

## Responses to Council Questions and Requests for Information from the FY 2018/19 Budget Workshop

### Budget Presentation

#### **1. Please provide a true up of the year over year change in the property tax projection as part of the budget staff report:**

Property tax consists of nine components, which can be viewed on the Revenues by Source pages in the General Fund Long Term Financial Plan Section. The following chart shows a breakdown of the 1.8% overall property tax growth assumption. This assumption includes a 6% growth for residential and 5.4% for commercial/industrial Secured Tax Roll growth. Due to uncertainty related to unsecured and supplemental roll growth, projections for these categories reflect historical averages. Historically, excess Educational Revenue Augmentation Funds (ERAF) has been considered one-time in nature, often used as a source for capital projects including sidewalk repairs. This budget continues that assumption for FY 2018/19. Furthermore, continued legislation at the State level to increase education funding may reduce or eliminate the excess ERAF amounts received by local cities. We will continue to monitor State legislation related to ERAF funding received as well as monitor actual tax roll and receipt information through quarterly County meetings.

	CURRENT	BUDGET	
	2017/2018	2018/2019	Growth %
Secured Tax	47,449,776	50,183,430	5.8%
Unitary Roll - AB454	487,200	560,568	15.1%
Property Tax in Lieu of VLF	17,686,985	18,705,959	5.8%
Tax Delinquencies	483,605	786,365	62.6%
Unsecured Tax	3,297,000	2,684,854	-18.6%
Supplemental Roll	1,558,000	1,129,688	-27.5%
Administrative Fees	(519,335)	(541,074)	4.2%
Property Tax Shift (Excess ERAF)	1,760,000	-	
General Fund Share of Tax Increment	1,595,835	1,596,077	0.0%
<b>TOTAL PROPERTY TAXES</b>	<b>73,799,066</b>	<b>75,105,869</b>	<b>1.8%</b>

#### **2. Can you provide the number of budgeted positions city-wide by department since 2012?**

The following chart lays out the changes in budgeted positions by department. Its important to note that prior to the FY 2018/19 recommended budget, headcount was based on a calculation of productive hours. The largest growth on a percentage basis over the period was in the Information Technology department which grew by 42%. Overall Citywide headcount grew by 5% over this period.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City Manager	18	18	18	18	18	20	17	18
City Attorney	6	6	6	6	6	6	7	7
Community Development	37	37	37	39	39	43	46	48
Environmental Services	113	115	115	117	118	121	123	127
Finance	47	48.5	49	49	50	51	55	54.75
Human Resources	16	16	17	17	18	20	20	20
Information Technology	19	19	21	22	22	23	27	27
Library and Community Svcs	102	100	100	100	100	100	100	83.96
Nova Workforce Svcs	53	46	43	43	43	44	44	37.75
Public Works	184	180	181	180	182	186	187	188.5
Public Safety - Sworn	195	195	197	198	201	201	201	201
Public Safety - Civilian	83	81	82	81	84	87	90	88
Total	873	861.5	866	870	881	902	917	900.96

### **3. Can you provide a greater breakdown of the 10% rate increase for Wastewater Rates? How much is associated with projects?**

The utility enterprise funds and increases in rates are managed over multiple years. This increase is part of a multi-year strategy needed to step into fund anticipated debt service for the Clean Water Program which starts at \$8M annually in FY 2019/20 and grows to \$20.6 million annually by FY 2027/28. Virtually all of the rate increases in this fund are associated with funding the very large capital program. Operations are down approximately \$400K in FY 2018/19 due primarily to savings in non-salary related benefits and the reallocation of Storm maintenance costs to the General Fund.

### **4. Please provide a reconciliation of the Sunnyvale Clean Water Program Projects.**

An Attachment is included to this response that reconciles the project life total reported in the FY 2017/18 Adopted Budget to the totals included in the FY 2018/19 Recommended Budget with a brief explanation to each change. Project life totals reflect actual expenditures and programmed expenditures for each project. Staff will review using this as a basis to provide transparency on this project in future budgets.

### **5. With the increase in sidewalk funding, how does this affect the backlog of repairs?**

The City has seen a steady increase in the number of locations in need of sidewalk repair with a current list of over 3,800 locations. The cost of construction for sidewalk has also increased significantly, which is challenging the City's ability to repair locations. The backlog of repairs based on the current year funding is approximately seven years. The additional funding in the recommended budget isn't expected to shrink the backlog significantly, but should allow the current timelines to remain.

**6. How does the pavement funding in the Recommended Budget affect PCI?**

It is significantly more cost effective for a pavement management program to focus on preventative maintenance techniques such as crack seal, slurry seal, and chip seal. The next three years are intended to focus on these historical pavement treatment methods. The City's current PCI is 75 and based on the recommended funding and the pavement maintenance models, the PCI is expected to increase approximately three to four points over the next three years.

**7. Can staff show a longer horizon chart on Pension costs for safety employees so Council can see the effect of the Fresh Start on Safety pensions?**

Provided as Attachment to this response.

**8. Is it possible to put in a workload measure on number of Accessory Dwelling Units requested and number built?**

The City already reports out the number of ADUs in a State Annual Progress Report submitted in April of each year. This document is presented to City Council as an agenda item in February or March of each year.

**9. Can a measure on budget to actual and cost escalation for the Sunnyvale Clean Water Program be added?**

Yes. Staff recommends addressing this as part of the FY 2019/20 projects budget cycle.

**10. Can we identify targets for the measure that tracks greenhouse gas reduction achieved?**

Targets for greenhouse gas reductions will be developed with CAP 2.0 and will be included upon completion of that work.

**11. Can we include election costs in the twenty-year plan?**

Yes. Staff proposes making this adjustment for the FY 2019/20 projects cycle and include them as a special project that includes funding every other year.

**12. Is Council action needed to waive Council policy to have the Budget Stabilization fund go below zero in the twenty-year plan?**

Staff will add language to the budget adoption resolution for City Council action to approve the budget recognizing that without corrective action the Budget Stabilization Fund can potentially drop below zero before recovering within the twenty-year plan.

**13. Update slide 74 with percentages.**

Included as Attachment to this response.

**14. Update slide 58 with title to reflect golf operations.**

Include as Attachment to this response.

**15. What percentage of payments received by the Community Development Department are made by credit card.**

Over 60% of payments are taken via credit card at the one stop.

**16. Can we have a performance measure for open data?**

At this time, many of the City's applications/systems are running on legacy platforms that make publishing data either cumbersome or completely manual. When the City is no longer highly dependent on legacy systems, we will be better positioned to provide open data. For now, GIS data and Library data is shared online.

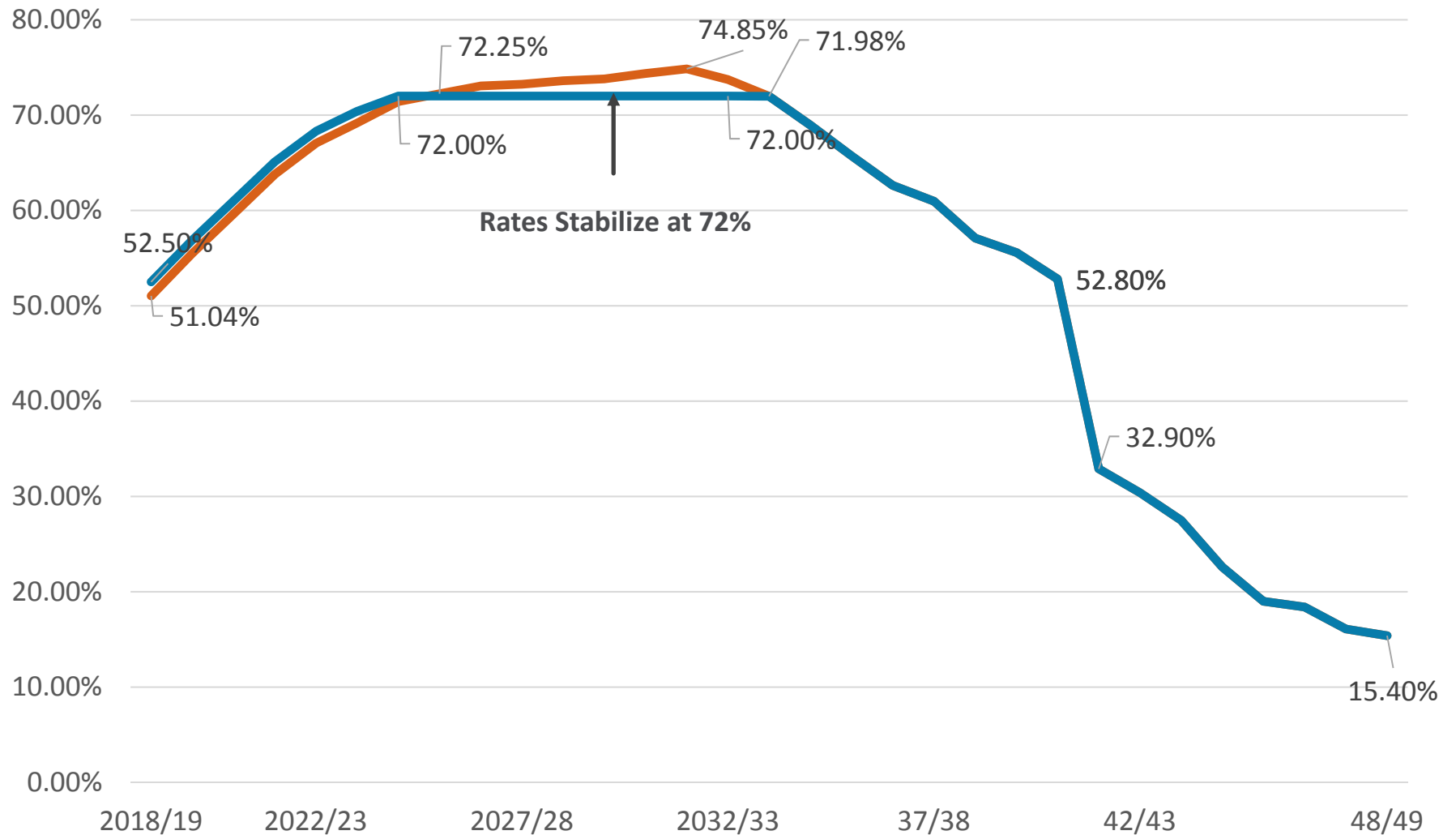
### Water Pollution Control Plan Rebuild Project Reconciliation

Project Number	Title	FY 2017/18 Adopted Budget	FY 2018/19 Recommended Budget	Difference	Explanation
833100	SCWP Capital Replacement	3,560,000	3,690,000	130,000	(2)
831470	SCWP Construction Management	35,887,318	36,587,318	700,000	(2)
833120	SCWP Environmental Mitigation	7,660,000	7,810,000	150,000	(2)
833110	SCWP Oversight	9,020,000	9,120,000	100,000	(2)
830240	SCWP Program Management	54,884,020	55,564,000	679,980	(2)
830250	SCWP - Master Plan	8,100,400	4,903,193	(3,197,207)	(4)
833160	SCWP Caribbean Drive Parking and Trail Access Enhancements	1,270,000	1,270,000	0	
833150	SCWP Existing Plant Rehabilitation - Split Flow	39,600,000	39,600,000	0	
824771	SCWP Primary Process Design and Construction	125,731,237	150,731,237	25,000,000	(3)
833140	SCWP Rehabilitation Influent Pipelines to WPCP	1,370,000	1,370,000	0	
833130	SCWP Rehabilitation Primary Effluent Pipeline	2,540,000	2,540,000	0	
833240	SCWP Administration and Lab Building	22,870,000	22,870,000	0	
833270	SCWP Community Improvements	640,000	640,000	0	
833280	SCWP Miscellaneous Civil Site/Support Utility Improvements	660,000	660,000	0	
833260	SCWP Recycle Water Improvements (New Recycled Water PS)	3,620,000	3,620,000	0	
833210	SCWP Secondary Treatment Improvements-Split Flow CAS Stage 1	115,460,000	168,240,000	52,780,000	(1)
833340	SCWP Chloramine Disinfection	3,640,000	3,640,000	0	
833370	SCWP Cogeneration Upgrade	19,680,000	19,680,000	0	
833350	SCWP Digester No. 5	9,750,000	9,750,000	0	
833330	SCWP Filter Control Building (Includes Demo of Existing)	5,260,000	5,260,000	0	
833360	SCWP FOG/Food Waste Facility	1,850,000	1,850,000	0	
833460	SCWP Demolition Fixed Growth Reactor (FGR) Pump Station	540,000	960,000	420,000	(2)
833440	SCWP Filter Backwash Storage	940,000	4,310,000	3,370,000	(2)
833430	SCWP Primary Effluent Diurnal EQ and Emergency Storage	108,560,000	108,560,000	0	
833420	SCWP Secondary Treatment Improvements - Split Flow CAS Stg 2	59,280,000	59,280,000	0	
833450	SCWP Thickening and Dewatering Facility - Stage 2	12,420,000	12,420,000	0	
833520	SCWP Demolition Fixed Growth Reactors (FGRs)	2,930,000	6,010,000	3,080,000	(2)

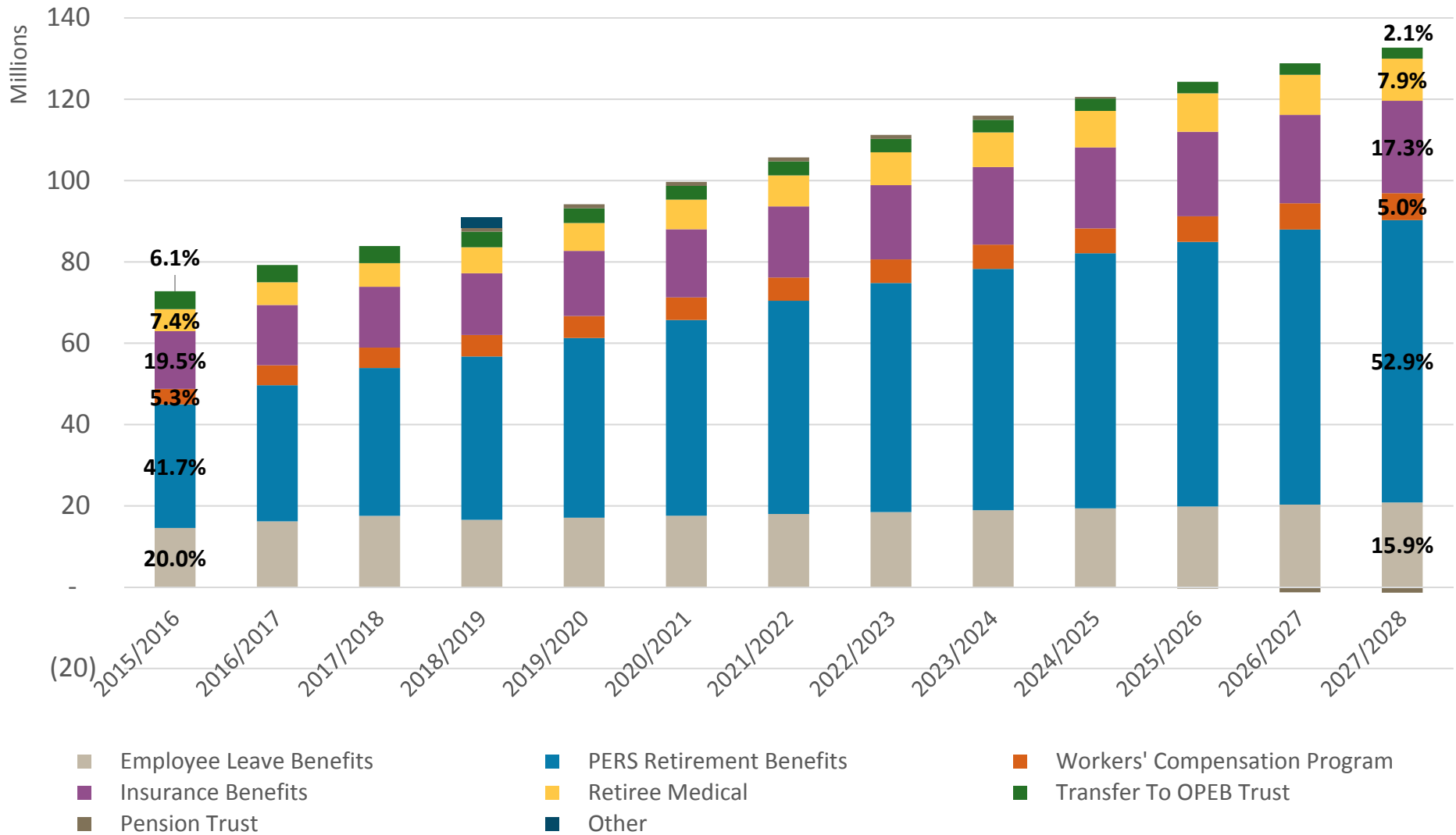
Project Number	Title	FY 2017/18 Adopted Budget	FY 2018/19 Recommended Budget	Difference	Explanation
833510	SCWP UV Disinfection	1,960,000	2,960,000	1,000,000	(2)
833220	SCWP Digester Supernatant PS and Drainage Piping Upgrades	1,130,000	0	(1,130,000)	(1)
833230	SCWP Thickening and Dewatering Facility – Stage 1	45,180,000	0	(45,180,000)	(1)
833250	SCWP Maintenance Building	6,470,000	0	(6,470,000)	(1)
	Project Carryover	25,000,000	0	(25,000,000)	(3)
	<b>Total Sunnyvale Cleanwater Program</b>	<b>737,462,975</b>	<b>743,895,748</b>	<b>6,432,773</b>	
833050	Wastewater Master Plan Update	1,614,105	1,614,105	0	(5)
825521	WPCP Biosolids Processing	28,172,254	27,867,698	(304,556)	(5)
833080	WPCP Waste Gas Burner Replacement	695,000	695,000	0	(5)

- (1) Projects were reallocated from the SCWP Digester Supernatant PS and Drainage Piping Upgrades, SCWP Thickening and Dewatering Facility – Stage 1, and SCWP Maintenance Building projects to the SCWP Secondary Treatment Improvements-Split Flow CAS Stage 1 project. This reallocation was approved by the City Council on August 22, 2017 (RTC 17-0728). It should be noted, project numbering in the RTC and Budgets differ due to the timing of the creation of project numbers.
- (2) When ongoing projects are planned beyond the 20-Year Financial Plan, project costs in the 21<sup>st</sup> year are allocated to the 20<sup>th</sup> year in the follow budget. As a result, an increase to the project cost in the subsequent budget results due to an additional year of costs added to the project life.
- (3) As part of the FY 2017/18 Adopted Budget, the Wastewater Management Fund assumed \$25 million in project carryover that was assumed in the financial plan, however, excluded from project costs. This funding was associated with the SCWP Primary Process Design and Construction which was awarded late in FY 2017/18 and not anticipated to be fully expended in that year. For the FY 2018/19 Recommended Budget, assumed project carryover amounts are assumed in the financial plan and remain in project costs.
- (4) Unexpended funding in the SCWP Master Plan project was reallocated to other projects as part of the FY 2017/18 Adopted Budget and returned to fund balance at the end of FY 2016/17.
- (5) The Wastewater Master Plan Update, WPCP Biosolids Processing and WPCP Waste Gas Burner Replacement projects were included in Water Pollution Control Plant rebuild project costs when referenced in the FY 2017/18 Adopted Budget. However, after further discussion between the Finance Department and Department of Public Works, these Water Pollution Control Plant projects are not included in the scope of the Master Plan that was approved by the City Council in August 2016 and have been reclassified.

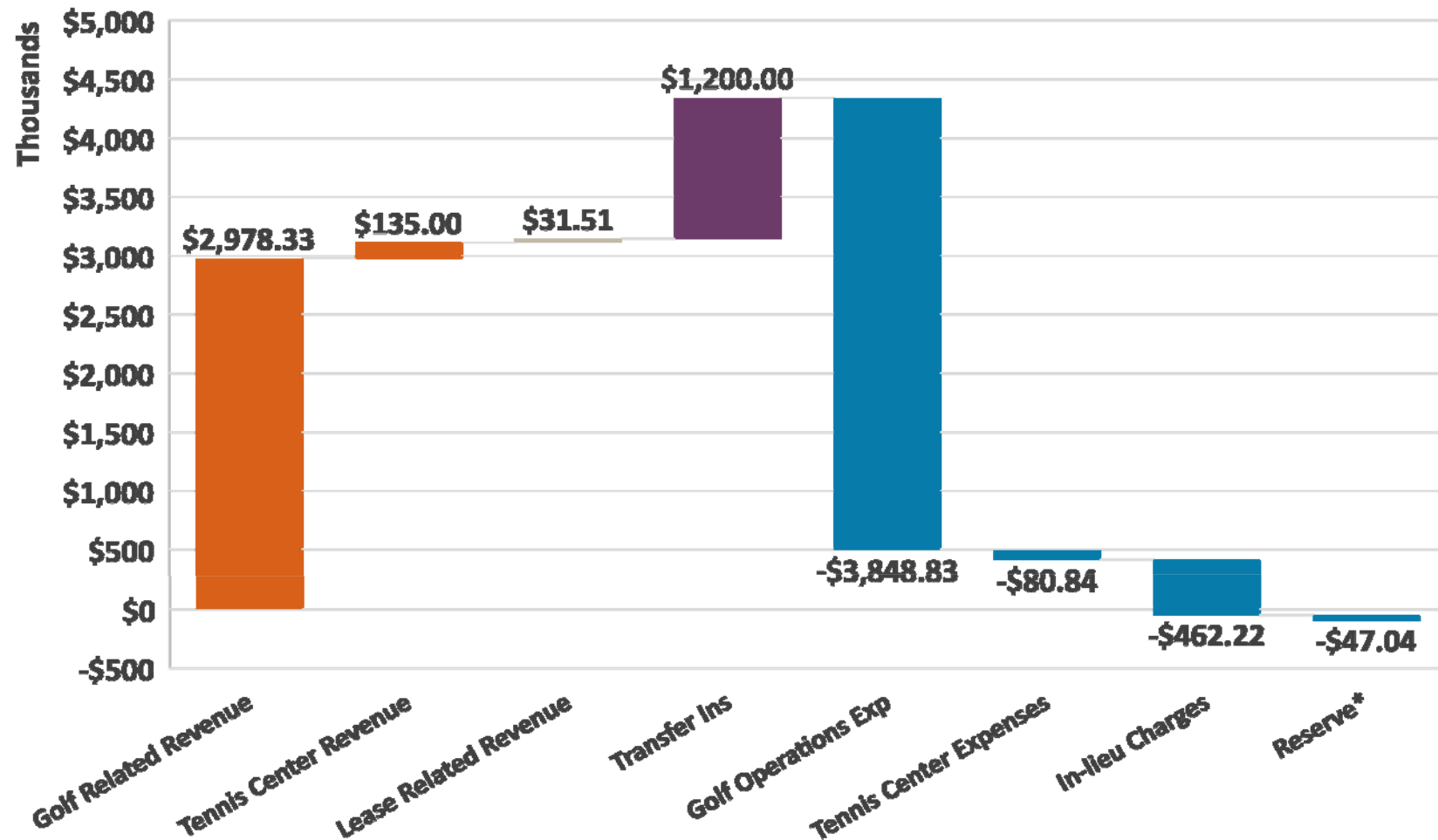
# Impact on Safety Rates



# Employee Benefits Fund Requirements



# Golf and Tennis Operations Fund - FY 2018/19



\* Reserve from FY 2017/18 will be used to maintain a positive net reserve balance in FY 2018/19