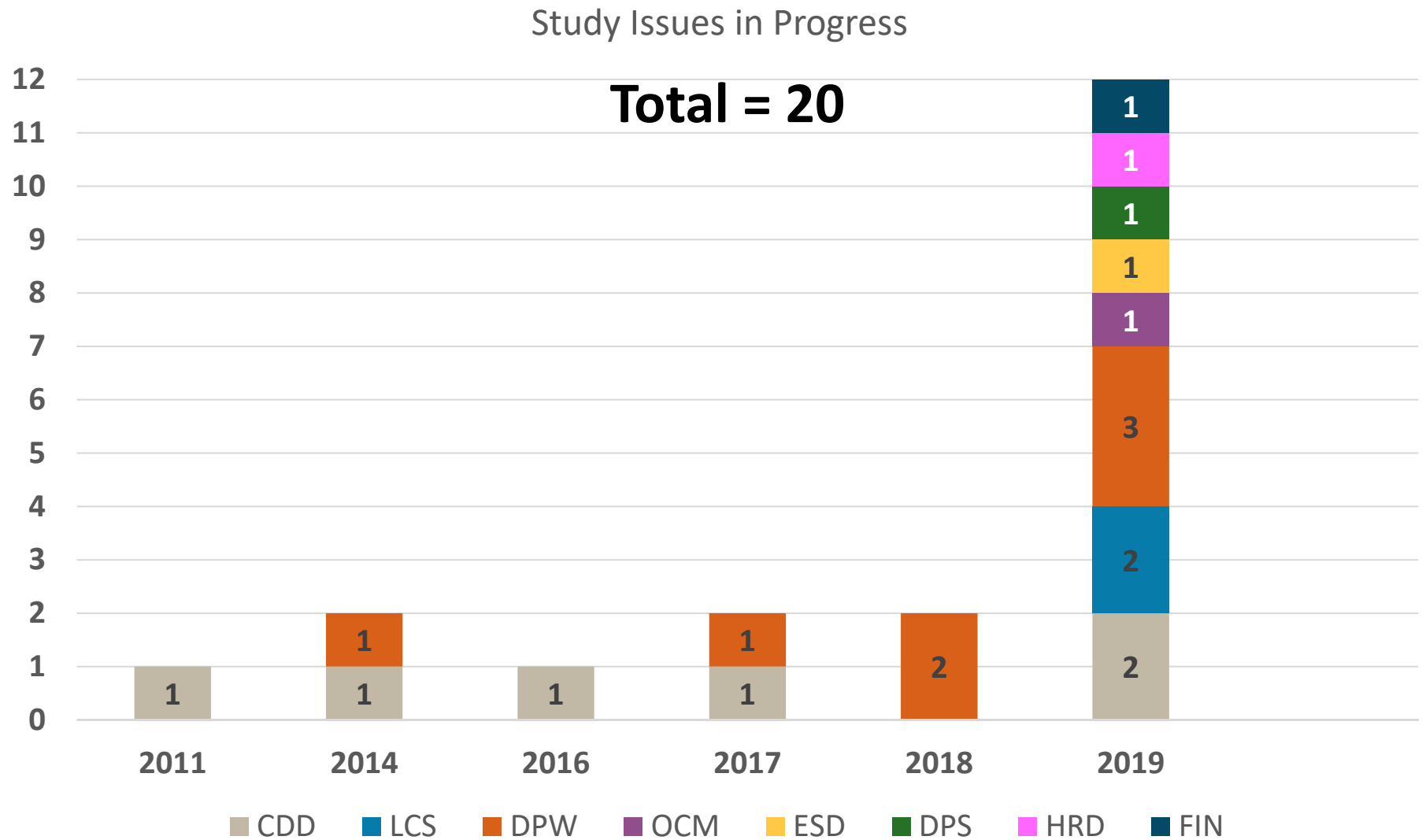
Introduction

Kent Steffens
City Manager

2019 Study Issues Workshop Results



Study Issues in Progress- Year/Department



Completed Study Issues Post- 2019 Workshop

8 STUDY ISSUES

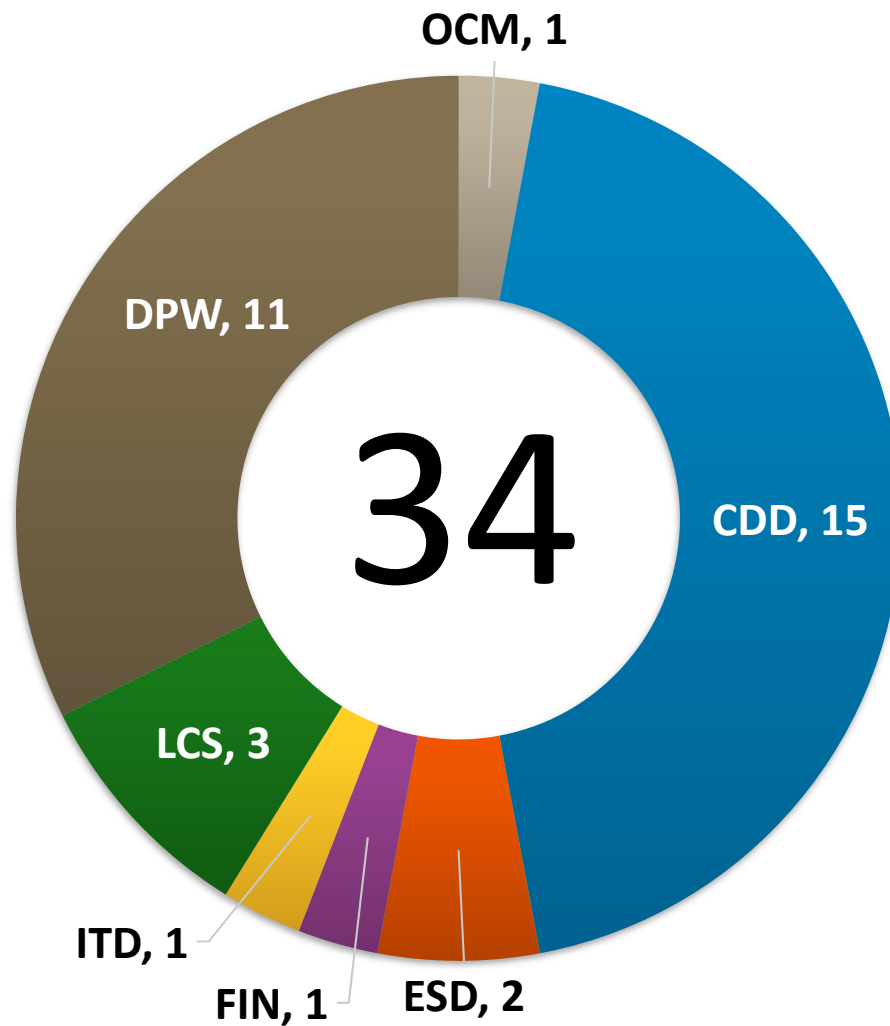
- ✓ CDD 14-10 Update to the Murphy Avenue Design Guidelines
- ✓ DPW 16-01 Develop a Vision Zero Plan-Total Elimination of Traffic Fatalities
- ✓ DPW 18-08 Develop a Dockless Bicycle Share Pilot Program
- ✓ ESD 13-05C Eco-district Feasibility and Incentives
- ✓ ESD 18-01 Encouraging Heat Pump Water and Space Heating
- ✓ LCS 19-01 Options and Benefits of Establishing a Library Foundation
- ✓ OCM 17-01 Storing Outdoor Dining Furniture Overnight on Sidewalks on Murphy Avenue
- ✓ OCM 19-01 Council Policy on Display of Flags at City Hall

Continuing Study Issues Completion Target

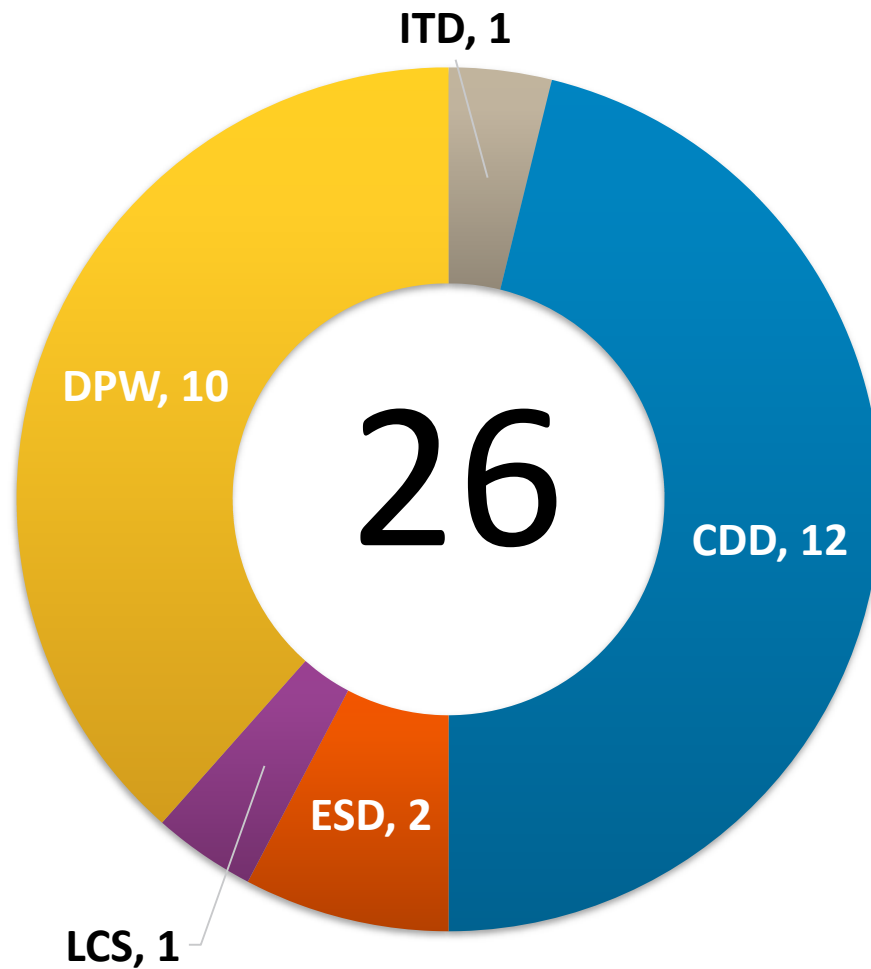
Estimated Completion by Spring 2020: 9 Study Issues

- ☐ CDD 11-02 Downtown Development Policies for Parking
- ☐ CDD 16-14 Exploring Options for Establishment of a Plaque Program for Heritage Resources
- ☐ CDD 17-09 2017 Housing Strategy
- ☐ CDD 19-01 Evaluation of Right-To-Lease Ordinance
- ☐ DPW 14-13 Scoping of Grade Separations for Caltrain Crossings at Mary Avenue and Sunnyvale Avenue
- ☐ FIN 19-01 Evaluate Options for Revisions to the Sunnyvale Business License Tax
- ☐ HRD 19-01 Develop a Workforce Initiative That Creates Partnerships to Develop a Pipeline for Students to Enter Public Sector Employment
- ☐ LCS 19-02 Consider Options for Establishing an Amnesty Program for Overdue Library Material Fines
- ☐ DPS 19-01 Ban the Sale of Flavored Tobacco Products

2020 Proposed Study Issues



Proposed Study Issues Requiring a Budget Supplement



\$3.93 Million



Sunnyvale

Mid-Year Budget Update for 2020

Tim Kirby

Director of Finance

Agenda

Major Revenue Overview



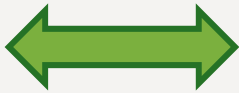





Expenditure Overview

Pension Update

Recommended Budget Approach

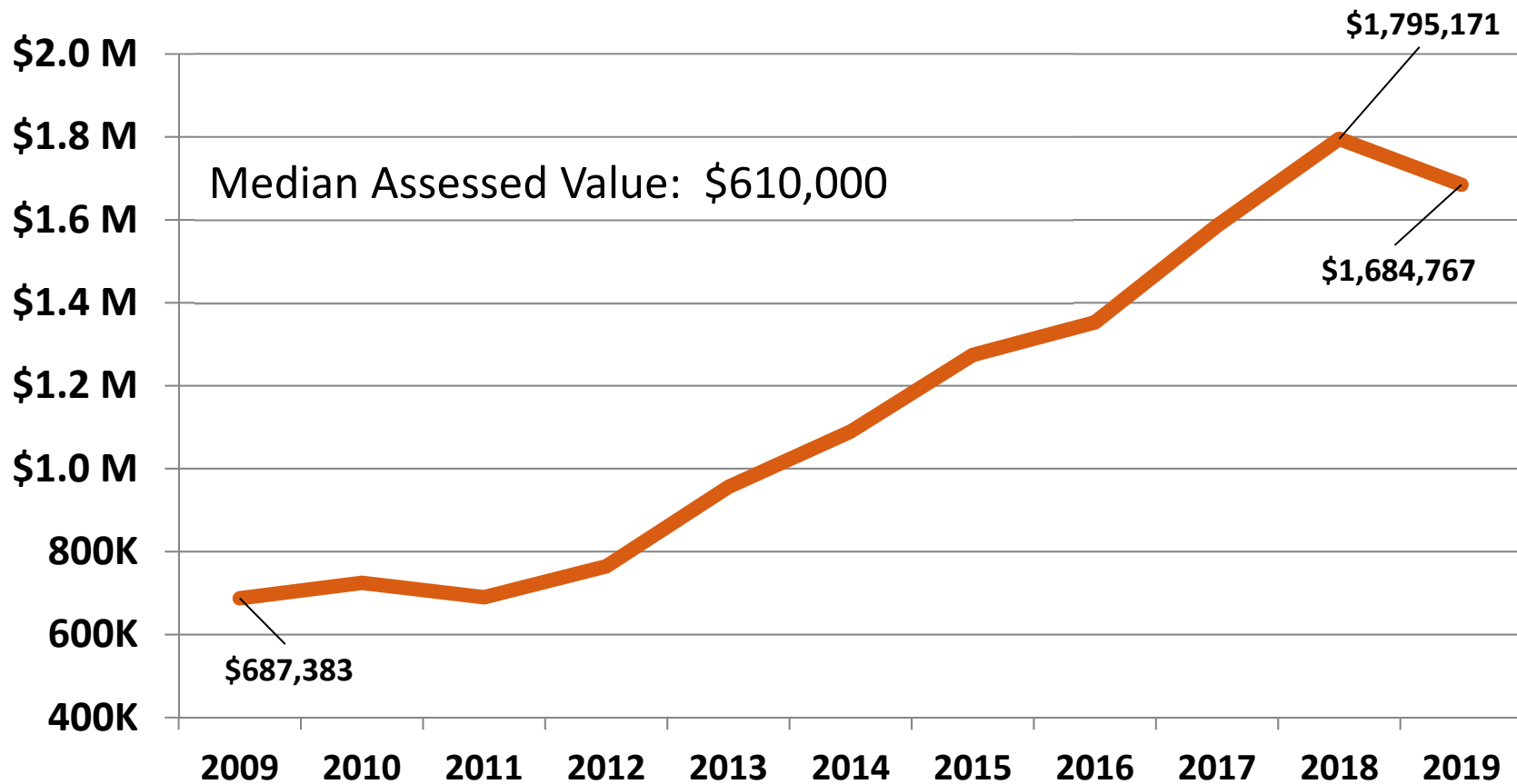
Conclusion

Major General Fund Revenues

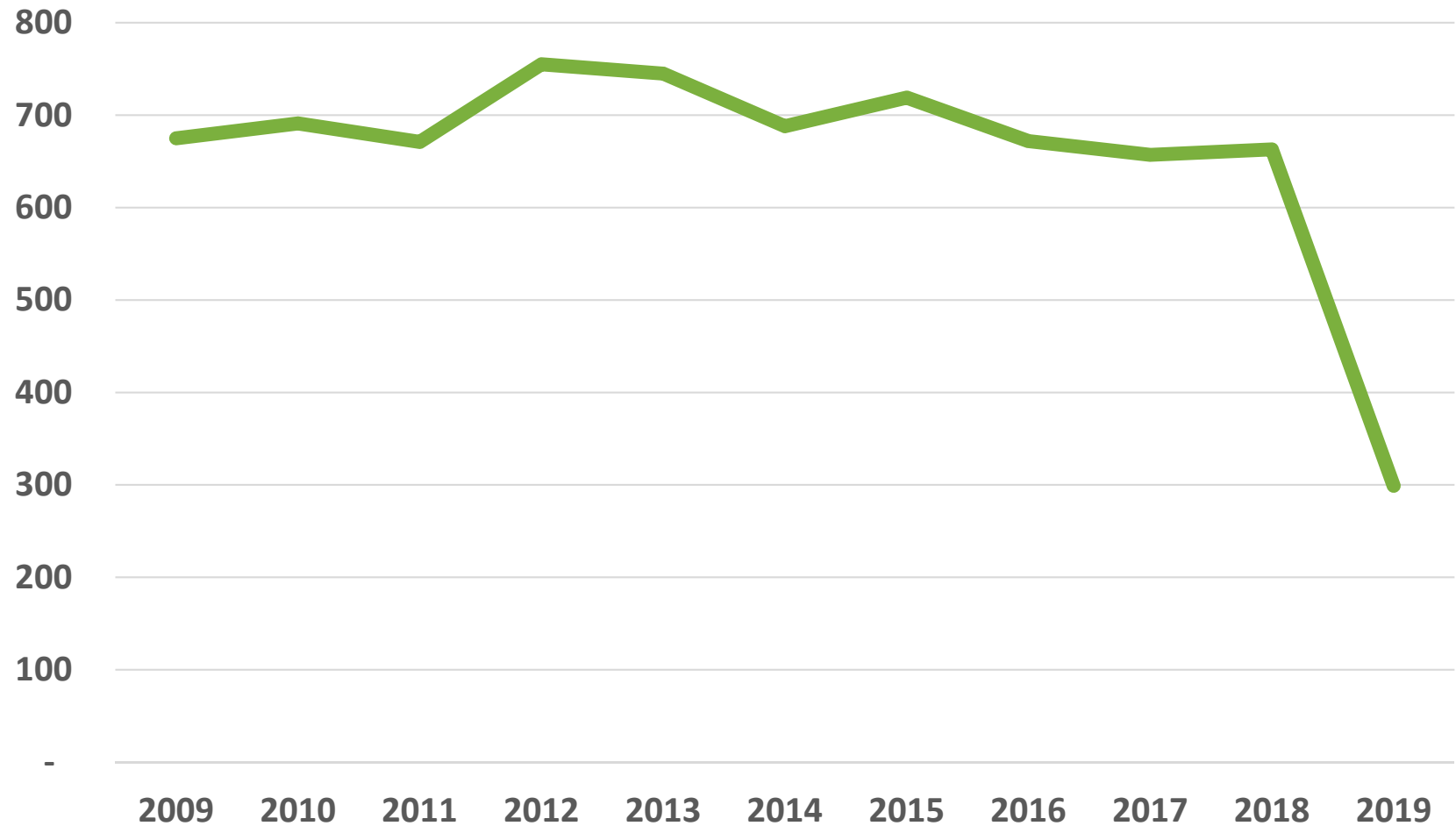
	Stable	FY 2019/20 Trend vs. Planned	City Controlled	Percent of General Fund Budget
Property Tax				42%
Sales Tax				15%
TOT				10%
UUT				4%
Total				71%

* View as a group, not individually

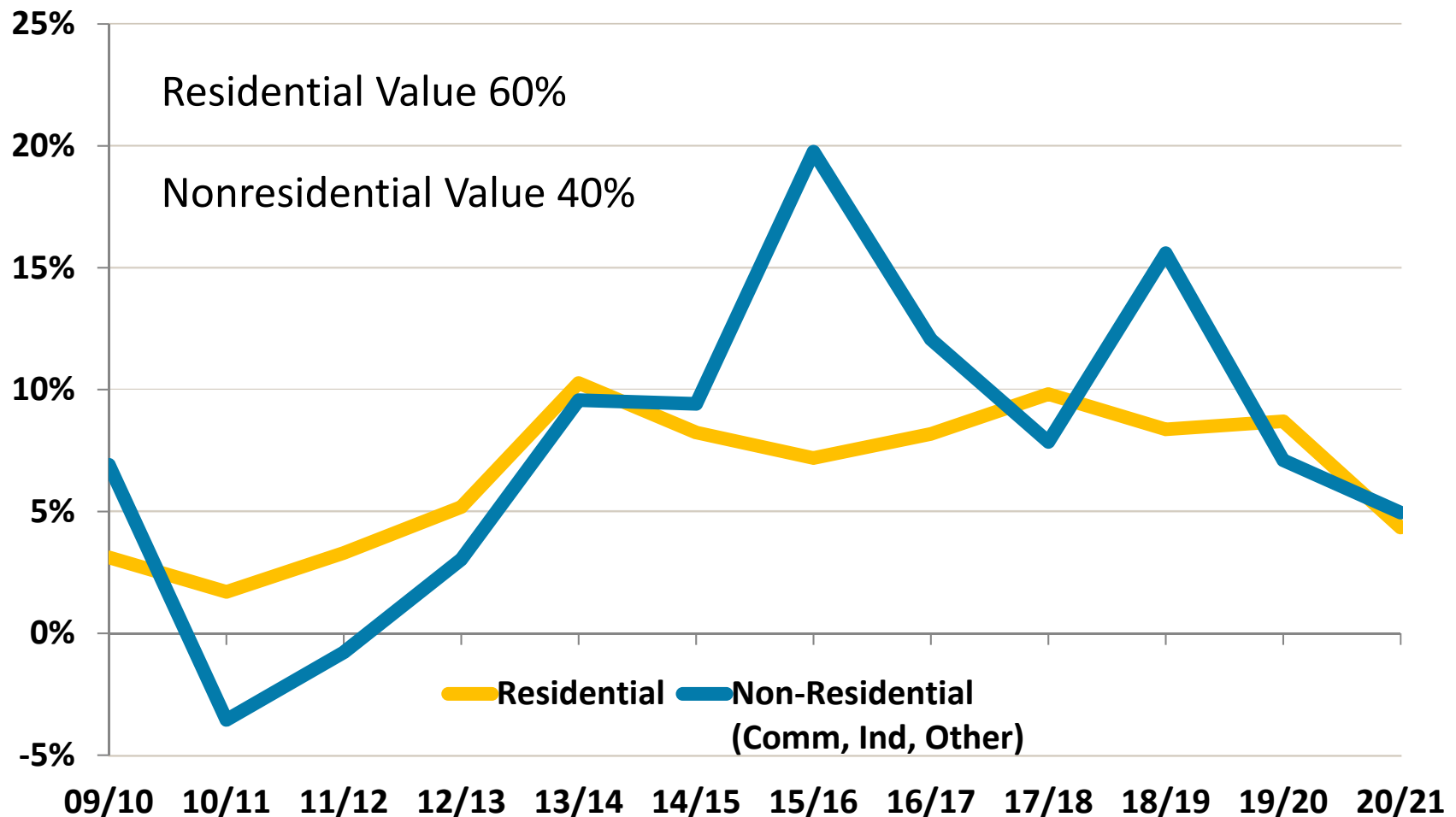
Single Family Average Price History



Number of Single Family Full Value Sales



Property Tax Revenue Growth History



Sales Tax by Major Industry Group

Business And Industry

State & County Pools

Autos And Transportation

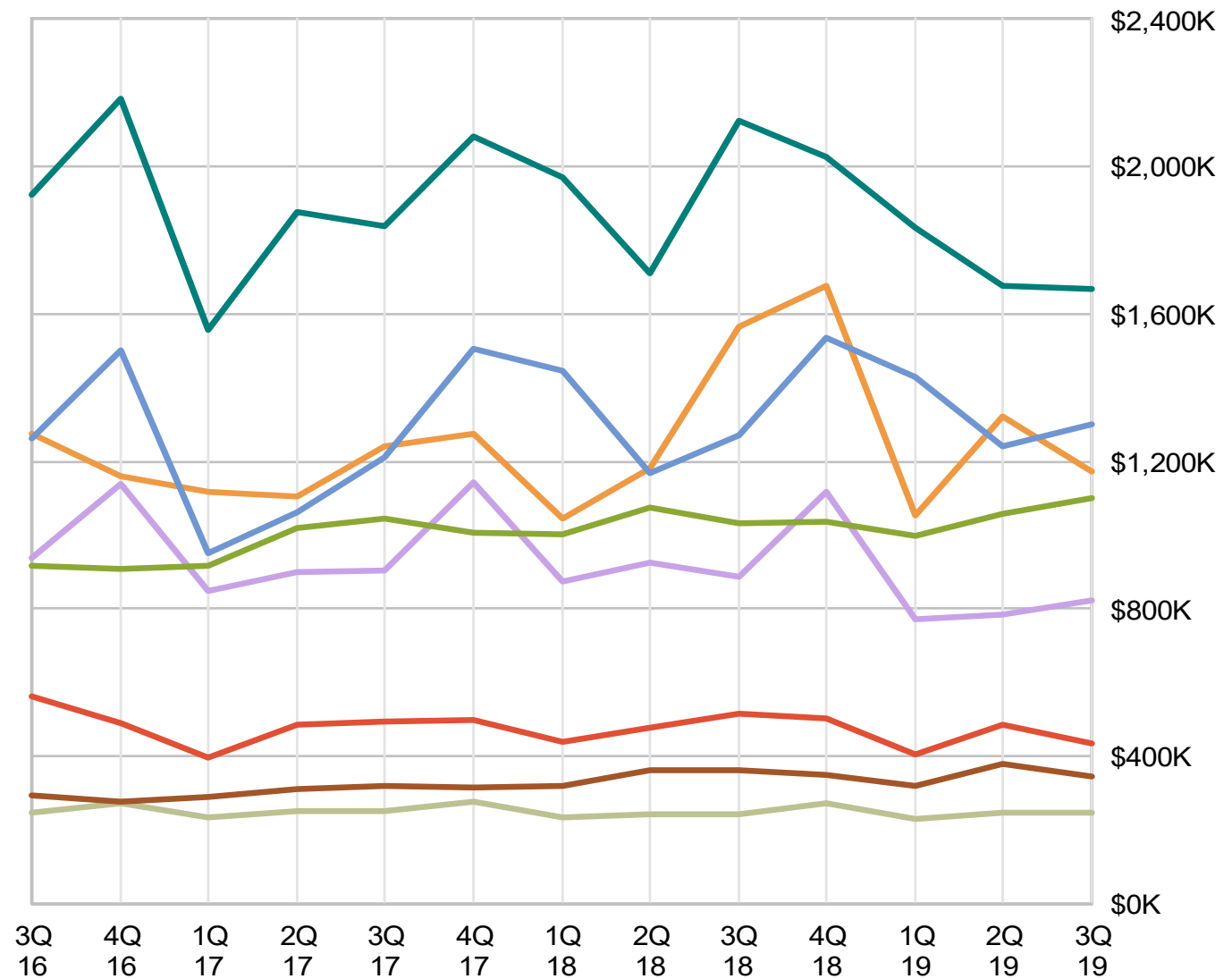
Restaurants And Hotels

General Consumer Goods

Building And Construction

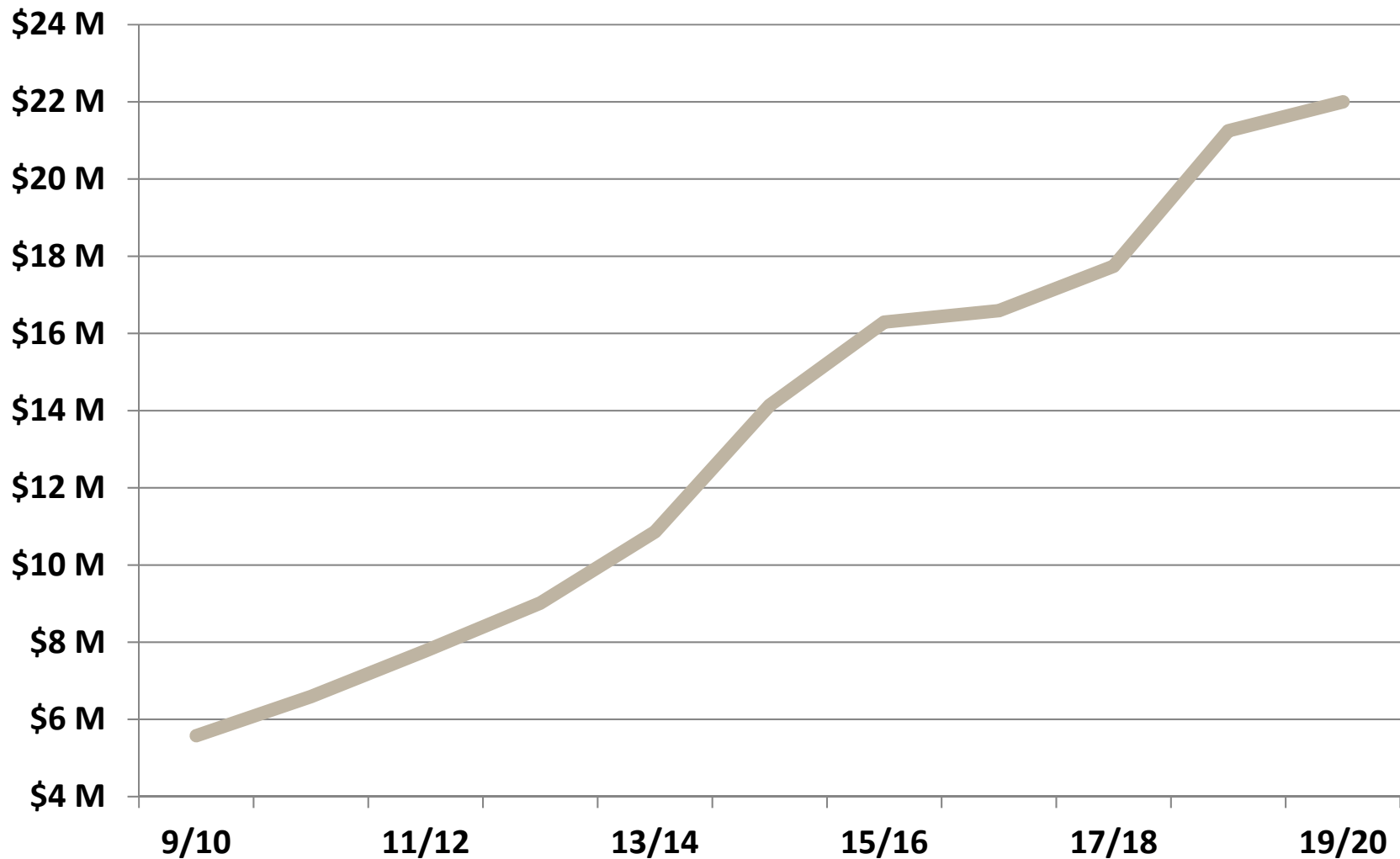
Fuel And Service Stations

Food And Drugs



Source: HDL

Transient Occupancy Tax Historical

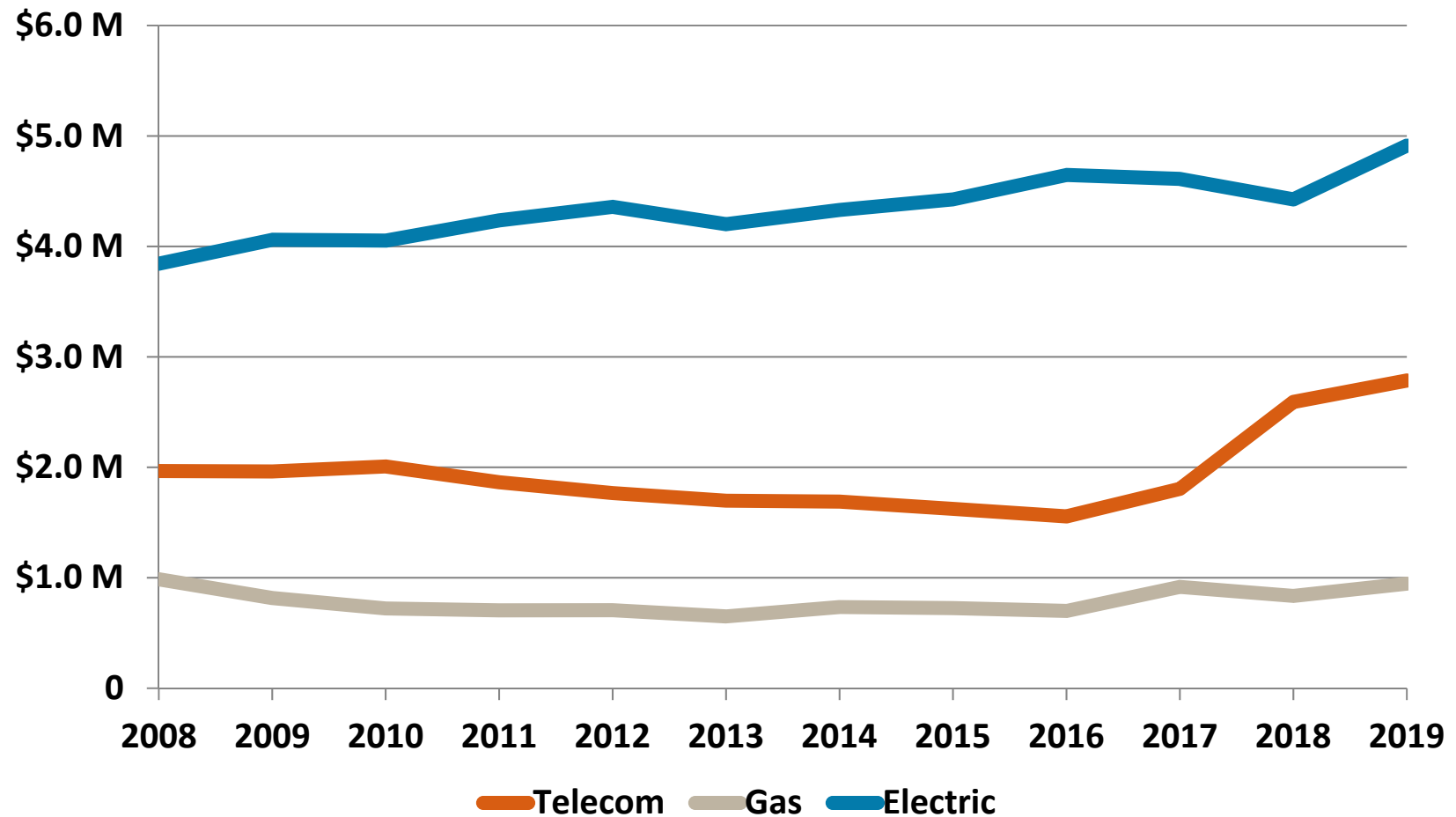


Transient Occupancy Tax FY 20/21 Assumptions

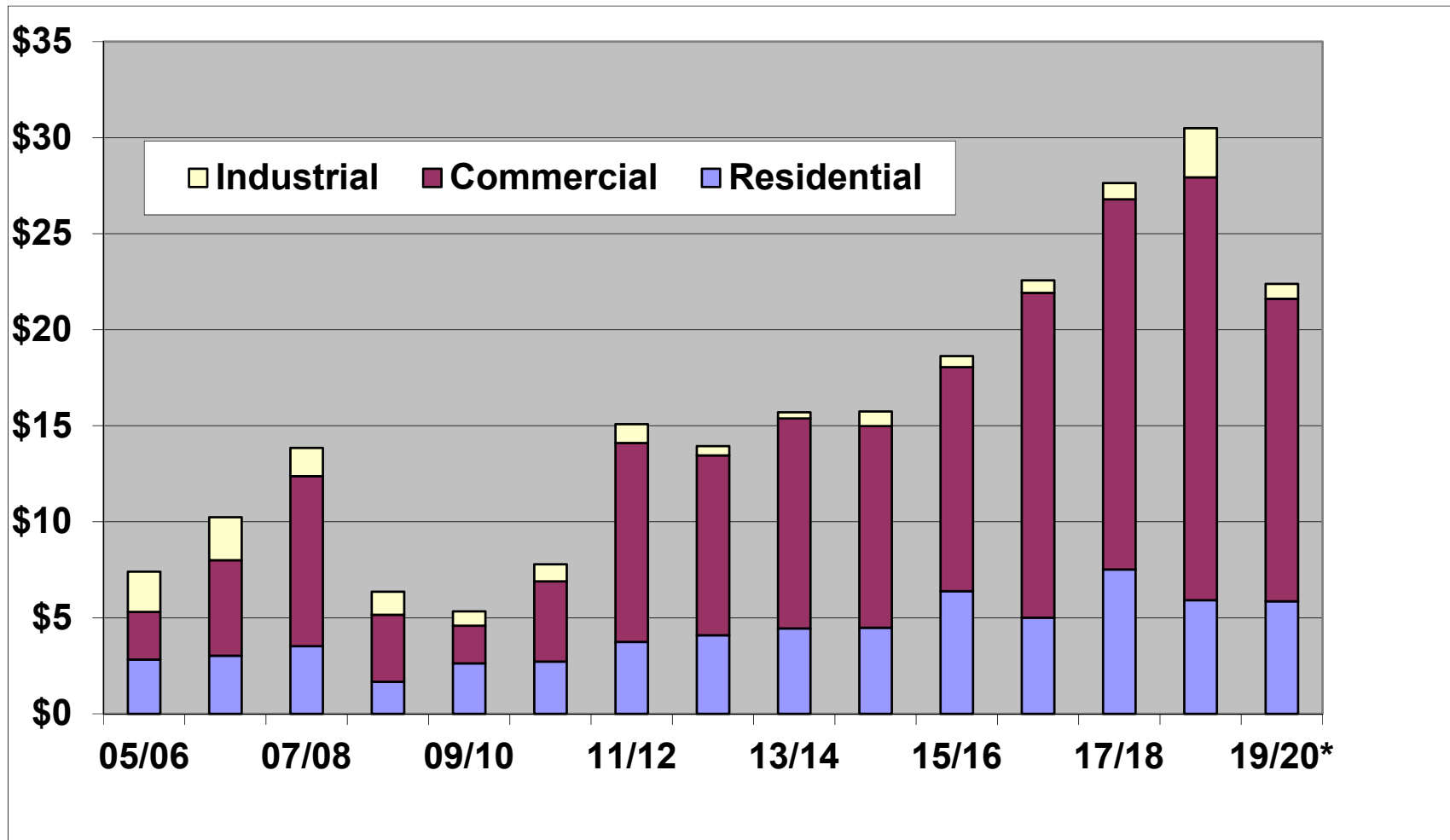
	Economy Hotels	Premium Hotels
Occupancy Rate	70%	77%
Avg. Room Rate	\$135	\$216
Available Rooms ⁽¹⁾	1,342	2,348

(1) Exclude rooms exempt from TOT

Utility Users Tax Historical

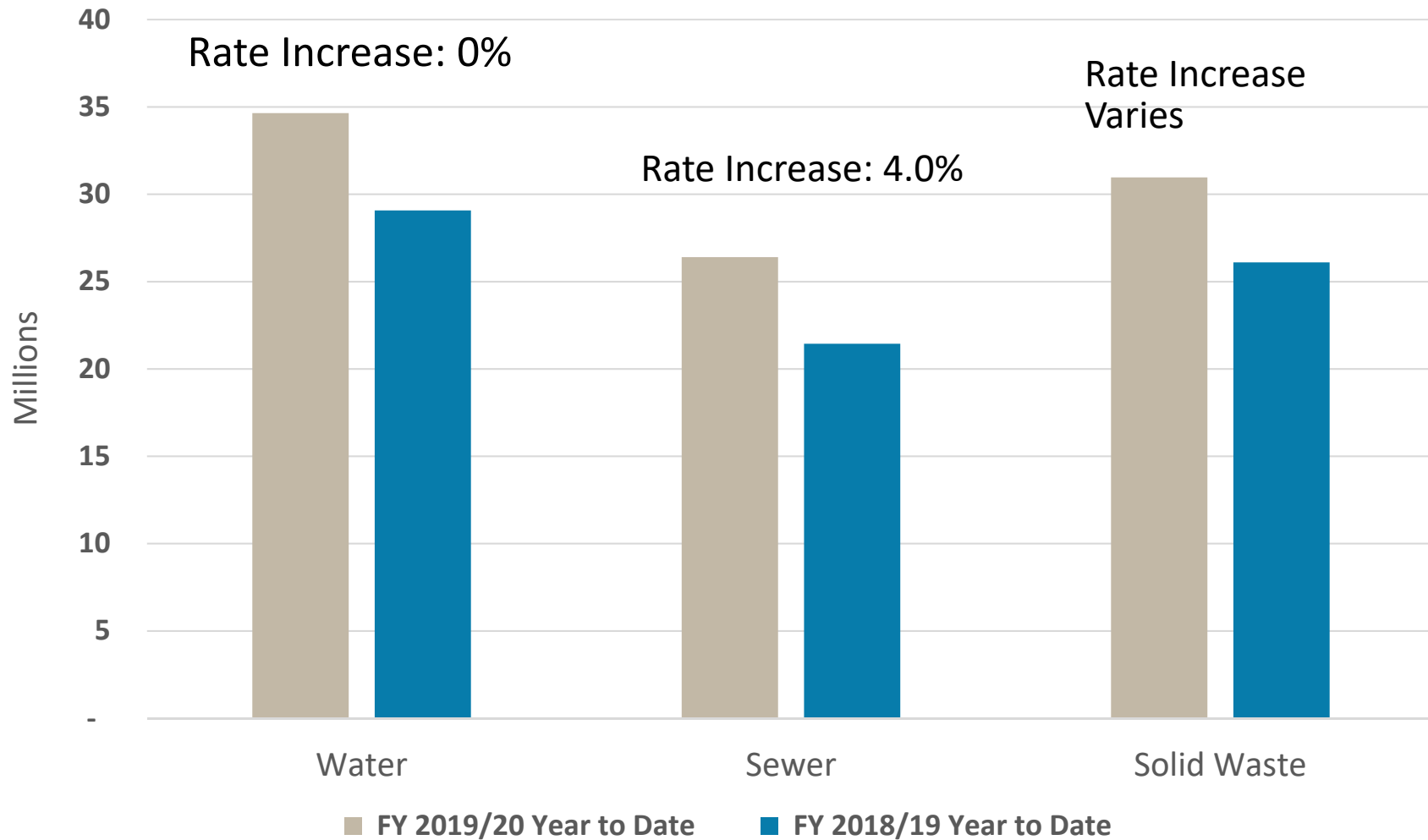


Development Revenues

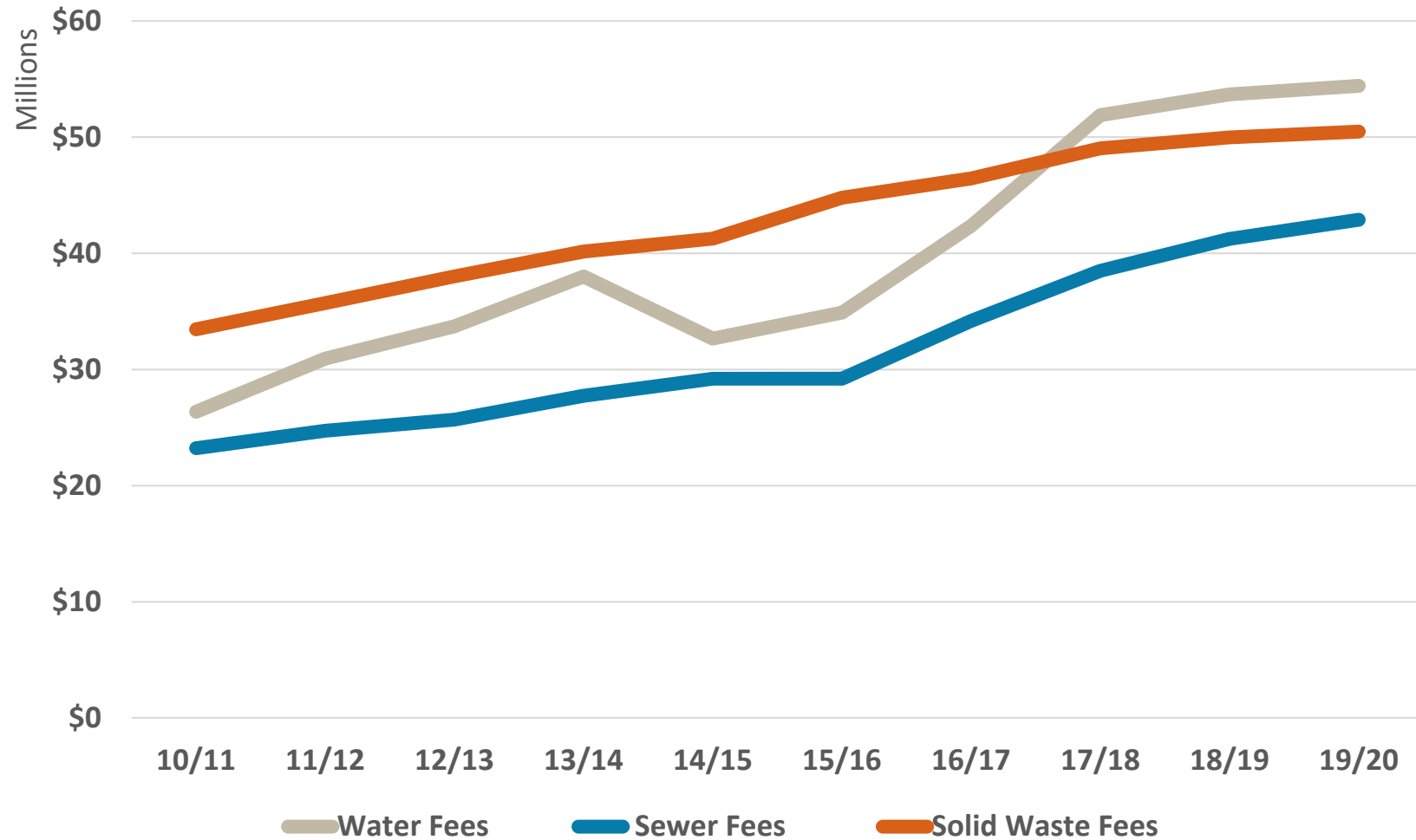


*Year to date through January

Utility Revenues



Utility Revenues



Agenda

Major Revenue Overview



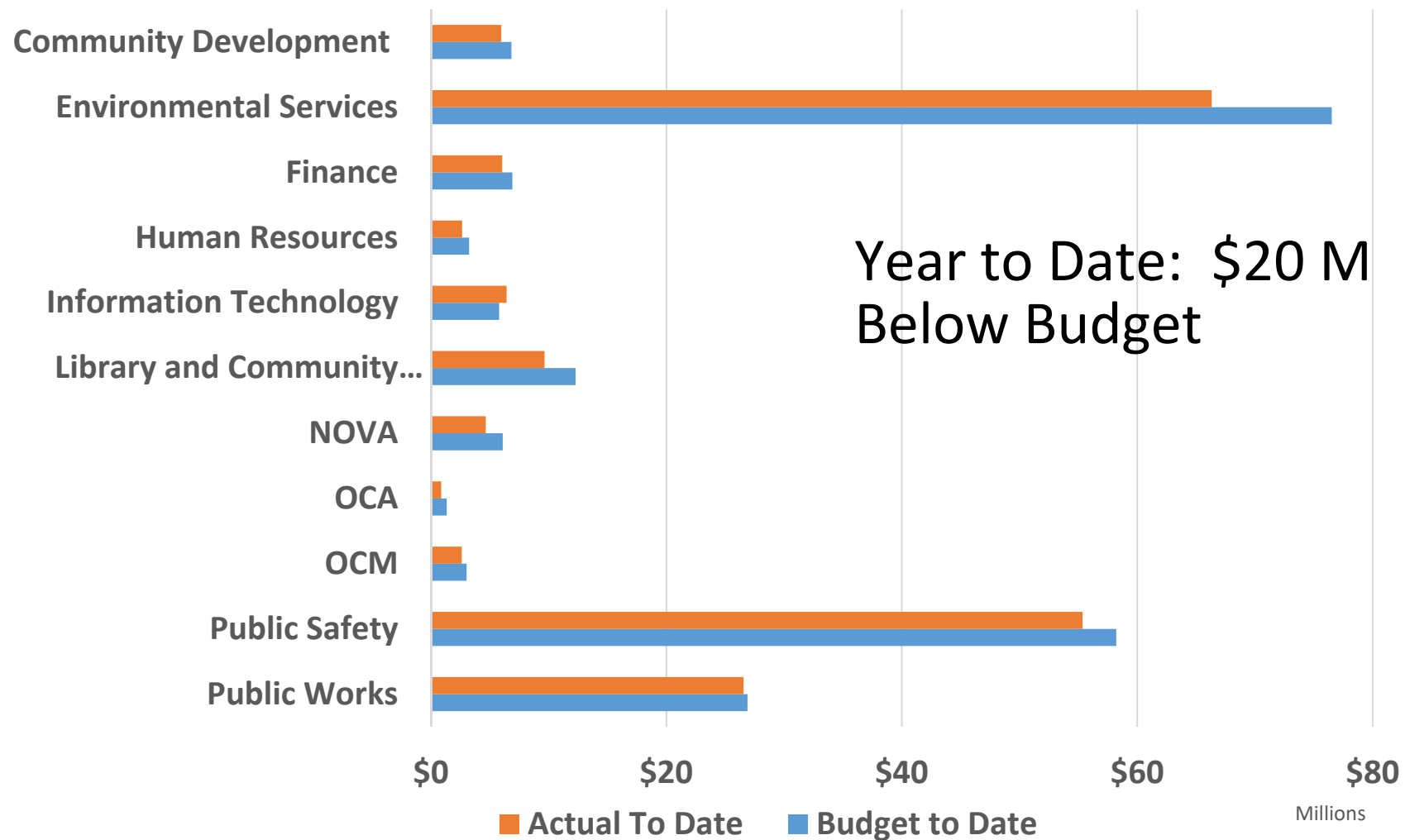
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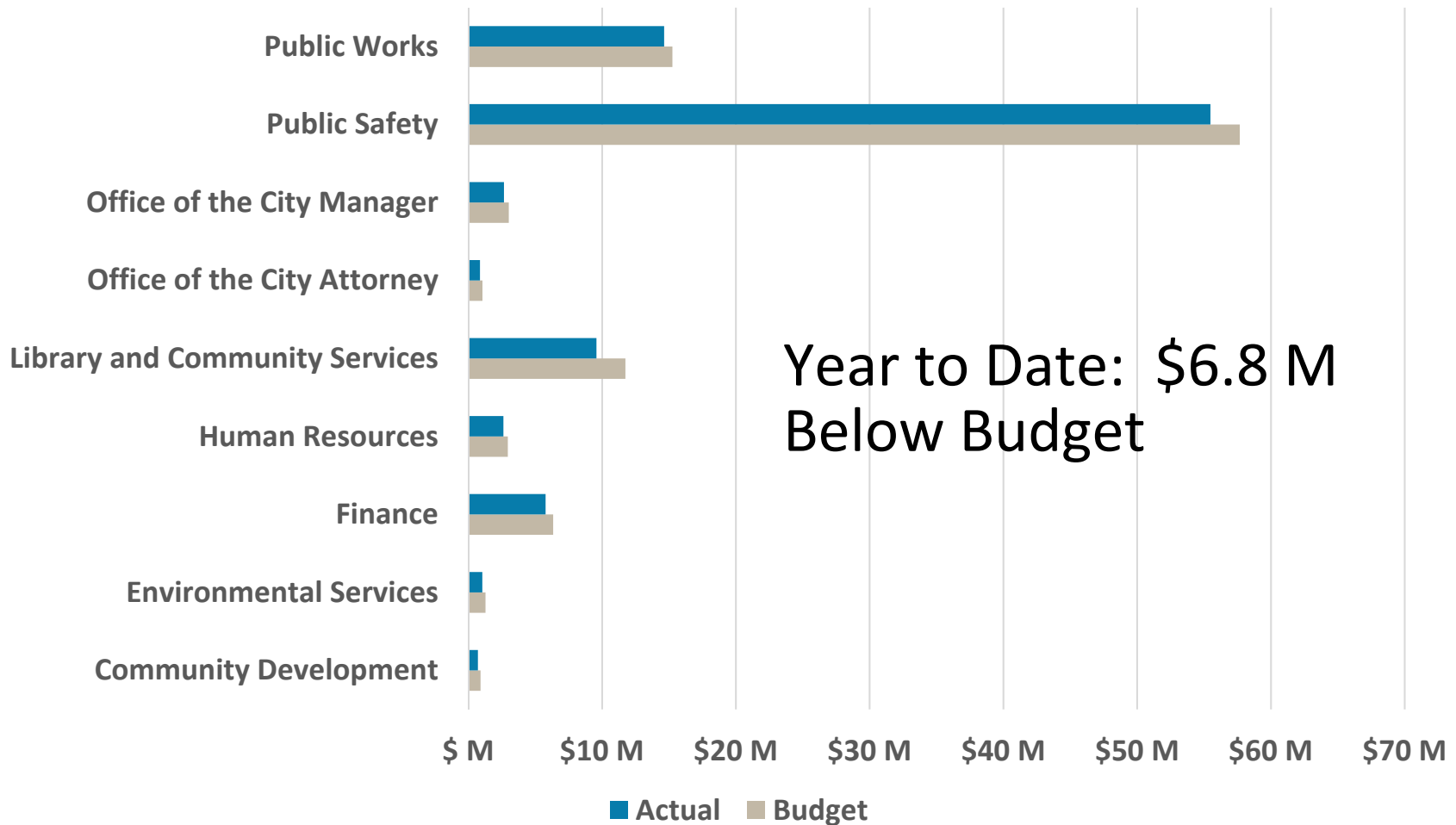
Conclusion

Year to Date Operating Expenditures by Department – All Funds



Operating Data through January 31, 2020 (58.3% of the year passed)

General Fund Operating Expenditures by Department



Operating Data through January 31, 2020 (58.3% of the year passed)

Operating Expenditure Pressures

- Traffic Signal Maintenance
+ \$50 K per year
- Software as a service
+ \$250 K per year
- Tree pruning contract
increases
+ \$200 K per year
- Aligning Public Safety
Overtime budget, cost still in
development



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Expenditure Overview



Pension Update

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Pension Liability Belonging to Retirees and Inactive Employees

	State Average	City of Sunnyvale
Miscellaneous	56%	57%
Safety	67%	71%

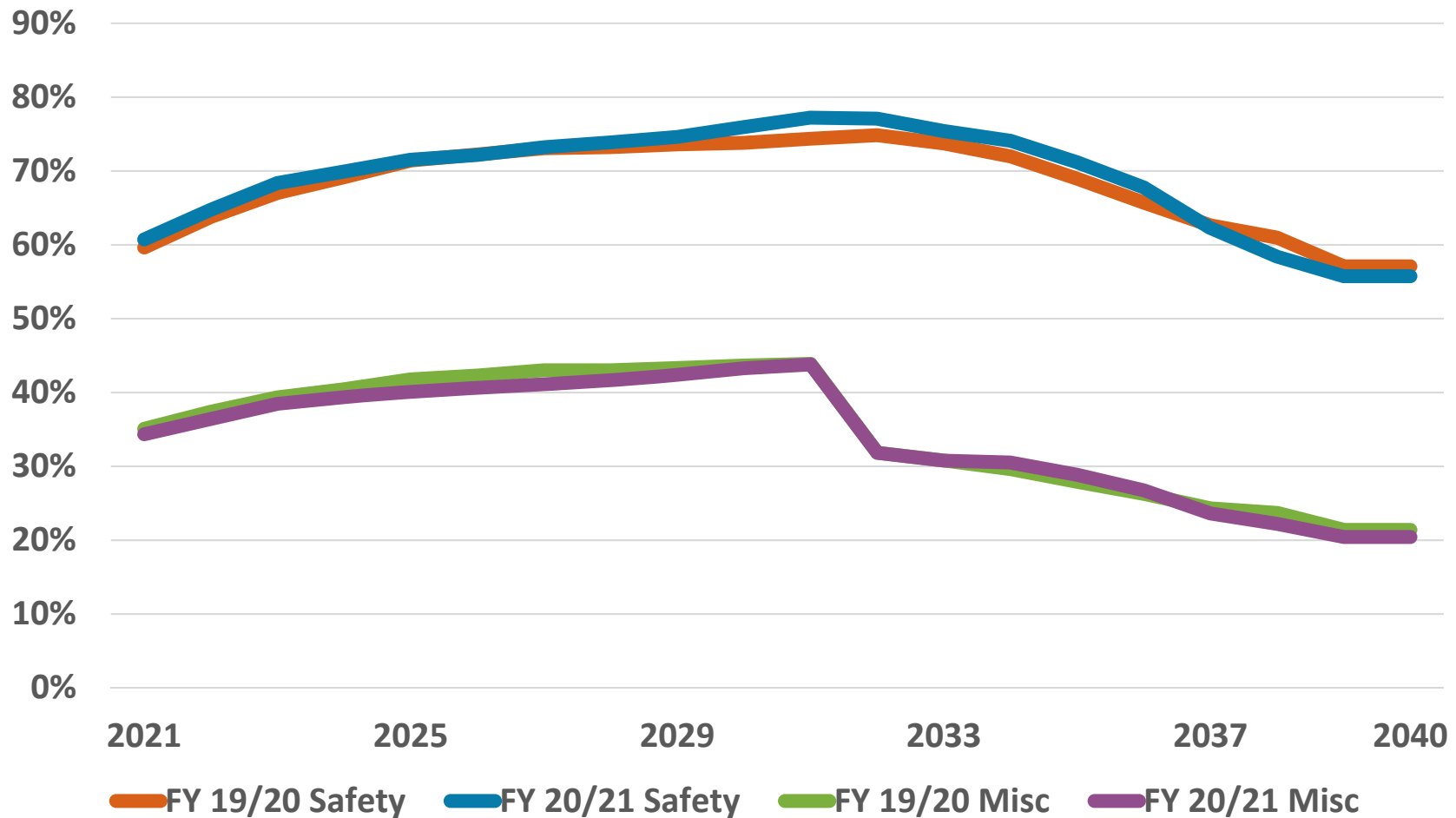
Pension Demographic Information - Miscellaneous

	1998	2008	2017	2018
Actives				
■ Counts	651	694	660	685
■ Average				
• Age	43	45	47	47
• City Service	9	10	12	11
• PER Sable Wages	\$ 46,400	\$ 76,300	\$ 90,100	\$ 91,500
■ Total PER Sable Wages	30,200,000	52,900,000	59,500,000	62,600,000
Inactive Members				
■ Counts				
• Transferred	247	433	430	453
• Separated	162	331	376	395
• Retired				
□ Service		528	844	877
□ Disability		44	68	71
□ Beneficiaries		67	88	92
□ Total	323	639	1,000	1,040
■ Average Annual City Provided Benefit for Service Retirees ²		\$ 21,900	\$ 29,000	\$ 29,800

Pension Demographic Information – Safety

	1998	2008	2017	2018
Actives				
■ Counts	223	217	193	197
■ Average				
• Age	41	40	41	41
• City Service	15	12	12	12
• PERsable Wages	\$ 75,600	\$ 137,500	\$ 162,300	\$ 166,500
■ Total PERsable Wages	16,900,000	29,800,000	31,300,000	32,800,000
Inactive Members				
■ Counts				
• Transferred	23	43	30	33
• Separated	19	36	24	28
• Retired				
□ Service		132	201	201
□ Disability		122	137	138
□ Beneficiaries		38	55	60
□ Total	178	292	393	399
■ Average Annual City Provided Benefit for Service Retirees ³		\$ 57,700	\$ 79,800	\$ 83,800

Pension Contribution FY 19/20 vs. FY 20/21 Rates



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Pension Update



Recommended Budget Approach

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FY 2020/21 Recommended Budget

Overall budget approach:

- Position the City for economic volatility
- Maintain a balanced budget for 20 years
- Continue to be cautious and thoughtful with revenue projections
- Manage operating and capital cost escalations
- Identify uses for Service Level Set Aside

FY 2019/20 Recommended Budget

- Focus on Operating Budget
- Currently evaluating operating expenditures and major expenditure assumptions
- City Manager reviewing and evaluating base and adjusted budgets – hold on new additions
- Budget Workshop End of May
- Public Hearing and Budget Adoption in June

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