

## RESPONSES TO COUNCIL QUESTIONS FROM THE FY 2020/21 BUDGET WORKSHOP

**Council Question:** *What is the 10-year average for revenue growth and how does it vary over different periods (exclude one-time revenues)?*

**Staff Response:** Staff reviewed the actual total current revenue in the General Fund for a twenty year period. Over that period, total resources grew an average of 5.5% per year. From the period of FY 1999/00 to FY 2008/09, resources to the General Fund grew by approximately 21%. In the subsequent ten year period From FY 2009/10 to FY 2018/19, driven primarily by property tax, Transient Occupancy Tax, and Construction Tax growth, annual resources grew by approximately 68%, growing 41% in the last five years.

**Council Question:** *Do the proposed reductions impact the minimum General Fund investment needed to maintain the Maintenance of Effort (MOE) requirements for Road Rehabilitation and Maintenance Funds?*

**Staff Response:** Staff has reviewed the planned reductions and they can be made without affecting the minimum MOE, which is \$8.55 M.

**Council Question:** *Could golf be self-sustaining if it was receiving maximum revenue. Should we continue to classify it as an Enterprise Fund.*

**Staff Response:** Yes, if golf was receiving the maximum revenue from the two courses of approximately \$6.2 M per year, it would be self-sustaining. It is unclear that the fund could ever achieve this revenue as it is market driven and the demand for golf is not sufficient to generate this much revenue. The fund is best classified as an Enterprise Fund as it is a business like activity and this provides the clearest picture of its financial sustainability, however there is no strict rule that requires this classification and the fund could be rolled into the General Fund if Council directed staff to do so.

**Council Question:** *What is the average cost per acre to maintain the golf courses vs. the average cost per acre to maintain parks?*

**Staff Response:** The current cost to maintain an acre of Park is approximately \$34,700. This number is based on the portion of the Parks and Open Space Management Program that is centered on parks maintenance activities. This cost includes the 177 acres of Sunnyvale Parks, but does not include school sites, medians, civic spaces, trails or greenbelt as those vary widely and are different than maintaining a park. The per acre cost includes an estimate of water costs based on a portion of the overall irrigation cost for all areas of Parks and Open Space.

The current cost to maintain an acre of Golf is roughly \$28,000 including water. The difference in cost for maintenance between Parks and Golf is related to the activities performed. Golf Personnel has a set routine of responsibilities that changes little day to day and Parks Staff has travel time, hazards and vandalism, picnic areas, trash, playgrounds, restrooms that can require different priorities daily.

Maintaining the Sunnyvale Municipal Course as a Park

The City of Sunnyvale owns 91.87 acres at Sunnyvale Golf Course and NASA owns 35.4 acres, Using the per acre cost for park maintenance above, the rough cost would be \$3,188,256 annually for the City owned portion. The City paid \$66,420 in FY 2018/19 to NASA in rent - this would be saved if the City only maintained the City owned land. If the City kept the NASA portion and maintained the entire 127.27 acres, the rough cost would be \$4,416,778 annually.

Maintaining Sunken Gardens as a Park

Sunken Gardens is 30.23 acres, so using the per acre cost above, the rough cost would be \$1,049,102 annually.

It is important to note, these numbers are if the courses were maintained like parks and used like parks. In order to do that, there would be additional capital improvements that would be required. If the courses were closed to the public, but maintained to be a golf course at a later date, then the numbers would be lower.