

REPORT TO PLANNING COMMISSION

SUBJECT

Review Planning Program Budget and Fees for FY 2015-16

REPORT IN BRIEF

Attached is the Planning Program budget proposed for Fiscal Year (FY) 2015-2016 and FY 2016-2017. The full recommended budget is available online at:

<http://sunnyvale.ca.gov/Departments/Finance/BudgetDocuments.aspx>

Staff recommends that the Commission review the City Manager's Message/Letter of Transmittal. In addition, the Commission should also review the Community Development Department Narrative in Volume I, Operating Budget. This discussion includes information on past and projections of future activity.

The Planning program budget starts on page 40 (of 447) in Volume one (follows the department narrative). Excerpts for just the Planning Program budget are included in Attachment 1.

Boards and Commissions are asked to provide comments to the City Council on the recommended City budget where it could affect the Commission's work.

ENVIRONMENTAL REVIEW

The recommendation of the Planning Commission on the budget is not subject to environmental review.

DISCUSSION

This budget is the second of two one-year operating budgets for the Planning Division. The structure and hours are the same as the current year (FY 2014-15) budget and the expenses are slightly higher, reflecting changes in the cost of living. In addition, the Planning Division has a supplemental project budget to provide on-call planning services to address the current high demand in development services.

Structure

The structure of the Planning Division budget has been similar for several budget cycles. Changes in activity numbers changed this fiscal year due to the creation of the Development Services Enterprise fund. The three sections (called a Service Delivery Plan-SDP) for Planning are: an SDP for Policy Planning, one for Development Services (also called zoning administration and current planning), and lastly an SDP for Management, Supervisory, and Administration Support Services.

Starting with the current fiscal year, private development related activities are associated with an enterprise fund for Development Services. The Development Enterprise Fund supports all or some of the activities of the following divisions: Building, Planning, Engineering, Transportation and Traffic, Solid Waste, and Fire.

The entire Policy Planning SDP, and a portion of the Management, Supervisory and Administration

Support SDP (about 25%), will continue to be associated with the General Fund. Policy work is mostly funded from a General Plan Maintenance Fee (GPMF) collected with the issuance of building permits. The GPMF is assessed based on 0.15% of valuation used for building permits (based on a standardized table of values), and is applied to the same projects that are subject to a Construction Tax of 0.54% of building valuation.

The recommended Budget also includes the same Performance Indicators that are in the current budget.

The first budget service area (called Service Delivery Plan or SDP) is Policy Planning. The primary activity affecting the Commission is Policy Reports, the first activity-234110. These policy reports include study issues, general plan updates and similar policy activities.

The second service area is Management, Supervisory and Administration Support Services. The activities include Management/Supervision (budget preparation, employee reviews, attendance at manager meetings, etc.) and Training. The third activity is called Administration and is for those tasks that do not easily fit into project work or the first two activities in this SDP.

The third service area in the Planning program is Development Review. Planning Commission support is provided in the form of the various types of planning permits processed and zoning information provided by the Planning Division staff. Staff support to the Planning Commission is mainly associated with those permit applications requiring a Planning Commission public hearing. Support to the Heritage Preservation Commission (HPC) is similar to that of the Planning Commission, with many fewer applications requiring HPC review.

Hours

FY 2015-2016 includes the same number of hours that included 26,190 hours; about 100 hours of an Assistant Planner are found in the Housing budget.

For well over 30 years, the City has budgeted primarily work hours in the operating programs, with the cost for those hours reflecting costs to the City for holidays, vacation, medical leave, floating holidays, retirement, etc. For the upcoming fiscal years, the typical number of hours budgeted for a full-time Sunnyvale Employee Association (SEA) is 1730 hours and for a manager 1760 hours. The number of hours per classification may be refined (usually down) in proposed budgets based on actual hours in prior years. Employees are paid based on a 2080 hour year.

Staff anticipates that next fiscal year will be as busy as the current fiscal year; however if the volume of applications increases, the enterprise fund balance for Development Service could help justify additional expenses should there be a request to modify the budget. For the Planning Program, the number and classification of full-time employees proposed in the FY 2014-2015 and FY 2015-2016 budgets is the same. The distribution of the hours among the activities is the same as the current fiscal year. As part of application fees for private development proposals, fees are collected to cover project planner attendance at outreach meetings, study sessions and public hearings. These fees cover staff hours over and above budgeted amounts.

Staff support to the Planning and Heritage Preservation Commissions does not change. As in last year's budget, the Planning Commission attendance at the annual Planning Commissioners Academy (previously known as the Planners Institute) is budgeted for 3-4 commissioners to attend. The 3-4 commissioner number is based on the average attendance of the last several years. Next year the academy will likely be in northern or central California. Planning staff will work with the City

Manager to identify appropriate budget if more Commissioners would like to attend and costs exceed budgeted levels.

Non-Personnel Expenses

The majority of the expense for the Planning program is for staff salaries and benefits (about 85%). For non-personnel expenses the budget includes funds for advertising of public hearings, books, office supplies, postage, training, etc. There are also expenses for rent and usage of facilities, furniture, vehicles, etc.

Total Expenses

The following table shows the past and proposed Planning Program Budgets

OVERVIEW OF PLANNING PROGRAM BUDGETS

	2012/13 Budget	2013/14 Actual	2013/14 Budget	2014/15 Plan	2015/16 Proposed
General Fund	2,302,418	2,466,161	2,479,749	577,959	594,896
Development Enterprise Fund				1,825,607	1,884,170
TOTAL	2,302,418	2,466,161	2,479,749	2,403,566	2,479,066

Fee Schedule

A recommended fee schedule is considered by the City Council along with the recommended budget. Copies of the Planning related fees will be provided to the Planning Commission, if available, prior to the Wednesday May 27, 2015 Planning Commission public hearing. Recommendations for fees are primarily changed due to general cost of living increases. Significantly revised tree replacement in-lieu fees are recommended.

PUBLIC HEARING

At the May 27, 2014 Planning Commission hearing staff will make a short presentation to the Planning Commission on current activity levels and will be available for any questions about the budget. The Planning Commission has the option to make comments on the budget or to make a motion on the budget. The Planning Commission discussion (and motion, if there is one) will be provided to the City Council for the public hearing on the recommended budget on June 9, 2015.

The City Council public hearing on the budget is scheduled for June 9, 2014; adoption is scheduled for June 23, 2014.

PUBLIC CONTACT

Public contact was made through posting of the Planning Commission agenda on the City's official-notice bulletin board and on the City's website.

RECOMMENDATION

Provide comments to the City Council or make a formal recommendation to the City Council on the Recommended FY 2015-2014 budget for the Planning Program.

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ATTACHMENTS

1. Recommended Planning Program 234 Budget