

Table of Contents

Table of Contents	1
Introduction	7
City Organizational Chart	8
Directory of City Officials	10
Commissions and Committees	11
GFOA Distinguished Budget Presentation Award	12
CSMFO Operating Budget Excellence Award	14
Budget Message	15
Budget Message	17
Strategic Goals	19
Notable Accomplishments	22
New Initiatives	31
Budget Overview	35
Budget Guide	51
Our Mission	53
Elements of the Budget Document	54
Glossary of Budget Terminology	55
Commonly Used Acronyms	58
Revenues, Expenditures, and Fund Balance Table	60
Community Profile	63
History	65
Community Economic Profile	67
City Profile	70
Education	73
Programs and Applications	75
Community Statistics	77
Community and Recreation Services	79
Things To Do and See	80
Financial Policies	83
Annual Budget Process	85
Structure of City Finances	89
Fund Structure	92
Department/Fund Relationship	96

Balanced Budget Policy	98
Revenue Policies	100
Expenditure Policies	101
Capital Improvement Programs Policy	102
Information Technology Replacement and Capitalization Policy	103
Pension and Retirement Funding Policy	105
Committed, Unassigned Fund Balance, and Use of One Time Funds Policy	106
Long Term Financial Stability Policies	110
Community Funding Policy	111
Investment Policy	114
Appropriations and Legal Debt Limit Margin	115
All Funds Financial Schedules	119
Financial Overview by Fund	120
Flow of Funds Chart (Sankey)	121
All Funds Summary	123
All Funds Revenues	129
All Funds Expenditures	130
All Funds Expenditures by Department	131
All Funds Fund Balance	132
General Fund Financial Schedules	133
General Fund Contribution Schedule	135
General Fund Summary	139
General Fund Revenues	140
General Fund Expenditures	155
General Fund Transfers	158
General Fund Fund Balance	159
General Fund Forecast	161
Council and Commissions	189
Department Overview	191
City Council	198
Community Funding	200
Historical Society	202
Sister Cities	204
Technology, Information & Communications Commission	206
Library Commission	208
Arts and Culture Commission	211

Public Safety Commission	213
Bicycle and Pedestrian Commission	215
Parks and Recreation Commission	217
Teen Commission	219
Planning Commission	221
Housing Commission	223
Sustainability Commission	225
Audit Committee	227
Administration	229
Department Overview	231
City Manager	243
Sustainability	247
Office of Communications	249
Multimedia	252
Public Access Support	254
Community Outreach and Neighborhood Watch	256
Office of Emergency Management	259
Economic Development	261
City Clerk	264
Duplicating and Mail Services	266
Elections	268
City Manager Contingency	270
City Attorney	272
Law Enforcement	275
Department Overview	277
Law Enforcement	283
Interoperability Project	285
Innovation and Technology	287
Department Overview	289
Innovation & Technology Administration	301
Video	304
Applications	307
Infrastructure	310
GIS	313
Administrative Services	317
Department Overview	319

Administrative Services Administration	328
Accounting	330
Business Licenses	333
Purchasing	336
Budget	339
Human Resources	341
Retiree Benefits	344
Insurance Administration	346
Workers Compensation Insurance	348
Long Term Disability	350
Compensated Absences	352
Parks and Recreation	355
Department Overview	357
Recreation Administration	365
Library Services	368
Administration	370
Cultural Events	372
Facilities	374
Administration	377
Youth Teen Recreation	380
Senior Center	383
Teen Programs	386
Neighborhood Events	389
Park Facilities	391
Administration	394
Blackberry Farm Golf Course	396
Outdoor Recreation	398
Sports Center Operations	401
Community Development	405
Department Overview	407
Community Development Administration	416
Current Planning	419
Mid and Long Term Planning	422
CDBG General Admin	425
CDBG Capital/Housing Projects	427
CDBG Public Service Grants	429

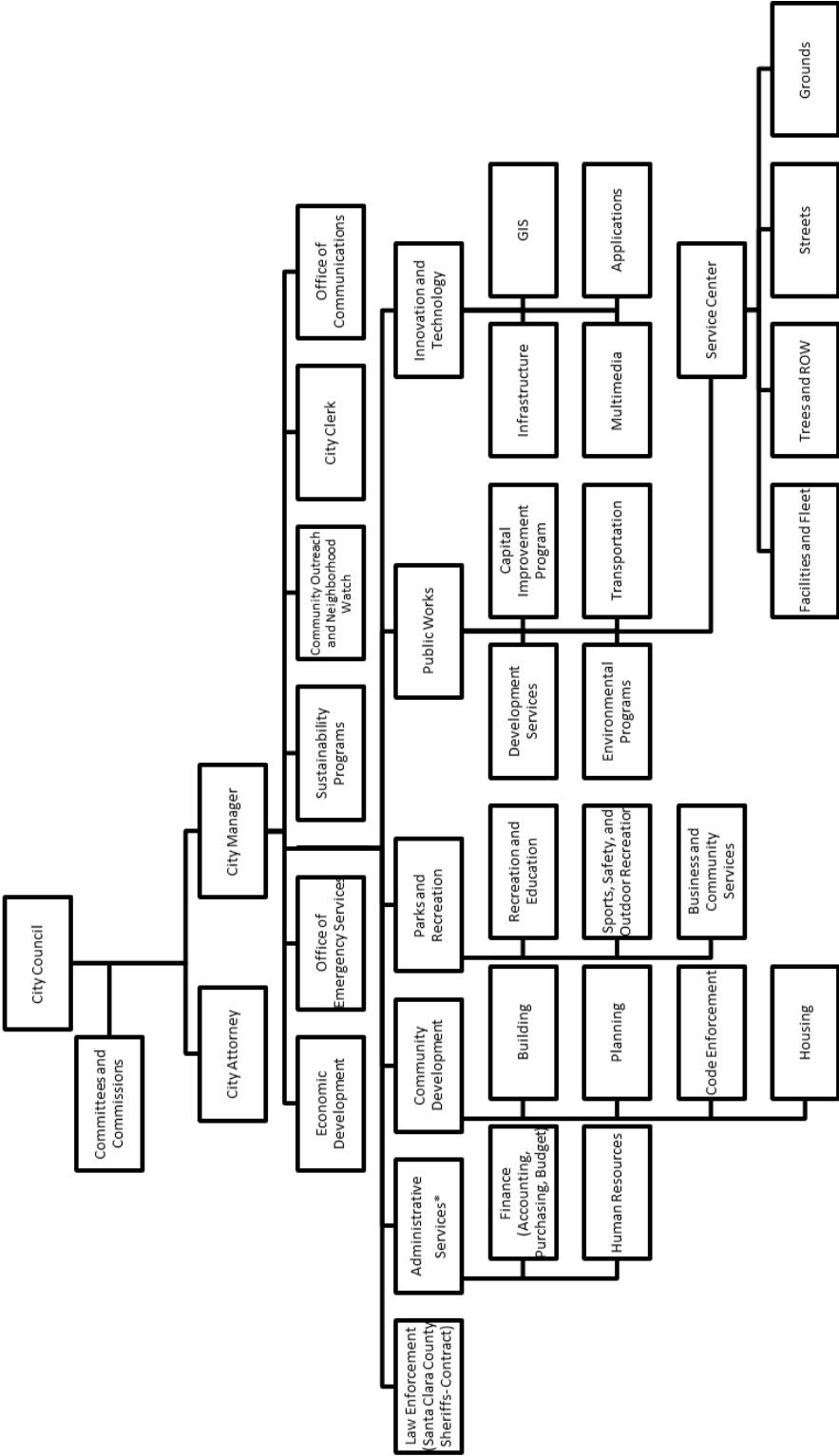
BMR Affordable Housing Fund	431
Human Service Grants	433
General Building	435
Building Plan Review	438
Building Code Enforcement	441
Muni Code Enforcement	444
Code Enforcement	446
Public Works	449
Department Overview	451
Public Works Administration	476
Sustainability	479
Resource Recovery	482
Non-Point Source	486
Storm Drain Fee	490
General Fund Subsidy	492
Storm Drain Maintenance	494
Plan Review	497
CIP Administration	500
Service Center Administration	503
Golf Grounds Maintenance	506
McClellan Ranch Park	508
Memorial Park	511
BBF Ground Maintenance	514
School Site Maintenance	517
Neighborhood Parks	520
Sport Fields Jollyman, Creekside	523
Civic Center Maintenance	526
Sidewalk Curb and Gutter	528
Street Pavement Maintenance	531
Street Sign Marking	534
Street Lighting	536
Equipment Maintenance	539
Environmental Materials	542
Trail Maintenance	544
Overpasses and Medians	546
Street Tree Maintenance	549

Sheriff Work Program	552
BBF Golf Maintenance	554
City Hall Maintenance	556
Library Maintenance	559
Service Center Maintenance	561
Quinlan Community Center Maintenance	563
Senior Center Maintenance	565
McClellan Ranch Maintenance	568
Monta Vista Community Center Maintenance	571
Wilson Park Maintenance	573
Portal Park Maintenance	575
Sports Center Maintenance	577
Creekside Park Maintenance	580
Community Hall Maintenance	582
Teen Center Maintenance	585
Park Bathrooms Maintenance	587
Blackberry Farm Maintenance	589
Franco Traffic Operations Center	591
City Hall Annex	593
Community Shuttle	595
Traffic Engineering	597
Traffic Signal Maintenance	600
Safe Routes 2 School	603
Fixed Assets Acquisition	606
Non-Departmental	609
Department Overview	611
General Fund Non-Departmental	615
Tree Fund Non-Departmental	618
Debt Service Non-Departmental	620
Capital Reserve Non-Departmental	621
Facility Lease Debt Service	623
Appendix	625
Unfunded Needs	627
CIP Schedule	628
All Funds Forecast Schedule	629
Personnel Schedule	639

Introduction

This page intentionally left blank.

City Organizational Chart



*The City Treasurer is the Director of Administrative Services

Directory of City Officials

City Council



Sheila Mohan
Mayor



J.R. Fruen
Vice Mayor



Liang Chao
Council Member



Kitty Moore
Council Member



Hung Wei
Council Member

Directory of City Officials

Pamela Wu – City Manager
Matt Morley – Assistant City Manager
Christopher Jensen – City Attorney
Tina Kapoor – Deputy City Manager
Kristina Alfaro – Director of Administrative Services
Ben Fu – Director of Community Development
Chad Mosley – Director of Public Works
Rachelle Sander – Director of Parks and Recreation
Bill Mitchell – Chief Technology Officer

Commissions and Committees

ARTS AND CULTURE COMMISSION

Carol Maa
Dana Ford
David Wang
Kiran Varsshneya Rohra
Rani Agrawal

AUDIT COMMITTEE

Angela Chen
Eno Schmidt
Hanyan Wu
Hung Wei
Sheila Mohan

BICYCLE PEDESTRIAN COMMISSION

Herve Marcy
Grace John
Joel Wolf
John Zhao
Ilango Ganga

HOUSING COMMISSION

Angan Das
Connie Cunningham
Govind Tatachari
Ryan Golze
Yuyi He

LIBRARY COMMISSION

Archana Panda
Janki Chokshi
Liyan Zhao
Sheela Sreekanth
Qin Pan

PARKS AND RECREATION COMMISSION

Carol Stanek
Claudio Bono
Hemant Buch
Jennifer Shearin
Seema Swamy

PLANNING COMMISSION

David Fung
Muni Madhhipatla
Seema Lindskog
Steven Scharf
Tejesh Mistry

PUBLIC SAFETY COMMISSION

Bobby Toda
Neal Evans
Nirmalendu Das
Rohan Pandit
Sidarth Rajaram

SUSTAINABILITY COMMISSION

Alexander Fung
Conny Yang
Steve Poon
Susan Hansen
Sonali Padgaonkar

TEEN COMMISSION

Anika Mukherjee
Joyce Cheung
Peter Chen
Pranav Gupta
Rayna Shah
Rohin Garg
Rory Hu
Shivika Biswari
Sudisha Kumar

TECHNOLOGY, INFORMATION & COMMUNICATIONS COMMISSION

Balaram Donthi
Emma Shearin
Mukesh Garg
Prabir Mohanty
Sudeep Kumar

GFOA Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Cupertino
California**

For the Fiscal Year Beginning

July 01, 2023

Christopher P. Morill

Executive Director



Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312.977.9700 fax: 312.977.4806

January 25, 2024

Thomas Leung
Budget Manager
City of Cupertino, California

Dear Thomas:

A panel of independent reviewers have completed their examination of your Annual budget document for the period beginning July 2023. We are pleased to inform you that your budget document has been awarded the Distinguished Budget Presentation Award from Government Finance Officers Association (GFOA). This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant achievement by your organization.

Your Distinguished Budget Presentation Award is valid for one year. To continue your participation in the program, it will be necessary to submit your next budget document to GFOA within 90 days of the proposed budget's submission to the legislature or within 90 days of the budget's final adoption.

Your electronic award package contains the following:

- **Scores and Comments.** Each entity submitting a budget to the program is provided with reviewers' scores for each of the categories on which the budget document was judged along with reviewers' confidential comments and suggestions for possible improvements to the budget document. We urge you to carefully consider these suggestions as you prepare your next budget.
- **Budget Award.** A camera-ready reproduction of the Award is included for inclusion in your next budget. If you reproduce the camera-ready image in your next budget, it should be accompanied by a statement indicating continued compliance with program criteria. Please refer to the instructions for reproducing your Award in your next budget (also included in your award package).
- **Certificate of Recognition.** When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for its having achieved the award. The Certificate of Recognition is presented to: **Finance Department.**
- **Sample press release.** Attaining this Award is a significant accomplishment. The sample press release may be used to give appropriate publicity to this notable achievement.

In addition, award recipients will receive via mail either a plaque (if the government is a first-time recipient or has received the Award fifteen times since it received its last plaque) or a brass medallion to affix to the plaque.

We appreciate your participation in this program, and we sincerely hope that your example will encourage others in their efforts to achieve and maintain excellence in governmental budgeting. The most current list of award recipients can be found on GFOA's website at www.gfoa.org. If we can be of further assistance, please contact the Awards Programs staff at (312) 977-9700.

Sincerely,

Michele Mark Levine
Director, Technical Services Center

CSMFO Operating Budget Excellence Award



Budget Message

This page intentionally left blank.

Budget Message

May 1, 2024

To the residents of Cupertino, Honorable Mayor, and City Council,

I am appreciative of the opportunity to present the proposed Fiscal Year 2024-25 Budget. Our journey to this point has been a winding path of reductions, adjustments, and revenue enhancements. The challenges we have faced over the past year have been significant, but our efforts have been laudable and our approach diligent.

Today, we present a budget that brings us mostly into balance, largely through significant reductions in expenses for the second year in a row. Last year's General Fund budget saw \$15 million in reductions across all expense categories, but still left a projected \$15 million ongoing structural deficit, and a need to address a \$10.1 million deficit in the coming year alone.

As anticipated for several years, the City has expected a significant reduction in sales tax revenue due to an administrative decision by the California Department of Tax and Fee Administration (CDTFA). This decision identified a repayment for past sales tax received as well as an ongoing reduction of approximately \$30 million. A determination letter from the CDTFA arrived in October 2023, providing the City with a potential repayment amount through April 2023. With this information, staff was able to estimate potential payments through June 2023, and the City Council subsequently approved staff's recommendation to create a sales tax repayment committed reserve of \$56.5 million to account for this obligation. These dollars have been set aside should the City be required to repay sales tax already received.

The combined ongoing reduction as well as this significant one-time payment are unfathomable impacts for most cities. The advanced financial planning, resilient organization, and responsive action to meet reduction needs are a testament to the commendable work the City Council and staff have accomplished.

In November, the City received some positive news, as the unaudited year-end figures for Fiscal Year 2023-24 showed approximately \$20 million more in unassigned fund balance (savings) than originally estimated. This is attributable to the diligent work of staff and City Council to reduce expenditures in the last quarter of the fiscal year when made aware of the severe impacts the CDTFA decision might have on the city. This included extending recruitment timelines and being diligent with spending for essentials to serve the community. Fund balance was helped by increased revenues in property, utility users, and transient occupancy taxes. Although these positive variances from budgeted tax revenues will help bridge the gap in years where there are shortfalls, they do not cure the ongoing structural deficit.

Navigating this path required intense communication and outreach. City staff intensified communication efforts with the City Council and the community, resulting in several Council meetings to discuss various components included in the budget that were captured in our budget adoption road map.

Partnerships have been the focus as we chart a path through this unprecedented situation. We have engaged with the community at every step of the way through several robust community outreach efforts, including two community budget meetings, three community focus group sessions, and various other in person opportunities for the community to discuss the budget with staff.

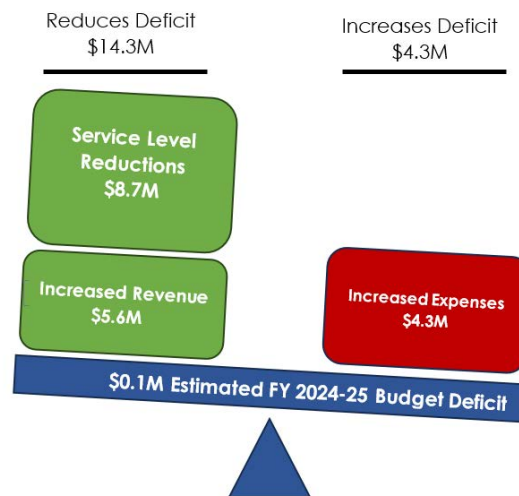
The result of this collaboration between staff, Council, and the community is the Fiscal Year 2024-25 Proposed Budget of \$146.5 million in expenses, funded with \$139.1 million in revenue across all funds and the use of \$7.4 million in fund balance. The use of fund balance is mostly due to the use of the Capital Reserve to fund this year's proposed Capital Improvement Projects. This budget incorporates all direction received by City Council

to date. The General Fund, the City's largest tax-supported fund, is proposed at \$89.9 million funded with \$89.8 million in revenue, resulting in an estimated use of fund balance of \$0.1 million. The budget is just short of balancing and staff recommends using unassigned fund balance to fill the small gap in funding this year.

This minimal use of fund balance demonstrates the significant success of the Service-Level Reduction process, where savings through reduced expenditures have almost completely closed the deficit, with additional help from increased revenue.

The graphic below illustrates major components in the General Fund that have led to the current year's budget:

CLOSING THE \$10.1 MILLION BUDGET DEFICIT IN FY 2024-25



There have been many stops along the budget path this year, with more still in front of us. These include the FY 2024-25 Fee Schedule and FY 2023-24 Third Quarter Report that may include adjustments that will impact the final budget along with items that will be presented at the Proposed Budget Hearing like Community Funding and Festival and Fee Waivers. Any additional direction received by City Council will be incorporated into the final budget for proposed adoption by City Council on June 18, 2024.

Our road map illustrated the path to completing the budget, prioritized increased outreach, included direction from City Council and opportunities for resident input, and incorporated carefully thought-out stops along the way that bring us to the document you see before you today.

City staff and I remain committed to our efforts at fostering communication and feedback with all stakeholders, including the City Council, residents, and our own staff. We expect continued change and adaptation in the future, and with the help of our many wonderful partners, we will journey along new paths as we work together to reinvent the City and meet these changing realities.

Respectfully submitted,

Pamela Wu

City Manager

Strategic Goals

On March 1, 2023, the City Council held a Goal Setting Workshop to discuss City goals and priorities for the next two years. The City Council re-affirmed their commitment to the following five goals, which were formally adopted in February 2020:

Public Engagement and Transparency

Creating and maintaining key conversations and interactions with the Cupertino Community.

Sustainability and Fiscal Strategy

Continuing Cupertino's commitment to building a sustainable and resilient community for future generations.

Housing

Contributing meaningfully and in a balanced manner to the housing inventory in support of our community needs, including affordable housing (from extremely low-income to moderate-income level housing) and addressing homelessness.

Transportation

Providing access to an efficient, safe multi-modal transportation system for our community, and advocating for effective, equitable mass transit in the greater region.

- Improving Traffic Flow and Alleviating Congestion

Quality of Life

Furthering the health and well-being of all Cupertino community members.

- Air Quality
- Public Safety
- Recreation
- Access to Goods and Services

While these are intended as multi-year goals, they are reviewed every two years by the City Council. The Council may adopt the same goals or revised goals as the Council sees fit.

The strategic planning process and City Council goal-setting are paramount as they drive the City's Two-Year Work Program. The City has created an online dashboard to show the status and performance of the City Work Program in real-time (gis.cupertino.org/webmap/CityWorkProgram/). Special Projects with budgetary impacts associated with the City Work Program are listed in the respective program budgets.

FY 2024-25 City Work Program

On April 3, 2024, the City Council approved the FY 2024-2025 City Work Program, which comprised a total of 20 projects requiring an estimated \$500,000 in additional funding, in addition to the \$1,336,000 of previously allocated funds, totaling \$1,836,00. The estimated \$500k Funding for the new projects, will be considered in May 2024.

Adopted FY 24-25 City Work Program				
#	Project	Description	Budget	Goal
Ongoing Projects				
1	Tree List (CDD)	Review and revise development tree list (per Ch. 14.18: Protected Trees) with an emphasis on appropriate trees and native species.	\$50k allocated	Sustainability and Fiscal Strategy
2	Tree List (PW)	Project Phases: 1)Review, revise, and communicate street tree list with an emphasis on appropriate trees and native species. 2)Develop an Urban Forest program scope and cost for future consideration.	\$60k allocated	Sustainability and Fiscal Strategy
3	Public Safety (License Plate Readers)	Deploy city-owned license plate readers and implement policies to allow neighborhood-owned ones.	\$60k allocated	Quality of Life
4	Public Safety (Block Leader)	Strengthen Block Leader/Neighborhood Watch programs to ensure the leaders are active and expand the coverage of active neighborhoods.	\$10k allocated	Quality of Life
5	Preserve existing and develop new BMR/ELI Housing	Explore opportunities to preserve existing expiring BMR housing. Develop ELI (Extremely Low Income) and BMR housing units for Developmentally Disabled individuals (IDD) on City-owned property as well as the County-owned sites.	\$250k allocated	Housing
6	Whole City Policy Review	Repeat the 2013 process of compiling and reviewing all City Policies including 1) Administrative and 2) Council policies and provide recommendations/updates, e.g. Green Purchasing, Property Acquisition	\$10k allocated	Public Engagement and Transparency
7	Fiscal Procedures and Policies Handbook	Develop the handbook to ensure standardization of accounting, budget, investment, procurement policies, procedures, rules and regulations.	\$45k allocated	Sustainability and Fiscal Strategy
8	Support for the unhoused	Collaborate and fund jointly with West Valley efforts to address regional needs and find workable support for the Unhoused.	\$50k allocated	Housing
9	Municipal Water System	To analyze and recommend options for the continued operation of the system currently and at the end of lease with San Jose Water Company in September 2024.	\$181k allocated	Sustainability and Fiscal Strategy
10	5G Ordinance	Update 5G Ordinance	\$0 allocated	Quality of Life
11	Residential and Mixed Use Residential Design Standards	Create objective design standards for residential projects, including ensuring adequate buffers from neighborhood low-density residential development	\$240k allocated	Quality of Life
12	Art in Public and Private Areas (Proposed by Arts & Culture Commission)	Revisit Municipal Code standards for art in public and private development, including the standards in the Municipal Code and developing an Art-in-lieu fee policy.	\$0 Estimated	Quality of Life
13	Speed Limit Lowering (AB 43) (Proposed by Bike Ped)	Lower speed limits where feasible pursuant to state adopted Assembly Bill 43	\$0 Estimated	Transportation
14	Homestead Bike Lane Study & Safe Routes to School (Proposed by Bike Ped Commission)	Support collaboration efforts on multi-jurisdictional projects along Homestead Road that include upgrading pedestrian and bicycle infrastructure. (The current project phase is focused on preliminary design and is funded to 35%. Future phases, when funded, will focus on 100% plan design construction)	\$0 Estimated	Transportation

Adopted FY 24-25 City Work Program				
#	Project	Description	Budget	Goal
Ongoing Projects				
15	Poet Laureate Playbook Update <i>(Proposed by Library Commission)</i>	Update the Cupertino Poet Laureate Playbook to streamline processes, outline clear expectations, and expand applicant qualifications. The playbook has not been updated since 2016.	\$0 Estimated	Quality of Life
16	Electrification Study <i>(Proposed by Sustainability Commission)</i>	Conduct public outreach, policy research, and coordinate with regional efforts to develop policy options for electrification of Cupertino's buildings in light of recent legal rulings inhibiting certain electrification efforts.	\$50k allocated	Sustainability and Fiscal Strategy
20	Active Transportation Plan	This item is a consolidation of existing and new transportation efforts aiming to further goals outlined in the City's Vision Zero Initiative, including: 1) Review and update the bike plan 2) Review and update the pedestrian plan 3) Review current Complete Streets Policy and propose adjustments to create a better interface between all modes of transportation	\$330k	Transportation
New Projects				
17	Recycled Water Feasibility Study	Develop Recycled Water Feasibility Study. Include Blackberry Farm focus and extension of recycled water from SCVWD.	\$200k Estimated	Sustainability and Fiscal Strategy
18	Sign Ordinance	Update Sign Ordinance	\$200k Estimated	Quality of Life
19	The Rise: Construction stakeholder engagement	Improve engagement with stakeholders to ensure progress with construction and reduce barriers.	\$100k Estimated	Quality of Life
New Projects Total			\$500,000	

Notable Accomplishments

Administration Department

Wildfire Protection and Local Hazard Mitigation Planning – Coordinated with Santa Clara County Fire and Santa Clara County Sheriff's office to develop evacuation planning maps for residents. This initiative addresses the requirements of AB 747 and AB 1409. The Office is currently updating both the Local Hazard Mitigation Plan and the Community Wildfire Protection Plan, with a focus on incorporating projects identified in other City plans. Integrating these plans provides the opportunity to meet additional legislative requirements related to [hazards and land use planning](#).

Council/Commission Governance Reform Package – As part of the new FY 2023-25 City Work Program, the City Manager's Office and the City Attorney's Office worked to revise the Ethics Policy and address the Civil Grand Jury Report. Staff updated the Commissioner's Handbook to align it with the new Council Procedures Manual and realign terms of office and qualifications.

Public Safety Initiatives – As part of the new FY 2023-25 City Work Program, the City Manager's Office is working on enhancing Block Leader/ Neighborhood Watch programs to ensure greater participation as well as explore best practices to deter crime in commercial areas.

Emergency Operation Training – Initiated a new training program for City Emergency Operations Center Staff and set completion dates for Disaster Service Worker training for all City staff. In April 2024, OEM worked with the Department of Parks and Recreation to train 25 City staff who have a role in staffing emergency shelters in a disaster. Finally, the Office developed a program to initiate and track emergency public messaging using volunteer units to share information with the community.

Cupertino Business Outreach Program – A program designed to facilitate a dialogue between the private and public sectors, the Cupertino Business Outreach Program (CBOP) provides an opportunity to understand the unique needs of our local businesses and connect them with resources. CBOP incorporates an in-person (or virtual) visit to companies located within Cupertino for a conversation with the leadership team and an optional tour of the operations. With insights gained during these visits, the City hopes to double down on supporting programs that work or create new ones to fill gaps in addressing common business needs.

Cupertino Development Forum – In partnership with SJ Spotlight, the City Manager's Office designed and co-hosted the first-ever forum focused on development activity and opportunities for investment in Cupertino. The panelist was comprised of City staff and industry practitioners representing real estate development and retail brokerage. Through a collaborative discussion, the audience was able to gain a deeper understanding of what is happening in Cupertino as it relates to commercial and residential development, retail leasing, and the overall Cupertino economy.

Cupertino Development Cabinet – Established the Cupertino Development Cabinet as an inter-departmental coordination group, providing a vital forum for discussing major policies, strategic initiatives, and significant projects in areas such as development, redevelopment, and business attraction/expansion. Comprising representatives from key departments such as the City Manager's Office, Community Development, Economic Development, Planning, Building, and Public Works, this collaborative effort aims to boost the City's revenue by fostering cohesive planning and execution of impactful initiatives.

SVEDA Broker Breakfast – The Silicon Valley Economic Development Alliance (SVEDA) hosted a Silicon Valley commercial broker breakfast featuring the cities of Cupertino, Mountain View, and Sunnyvale. Economic Development speakers discussed the latest commercial real estate opportunities in their respective cities. Attendees included brokers and property owners.

Retail Theft Prevention Outreach & Engagement – Partnered with the Santa Clara County Sheriff’s Office to strengthen retail theft prevention measures, enhance business intelligence, and safeguard business continuity for Cupertino businesses.

Storytellers – In 2024 the Storytellers group was established to establish an interdepartmental group to enhance the City’s communications and outreach. The group meets monthly and discusses upcoming events, projects and major initiatives. The communications team solicits information from key department leaders and provides feedback on outreach messaging and approach.

Community Outreach and Events– Planned, executed, or supported promotion and outreach efforts for community events, including: Fourth of July Celebration, 77th India Independence Day Flag Raising Ceremony, Cupertino Cybersecurity Science Fair, Silicon Valley Fall Fest, Citywide Annual Garage Sale, 10th Anniversary Fall Bike Fest, Public Safety Commission, Toyokawa-Cupertino Sister Cities 45th Anniversary Commemorative Virtual Ceremony, Veterans Day Ceremony, Community Tree Lighting Ceremony, Cupertino Development Forum, Oath of Office Ceremony, Cupertino Spelling Bee Competition, monthly Chai and Chat with Cupertino Mayor meetings, 2024 State of the City, Lehigh Town Hall with Supervisor Simitian, Big Bunny 5K and Kids Fun Run, Earth and Arbor Day Festival, Cherry Blossom Festival, Pride Flag Raising Ceremony [before end of FY ‘24], and several ribbon cuttings and grand openings for new businesses in Cupertino.

State of the City– In partnership with the Cupertino Rotary and Cupertino Chamber of Commerce, the State of the City was held at Quinlan Community Center with dozens of citizens city leaders and dignitaries in attendance. The theme of the evening “Stronger Together” was thoughtfully delivered in an address by Mayor Mohan. Staff prepared remarks along with a presentation covering the city’s current economic and infrastructure developments, housing development plans, and budget challenges.

Media Outreach– Staff have maintained a focused approach in media outreach, aligning the City’s message, audience and goals with targeted news outlets. This approach has allowed for more impactful communication and maximized engagement and outreach. Some examples of recent positive media coverage include:

- San Jose Spotlight: Cupertino plans safety upgrades for road and pedestrian bridge
- San Jose Spotlight: Cupertino greenlights housing development at former Vallco mall
- In Partnership with San Jose Spotlight, the City also hosted a policy discussion at Cupertino Community Hall centered on development in Cupertino.

Publications and Videos – Published three quarterly editions of The Scene (3 by end of the Fiscal Year (FY), and 17 editions of the Cupertino Connect newsletter (24 by end of the FY). The Video Division has shot and edited multiple video projects including: SV Hopper, Earth and Arbor Day Festival, Workplace Waste Sorting Program, How to Sort Waste at Home and have several ongoing projects.

Administrative Services Department

Government Finance Officers Association (GFOA) – GFOA awarded the City of Cupertino the GFOA Distinguished Budget Presentation Award for FY 2023-24.

California Municipal Finance Officers Association (CSMFO) – CSMFO awarded the City of Cupertino the CSMFO Operating Budget Excellence Award for FY 2023-24.

GFOA Annual Comprehensive Financial Report –GFOA awarded the City of Cupertino the Certificate of Achievement for Excellence in Financial Reporting for FY 2021-22.

Budget Outreach Initiative –City staff launched an extensive budget outreach initiative, to engage with the community on City’s budget. Engagement efforts included interactive in-person and hybrid sessions at various locations and times, as well as booths at community events, focus groups, and community budget meetings.

The variety of outreach styles and times provided options for residents. These events were centered around the discussions outlined in the City's budget adoption roadmap, which is a key tool to inform residents and City Council of where we are in the budget process and the many touch points we have had this year. The budget and communication team worked diligently to organize and promote these gatherings through city and partner channels to ensure community awareness. The schedule of events was also featured in the Mercury News. Despite best efforts, this series of outreach efforts designed to involve residents saw lower than hoped for attendance, however, staff remains committed to fostering community connections and showcasing the budget tools available to better understand and research city finances.

HR Hub – Continued collaboration with I&T to enhance and develop the City's intranet, including digitizing forms, enhancing employee accessibility to HR tools and resources, and centralizing and maintaining HR information (MOUs, Policies & Procedures, COVID Information, etc.) and the City's training management application.

BEST Training Program – Offered 122 training courses in 2022-23 and 48 courses in 2023-24 via a semester-based program with a variety of training programs to assist employees with their professional growth, health, and wellness as well as retirement and financial planning. Coordinated the City's participation in the Santa Clara and San Mateo County NextGen program and the Santa Clara County Leadership Academy to promote professional growth and succession planning within our agency.

Diversity, Equity, and Inclusion (DEI) – Offered staff DEI training through webinars, onsite and virtual presentations, and activities as part of the City's BEST program to increase cultural awareness, knowledge, and communication as well as promote a more inclusive and diverse work environment.

Recruitment and Retention – In FY 2022-23, there were 20 Full Time (FT) separations, a 9% turnover rate. As of Mid-Year, FY 2023-24, there have been 6 FT separations, an 3% turnover rate. Hosted a recruitment booth at the City's Earth Day Event to promote City job opportunities within the community.

Benefits Administration – Continued to process a considerable number of employee onboarding and offboarding functions. In FY 2022-23, there were 24 FT new hires and 20 separations. As of Mid-Year, FY 2023-24, there have been 19 FT new hires and 6 separations. Sourced and executed a contract with a new Employee Assistance Program (EAP) provider with an improved benefit design and a lower premium at 67% less than the previous provider.

Employee Engagement Initiatives – The Director of Administrative Services initiated additional efforts to improve citywide employee engagement and morale. Quarterly mid-level manager meetings are being held with a focus on three areas: improving employee engagement and morale, improving communication, and how we can better support them in their role as supervisors and managers in the organization. The initial meeting was well received, and feedback was provided on what is working in the organization, what needs improvement and what ideas they have for solutions. HR will be working with Department Heads and their management teams to develop action plans and continue to meet with mid-level managers on a quarterly basis. Additionally, ASD staff successfully managed the Annual Service Awards/End of Year Employee luncheon as well as administered the City Manager's new employee meet and greet sessions.

Labor and Employee Relations – Successfully completed labor negotiations pursuant to salary and benefit reopener language with Labor Unions and updated the City's Unrepresented and Elected Employee Compensation Programs and salary plans. Continued to work collaboratively with the City's labor unions through monthly labor management meetings.

Risk Management and Worker's Compensation – Continued to administer the City's general liability and property insurance programs with the City Attorney's Office. Administer the City's Worker's Compensation program and coordinate with the City's third-party administrator. Managed and administered the City's unemployment

insurance program as well as the City's DOT commercial driver program. Coordinated City's OSHA safety and training programs and Risk Management Committee.

Administrative Policy and Procedures – Developed revised Purchasing Policy and new Public Works Policy that guide staff in vendor selection and contract award for the purchase of goods, services or Public Work projects. Additional revised policies include the P-Card Policy which clarifies requirements and guidelines for using a City-issued purchasing (credit) card and the Travel and Reimbursement policy to provide guidance on approved travel and reimbursable expenses. The Cupertino Municipal Code was modernized to reflect industry best practices for purchasing and various procedural updates for Finance actions were provided.

Purchasing-related support – The new Purchasing Division hosted monthly meetings with department liaisons and contract administrators to communicate changes to purchasing, contracting and finance related actions.

Purchasing staff provided review and support for citywide purchases, collaborated with the City Attorney's Office to develop updated guidance for contract development, and provided training on the use of co-operative agreements and Purchase Order submittal that align with administrative policy.

Community Development Department

Update the Housing Element of the General Plan and Concurrent Rezoning – The City received notice on April 10, 2024 from the State that the draft Housing Element has been deemed substantially in compliance. This achievement marks a significant milestone in the City's ongoing commitment to providing affordable housing opportunities, fostering inclusive communities, and addressing the diverse housing needs of its residents. The City is now moving swiftly toward the adoption of the housing element and related zoning ordinance amendments by the Planning Commission and the City Council, paving the way for future housing. The City expects to complete all the necessary steps to adopt the housing element and rezone the priority housing sites identified in it by July 2024. The State of California requires cities to review their Housing Element every eight years to ensure that each city can effectively achieve its Regional Housing Needs Allocation (RHNA). To meet this requirement, the City of Cupertino must plan for the development of at least 4,588 new housing units. The three-year planning process included analysis by the City's Community Development Department, City Manager's Office, and City Attorney's Office, as well as extensive engagement with residents through townhalls, public meetings, and other outreach efforts. Concurrent rezoning of the Priority Housing sites to ensure that sites are appropriately rezoned to allow for planned growth/capacity and other associated zoning text amendments required by state law.

Permit Activities – First quarter of 2024 has seen 522 permits approved for a variety of project types and at a completion rate of 95%. 368 of the approved permits were for a variety of residential uses. Additionally, 894 planning and building inquiries were registered at the Permit Center, a higher rate than the same period in 2023.

Process Improvement – 1) Created checklists and website for compliance with AB2234 (new state re: streamlined building permit review for post-entitlement permits) 2) Updated ADU ordinance to allow more number of ADUs per lot than allowed under state law under streamlined review. 3) Eliminated Two story Planning permit process for certain two-story additions and homes, to streamline process and allow property owners the ability to apply for building permits directly 4) Implemented the use of SolarApp+ to create the required instant online permitting for residential roof mounted solar systems. 5) Created and implemented a re-inspection fee policy to generate revenue and projects moving forward.

Housing Outreach and Coordination – 1) Allocated Community Development Block Grant (CDBG) funding to replace the existing, outdated fire alarm system at the City's Senior Center with a complete, sitewide, fully addressable fire alarm system 2) Partnered with West Valley Community Services to provide them with grant

funding for unhoused support. 3) Continued to participate in multi-jurisdictional meetings to address regional needs and pool resources, such as the CDBG Coordinators meeting, and the West Valley Collaboration – Homeless and Housing Programs meeting

Innovation & Technology Department

ProjectDox move to SaaS – The City currently utilizes ProjectDox for Plan Check reviews and approval of all permit applications since 2017. The system works to ensure that proposed construction plans meet life safety, accessibility, sustainability, and structural safety requirements of the code. Currently, the ProjectDox servers are an on-premises environment, and the maintenance and upgrades of the servers is the responsibility of the City IT Staff. Moving to the SaaS (Software as Service) model will shift the responsibility of the day-to-day maintenance, upgrades, and back-ups will shift to the vendor.

Consolidation of Code Enforcement Services – Consolidated Code Enforcement operations under Accela Land Management System (LMS) and Cupertino 311 service request. The project consisted of automating Code Enforcement business processes under LMS. Working with one system creates a more efficient, trusted outcome. Additionally, custom reports become an easier task due to one application – one database. Finally, code enforcement complaints and service requests are routed from Cupertino 311 system to Code Enforcement officers.

Resource Mapping Software – Implemented Startup Space platform to provide ecosystem mapping between resource providers and small and medium-sized businesses. Provide access to government, public, and privately sponsored resources for underrepresented and minority-owned small business owners.

ClimateNav – Cupertino procured a user friendly and highly visual Climate Action Plan 2.0 (CAP 2.0) dashboard to explain ongoing progress toward CAP goals to both City Council and the community. This visualization tool will be updatable by staff and may avoid the cost of hiring a consultant to perform separate greenhouse gas emissions inventories. It will also assist with compiling and exporting needed data for annual greenhouse gas emissions reporting. This software is expected to save significant staff time, which is especially crucial given the reduced Sustainability staffing and ongoing financial crisis.

FMLive Cloud based solution – Cupertino has successfully transitioned from the existing FuelMaster SQL deployment to the updated FMLive cloud-based fuel management system. This transition offers several benefits, including cloud hosting with Amazon, real-time data availability, a user-friendly interface, seamless upgrades for existing FMUs, compatibility with fleet management systems, and transparent changes for fuel island users.

Business Process Automation – Continued to pursue business process automation, having achieved the successful automation of 40 forms, workflows, approval processes, and routine tasks. Our aim is to enhance process and technology integration, facilitating the adoption of streamlined, digital workflows that optimize efficiency while minimizing risk exposure. Our dependable platform offers users a secure and easily configurable solution that can be scaled to meet evolving needs.

Disaster Preparedness – Through a collaborative effort with OES, we have successfully developed a suite of tools designed to aid in the aftermath of a disaster. The Quick Capture tool, specifically tailored for Cupertino staff and OES Volunteers, facilitates prompt and efficient reporting of issues to the EOC in the immediate aftermath of a disaster via a windshield survey. Additionally, we have designed a Building Damage Assessment Survey on the standard state form to gauge the extent of building damage. EOC Dashboards have been implemented to enable real-time monitoring of data being collected from the field, and a Reviewer Map has been configured for the GIS staff to review and edit reports as necessary as they come in. Furthermore, we have produced detailed evacuation maps for each evacuation zone to aid in emergency evacuations.

Code Hub – Cupertino transitioned to the Gridics platform, which replaced American Legal as the official codifier for the Cupertino Municipal Code. Gridics integrates 3D zoning technology and mapping, simplifying zoning comprehension for residents and enabling visual assessment of proposed changes. After a successful trial, Cupertino's municipal code links will exclusively direct users to Gridics/CodeHUB, promising enhanced services and operational efficiencies.

Capital Improvement Plan (CIP) Management System – Implemented a CIP management system that will streamline how CIP projects are managed, bring consistency to CIP workflows and reporting, combine CIP and related financial data in one place, as well as provide an external portal for contractors and developers to upload CIP submittals and invoices in one consistent, reliable, and trackable platform.

Proactive Managed Risk and Security Monitoring – Procured Cybersecurity Professional Services to respond to active threats through proactive monitoring and management tools that scan, manage and resolve security vulnerabilities.

City Hall Enterprise Server & Storage Tech refresh – Replaced the server environment that houses the City's Financial ERP, Land Management business applications, and other critical applications and services. This refresh was done at the City Hall and Phoenix data centers and provides more robust backup and recovery features in the case of a cyber incident.

Cybersecurity Public Education – In September 2023, TICC, in collaboration with Department staff, hosted a successful two-part Cybersecurity Public Education community event. The first part consisted of Cybersecurity experts leading a Panel discussion. The second part consisted of five high school students from Cupertino showcasing their innovative ideas on educating the public about cybersecurity scam awareness. Cybersecurity Public Education was a work program proposal submitted by TICC, with Council adopting proposal as part of FY2022-23 City Work Program. Anyone can fall victim to cybercrimes, and the City hopes the panel presentation and cyber fair informed and educated community members, so they can avoid becoming a victim.

.gov E-mail Project – Acquired and implemented the cupertino.gov address to our E-mail system, improving security and branding, and satisfying major requirements of California State Assembly Bill 1637.

Cybersecurity Assessment – I&T engaged the services with FRSecure, a security assessment firm. A comprehensive cybersecurity review was done, including a vulnerability scan, network penetration test, and a security controls assessment that involved interviews with staff in multiple departments. A roadmap was produced to assist with improving City cybersecurity operations.

Windows 11 Upgrade Project – With support for Windows 10 ending on October 14, 2025, the City's fleet of Windows 10 laptops will need to be replaced or upgraded before then. This is to ensure the City's laptops continue to receive critical security updates from Microsoft.

Cupertino Room Lectern Upgrade Project –Upgraded the Cupertino Room lectern with an audiovisual-ready system so that it better integrates with the recent technology improvements in that space. The upgraded podium includes custom connections for laptops and other mobile display devices, support for a wireless gooseneck microphone, and a sloped panel for built-in monitor display.

Cupertino Social Room Upgrade Project –Upgraded the Social Room audiovisual system with an expanded wireless microphone and speaker system and expanded Bluetooth audio capabilities.

Sports Center Audio Upgrade Project –Upgraded the sound system in the Sports Center multipurpose room to support programs and classes such as Zumba, Pilates, cardio workout, etc. where mixed amplification of music and instructor microphone audio is an important feature. Upgraded components include a new amplifier, a combination of ceiling and subwoofer speakers, a new audio mixer, and a new Bluetooth receiver.

Zoom Room Conference Room Upgrades – Upgraded videoconferencing technology citywide with next generation Poly Studio X30, X52, and X70 systems. These upgraded systems include conference rooms A and B at City Hall, the Quinlan Conference Room, Service Center Break Room, Service Center Conference Room, Senior Center Conference Room, and Blackberry Farm Retreat Center. Expected completion is May 2024.

Parks & Recreation Department

Community Funding – The City provides funding to local non-profit organizations in the areas of social services, fine arts and other programs for the general public. The Community Funding Grant application process opened on January 1, 2024 and closed on February 1, 2024. Received 11 applications for the FY 2024-2025 Community Funding Grant Program application cycle, which were brought to the Parks and Recreation Commission for review on March 7, 2024. The Commission evaluated applications in April and provided a recommendation regarding funding to City Council for final approval.

NRPA Awarded Grant – The Parks and Recreation Department was selected as a recipient of the National Recreation and Park Association's (NRPA) Supporting Healthy Aging Through Parks and Recreation 3.0 (SHAPR 3.0) grant. This grant supports park and recreation professionals to increase access, availability, participation, and sustainable support for programs that improve physical activity, engagement, and the quality of life for older adults. The project goal is to increase access to arthritis-appropriate, evidence-based (AAEBI) interventions in park and recreation. The City received two instructor trainings for the program along with all program start up materials. City staff from the Senior Center implemented a Walk with Ease (WWE) program targeted to seniors with arthritis or other chronic diseases and all others interested in a walking program. The program teaches participants how to incorporate physical activity safely and comfortably into their everyday lifestyle.

Teen Resource Fair – City staff hosted the Teen Resource Fair on March 16 at Main Street Cupertino. The event was run in partnership with Fremont Union High School District's Intradistrict Council (IDC) which includes representatives from all five schools and Main Street Cupertino. The event included a teen volunteer and part-time job fair which highlighted jobs with the City of Cupertino as well as health and wellness booths coordinated by the IDC. About 350 teens were in attendance.

Teen Volunteer Opportunities – To increase volunteering opportunities for teens, as well reduce general costs, City staff have relied more on high school volunteers through partnerships with youth organizations to support City events including the Big Bunny 5K, Cupertino Campout, Monster Mash, and Tree Lighting. The summer-only Leader in Training Program (LIT) continues to support summer camps and the Youth Activity Board plans, organizes and implements youth and teen events such as Spelling Bee, HACK, and Cupertino Café. Teen Commissioners have also been invited to participate in teen and community events through assigned roles such as the master of ceremonies or moderators for events. Staff continues to look for creative ways to harness the power of teen volunteers to support events and programs.

Sweetheart Social – The Department held the first annual Sweetheart Social, a fee-based community event for families. This event was created with the idea of combining two programs into one, saving on staff time while offering a new and fun event to the community. This community event was scheduled on back-to-back evenings after the Preschool Program's social, saving time in decorating and consolidating supply purchases for both programs. The Sweetheart Social offered a night of Valentines Day themed crafts, activities, and games for families.

Hidden Treasures 2023 – The Cupertino Senior Center hosted another successful Hidden Treasures event. More than \$12,000 worth of donated items were sold. Proceeds from this event go to support the Stay Active Fund, which helps pay for Senior Center memberships and programs for seniors in need of financial assistance. In

addition to the monetary benefit of Hidden Treasures, the months of sorting, pricing, and preparation for the day of the sale provided members an opportunity to give back. More than 45 volunteers donated over 1,150 hours for the event.

Senior Services and Youth Engagement – City staff have developed intergenerational programs and events to facilitate connecting seniors with youth and their families. Techie Teens is a summer volunteer program that provides teens an opportunity to help seniors with their technical questions. Teens are 14 to 18 years old and commit to volunteering a few hours each week of the program. One event was an Intergenerational Celebration Event in October, where the Cupertino Senior Center partnered with Cupertino Change Agents, a youth-based, Cupertino non-profit. Adults 50+ enjoyed musical performances by members of the organization and participated in a variety of activities including cookie decorating and craft projects. Another program was the Thanksgiving Youth Art Celebration. During the month of November, “What Thanksgiving Looks like for You,” a seasonal art exhibit comprised of paintings from teen artists of the Youth of Suha Suha Art Studio, was displayed at the Cupertino Senior Center lobby for all visitors to view. The City hosts various opportunities throughout the year for intergenerational engagement.

Glow Night Golf – Blackberry Farm Golf Course introduced two Glow Night Golf events to the community this year. The events, held on November 9 and December 8, had a total of 56 participants, all willing to brave the cold for this unique experience. Using glow in the dark balls, golfers played a shot gun style game, on the LED lit up course.

3rd Grade Creek Tours – During FY23-24 McClellan Ranch Preserve hosted 27 CUSD 3rd grade classrooms for the beloved creek tour program. More than 625 students and their teachers participated in the exploration of our local watershed and unique riparian and oak woodlands habitat, highlighting pollution prevention. Staff revamped the program to ensure that the creek tours are aligned with the California Third Grade Curriculum Standards. This year staff also incorporated the Stevens Creek Third Grade Creek Survey as an ongoing student-based research study. It compiles the data from each field trip along with that of all trips from this school year, so that so students can produce meaningful data that monitors the health of the creek and protected watershed environment.

Wilson Park Community Gardens – Garden plots at the Wilson Park Community Gardens were rented out. With a total of 15 plots available, most have been filled, and there is currently a growing waitlist of prospective gardeners.

Lap Swim at Blackberry Farm Pool – With new lane lines installed and replastering of the pools, Blackberry Farm will begin offering lap swim to visitors. A total of 6 lanes will be available from 9 a.m. to 10 a.m. on Saturdays and Sundays for dedicated lap swim in 30-minute blocks.

Public Works Department

- 12th consecutive Tree City USA Recognition application submitted – The Tree City USA program provides communities with a four-step framework to maintain and grow their tree cover. It also gives them an avenue to celebrate their work, showing residents, visitors, and the entire country that they’re committed to the mission of environmental change. Arbor Day Foundation recognition is expected in the coming weeks.
- Received and reviewed applications for approximately 100 development projects and 500 encroachment permits.
- Reviewed and facilitated the planning approvals of a 7-unit condominium subdivision at 10046 Bianchi Way and the revised entitlements for The Rise (formerly Vallco Town Center).
- Completed the City’s annual recertification for FEMA’s Community Rating System (CRS) in order to maintain the City’s Class 7 rating

- Completed the Memorial Park Ponds removal project and provided more usable open space area for Cupertino residents and visitors.
- Completed the Service Center Security Gate Project.
- Acquired two transportable solar EV vehicle charging units through a grant funded by Silicon Valley Clean Energy.
- Initiated the Storm Drain Outfall Inspection Project.
- Acquired two EV trucks added to our fleet
- Facilities completed 2,255 work orders
- Fleet completed 626 work orders
- Completed and opened the Regnart Creek Trail and Fencing project.
- Completed installation of the Creekside Tot Lot playground.
- Completed installation of the full-sized basketball court at Wilson Park.
- Completed construction of the community gardens at Wilson Park.
- Renamed the I-280 trail to “Tamien Innu” through a successful community engagement process.
- Continued to ensure full SB 1383 compliance with nearly 600 businesses.
- Provided SB 1383 outreach to over 200 businesses which included regulatory compliance conversations with Owners/Managers/Staff and other relative stakeholders.
- Arranged installation of 20 full trash capture devices to keep trash out of our creeks.
- Conducted 756 reviews of building and demolition permits for debris management and stormwater compliance.
- Conducted 136 preventative stormwater inspections
- Responded to 120 reports of discharges and threats of discharge to the storm drain system.
- Assisted 4 low-income residents apply for or renew their cost-sharing reduced stormwater fee.
- Worked with GIS to digitize two inspection forms.
- Coordinated 10th Anniversary Fall Bike Fest, the largest and most attended Bike Fest to date with over 500 attendees.
- Successful expansion of SV Hopper community shuttle into the City of Santa Clara and achievement of 100,000 ride milestone.
- Adoption of Cupertino Vision Zero Policy and Action Plan
- Installed new Barbeque and serving table at Portal Park rental picnic area.
- Installed benches at the DOLA’s at Linda vista and Jollyman Parks.
- Effective maintenance response and clean-up during the intensive 2024 winter storm season.
- Replaced 51 fluted street light poles to provide enhanced lighting, power, and safety to residents as well as sustainable infrastructure for the City.
- Completed 364 bi-annual inspections/cleanings of storm drain inlets that have trash capture devices
- Successfully applied for numerous grants, including \$425,600 for Bollinger Road Safety Improvements analysis, outreach and design, approximately \$3,200,000 for various road safety improvements, as well as an additional \$850,000 for McClellan Road Bridge.

New Initiatives

Administration Department

Professional Women's Luncheon – This inaugural luncheon is poised to bolster the Office of Economic Development's mission in fostering business retention, expansion, and attraction by fostering meaningful engagement and networking opportunities among women business owners and leaders within Cupertino. Distinguished speakers will have the platform to share their inspiring narratives, highlighting their leadership journeys and the impactful ways they've contributed their voices to the business landscape of Cupertino. This event promises to be a celebration of empowerment, collaboration, and the invaluable contributions of women in business.

Cupertino Business Connect – Unveiled a cutting-edge platform revolutionizing the local business landscape in Cupertino. This dynamic virtual community, offered at no cost, is a powerhouse of resources and support tailored to fuel the growth and success of businesses in Cupertino. Within this vibrant hub, business owners gain access to a plethora of local resources, can register for enriching workshops and trainings, tap into an extensive knowledge base, and forge meaningful connections with seasoned business advisors and industry experts spanning various domains. This initiative aims to empower and equip Cupertino businesses with the tools and knowledge needed to thrive in today's competitive market.

Administrative Services Department

Purchasing related training – Staff will develop and present training outlining the tenants of public purchasing, use of various solicitation methods and documents and review the overall procure-to-pay process. Additional training will include a review of contract development process and best practices, and the fundamentals of contract management/administration, as budget allows.

Culture Statement Project– Develop a department cultural statement that identifies our values within the department while participating with other departments to craft a cultural statement for the City. This statement will be developed with input from staff throughout the department and organization to highlight characteristics we currently, and aspire to, reflect.

Financial ERP (Enterprise Resource Planning) System Review– The current ERP, New World System, will be reviewed in consultation with Tyler Munis (owner) to determine areas of improvement and workflow or business process efficiency. These improvements may be identified through new features that are now available in the existing system, activation and use of previously underutilized system features or creation of customized solutions and reports. Key staff in the Administrative Services and Information and Technology department will be leading the review, performing testing, conducting user outreach and implementing identified improvements.

Community Development Department

Process Improvement – 1) Ongoing effort to create and update handouts to facilitate a more transparent and efficient review process, such as Accessory Dwelling Unit (ADU), planning inspections, etc. 2) Project review software updates for improved integration and access. 3) Review and establish new and updated policies and procedures for the permitting, plan review, and inspection functions. 4) Follow through with researching and implementing new parking citation devices for code enforcement to update the old units that are no longer supported. 5) Continue to work with IT on relocating our electronic plan review system (ProjectDox) from on premises to SAAS. 6) Continue to work with IT on updating the online permitting portal associated with Accela. 7) Code Enforcement will continue to work with IT on implementing the Code Enforcement module in

Accela to get all Divisions on the same system. 8) Continue the research and work with IT to get the parking citation equipment updated to ensure a more efficient process for staff. 9) Continue to work on the automation of data migration from Accela/ProjectDox into Laserfiche to eliminate the staff time needed to manually perform this function.

Outreach – Continue participation in public events to boost outreach efforts for every division within the Community Development Department. Efforts to ensure fostering interaction and disseminating information regarding the department's services and requirements.

Ordinance updates – Updates are being prepared to amend Chapter 19.48, Fences, Chapter 19.60, General Commercial, Chapter 19.124, Parking and Chapter 14.18, Protected Trees, to add clarifications, anticipated to be completed by late Fall 2024.

Revise & Update Heart of the City Special Area– Prioritize following completion of Housing Element: 1) Address effect of AB 2011 and build on Housing Element goals to facilitate housing production in transit-oriented locations, 2) Tailor permissible uses to revitalize local public-facing commercial uses (retail/restaurant/entertainment/professional office, etc.).

Housing Element Implementation –Collaborate regionally and with stakeholders, such as affordable housing developers etc., to implement Housing Element policies and action items per the schedule identified in the Housing Element.

Parking standards – Evaluate the existing parking requirements in the Cupertino Muni Code and find opportunities to update and modernize to be consistent with industry and regional standards.

Outdoor Seating – Evaluate and update the existing outdoor seating requirements and the conditional use permit process to be consistent with industry and regional standards and as efforts to support evolving community needs.

Objective Design Standards – In response to newly adopted State housing legislation, the Council identified the adoption of design standards as a Work Program item. The goal was to create objective design standards for residential and mixed-use residential projects. The effort would also including ensuring adequate buffers between future higher-density residential and mixed-use development from established residential neighborhoods.

Support for the Unhoused – Collaborate and fund jointly with West Valley efforts to address regional needs and find workable support for the Unhoused. Continue to attend meetings with the Cupertino Unhoused task force to help establish a standardized process to provide assistance. Work on Housing Element implementation items to support the production of affordable housing, including housing for the unhoused.

Innovation & Technology Department

Virtual Reality (VR) Decarb – Using the Silicon Valley Clean Energy (SVCE) awarded grant funds, Cupertino will develop a VR experience providing an engaging way to learn about decarbonization. The virtual environment will be a way to create familiarity with a zero-emissions home and ideally inspire residents to adopt these zero-emission options in their own homes. The VR DECARB system will be available at Cupertino festivals, Block Parties, and available as requested by the community.

AR McClellan Ranch – Visitors to McClellan Ranch download the application from the iTunes Store or Google Play Store. Upon opening the application, they are encouraged to visit six locations at McClellan Ranch to activate additional content using the “magical looking glass” on their mobile devices. Upon opening the app, the visitor is instructed to select a language: English, Hindi or Mandarin to begin the experience. Throughout the augmented reality experience, Cooper will act as a tour guide to instruct visitors on interactivity and content at each location. All experiences contain text and audio description in the language selected.

Business Process Automation – Innovation and Technology are revolutionizing traditional business operations to maximize efficiency in Cupertino. Our objective is to improve the fusion of processes and technology, enabling the embrace of intelligent, digital workflows that boost efficiency and reduce risks. Our reliable platform provides a secure and adaptable solution that can grow alongside changing requirements. With over 50 forms completed and ongoing, we're committed to continual progress.

Accela Roadmap – Developed strategic initiatives for achieving the maximum potential from the use of Accela platform pertaining to both its back-office systems and its public portal for Cupertino residents and external stakeholders.

City Website Redesign – In collaboration with various departments and divisions to redesign the City of Cupertino website (cupertino.gov). This project will involve building new wireframes, content audit, usability analysis, and tracking current traffic patterns.

ACA Guide and Wrapper – Enhance user interface and provide seamless navigation through a new guide and wrapper on the City's Land Management System – Accela Citizen Access. The portals site has high traffic for users seeking the permit counter and business license services and user-friendly interface and navigation will help the City to provide its core services to our customers in an efficient way.

Parks & Recreation Department

Defining and Developing Partnerships – Reviewing and updating procedures in place for establishing partnerships with other organizations.

Sponsorship Opportunities – Develop and increase opportunities for other organizations to sponsor City programs and events.

Fall 2024 Preschool Classes – In response to public schools now offering free Pre-K classes for four-year-olds, staff revamped the Preschool Program to expand the three-year-old program offerings, including a combination class for four-year-olds still interested in remaining in the City's play-based program. The revised program is scheduled to start in the Fall later this year.

Group Tours at McClellan Ranch Preserve – Beginning Fall 2024, McClellan Ranch Preserve will offer a fee-based tour program that allows groups the opportunity to schedule time with staff to explore the Nature Trail and/or spend time with the Environmental Education Center's Animal Ambassadors. Tours will be scheduled based on staff availability and limited to two-hour blocks.

Sports Center Party Rentals - The Cupertino Sports Center will begin offering sports themed parties. Rental packages include the use of an indoor party room for meals and celebrations.

Public Works Department

- The following Infrastructure CIP projects were completed this year: Stevens Creek Boulevard/Calabazas Creek Storm Drain Repair, Pumpkin and Fiesta Storm Drain Project (Phase 1), and Regnart Road Improvements (Phase 1).
- The following Parks CIP projects were completed this year: Blackberry Farm Golf Renovation/Alternative Use Study, Community Gardens - Wilson Park, Full-sized Outdoor Basketball Court - Wilson Park, and Memorial Park - Specific Plan.
- The following Facilities CIP projects were completed this year: Electric Vehicle (EV) Parking Expansion - BEAM units purchase and installation.
- The following Bike/Ped/Transportation CIP projects were completed this year: McClellan Road Separated Bike Corridor, Phase 3, De Anza Boulevard Buffered Bike Lanes.
- Successful application for CPG funding from Ro Khanna's office (\$850K) for McClellan Road Bridge project. Evan Low's office procured a grant last year (\$5M) for the project as well.
- The Lawrence-Mitty Park and Trail CIP project completed the conceptual design phase, including the CEQA reporting, and is advancing into the Schematic Design phase, leading to construction documentation and eventually construction.
- The Memorial Park Ponds Repurposing CIP project was awarded "2023 Project of the Year" in the "Environment/Parks; Less than \$2 Million" category, from the APWA Silicon Valley chapter.
- Initiate design for the Fire Alarm System Replacement Project for the Senior Center
- Negotiated a 2-year extension to the current landfill agreement (to November 2023) and have begun work toward negotiation of a new one. The current agreement, established in 1989, expires in November 2023.
- Successfully awarded a \$8.465 million grant to initiate a significant four-year expansion of the Via-Cupertino on-demand shuttle into City of Santa Clara, including electrification of fleet. Program rollout efforts underway, expanded service begins July 1.
- Lawson Middle School Bikeway Study in progress, to evaluate alternatives to enhance safety for students riding bicycles to and from Lawson Middle School. Three community meetings and draft study completed to date, City Council meeting anticipated summer 2023.
- Implementation and ongoing evaluation of pedestrian scramble traffic signal phasing at Bubb Rd/McClellan Rd intersection.
- Implementation of traffic adaptive traffic signal operations along North De Anza Blvd. Acquisition of hardware for citywide traffic signal and communication upgrade. Installation and improvements in progress.

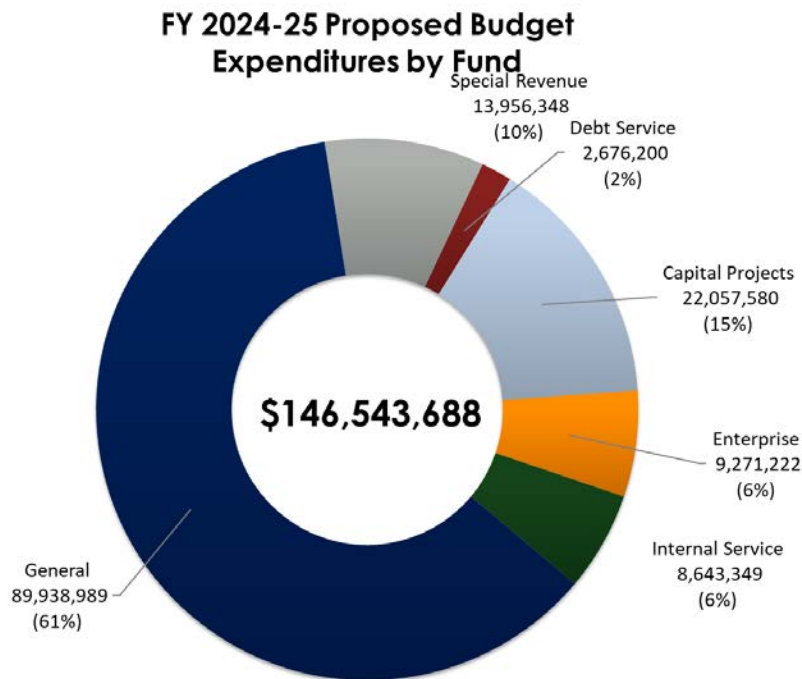
Budget Overview

The Proposed Budget for the upcoming fiscal year highlights an increase in both expenditures and revenues compared to the previous year's Adopted Budget. Total expenditures are expected to be \$136.9 million, a \$15.1 million or 12.4%, increase from the previous year. Similarly, total revenues are anticipated to be \$129.7 million, a \$19.5 million or 17.7%, increase from last year's Adopted Budget.

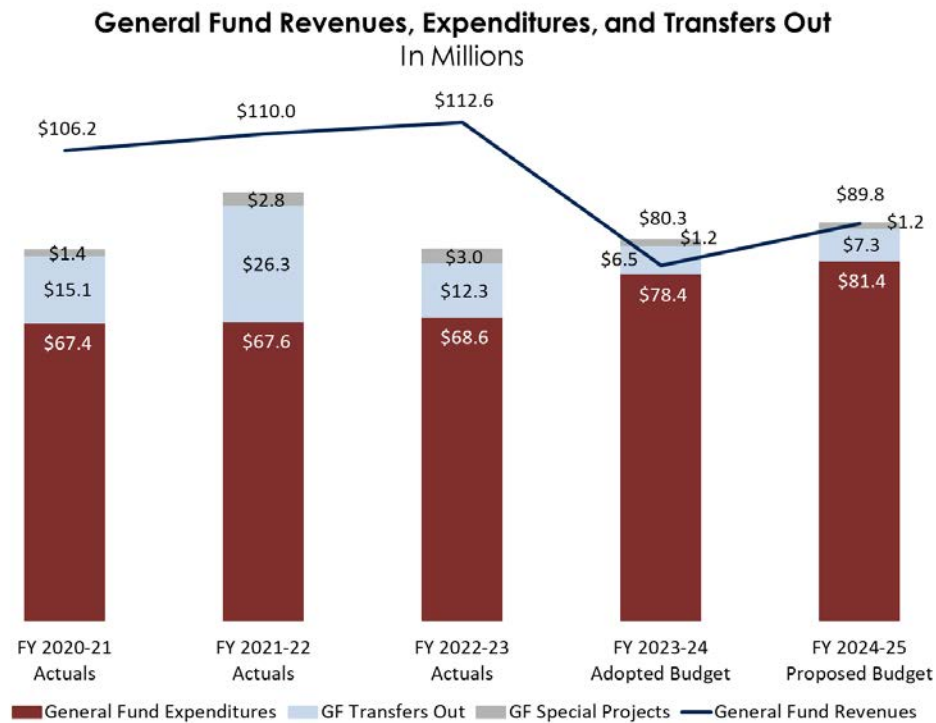
FY 2024-25 General Fund expenditures, which supports the majority of City operations, are expected to be \$89.9 million, an increase of \$3.9 million or 4.5%, from the previous year's Proposed Budget. General Fund revenues are anticipated to be \$89.8 million, which is a \$9.5 million or 11.9%, increase from the previous year's Adopted Budget, resulting in an estimated use of fund balance of \$0.1 million. The budget is just short of balancing and staff recommends using unassigned fund balance to fill the small gap in funding this year. The General Fund's ending fund balance is projected to decrease to \$149.9 million.

Fund Type	Proposed Revenues	Proposed Expenditures	Change in Fund Balance/Net Position
General	89,825,668	89,938,989	(113,321)
Special Revenue	18,616,881	13,956,348	4,660,533
Debt Service	2,676,200	2,676,200	-
Capital Projects	13,635,000	22,057,580	(8,422,580)
Enterprise	6,608,500	9,271,222	(2,662,722)
Internal Service	7,784,696	8,643,349	(858,653)
TOTAL \$	139,146,945 \$	146,543,688 \$	(7,396,743)

As shown in the chart below, the largest fund is the General fund at 61%.



The graph below summarizes the changes in the City’s General Fund over the last five years:

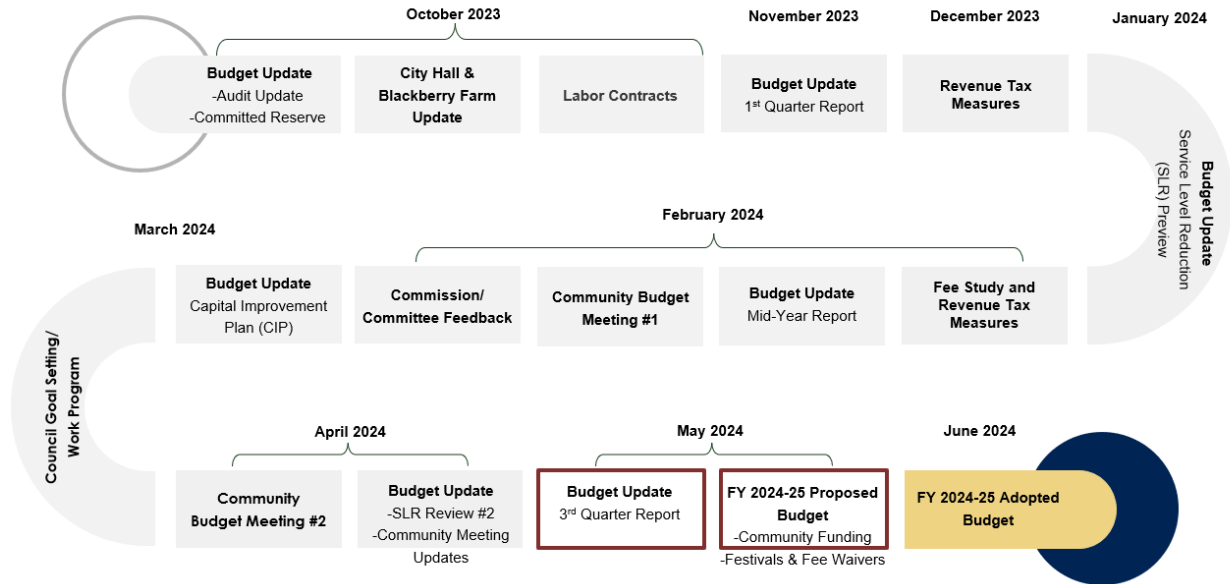


The FY 2024-25 Proposed Budget proposes funding for a total of 207 positions, representing a reduction of five positions from the FY 2023-24 Amended Budget. This reduction is due to revenue shortfalls resulting from the California Department of Taxes and Fee Administration (CDTFA) audit. It is important to note that the positions being eliminated are vacant positions that have not been filled for various reasons such as resignation, retirement, or the positions being left unfilled.

Position	Department	Description	FTE
FY 2023-24 Amended Budget			212.00
FY 2024-25 Proposed Budget			
Special Project Executive Limited-Term	Administration	Eliminating Position	-1.00
Public Works Project Manager	Public Works	Eliminating Position	-1.00
Public Works Project Manager	Public Works	Eliminating Position	-1.00
Maintenance Worker I/II	Public Works	Eliminating Position	-1.00
Innovation & Technology Manager	Innovation & Technology	Eliminating Position	-1.00
FY 2024-25 Proposed Budget			207.00

Budget Roadmap

This year, included many stops along our budget roadmap to budget adoption as illustrated in the graphic below:



Last Updated 5.01.2024

Each stop provided staff with feedback that has been incorporated into this budget.

- October - Created Sales Tax Repayment Reserve and approved 3.5% cost of living increase for most employees.
- November - Reduced 4th of July funding as part of the first quarter financial report.
- December - Presented revenue tax measures. Staff was asked to return with business community feedback.
- January - Presented Service-Level Reductions (SLRs). Council gave direction to proceed with most items. Council added back crossing guard services and directed staff to add back all Community Benefit items but secure outside funding for those items.
- February - Council provided direction on fee study, recommended not moving forward with revenue tax measure survey, and increased Utility User Tax revenue estimates as part of the mid-year financial report.
- March - Council gave direction to proceed with the present Capital Improvement Plan of \$17.9 million offset by \$9.5 million in outside funding as presented and increased the City Council Work Program budget by \$500,000.
- April - Council gave direction to include updated SLRs as presented.

Items remaining in our roadmap include the FY 2024-25 Fee Schedule and FY 2023-24 Third Quarter Report that may include adjustments that will impact the final budget along with items that will be presented at the Proposed Budget Hearing like Community Funding and Festival and Fee Waivers. Any additional direction received by City Council will be incorporated into the final budget for proposed adoption by City Council on June 18, 2024.

Changes to the Budget and Policies

Revised Fees

Matrix Consulting Group recently conducted a comprehensive fee study, that was presented to City Council in February 2024. The Fiscal Year 2024-25 fee schedule is expected to be considered for City Council adoption in early June 2024, with the new adopted fees going into effect 60 days after adoption in mid to late July 2024.

Investment Policy

The City Council annually updates and adopts a City Investment Policy that is in compliance with State statutes on allowable investments. By policy, the Audit Committee reviews the policy and acts as an oversight committee on investments. The policy directs that an external auditor performs agreed-upon procedures to review City compliance with the policy. The Audit Committee reviewed and accepted the current Investment Policy on April 22, 2024. The City Council will consider the City's Investment Policy in May 2024.

GANN Appropriations Limit

In 1979, California voters approved Proposition 4, the Gann Initiative, and added Article XIII B to the California State Constitution. Article XIII B mandates a limit on the amount of proceeds of taxes that state and local governments can receive an appropriate (authorize to spend) each year. The purpose of this law is to limit government spending by putting a cap on the total proceeds of taxes that may be appropriated each year. Proposition 111 and Senate Bill 88, approved by California voters on June of 1990 offered cities more flexibility in choosing inflation and population factor to calculate the limit.

The City's FY 2023-24 appropriations limit is \$127.9 million, an increase of \$5.1 million, or 4.2%, from the FY 2022-23 limit. If a city exceeds the legal limit, excess tax revenue must be returned to the State or citizens through refunds, rebates, or other means that may be determined at that time. For FY 2023-24, the City's estimated appropriations of proceeds from taxes, less statutory exclusions, do not appear to exceed the limit and are not expected to present a constraint on current or future deliberations.

The California Department of Finance will publish the price and population data to calculate the City's FY 2024-25 appropriations limit in May 2024. As a result, the FY 2024-25 appropriations limit will not be known until May 2024 and will be included in the Adopted Budget.

Budget by Fund

General Fund

The General Fund is the primary source of funding for critical services in the community, including law enforcement, public works, community development, park maintenance, code enforcement, and administrative support services. These services are financed mainly by local taxes such as sales tax, property tax, and transient occupancy tax, as well as other discretionary sources. The General Fund is responsible for financing services that do not have dedicated funding sources, ensuring that essential public services are available to the community.

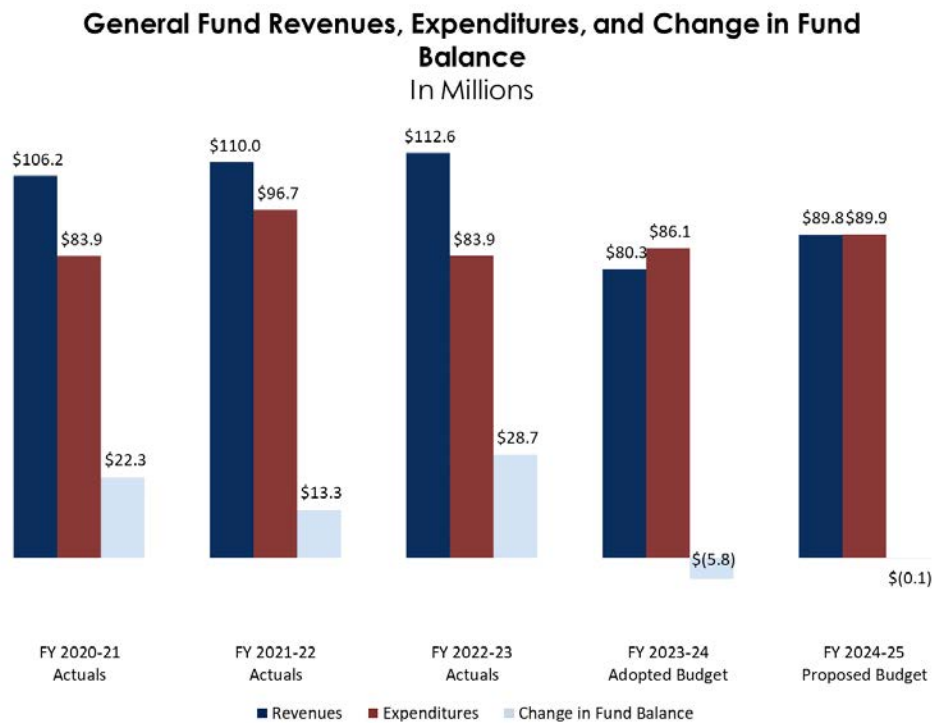
General Fund revenues for the upcoming fiscal year are projected to be \$89.8 million, representing an increase of \$9.5 million or 11.9% from the FY 2023-24 Adopted Budget. This is due to an increase in Charges for Services related to Cost Allocation expenses, an increase in Other Service Fees related to the City's community shuttle program revenue, and an increase in the City's investment earnings.

General Fund expenditures for the next fiscal year are \$89.9 million, indicating a \$3.9 million, or 4.5% increase from the FY 2023-24 Adopted Budget. This is due to an increase in Contract Services primarily attributed to an increase in a general service agreement in the City's community shuttle program.

Although General Fund expenditures are increasing in FY 2024-25, the City will continue to demonstrate proactive fiscal stewardship in response to the California Department of Tax and Fee Administration (CDTFA) audit and its substantial reduction in sales tax revenue. Through Service-Level Reductions (SLR), the City aims to lower expenses or modify how services are provided, while Fiscal Accountability measures focus on aligning budgets with actual costs and streamlining expenses. These strategies blend cost reduction with service adjustment, reflecting an effort to manage financial constraints, optimize resource allocation, and consider potential impacts on community services. All recommended SLRs were reviewed and approved by City Council in April 2024. The SLRs can be found in the Service-level Reduction table and are categorized into the following four groupings:

- Operations and Maintenance
- Infrastructure
- Fiscal Accountability
- Community Benefit

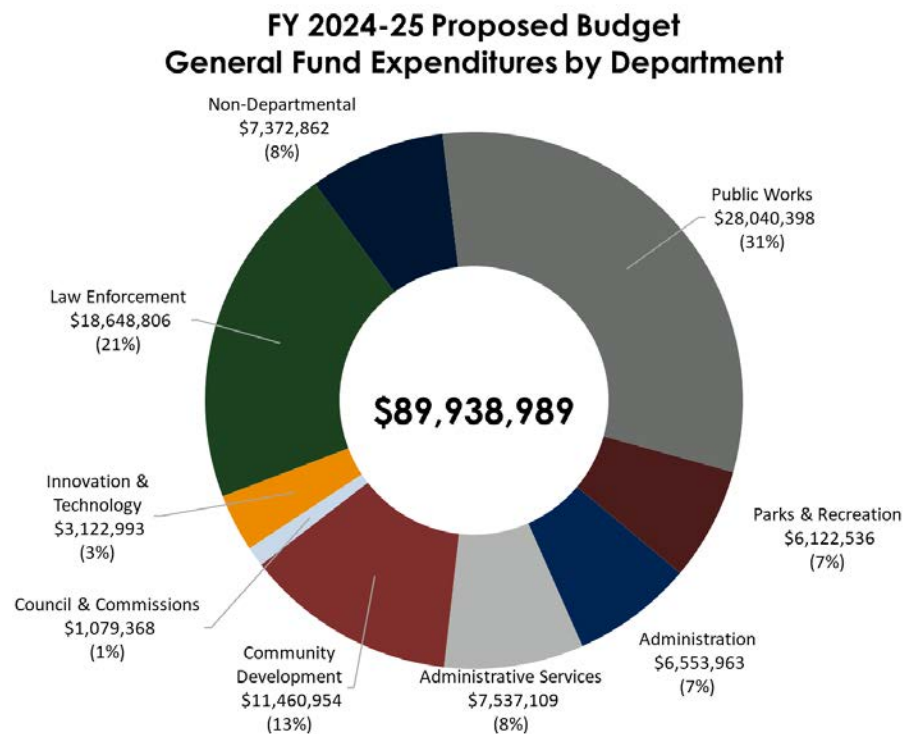
The following chart shows four years of total revenue, expenditures, and changes to fund balance for the General Fund:



In FY 2024-25, the General Fund's unassigned fund balance is projected to be \$22.8 million, a decrease of \$3.8 million, or 14.2%, from the FY 2023-24 Amended Budget (Year End Projected). Unassigned fund balance account for the remaining fund balance after all other categories have been calculated. The decrease in unassigned is to funds that are anticipated to be moved to all other classification category. Total fund balance is estimated to be \$149.9 million, a decrease of \$.11 million, or 0.1%, from the FY 2023-24 Amended Budget. The slight decrease in total fund balance is due to the deficit with revenues slightly lower than expenditures. With the budget just short of balancing, staff recommends using unassigned fund balance to fill the small gap in funding this year.

GENERAL FUND FUND BALANCE						
Classification	2021-22 Actual	2022-23 Actual	2023-24 Adopted Budget	2023-24 Year End Projected	2024-25 Proposed Budget	Percent Change
Unassigned	51,804,288	73,864,369	48,332,873	26,593,360	22,830,029	-14.2%
All Other Classifications	58,365,253	64,963,363	56,319,373	123,463,363	127,113,373	3.0%
TOTAL FUND BALANCE	110,169,541	138,827,732	104,652,246	150,056,723	149,943,402	-0.1%

As shown in the graph below, the majority of General Fund resources are used to support Public Works (31%), Law Enforcement (21%), Community Development (13%), Non-Departmental (8%), Administrative Services (8%), Administration (7%), and Parks and Recreation (7%). Non-Departmental expenditures are transfers to other funds.



Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources that are legally restricted for expenditures for particular purposes. For example, gas tax revenues or development impact fees. The largest Special Revenue Fund is allocated to streets, roads, and transportation, while other funds are designated for storm drain management, affordable housing programs, and park development.

For the upcoming fiscal year, the Proposed Budget for Special Revenue Funds is \$14.0 million, which represents an increase of \$3.6 million or 34% compared to the FY 2023-24 Adopted Budget. Capital Outlays are higher due to more Capital Improvement Program (CIP) projects and increased Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. As part of service level reductions, departments decreased their contract services and special projects.

The Special Revenue Funds receive funding from two sources: \$16.4 million in restricted department revenue and \$2.2 million in transfers, resulting in a total funding of \$18.6 million. The Special Revenue Funds are expected to end the year with a fund balance of \$30.7 million, reflecting an increase of \$4.7 million from last

year's Amended Budget. This increase in fund balance is mainly due to increased Measure B and interest revenues.

Debt Service Funds

The Public Facilities Corporation Debt Service Fund provides for the payment of principal, interest, and associated administrative costs incurred with issuing debt instruments. On September 29, 2020, the City's 2020A Certificates of Participation (2020 COPs) were successfully sold to refund the City's 2012 Certificates of Participation for debt service savings. The refunding generated net present value savings of approximately \$3.14 million, 11.61% of refunded par, and a True Interest Cost of 0.72%. Savings to the City's General Fund amounts to approximately \$494,000 per year for the next ten years or almost \$5 million in total savings. The debt is expected to be fully paid by FY 2029-30.

The Proposed Budget for Debt Service Funds is \$2.7 million, relatively unchanged from the FY 2023-24 Adopted Budget. The Debt Service Funds are funded by \$2.7 million in transfers from the General Fund.

Capital Projects Funds

Capital Projects Funds are used for the acquisition or construction of major capital facilities and infrastructure. Capital Projects Funds include the Capital Improvement Projects Fund, Stevens Creek Corridor Park Fund, and Capital Reserve Fund. These funds are used to finance the implementation of projects identified in the City's five-year Capital Improvement Program (CIP).

The Proposed Budget for Capital Projects Funds is \$22.1 million, an increase of \$17.8 million from last year's Adopted Budget. This increase is due to transfers from the Capital Reserve Fund to the Capital Improvement Projects Fund and an increase in CIP projects for the year.

The Capital Projects Funds are primarily funded through a combination of transfers from the General Fund, grants, donations, development impact fees, and other dedicated revenue sources. As projects are completed, any remaining funds are typically rolled over into the Capital Reserve Fund to be used for future projects.

Enterprise Funds

Enterprise Funds are designed to support services that are funded directly by fees charged for goods or services. The City's Enterprise Funds include Resource Recovery for the solid waste collection franchise, Blackberry Farm for the City-owned golf course, Sports Center for the Cupertino Sports Center, and Recreation Programs for cultural, youth, teen, sports, and physical recreation programs.

The Proposed Budget for Enterprise Funds is \$9.3 million, which represents a decrease of \$0.4 million or 4.1%, from the FY 2023-24 Adopted Budget. The Enterprise Funds are funded by \$6.1 million in program revenue, \$0.5 million in transfers in, and \$2.7 million in reserves. The Enterprise Funds are projected to end the year with \$3.8 million in reserves, a decrease of \$2.7 million from last year's Amended Budget. This decrease is due to the use of reserves, which were accumulated in previous years. During the pandemic, the Parks and Recreation funds accumulated reserves as revenues were higher than expenditures.

Internal Service Funds

Internal Service Funds are for goods or services provided to other City departments or governments on a cost-reimbursement basis. These funds include programs for innovation and technology, workers' compensation, equipment, compensated absences, long-term disability, and retiree medical insurance.

The Proposed Budget for Internal Service Funds is \$8.6 million, which is a slight decrease of \$0.08 million or 0.9%, compared to last year's Adopted Budget. The Internal Service Funds are funded by \$5.4 million in program revenue, \$2.4 million in transfers from the General Fund, and \$0.8 million in reserves. The Internal

Service Funds are projected to end the fiscal year with \$2.6 million in reserves, increasing by \$0.9 million from last year's Amended Budget.

Service-Level Reductions

The table below illustrates service-level reductions made to the FY 2024-25 Budget. This budget was developed by taking the previous year's base budget and incorporating additional ongoing costs, while also adjusting material and contract expenses based on the Consumer Price Index (CPI), where applicable. The table below is reflective of feedback received from City Council in January and April of 2024. Community benefit service level reductions were originally proposed at \$463,690. Based on Council direction, only \$123,343 remain for reduction in the 4th of July event, as staff was directed to secure alternate funding for the other items. Staff is working with non-profit and for-profit organizations, but nothing has been finalized to date.

Department	Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Parks and Recreation	Community Benefit	Reduce 4th of July Funding	\$ (123,344)	Elimination of 4th of July evening fireworks.
TOTAL COMMUNITY BENEFIT			\$ (123,344)	
Administration	Fiscal Accountability	Contract Services and Materials	\$ (226,561)	Potential need for additional appropriations if unanticipated legal costs arise
Administration	Fiscal Accountability	Material operations that are no longer needed	\$ (8,892)	Reduction aligns budget with actuals
Administration	Fiscal Accountability	Econ Dev Strategy Outreach	\$ (20,000)	Reduction will result in minimal impact as existing staff is already implementing these duties.
Administrative Services	Fiscal Accountability	Reduce Unemployment Insurance	\$ (64,148)	New costs are reflective of post-COVID estimates
Innovation and Technology	Fiscal Accountability	Reduced Budget for I&T	\$ (2,850)	Reduced outside expert technical support. This reduction would reduce efficiencies from some technology uses where the city has historically been comparatively advanced.
Innovation and Technology	Fiscal Accountability	Reduced Budget for I&T	\$ (743,175)	Reduced applications utilized by City staff; Cancelled ERP Implementation; Reduced outside expert technical support. This reduction would reduce efficiencies from some technology uses where the city has historically been comparatively advanced.
Innovation and Technology	Fiscal Accountability	Reduced Budget for I&T	\$ (33,522)	Prolonged tech refresh cycles; Significantly reduced replacement parts and supplies, Reduced outside expert technical support.
Law Enforcement	Fiscal Accountability	Align law enforcement budget with actuals	\$ (1,000,000)	Reduction aligns budget with actuals.
Parks and Recreation	Fiscal Accountability	Consolidate Swim Lessons Program	\$ (72,971)	Consolidate Swim Lessons into BBF Operations, reducing overall part-time costs and program supplies.
Parks and Recreation	Fiscal Accountability	Consolidate Swim Lessons Program	\$ (14,147)	Consolidate Swim Lessons into BBF Operations, reducing overall part-time costs and program supplies.
Public Works	Fiscal Accountability	Utility True-up	\$ (564,278)	Reduction aligns with budget actuals
TOTAL FISCAL ACCOUNTABILITY			\$ (2,750,544)	
Non-Departmental	Infrastructure	Transfers Out	\$ (2,000,000)	City will initiate and complete CIP projects with the current Capital Reserve fund. Th A reduction in capital renewal will lead to a longterm aging of infrastructure impacting the attractiveness of this infrastructure to the public.
Public Works	Infrastructure	Contract Services	\$ (810,764)	Tree maintenance moved in-house/Reduction in tree maintenance
Public Works	Infrastructure	Defer vehicle and equipment replacements, increasing the replacement cycle from approximately 7 years to 10 years on average.	\$ (137,000)	May increase cost and staff time to repair assets that were deferred for replacement.
TOTAL INFRASTRUCTURE			\$ (2,947,764)	

Department	Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Administration	Operations and Maintenance	- Management Analyst reclassification to Administrative Assistant - Removal of vacant shared Senior Office Assistant between CMO and City Clerk - Removal of PT Intern	\$ (61,755)	Staffing for the department has been reorganized for efficiency and to streamline workload.
Administration	Operations and Maintenance	Reduced a limited term Project Executive position	\$ (404,221)	Use of cost recoverable contract services will be used instead Reduction will result in minimal impact on staff time to administer enforcement of min wage annual
Administration	Operations and Maintenance	Minimum Wage Enforcement and Mailers	\$ (23,202)	increases. Removing printed mailers will require businesses to print it out and post in their place of business.
Administration	Operations and Maintenance	Regulate Diversified Retail	\$ (5,000)	Reduction will result in minimal impact as existing staff is already implementing these duties.
Administration	Operations and Maintenance	This reduction will remove funding for a PT Intern and Overtime Compensation. This reduction also includes the reclassification of a Public Information Officer to a Communications Coordinator.	\$ (78,249)	Staffing for the department has been reorganized for efficiency and to streamline workload.
Administration	Operations and Maintenance	Reduce cost of the quarterly Scene Newsletter by moving to a digital-only publication.	\$ (53,600)	Residents will no longer receive the Scene in the mail and will have to find the Scene on a City webpage instead.
Administrative Services	Operations and Maintenance	Reduce Budget for Internal Audit	\$ (40,000)	Reduction in the number of internal audit projects. Audits would occur on a less frequent basis.
Administrative Services	Operations and Maintenance	Shift credit card fees to customers	\$ (39,000)	Customers would pay a credit card transaction fee for any payments made using a credit card. Currently, the City does not charge credit card fees to customers. Many jurisdictions charge customers a credit card transaction fee for any payments made using a credit card.
City Council and Commission	Operations and Maintenance	Reduce Commission Expenses	\$ (468)	Reduction aligns with budget actuals.
City Council and Commission	Operations and Maintenance	Reduce Commission Expenses	\$ (1,855)	Reduced budget for Teen Commission.
Community Development	Operations and Maintenance	Shift Credit Card Fees to Customer	\$ (57,500)	Decrease bank charge contract services. Customers would pay a credit card transaction fee for any payments made using a credit card. Currently, the City does not charge credit card fees to customers. Many jurisdictions charge customers a credit card transaction fee for any payments made using a credit card.
Community Development	Operations and Maintenance	Reduce Conferences and Training	\$ (10,691)	Reduced conference attendance, trainings, and meeting expenses. Thus, resulting in reduced service level and response time. Reduction could potentially lead to higher staff turnover rates. The department is continuing to offer training by exploring and taking advantage of local and virtual opportunities.
Parks and Recreation	Operations and Maintenance	Reduce Senior Center Part-Time Staffing and Supplies	\$ (16,124)	Estimated longer wait times for the front desk, reduce rental support and amenities offered for Senior programs and events.
Parks and Recreation	Operations and Maintenance	Shift Credit Card Fees to Customers	\$ (159,620)	Customers would pay credit card transaction fees.
Parks and Recreation	Operations and Maintenance	Reduce Parks and Recreation Expenses	\$ (10,332)	Removed budget for overtime.
Parks and Recreation	Operations and Maintenance	Reduce Funding for Library Extra Hours	\$ (160,000)	No immediate impact on current operational hours. Santa Clara County Library District has historically received funds from the state to cover these costs.

Department	Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Parks and Recreation	Operations and Maintenance	Reduce Park Ranger Services	\$ (31,155)	Reduced ranger presence at the Stevens Creek Corridor, Environmental Education Center, and some nature-based programs and events.
Parks and Recreation	Operations and Maintenance	Reduce Parks and Recreation Expenses	\$ (5,473)	Elimination of Helping Hands program, removed budget for overtime, and realign with budget actuals.
Parks and Recreation	Operations and Maintenance	Shift credit card fees to customers.	\$ (17,049)	Customers would pay credit card transaction fees.
Parks and Recreation	Operations and Maintenance	Reduce Senior Center Part-Time Staffing and Supplies	\$ (5,311)	Estimated longer wait times for the front desk, reduced rental support and amenities offered for Senior programs and events.
Parks and Recreation	Operations and Maintenance	Reduce Parks and Recreation Expenses	\$ (12,391)	Consolidated Preschool Program with a focus on the 3-year-old program and removed budgets for overtime.
Public Works	Operations and Maintenance	Materials	\$ (145,794)	Reduction in printing, ergonomics, memberships, office supplies, conference and meetings, etc.
Public Works	Operations and Maintenance	Contract Services	\$ (659,534)	Reduction in contract services for fence repairs, graffiti mitigation, bee removal, gas emission inventory, paid advertising, etc.
Public Works	Operations and Maintenance	Salary and Benefits	\$ (386,406)	Reduction in part-time staff
Public Works	Operations and Maintenance	Special Project	\$ (55,000)	Reduction of replaced fluted street light poles
Public Works	Operations and Maintenance	Staffing	\$ (463,716)	Eliminate two vacant Public Works Project Managers
TOTAL OPERATIONS AND MAINTENANCE			\$ (2,903,446)	

Special Projects

The FY 2024-25 Proposed Budget allocates funds for Special Projects, which are typically one-time operational projects. This includes City Council Work (CWP) Program items that are included in the Special Project expense category. We have split special projects below to be reflective of the CWP and all other special projects. The Special Projects are detailed in the respective program's Special Project section and summarized in the table below. Some Special Projects' budgets from previous fiscal years may also be carried forward into FY 2024-25.

City Council Work Program

Program	Project	Expenditure	Funding Source	Strategic Goal
CITY WORK PROGRAM				
ADMINISTRATION				
120 City Manager	CWP - Rise Const Stakeholder Engmt	100,000	General Fund	Quality of Life
TOTAL ADMINISTRATION		100,000		
COMMUNITY DEVELOPMENT				
702 Mid Long Term Planning	CWP Sign Ordinance Update	200,000	General Fund	Quality of Life
TOTAL COMMUNITY DEVELOPMENT		200,000		
PUBLIC WORKS				
800 Public Works Admin	CWP Recycled Water Feasibility	200,000	General Fund	Sustainability and Fiscal Stra
122 Sustainability Division	CWP Electrification Study	50,000	General Fund	Sustainability and Fiscal Stra
844 Traffic Engineering	CWP Active Transportation Plan	330,000	General Fund	Transportation
TOTAL PUBLIC WORKS		580,000		
TOTAL CITY WORK PROGRAM		\$ 880,000		

All Other Special Projects

OTHER SPECIAL PROJECTS				
Program	Project	Expenditure	Funding Source	
PUBLIC WORKS				
122 Sustainability Division	Special Maintenance	10,000	General Fund	
807 Service Center Administration	Office Reconfiguration	50,000	General Fund	
812 School Site Maintenance	Special Maintenance	10,500	General Fund	
814 Sport Fields Jollyman CRK	Special Maintenance	10,500	General Fund	
848 Street Lighting	Special Projects - PW	175,000	General Fund	
825 Street Tree Maintenance	Trees and Badges	15,000	General Fund	
827 Bldg Maint City Hall	Special Maintenance	2,000	General Fund	
829 Bldg Maint Service Center	Special Maintenance	2,000	General Fund	
830 Bldg Maint Quinlan Center	Special Maintenance	2,000	General Fund	
831 Bldg Maint Senior Center	Special Maintenance	2,000	General Fund	
832 Bldg Maint McClellan Ranch	Special Maintenance	2,000	General Fund	
833 Bldg Maint Monta Vista Ct	Special Maintenance	2,000	General Fund	
838 Comm Hall Bldg Maint	Special Maintenance	2,000	General Fund	
802 Environmental Programs-Non Point Source	Low Income Cost Share	2,000	Env Mgmt Cln Crk Strm Drain	
802 Environmental Programs-Non Point Source	CUSD Joint Use Cost Share	8,707	Env Mgmt Cln Crk Strm Drain	
820 Sidewalk Curb and Gutter	Annual Sidewalk Curb & Gutter	632,313	Transportation Fund	
821 Street Pavement Maintenance	Annual Asphalt Project	1,943,667	Transportation Fund	
801 Environmental Programs-Resources Recovery	Special Maintenance	20,000	Resource Recovery	
801 Environmental Programs-Resources Recovery	HHW and PaintCare	115,733	Resource Recovery	
801 Environmental Programs-Resources Recovery	Single Use Plastics Ordinance	75,000	Resource Recovery	
836 Bldg Maint Sports Center	Special Maintenance	2,000	Sports Center	
836 Bldg Maint Sports Center	Facility Improvements	150,000	Sports Center	
985 Citywide - Non Departmental-Fixed Assets Acq	Fixed Asset Acquisition	440,000	Vehicle/Equip Replacement	
TOTAL PUBLIC WORKS		3,674,420		
TOTAL OTHER SPECIAL PROJECTS		\$ 3,674,420		
TOTAL SPECIAL PROJECTS		\$ 4,554,420		

Current Economic Update

National and State Economic Conditions

In the first quarter of 2024, real gross domestic product (GDP) in the U.S. increased by 1.6%, following a 3.4% increase in the previous quarter. This growth was driven by increased consumer spending, residential and nonresidential fixed investment, and state and local government spending, partially offset by decreased private inventory investment. Compared to the previous quarter, the slower GDP growth was mainly due to reduced consumer spending, exports, and government spending, along with tighter financial conditions and restrictive monetary policy. Despite this, recent data indicates positive, albeit below-trend, growth for the year. Job growth is slowing, but the labor market remains robust, and consumer resilience persists.

Recent economic data has shown above trend growth fueled by a rise in consumer spending and a continuing healthy US job market. Inflationary trends are subsiding, but core levels remain above the Fed's target. Given the cumulative effects of restrictive monetary policy and tighter financial conditions, it is believed that the economy will gradually soften and the Fed will loosen monetary policy in 2024.

In March, the US Treasury yield curve stabilized as the Federal Open Market Committee left the Federal Funds rate unchanged. The 2-year Treasury yield was unchanged at 4.62%, the 5-year Treasury fell 4 basis points to 4.21%, and the 10-year Treasury yield dropped 5 basis points to 4.20%. The inversion between the 2-year Treasury yield and 10-year Treasury yield widened to -42 basis points at March month-end versus -37 basis points at February month end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was -56 basis points. The inversion between 3-month and 10-year Treasuries widened to -117 basis points in March from -113 basis points in February.

US Unemployment Rate
(In percentages)



As of March 2024, the U.S. unemployment rate is 3.8%, showing a slight increase from 3.5% in March 2023. The participation rate rose up to 62.7% but remained below the February 2020 level of 63.3%. The U-6, a broader measure of unemployment that includes those marginally attached to the labor force and employed part-time for economic reasons, was unchanged at 7.3%. Average hourly earnings rose 4.1% year-over-year in March, down from 4.3% last month. Employment remains strong by historical standards.

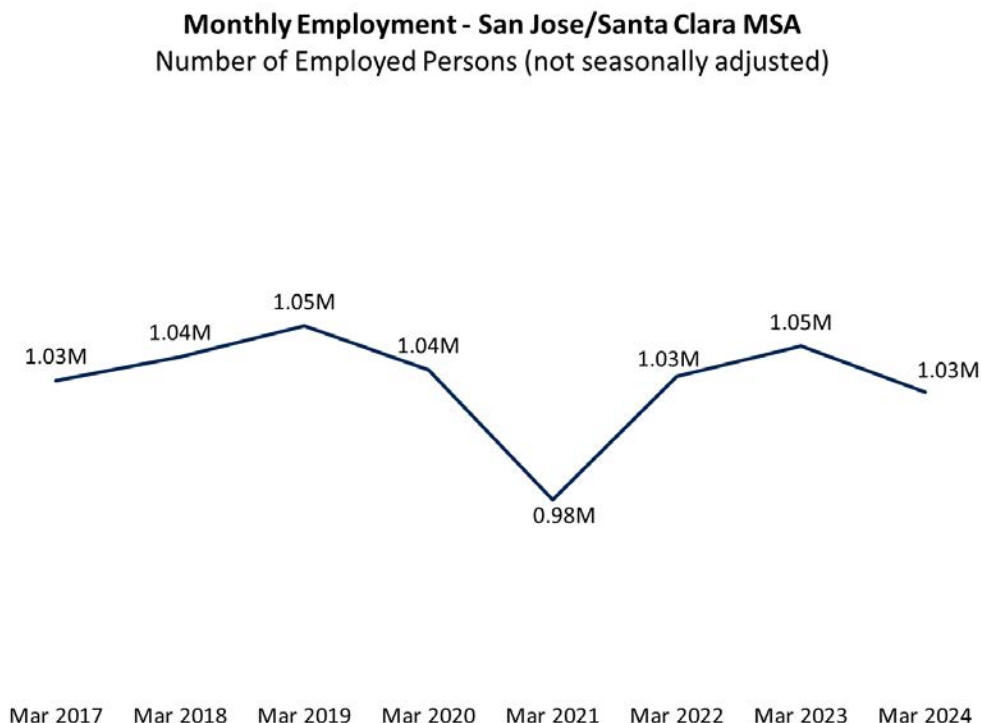
Despite worries about inflation, bank troubles, and a looming recession, American consumer confidence in March showed a slight uptick despite two prior months of decline. The Consumer Confidence Index dipped slightly to 104.7 in March from a revised 104.8 in February. Expectations for inflation over the next year remain high at 6.3%. However, confidence in current conditions decreased, mainly due to concerns about the job market, future business prospects, and the divisive political climate. Despite consumers' resilience, factors like dwindling savings, increasing credit card debt, and the resumption of student loan payments could pose challenges to future economic growth.

According to the California Employment Development Department (EDD), the state's unemployment rate is steady in March 2024 is preliminary at 5.3% compared to the revised to 4.8% in March 2023. The EDD also reported that employers added 28,300 nonfarm payroll jobs to the economy in March 2024. Total employment reached 18,313,500, up by 1.9% (345,700 jobs) compared to the same period last year.

The California Association of Realtors (CAR) reported a 7.7% increase in statewide median home prices and California's median home price was 6.0% higher than February 2024. Additionally, the statewide single-family home sales for March 2024 are down 4.4% from March 2023. Similarly, Santa Clara County's growth rate is at 12.4% in prices of single-family homes and a 0.5% increase in sales compared to the same period last year.

Cupertino Economic Conditions

The unemployment rate in the San Jose-Sunnyvale-Santa Clara MSA was 4.2% in March 2024, up from the year-ago estimate of 3.2%. This was below the unemployment rate for California and the nation during the same period. The number of employed persons was 1.03 million in March 2024, down from 1.05 million in March 2023.



Housing prices remain relatively strong compared to the same period in 2022. Based on data from Redfin, the median sales price for all home types was \$3,300,000 for March 2024 compared to \$2,758,000 in March 2023 . The City experienced a net taxable value increase of 4.6% for the FY 2023-24 tax roll.

Key Budget Assumptions

Revenue Assumptions

The City's General Fund revenues heavily depend on property tax, sales tax, and transient occupancy tax (TOT). However, the ongoing CDTFA audit is expected to alter the way sales tax is allocated to the City, leading to a significant reduction in sales tax revenue. As a result, the City anticipates General Fund revenues to decrease by \$30 million, or 28%, from original projections.

Personnel Assumptions

FY 2023-24 salaries and benefits reflect the cost-of-living adjustments approved by the City Council in August 2022. The City is currently negotiating with its bargaining groups because the agreements, which expire on June 30, 2025, include a salary and benefits reopener. In the forecast, full-time salaries are expected to increase by the CalPERS payroll growth rate. On the other hand, part-time salaries are forecasted to grow at a rate of 1.5%, which is a slower rate than full-time salaries.

Employees who have yet to reach the top step in their classification's salary range are eligible to receive a step increase on their anniversary date. Typically, classifications have five steps, with each increase equivalent to a 5% increase in salary. Currently, approximately 38% of employees are below Step 5.

Non-Personnel Assumptions

Non-Personnel budgets were developed based on previous year's actual expenditures and adjusted for the current year's needs. One-time projects were excluded to reflect ongoing expenditure needs. In response to the anticipated revenue shortfall resulting from the CDTFA audit, departments were asked to find ways to reduce the base budget. To balance the budget, various categories including materials, contract services, capital outlays, special projects, transfers to other funds, and contingencies were reduced in the Adopted Budget.

Ongoing Challenges

Retirement Benefits

Rising retirement costs are driving the increase in employee benefits. Cupertino offers retirement benefits to its employees through the California Public Employee's Retirement System (CalPERS), which experienced a significant decline in its assets due to poor investment returns during the Great Recession. Moreover, changes in actuarial assumptions and enhanced benefits due to higher life expectancies have further increased the plan's liabilities. Consequently, the City's pension costs have escalated considerably and currently constitute one of the City's largest financial obligations.

The table below illustrates the City's CalPERS costs over the next few years.

	Projected CalPERS Contributions					
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2028-29
Projected Payroll	\$ 24,352,479	\$ 25,034,349	\$ 25,735,310	\$ 26,455,899	\$ 27,196,665	\$ 27,958,170
Normal Cost (%)	10.5%	10.3%	10.1%	10.0%	9.8%	9.7%
Normal Cost	\$ 2,547,269	\$ 2,578,538	\$ 2,599,266	\$ 2,645,590	\$ 2,665,273	\$ 2,711,942
UAL Payment (%)	22.3%	21.7%	22.6%	20.6%	22.1%	22.0%
UAL Payment	\$ 5,441,780	\$ 5,441,000	\$ 5,807,000	\$ 5,443,000	\$ 6,013,000	\$ 6,138,000
Total Contribution (%)	32.8%	32.0%	32.7%	30.6%	31.9%	31.7%
Total Contribution	\$ 7,989,049	\$ 8,019,538	\$ 8,406,266	\$ 8,088,590	\$ 8,678,273	\$ 8,849,942

In December 2016, the CalPERS Board of Administration implemented a three-year phase-in beginning in FY 2018-19 to lower the discount rate from 7.5% to 7.0%, resulting in significant increases in retirement costs. In FY 2021-22, the discount rate was further reduced to 6.8% due to the FY 2020-21 investment gain of 21.3%, which

triggered the Funding Risk Mitigation Policy.

To mitigate the impact of pension rate volatility on the City's budget, the City established a Section 115 Trust in May 2018. The Section 115 Pension Trust had a balance of \$19.1 million as of June 30, 2023, which can be utilized to fund pension costs.

Revenue Volatility

The City of Cupertino heavily relies on business-to-business (B2B) sales taxes for its sales tax revenue, making it highly sensitive to economic fluctuations. The City experienced the impact of this volatility during the dot-com crash from 2000 to 2004. The heavy reliance on the high-tech industry makes the City vulnerable, and the loss of one of the top three sales tax producers in FY 2013-14 made the City more dependent on a single tax producer, further increasing its vulnerability to business volatility.

The COVID-19 outbreak in 2020 significantly impacted the City's revenues from sales and transient occupancy taxes. Although certain sectors, such as restaurants and hotels, brick-and-mortar retail and restaurants, were severely affected, the City experienced an increase in business-to-business sales tax revenues and County pool allocation share. The increase in sales tax revenue was attributed to the rise in online sales due to statewide shelter-in-place mandates and the higher demand for computer and electronics equipment due to the shift to remote work. While the City's sales tax revenues reached historic highs in FY 2020-21 and FY 2021-22, the City considers it a one-time event, and the recovery of the restaurant and hotel, general consumer goods, and automotive industry groups did not offset the declines in business-to-business sales tax and County pool allocation as online sales decreased from their recent historic highs. Transient occupancy tax revenue decreased due to reduced business travel during the pandemic but has begun to recover in FY 2022-23.

In December 2021, the CDTFA informed the City that an audit would be conducted on one of its taxpayers. The CDTFA verbally notified the City in March 2023 of its preliminary determination that tax dollars had been misallocated to the City, discussing the potential impacts on the City. Following discussions with the affected taxpayer and the CDTFA, an updated forecast was presented to the Council in April 2023. The impact was estimated to be a 73% decline in sales tax revenue, equating to an ongoing \$30 million decrease. This shifted the City's financial outlook from a surplus to a structural deficit, where ongoing expenses exceed revenue. In October 2023, the CDTFA issued a formal letter to the City providing the final audit results and the actual amount of money lost.

Budget Guide

This page intentionally left blank.

Our Mission

The mission of the City of Cupertino is to provide exceptional service, encourage all members of the community to take responsibility for one another, and support the values of education, innovation, and collaboration.

Elements of the Budget Document

The budget is the City's fundamental policy document. It describes the City's goals and details how resources are allocated to achieve these goals. The budget serves as the annual financial plan, an operations guide, and a communications tool.

The budget guide provides an overview of the elements of the budget document. It includes a glossary of budget terminology. The budget document includes the following key elements:

Budget Message: This section includes the City Manager's transmittal letter submitting the budget to the City Council. The Budget Message also summarizes the City's current and long-term financial position, highlights new programs and organizational changes addressed in the budget, and outlines both short and long-term goals of our city government.

Budget Guide: This section includes the City's Mission and other tools to assist the reader in identifying key terminology in the budget document.

Community Profile: This section describes Cupertino's history, the economic and city profiles, community statistics, recreation and community services, education, and additional areas of interest in the city.

Financial Policies: This section provides financial policies.

All Funds Financial Schedules: This section provides financial information on projected revenues, expenditures, fund balances, and reserves for all funds.

General Fund Financial Schedules: This section provides financial information on projected revenues, expenditures, fund balances, and reserves for the General Fund. It also includes a long-term forecast of revenues, expenditures, and fund balance for the General Fund. Revenue and expenditure assumptions are discussed.

Departmental Operating Budgets: This section details historical and budgeted expenditures by operating department. The City is organized into eight key operating functions, including Council and Commissions, Administration, Law Enforcement, Innovation and Technology, Administrative Services, Parks and Recreation, Community Development, and Public Works. Each department budget includes a summary narrative, financial information for the department and each of its major divisions, and staffing information.

Expenditures for employee compensation and benefits are based on negotiated contracts. The materials categories of expenditures are based on a zero-base budget, with increases each year by the Consumer Price Index (CPI). Contract services are also based on a zero-based budget, with increases each year based on negotiated increases or CPI. Capital outlays are justified each year by the departments. Special Projects include one-time operational projects.

Non-Departmental Operating Budgets: This section details historical and budgeted expenditures for inter-fund transfers and debt service payments.

Capital Improvement Program (CIP): The Capital Improvement Program is in a separate document, called Capital Improvement Program, that details the proposed capital projects for the next five fiscal years. The five-year plan denotes funding sources and a description of each project. The City Council approves funding for capital projects yearly. The project may expend the funds over multiple years.

Glossary of Budget Terminology

The City's budget contains specialized and technical terminology that is unique to public finance and budgeting. To help the reader understand the terms, a glossary of budgetary terminology is found below.

Accrual – A basis of accounting in which revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which they are incurred.

Adopted Budget – Revenues and appropriations approved by the City Council in June for the following fiscal year.

Allocated Costs – An expense charged by one department/division to another for services performed or expenditures of a general nature that are charged to one main account and allocated to other departments/divisions by a specified formula.

Amended Budget – The status of appropriations between July 1 and June 30 includes the adopted budget, budget amendments, prior year encumbrances, approved carryovers, and transfers between objects, divisions and departments.

Appropriation – An authorization made by the City Council that permits the City to incur obligations and to make expenditures of resources.

Balanced Budget – A balanced budget requires that budgeted expenditures be equal to or less than projected revenues for the budget year.

Budget – A financial plan for a specific period of time (fiscal year) that matches all planned revenues and expenditures with various municipal services.

Budget Amendment – A legal procedure to revise a budget appropriation. Adjustments to expenditures within or between departmental budgets may be accomplished administratively. City Council approval is required for additional appropriations from fund balances or from new revenue sources.

California Department of Tax and Fee Administration - A state agency responsible for administering various taxes, fees, and surcharges in California. This includes the collection and administration of sales and use taxes, which is a major revenue source for the state and local governments.

Capital Improvement Program – A plan for capital expenditures to provide for the acquisition, expansion, or rehabilitation of an element of the City's physical plant to be incurred over a fixed period of several future years.

Capital Outlay – Expenditures relating to the purchase of equipment, land, and other fixed assets.

Cost Allocation Plan – A plan that details how indirect costs are calculated and allocated to user departments.

Cost Recovery – The establishment of user fees that is equal to the full cost of providing services.

Deficit - Occurs when expenditures exceed revenues.

Department – A major administrative segment of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area.

Division – A unit of organization that reports to a department.

Enterprise Fund – A fund established to account for activities that are financed and operated in a manner similar to private business enterprises, in which costs of providing services are primarily recovered through user fees.

Expenditure – Utilization of fund resources. Expenditures include operating expenses, debt service, and capital outlays.

Expenditure Category – A basis for distinguishing types of expenditures. The major expenditure categories used by the City are employee compensation, employee benefits, materials, contract services, appropriations for contingency, special projects, capital outlay and debt service.

Fiscal Year – A twelve-month time period signifying the beginning and ending period for recording financial transactions. The City has specified July 1 through June 30 for its fiscal year.

Full-Time Equivalent (FTE) – The ratio of a position in comparison to the amount of time a regular, full-time employee normally works in a year. A full-time employee (1.00 FTE) is paid for 2,080 hours a year. Positions budgeted to work less than full-time are expressed as a percent of full-time.

Fund – A fiscal and accounting entity for which the recording of financial transactions is made for the purpose of carrying on specific activities in accordance with the requirements placed upon the use of financial resources.

Fund Balance – The net effect of assets less liabilities at any given point in time.

General Fund – The fund used to account for the major operating revenues and expenditures of the City, except for those financial resources that are required to be accounted for in another fund category. General Fund revenues are derived primarily from property and other taxes.

Goal – Broad mission statements that define the purpose of a department.

Governmental Fund – Account for activities that are primarily tax-supported operations or other mandatory payments. Reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Infrastructure – Long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples include roadways, bridges, and drainage systems.

Internal Service Fund – A fund used to account for the services provided by one department to other departments on a cost-reimbursement basis.

Modified Accrual – Under the modified accrual basis of accounting, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

Operating Budget – A financial plan for the provision of direct service and support functions that provide basic governmental services. The operating budget contains appropriations for such expenditures as employee compensation, materials, contract services, capital outlay, and debt service. It does not include Capital Improvement Project expenditures.

Program – A unit or organization that reports to a division.

Reserve – An account used to designate a portion of the fund balance for specific future use and is, therefore, not available for general appropriation.

Revenue – Increases in fund resources. Revenues include income from user fees, taxes, permits, and other sources.

Self-Supporting Activity – An enterprise activity where all service costs (including principal and interest debt payments) are primarily covered solely from the earnings of the enterprise.

Structural Deficit –The amount by which a government's expense is higher than its revenue received, regardless of the economic climate.

Subsidy – Supplemental resources provided to ensure adequate funding when anticipated expenditures exceed revenues.

Transfer Out – Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

User Fees – Fees charged to users of a particular service provided by the City.

Commonly Used Acronyms

ABAG	Association of Bay Area Governments
ACFR	Annual Comprehensive Financial Report
ARPA	American Rescue Plan Act
B/PAC	Bicycle/Pedestrian Advisory Committee
BAAQMD	Bay Area Air Quality Management District
BMR	Below Market Rate
CAP	Cost Allocation Plan
CARES	Coronavirus Aid, Relief, and Economic Security Act
CDTFA	California Department of Tax and Fee Administration
CMTA	California Municipal Treasurers Association
CPI	Consumer Price Index
CPUC	California Public Utilities Commission
CSMFO	California Society of Municipal Finance Officers
CWP	City Work Program
EAP	Employee Assistance Program
EIR	Environmental Impact Statement
EOC	Emergency Operations Center
ERAF	Education Revenue Augmentation Fund
FEMA	Federal Emergency Management Agency
FLSA	Fair Labor Standards Act
FPPC	Fair Political Practices Commission
FSA	Flexible Spending Account
FY	Fiscal Year

GASB	Governmental Accounting Standards Board
GFOA	Governmental Finance Officers Association
HVAC	Heating Ventilation and Air Conditioning
JPA	Joint Powers Authority
LAIF	Local Agency Investment Fund
LTD	Long Term Disability
MOU	Memorandum of Understanding
MTC	Metropolitan Transportation Commission
OES	Office of Emergency Services
OPEB	Other-Post Employment Benefits
PC	Planning Commission
PEMHCA	Public Employees' Medical and Hospital Care Act
PERS	(aka CalPERS) Public Employees' Retirement System
PTA	Parent Teacher Association
RDA	Redevelopment Agency
RFP	Request for Proposals
RFQ	Requests for Qualifications
RHNA	Regional Housing Needs Allocation
RMS	Records Management System
RWQCB	Regional Water Quality Control Board
UAL	Unfunded Actuarial Liability
UBC	Uniform Building Code
VSP	Vision Service Plan

Revenues, Expenditures, and Fund Balance Table

Sample Revenues, Expenditures, and Fund Balance Table

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Other Financing Sources	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Other Financing Uses	-	-	-	-
Debt Service	-	-	-	-
Transfers Out	-	-	-	-
Contingencies	-	-	-	-
Total Expenditures	-	-	-	-
Change in Fund Balance	-	-	-	-
General Fund Costs	-	-	-	-

Taxes – Money received from taxes such as sales, property, transient occupancy, and utility tax

Licenses and Permits – Money received from license and permit fees

Use of Money and Property – Interest earnings, and facility and concession rents

Intergovernmental Revenue – Money received from federal, state, or local governments such as grants

Charges for Services – Fees collected for services provided by City departments

Fines and Forfeitures – Money received from fines and penalties

Miscellaneous Revenue – Money received from various sources such as donations, salvage, and legal settlements

Other Financing Sources – Money received from bond proceeds, fixed asset proceeds, and refundable deposits

Interdepartmental Revenue – Interdepartmental service charges and transfers

Total Revenues – Total of all revenue categories

Employee Compensation – Cost of full-time and part-time salaries and overtime

Employee Benefits – Cost of employee benefits including CalPERS retirement, health insurance, and other benefits

Materials – All materials purchased for repair and maintenance, operational activities such as books, uniforms and recreation supplies, office supplies, and conference and training costs

Contract Services – All legal, consulting, and other professional goods and services, contract repair and maintenance, utility charges, training and memberships, equipment rentals, insurance, and employment services

Cost Allocation – Cost of services from other City departments

Capital Outlay – Expenditures for tangible fixed assets including land, buildings, vehicles, infrastructure, furniture, equipment, and City vehicles used in operation beyond one year

Special Projects – One-time projects or costs

Other Financing Uses – Depreciation and refundable deposit expenses

Debt Service – Principal and interest payments for outstanding debt

Transfers Out – Transfers out to other City funds

Contingencies – Funds for unexpected expenses and emergencies (1.25% of budgeted materials and contract costs)

Total Expenditures – Total of all expenditure categories

Change in Fund Balance – Total Revenues minus Total Expenditures plus General Fund Contribution. Fund balance is the difference between assets and liabilities.

General Fund Costs – Use of General Fund fund balance, for programs in the General Fund, or use of transfers from the General Fund, for programs not in the General Fund.

The inclusion of current and historical "actual" and "budget" information is a necessary component of the Government Finance Officer's Association (GFOA) reporting requirements. Due to the extensive amount of financial data, it is important to understand the meaning of these tables. "Actual" data represents actual revenues or expenditures that have been recognized or incurred in the respective fiscal year. Although amounts were budgeted in those years, these actual amounts are irrespective of the budget which should be taken into account when comparing historical actuals with current budgeted figures. Historical budget versus actual information for the last 4 fiscal years at the account detail level is available in the Appendix on the City's budget website (cupertino.org/budget).

This page intentionally left blank.

Community Profile

This page intentionally left blank.

History

“This place of San Joseph Cupertino has good water and much firewood, but nothing suitable for a settlement because it is among the hills very near to the range of cedars which I mentioned yesterday, and lacks level lands.”

When Spanish explorer San Juan Bautista De Anza traveled through California in 1776, he and his party documented these words about the land surrounding Stevens Creek, named back then Arroyo San Joseph Cupertino. However, first impressions can often be misleading. Underneath the spiny, overgrown bush was a completely different land waiting to be uncovered. During this time, the area was populated by Native Americans who hunted and gathered, prospering from the abundant resources the land had to offer.

It wasn't until 1848 when the first American settler, Elijah Stephens, a blacksmith from South Carolina, moved to the area—at this time, named simply 'West Side' and primarily owned by the government. After crossing over the Sierra Nevada in wagons, he discovered the true value of the land underneath the bush and proceeded to purchase over 300 acres of farmland to grow grapes and blackberries. Stephens pioneered the way for farmers, which established West Side as an agricultural hot spot. The land Stephens owned eventually became Blackberry Farm, and the road, creek, and reservoir were all named after him, although misspelled.

In the early West Side, many of the newest advances in agriculture were being developed. Settlers were drawn to the land because of its rich earth, where they were able to grow products that competed on the world market. Once the bush had been cleared, they grew grapes, which covered the West Valley area with vineyards by the late 1800s. By the 1900s, a plant louse called Phylloxera spread throughout the vineyards, attacking the roots of the grapevines, killing the grapes, and putting a halt to wine production. As a solution, nearly everything was replanted with fruit orchards. When the fruit trees blossomed, visitors would come to the orchards for “The Valley of Heart's Delight” festivals, which celebrated the prosperous agriculture of the West Valley area.

Apart from the farmland, West Side was primarily known as a crossroads, an intersection between Saratoga-Sunnyvale Road and Stevens Creek. This served as a way station for travelers to pass through while going from town to town. As more people came to West Side to take advantage of the rich farmland, more family holdings gathered around the crossroads. Starting off as just a post office and home union store, West Side's humble crossroads brought many diverse communities, all attracted by the preferable climate and profitable market for crops.

As more people were drawn to the area around the crossroads, the orchards were gradually replaced with modern houses for workers. The population steadily grew, and the face of West Side changed, progressing into a more modern town. The community wanted to rename the city, so as to not confuse it with other cities, as well as establish a unique identity. John T. Doyle, a lawyer from San Francisco, and writer of historical anthologies on the area chose the name “Cupertino” after the original name of the creek.

After the post-World War II population boom, the growing community petitioned for Cupertino to become an incorporated town. Members of the community were worried that the alternative to incorporation was to have parts of Cupertino annexed by surrounding cities, splitting up the community and erasing the local culture. To preserve the rural atmosphere, lower taxes for farmers, start a local government, and prepare for growth, Cupertino voted for incorporation. In 1955, Cupertino officially became the 13th city in Santa Clara County.

By the 1970s, Cupertino once again began to undergo dramatic changes. The growing community attracted several large technology corporations. Lockheed Martin, HP, Intel, and many other big names established themselves in Silicon Valley. Apple Inc. was founded in Cupertino in 1976 and quickly grew into the tech giant it's known for today.



Apple Park Visitor Center

In the late 20th century, Cupertino and the surrounding areas experienced another surge in population growth, this time due to the immigration of people from Asian countries. Immigration laws at the time were in favor of families looking to move to Silicon Valley. People immigrated here for a variety of reasons—whether they were aspiring for career prospects with major tech companies, or striving for quality education for their children, everyone who immigrated here had a common goal: to find opportunities to work hard for a better life for themselves and their families.

Community Economic Profile

Cupertino, with a population of 57,368 and City limits stretching across 13-square miles, is considered one of the most prestigious cities to live and work in the Bay Area.

Economic health is an essential component to maintaining a balanced city, which provides high-level opportunities and services that create and help sustain a sense of community and quality of life. Public and private interests must be mutual so that success as a partnership is a direct reflection of success as a community. The cornerstone of this partnership is a cooperative and responsive government that fosters residential and business prosperity and strengthens working relationships among all sectors of the community.

Because Cupertino is mostly a built-out city, the City of Cupertino focuses on business retention and revitalization, while at the same time, being supportive of redevelopment projects to bring in new investment. Cupertino is world-renowned as the home to high-tech giants, such as Apple, Inc. and Amazon, and as a community with stellar public schools. De Anza College, one of the largest single-campus community colleges in the country, is another major employer and a magnet for attracting local and international students. The City's proactive economic development efforts and a high-touch approach has resulted in an innovative environment for start-ups and growing companies to thrive, including Moxo, DURECT Corporation, Claspp, Mirapath, Aemetis Inc, Mist Systems, and many more. The City strives to retain our companies and attract new ones through active outreach and a responsive, streamlined, and customer-oriented entitlement process.

Cupertino is excited to have a number of mixed-use development projects offering diverse retail and dining options, as well as providing additional housing opportunities to meet the needs of the growing community. There are also quite a few development projects already entitled including: Westport Cupertino, Marina Plaza, Alan Row, and Canyon Crossing. Further, City Council recently approved the 283,000 square foot mixed Office/Commercial Apple development at 19191 Vallco Parkway.



Main Street

The Main Street and Nineteen800 mixed-use developments continue to offer a vibrant downtown area for Cupertino, offering a large selection of restaurants and retailers, including Alexander's Steakhouse, Eureka!, Oren's Hummus, Lazy Dog, Ippudo, HaiDiLao Hotpot Restaurant, Pineapple Thai, Pressed Juicery, Orangetheory Fitness, 85 Degree Bakery, Somi Somi, Sul & Beans, Kura Sushi, Vitality Bowls, Tan Cha, Koja Kitchen, Bishops Cuts/Colors, Capezio, Howard's Shoes, Philz Coffee, Pacific Catch, Holder's Country Inn, Koi Palace Contempo, and Meet Fresh. Housing, office, and the Residence Inn by Marriott and Main Street Cupertino Lofts are available to support the thriving area. Benihana, Bowlmor, and Cupertino Ice Center also serve as long-time anchors.

Serving as a long-time retail anchor for the community, The Marketplace has a variety of stores and restaurants popular with students, families, and working professionals. They include Galpao Gaucho (Brazilian Steakhouse), Daiso, Marukai Groceries, Harumi Sushi, La Patisserie Bakery, Beard Papa's, Legend's Pizza, Icicles, Kong's Tofu & BBQ, and One Pot Shabu Shabu to name a few.

The shopping center improvements to Cupertino Village reflect building upgrades and renovations, newly constructed buildings, parking, and open space. The shopping center, located in the northeast portion of the city, is home to 99 Ranch Market, Duke of Edinburgh Pub & Restaurant, Ume Tea, Tofu Plus, Kira Kira Beauty, Ten Ren Tea, Fantasia Coffee & Tea, Happy Lemon, Shanghai Family Restaurant, and many other Asian restaurants, bakeries, and shops. The property owners have also received approval to construct a new full-service boutique hotel with 185 rooms to accommodate business and leisure travelers.

Cupertino features many other retail opportunities, including TJ Maxx and Home Goods, Whole Foods, Target, Party City, and over 180 food and beverage establishments to serve residents and the local workforce. There are seven hotels providing over 1,000 rooms, to serve the area: The Aloft Cupertino, Cupertino Hotel, Hilton Garden Inn, Hyatt House, Juniper Hotel operated by Curio, Marriott Courtyard, and the Residence Inn by Marriott.

Another longtime retail anchor in north Cupertino is Homestead Square Shopping Center, located at Homestead Road and De Anza Boulevard. This shopping center includes a Safeway, Starbucks, Ulta Beauty, Ross Stores, Pet Club, Michael's, FedEx, and numerous restaurants, such as Fish's Wild, Pho Hoa Noodle Soup, Yayoi Teishoku Japanese Restaurant, and Chipotle.

The City recently approved second modifications to the Rise Development. Formerly the Vallco Town Center Development, the Rise is a mixed-use housing development with 2,669 units, of which 890 units are affordable to lower income households. The project also includes 47 townhomes, approximately 1.95 million square feet of office space, 226,000 square feet of retail space, and at grade open space areas.



Apple Park Retail Store

Apple Park, Apple's newest corporate campus, features approximately 2.8 million square feet of office and R&D space north of Highway 280 between Wolfe Road and Tantau Avenue. A state-of-the-art Visitors Center, Observation Deck, flagship retail store, and café offer the public a place to learn, explore, and shop.

City Profile

The City of Cupertino operates as a general law city with a City Council-City Manager form of government. Five council members serve four-year, overlapping terms, with elections held every two years. The Council meets twice a month on the first and third Tuesday at 6:45 p.m. in Cupertino Community Hall. The meeting schedule is available on the City's website, and public participation for the Council meetings is in-person and online.

The City has over 200 authorized full-time benefited employee positions. Departments include:

- Administration
- Administrative Services
- Community Development
- Council and Commissions
- Innovation and Technology
- Parks and Recreation
- Public Works
- Public Safety (Provided by Santa Clara County Sheriff's Department and Santa Clara County Fire District)

Assisting the City Council are several citizen advisory commissions and committees, including:

- Arts and Culture Commission
- Audit Committee
- Bicycle Pedestrian Commission
- Housing Commission
- Library Commission
- Parks and Recreation Commission
- Planning Commission
- Public Safety Commission
- Sustainability Commission
- Teen Commission
- Technology, Information and Communications Commission

The Commissioners are appointed by Council, and vacancies are announced so interested residents can apply for the positions. For more information, visit cupertino.org/commissions.

Housing

Based on data from Redfin, the median sales price for all home types was \$3,300,000 for March 2024. For housing programs in Cupertino, please see "Programs & Applications."

Community Health Care Facilities

Cupertino is served by a number of private medical practitioners and El Camino Health Urgent Care. Nearby hospitals include Kaiser Permanente Medical Center in Santa Clara, Valley Health Center in Sunnyvale, El Camino Hospital in Mountain View, O'Connor Hospital in San Jose, Community Hospital of Los Gatos, Stanford Hospital in Palo Alto, and the Saratoga Walk-in Clinic in Saratoga.

Utilities

Utility	Company	Phone Number
<i>Gas & Electric</i>	Pacific Gas and Electric	800-743-5000
<i>Electric</i>	Silicon Valley Clean Energy	844-474-7823
<i>Phone</i>	AT&T business service	800-750-2355
<i>Cable</i>	Comcast	800-945-2288
<i>Solid Waste & Recycling</i>	Recology	408-588-7200
<i>Water</i>	San Jose Water Company	408-279-7900
<i>Water</i>	California Water Service	650-917-0152
<i>Sewer Service</i>	Cupertino Sanitary District	408-253-7071

Tax Rates and Government Services

Residential, commercial, and industrial property is appraised at full market value as it existed on March 1, 1975, with increases limited to a maximum of 2% annually. Property created or sold since March 1, 1975, bears full cash value as of the time created or sold, plus the 2% annual increase. The basic tax rate is \$1.00 per \$100 (full cash value) plus any tax levied to cover bonded indebtedness for the county, city, school, and other taxing agencies. Assessed valuations and tax rates are published annually after July 1.

Assessed Valuation (Secured and Unsecured) as reported in the Santa Clara County 2023-2024 Annual Report:

- Cupertino: \$32,303,325,534
- County: \$661,164,212,366

Retail Sales Tax Distribution

Agency	Sales Tax Distribution
State	6.000%
MTA	1.125%
City of Cupertino	1.000%
County General Purpose	0.750%
County Transportation	0.250%
Total	9.125%

Transportation

Rail: The CalTrain station is four miles north of Cupertino. The Amtrak station is 10 miles south.

Air: The San Francisco International Airport is located roughly 30 miles north, and the Mineta San Jose International Airport is located approximately 11 miles south.

Bus: Cupertino is served by the Santa Clara Valley Transportation Authority. The routes listed below pass through the City. For Cupertino-specific schedules and maps visit <https://www.vta.org/go/routes>:

- Route 23 San Jose (De Anza College – Alum Rock via Stevens Creek Blvd)
- Route 25 San Jose (De Anza College – Alum Rock via Valley Medical Center)
- Route 51 (Moffett Field - West Valley College)
- Route 53 (Sunnyvale Transit Center – Santa Clara Transit Center)
- Route 55 De Anza – Great America
- Route 56 (Lockheed Martin - Monterey & Old Tully)
- Express 101 (Camden Ave & Hwy 85 - Stanford Research Park)
- Rapid 523 (San Jose State – Lockheed Martin via De Anza)

Car: The City of Cupertino is in the heart of the world-renowned Silicon Valley. The major highway transportation facilities are Interstate Route 280 and State Route 85 freeways. The City is linked internally by several principal arterials and Santa Clara County expressways. Principal arterials are De Anza Boulevard, Stevens Creek Boulevard, and Wolfe Road. Nearby expressways are Lawrence Expressway and Foothill Expressway.

Ridesharing: SV Hopper is a convenient app-based, on-demand rideshare program that provides transportation anywhere in Cupertino and to select destinations outside of the City such as southern Santa Clara and major Caltrain Stations in Mountain View, Sunnyvale, and Santa Clara. For more information, visit <https://city.ridewithvia.com/hopper>.

Sister Cities

The City of Cupertino recognizes the value of developing people-to-people contacts by strengthening the partnerships between the city and its four sister cities of Copertino, Italy; Hsinchu, Taiwan; Toyokawa, Japan, and Bhubaneswar, India. Cupertino's Sister City partnerships have proven successful in fostering educational, technical, economic, and cultural exchanges. Over the years, there have been many delegations visiting both the cities as well as many local students participating in annual student exchange programs.



Cupertino Sister Cities Sign

Education

Winners of numerous state and national awards for excellence, Cupertino's schools are widely acknowledged as models of quality instruction.

Cupertino Union School District serves approximately 13,500 students in a 26 square mile area that includes Cupertino and portions of five other cities. The district has 17 elementary schools, one K-8 school, and five middle schools. Eighteen schools have received state and/or national awards for educational excellence.

Student achievement is exceptionally high. Historically, district test scores place Cupertino among the premier public school districts in California. The district is a leader in the development of standards-based system of education and is nationally recognized for leadership in the use of technology as an effective tool for learning. Quality teaching and parent involvement are the keys to the district's success.

The Fremont Union High School District serves over 9,000 students in a 42 square mile area covering all of Cupertino, most of Sunnyvale, and portions of San Jose, Los Altos, Saratoga, and Santa Clara. The five high schools of the district have garnered many awards and recognition based on both the achievement of students and the programs designed to support student achievements. Many high schools in the district exceed their established achievement targets for the State Academic Performance Index. District students are encouraged to volunteer and provide service to organizations within the community. During their senior year, if students complete 80 hours of service to a non-profit community organization, they are recognized with a "Community Service Award" medal that may be worn at their graduation ceremonies.

Building on its tradition of excellence and innovation, De Anza College challenges students of every background to develop their intellect, character, and abilities; to achieve their educational goals; and to serve their community in a diverse and changing world.



De Anza College Campus

De Anza College offers a wide range of quality programs and services to meet the workforce development needs of our region. The college prepares current and future employees of Silicon Valley in traditional classroom settings and customized training arranged by employers. Several De Anza programs encourage

economic development through college credit courses, short-term programs, services for manufacturers, technical assistance, and/or recruitment and retention services. De Anza College is the top Silicon Valley college in numbers of students transferring to four-year schools, and is always at or near the top statewide, earning it the distinction of, "Tops in Transfer."

Programs and Applications

Community Outreach Programs

Neighborhood Block Leader Program

Block Leaders are engaged Cupertino residents who go the extra mile to build a more connected and resilient community. The program shares City news, hazards, and events with Block Leaders, provides support for community building, and organizes quarterly meetings. Quarterly meetings invite City staff from across departments so that volunteers and residents are kept up to date on new policies, programs, and projects. Volunteers facilitate information sharing between the City and residents, host community gatherings such as emergency kit building workshops, and build a sense of trust and safety in their neighborhoods. To become a Cupertino Block Leader, please contact the Block Leader Coordinator at martad@cupertino.org.



Neighborhood Block Leader Program

Neighborhood Watch

Stay safe, get connected, and learn how to prevent crime with Cupertino Neighborhood Watch. Neighborhood Watch is a partnership between residents, the City, and the Sheriff's Office to reduce crime in our communities through education. The program involves: neighbors working together in a program of mutual assistance; citizens being trained to recognize and report suspicious activities in their neighborhoods; and implementation of crime prevention techniques such as home security. To organize a Neighborhood Watch program in your neighborhood, please contact the Neighborhood Watch Coordinator at martad@cupertino.org.

Affordable Housing: BMR (Below Market Rate) Program

The City of Cupertino requires that 15% of all new rental construction and 20% of ownership construction be affordable to households below 120% of the County median income. Rental units are made available to very low and low-income households, while ownership units are made available to median and moderate-income households. There are currently 141 units in the City's BMR rental portfolio, and 119 homes in the City's BMR ownership portfolio.

The City of Cupertino contracts with Rise Housing Solutions to screen and place qualified households in BMR units. Rise Housing maintains a waitlist of interested persons for these BMR units, and the waitlist application opens annually during the month of October. For more information visit Rise Housing at www.risehousing.com, email cupertino@risehousing.com, or call (415) 301-5448 (messages returned within 36-48 hours).

Smart Phone Applications

Cupertino Connect: One App for Everything

Are you looking for the latest Cupertino news, events, and important updates? Do you need to apply for a permit or submit a service request? Look no further than Cupertino Connect—a new app that gives you a one-stop app where all the City’s services are at your fingertips. Phone screen space is limited, and this update consolidates all the City apps on your phone into one.

With the Cupertino Connect app, you can find exactly the information you’re looking for. From COVID-19 updates, to election information, and even data on the trees in your neighborhood, you can find it all in one place. Notice an issue that you want to bring to the City’s attention? Whether it’s a roadway concern, landscape issue, or complaint, you can now submit Cupertino 311 requests through the Cupertino Connect app! It’s easier than ever to select the type of issue, select a location, attach any photos, and submit your request for service.

To download the app, search for “Cupertino Connect” in the app store. For more information, visit <https://www.cupertino.org/our-city/advanced-components/cupertino-311>



Community Statistics

Facts and Figures ¹

Population in City Limits	57,368
Average Household Income	\$288,690
Average Age	53
Registered Voters	33,272
Democrats	15,577
Republicans	4,521
American Independent	536
Other	401
No Political Party Designated	12,237

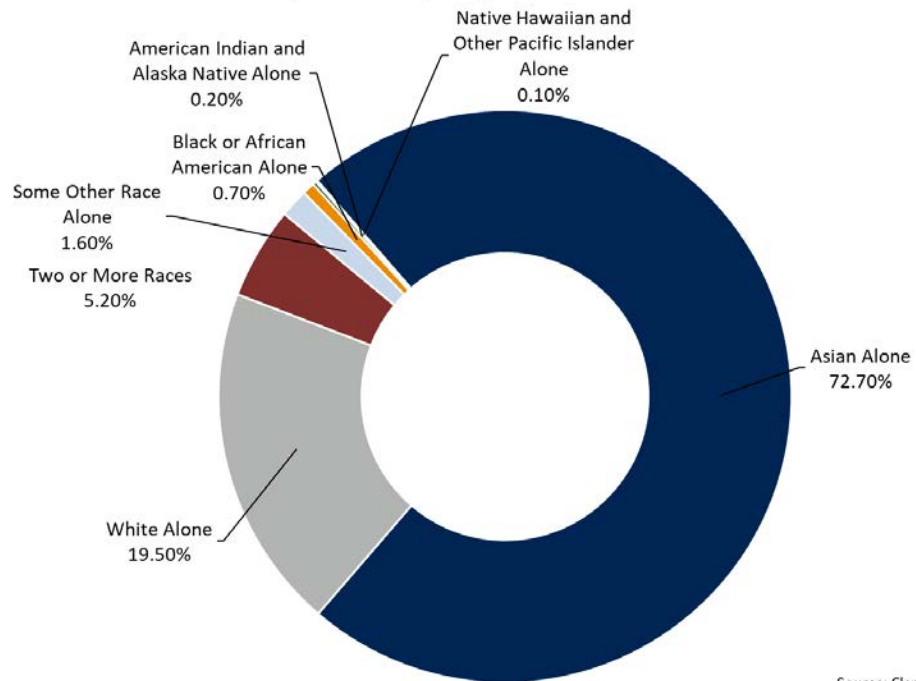
¹ Claritas 2024 Estimates and County of Santa Clara Registrar of Voters as of April 23, 2024

Top 25 Sales Tax Producers 2023 (in Alphabetical Order) ²

- 99 Ranch Market
- Alexander's Steak House
- Apple
- Argonaut Window & Door
- Benihana
- BJ's Restaurant & Brewhouse
- California Dental Arts
- Chevron
- Cupertino Car Wash
- De Anza Car & Gas
- Galpao Gaucho
- Great Gas Cupertino
- Haidilao Hot Pot
- Insight Direct
- Keysight Technologies
- Kura Revolving Sushi Bar
- Lazy Dog Cafe
- Mirapath
- Ross
- Rotten Robbie
- Safeway
- Shane Company
- Target
- TJ Maxx
- Valero
- Whole Foods Market

² HdL Companies 4Q 2023 (October - December) Sales Tax Update

Population by Single Classification Race



Source: Claritas 2024

Community and Recreation Services

Blackberry Farm

Blackberry Farm is centrally located within the Stevens Creek corridor and has natural habitat for native trees, animals, and fish. The park includes an on-site café, pools, bocce ball, horseshoe courts, volleyball courts, and picnic areas with multiple sites for groups up to 400 people. The park is located at 21979 San Fernando Avenue. Telephone: 408-777-3140.

Blackberry Farm Golf Course

The Blackberry Farm Golf Course is a nine-hole facility with a Par of 29 and is set along the bank of Stevens Creek with narrow tree-lined fairways and small greens. The course is located at 22100 Stevens Creek Boulevard. Telephone: 408-253-9200.

Quinlan Community Center

The Quinlan Community Center is a 27,000 square foot facility that provides a variety of recreational opportunities, rental spaces, hosts classes and programs for all ages, and houses the Cupertino Historical Museum. The center is located at 10185 North Stelling Road. Telephone: 408-777-3120.

Cupertino Sports Center

The Sports Center features 17 tennis courts, two racquetball courts, complete locker room facilities, and a fully equipped fitness center featuring free weights, strength training equipment, and cardio equipment. The center is located at 21111 Stevens Creek Boulevard. Telephone: 408-777-3160.

Cupertino Senior Center

The Senior Center provides opportunities for adults 50 and over, including volunteering and various classes such as exercise, computer, English as a second language, and cultural and special interest. The center also coordinates trips, socials, and monthly luncheons. The Senior Center is located at 21251 Stevens Creek Boulevard. Telephone: 408-777- 3150.

Civic Center and Library

The Civic Center complex has a 6,000 square foot Community Hall, plaza, trees, and seating areas. City Council meetings and Planning Commission sessions are held in the Community Hall. The center is located at 10350 Torre Avenue. Telephone: 408-777-3120.

The Cupertino Library continues to be one of the busiest libraries in the Santa Clara County Library system. The library is located at 10800 Torre Avenue. Telephone: 408-446-1677.

McClellan Ranch Preserve

McClellan Ranch is an 18-acre preserve that houses the original ranch house, milk barn, livestock barn, and two historic buildings, including the Baer's Blacksmith Shop and the old water tower from the Parish Ranch, Environmental Education Center, and Community Gardens. The preserve is located at 22221 McClellan Road. Telephone: 408-777-3149.

Things To Do and See

Euphrat Museum of Art

The highly regarded Euphrat Museum of Art, at its new location next to the new Visual Arts and Performance Center at De Anza College, presents one-of-a-kind exhibitions, publications, and events reflecting the rich diverse heritage of our area. The Museum prides itself on its changing exhibitions of national and international stature emphasizing Bay Area artists. Museum hours are 11 a.m. – 3 p.m. Tuesday through Thursday. Telephone: 408-864-5464



Euphrat Museum of Art

Apple Park Visitor Center, Store & Café

A state-of-the-art Visitors Center, Observation Deck, flagship retail store, and café are open to the public seven days a week. The Visitor Center is located at 10600 N Tantau Avenue.

Free parking is available. For more information, visit the website at www.apple.com/retail/appleparkvisitorcenter or call 408-961-1560.

Fujitsu Planetarium

The Fujitsu Planetarium on the De Anza College campus is a must-visit Cupertino facility for stargazers. It hosts a variety of planetarium shows and events, including educational programs for school groups and family astronomy evenings. For more information, visit the website at <http://planetarium.deanza.edu> or call 408-864-8814.

Cupertino Historical Society

The Cupertino Historical Society was founded in 1966 by a group of 177 longtime residents and is dedicated to the preservation and exhibition of the city's history. Their museum, located at the Quinlan Community Center, develops and expands the learning opportunities that it offers to the ethnically diverse community of the City of Cupertino. Telephone: 408-973-1495.

Farmers' Markets

There are two farmers' markets located in Cupertino. One is held on Fridays from 8:00 a.m. to 12:00 p.m. at Creekside Park located at 10455 Miller Avenue, and the other is held every Sunday from 9:00 a.m. to 1:00 p.m. at the Senior Center/Memorial Park parking lot, behind 21251 Stevens Creek Blvd.

California History Center

The California History Center and Foundation is located on the De Anza College campus. The center has published over 35 volumes on California history and has a changing exhibit program. The center's Stocklmeir Library Archives boast a large collection of books, pamphlet files, oral history tapes, videotapes, and a couple of thousand student research papers. The library's collection is for reference only. Heritage events focusing on California's cultural and/or natural history are offered by the center each quarter. For more information, call 408-864-8987. The center is open Tuesday through Thursday, from 10:00 a.m. to 4:00 p.m.

Local Wineries

The Santa Cruz Mountains have played a pivotal role in the history of winemaking in California, with roots going back over 100 years, and including legendary winemakers such as Paul Masson, Martin Ray, David Bennion (Ridge), and David Bruce. The Santa Clara Valley Wine Trail features wineries in the southern portion of Santa Clara County, including Cupertino.

Take some time to enjoy Cupertino-based wineries: Fellom Ranch Vineyards, Naumann Vineyards, Picchetti Winery, R&W Vineyards, Ridge Vineyards, and Vidovich Vineyards, as well as the breathtaking scenery of the surrounding foothills.



Photo courtesy of Ridge Vineyards

This page intentionally left blank.

Financial Policies

This page intentionally left blank.

Annual Budget Process

Adopted Budget

The City Council annually adopts a budget by resolution for the upcoming fiscal year. The adopted budget – a policy document, financial plan, operations guide, and communications tool – authorizes expenditures for the activities and funds specified in the budget. It is the basis of the City’s financial planning and control.

Budget Process

The City’s annual budget follows a July 1 to June 30 fiscal year. However, the budget process continues throughout the year, including phases of:

- Development
- Proposal
- Adoption
- Monitoring
- Amendment
- Carryover

Development

Budget development begins in December with the base budget, where departments review and adjust ongoing operational costs. The base budget does not include any one-time initiatives. Departments must justify all new costs each year.

Proposal

Every year in March, departments prepare budget proposals for new ongoing or one-time initiatives. These proposals are reviewed by Finance staff, who use data from current and past years to evaluate their feasibility. The city's long-term financial forecast is also taken into account to ensure that budget decisions align with the city's financial goals.

The City Manager, with the assistance of the Director of Administrative Services and Budget Team, reviews the proposals and selects the proposals to be included in the Proposed Budget. The Proposed Budget is published by May 1st.

In May, staff presents the Proposed Budget to the City Council during a proposed budget study session. Commissions, committees, community organizations, and the public are all welcome to review and provide feedback on the Proposed Budget. During the session, City Council members have the opportunity to ask questions, offer suggestions, and provide recommendations to staff on the Proposed Budget.

Adoption

In June, the City Council holds a public hearing to consider the Proposed Budget presented by staff. At this hearing, an updated version of the Proposed Budget is presented, and staff addresses any questions or concerns that were raised during the study session.

After the presentation, City Council members deliberate and vote to adopt the budget. The adopted budget authorizes expenditures for the specific activities and funds outlined in the budget. This ensures that the city has a clear plan for how to allocate its resources in the upcoming fiscal year.

The adopted budget goes into effect on July 1st, marking the beginning of the new fiscal year.

Monitoring

After the budget is adopted, the City enters the budget monitoring phase. Throughout the year, departments monitor their budgets to ensure spending does not exceed the budget.

In addition to the annual proposed and adopted budgets, staff reports to the City Council quarterly. Quarterly reports update the City Council on any changes from July 1 through the end of the quarter. Quarterly reports help:

- Compare budget versus actuals.
- Forecast year-end results.
- Demonstrate the City is on track to end the year within budget.
- Update City Council on any changes to the budget.
- Amend the budget to account for any unforeseen changes.

If amendments to the budget are required outside of this cycle, staff can seek approval through the budget amendment process (see next section).

Amendment

After the budget is adopted, a department may request a change through a budget amendment. A budget amendment is required to:

- Allocate additional appropriations during the fiscal year
- Reallocate appropriations between line items during the fiscal year

Adjustments to expenditures within or between departmental budgets are accomplished on an as-needed basis administratively throughout the year. The City Manager and Department Heads can transfer funds between their accounts and/or programs as needed. Transfers between fund types need approval by City Council.

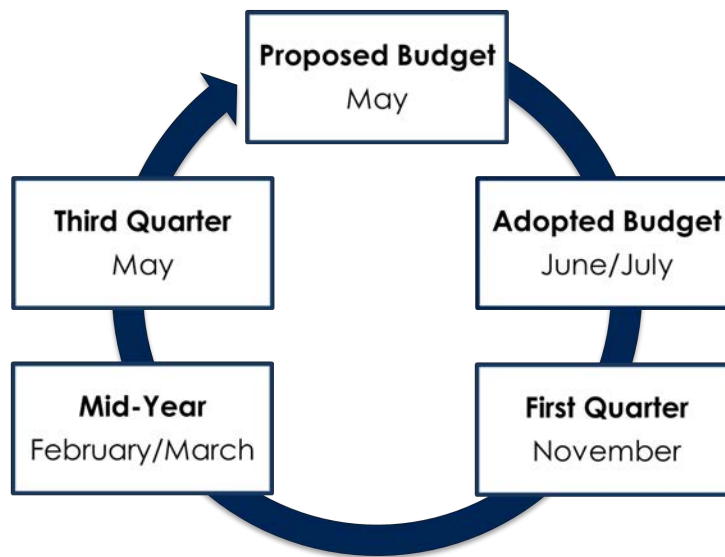
City Council approval is also required for additional appropriations from fund balances or from new revenue sources.

Carryover

Unexpended and unencumbered appropriations expire at the end of the fiscal year. A budget carryover allows an unspent appropriation to be carried over into the next fiscal year. A department may request a budget carryover for a project or purchase that is not expected to be completed in the current fiscal year. The department may only use the budget carryover for its original purpose.

Budget Reporting Cycle

The following chart illustrates the City's budget reporting cycle.



Citizen Participation

The budget study session and budget hearings are public meetings where citizens are allowed to comment on the budget. The public can also provide feedback on budget format to the Audit Committee.

This year, City Staff conducted in-person budget related outreach (Community Engagement Booths and Community Budget Focus Groups) at various locations throughout the City during the month of April 2024. These outreach events educated the community on budget-related topics in front of the Cupertino Library and at Cupertino's Earth and Arbor Day Festival. Additionally, the City hosted two Community Budget Meetings which tackled crucial discussions about the City's budget deficit (February 2024) and discussed the City's financial forecast and potential service-level reductions (April 2024).

OpenGov Financial Transparency Portal

In order to facilitate understanding and transparency of the budget document, the City presents budget information through OpenGov, an online tool that provides users with different views of the City's budget data by fund, department, revenues, and expenditures. The tool can be accessed by visiting cupertino.org/opengov.

The City invites you to use the online tool to:

- Search the current year's budget and financial data.
- View trends in revenues and expenditures over time.
- Drill down into expenses by department or account type.
- Display the data as graphs or charts.
- Download into Excel.
- Share with friends using email or social media.
- Send comments directly to the City online.

Annual Budget

Cupertino's budgets: cupertino.org/budget

Updated On 20 Jul, 2023

← Back

↺ History ▾

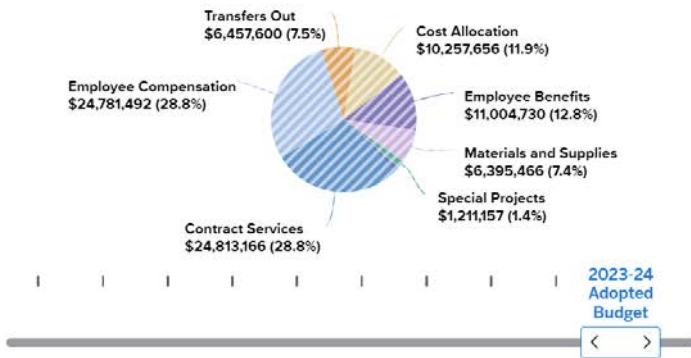
↺ Reset

Broken down by

Expenses

General Fund

Visualization



Sort Large to Small ▾

- Contract Services
- Employee Compensation
- Transfers Out
- Cost Allocation
- Employee Benefits
- Materials and Supplies
- Special Projects

Structure of City Finances

Cost Accounting

Fund costs are allocated to user departments or operating funds based on salaries, equipment and software purchase price, actuarial studies, and actual and projected service level. The City of Cupertino has five internal service funds: Innovation & Technology, Vehicle & Equipment Replacement, Workers' Compensation, Compensated Absences & Long-Term Disability, and Retiree Medical, whose costs are allocated to City departments. Please view the Cost Allocation Plan and Internal Service Fund section of this document for details.

Other employee fringe benefits such as medical, dental, life insurance, and pensions are directly added to department costs as a percentage of salaries. Staff salary and benefit costs are split among departments and related funds based on the anticipated percentage of time spent working in various departments.

Cost Allocation Plan

All overhead costs are allocated to the appropriate program within the limits of local, state, and federal laws. Beginning in FY 2013-14, the City allocated indirect and overhead costs based on a Cost Allocation Plan (CAP). In FY 2015-16, Matrix Consulting Group developed a full CAP for the City. Matrix Consulting Group developed the plan based on "Generally Accepted Accounting Principles" (GAAP) and indirect cost allocation methods defined by the federal Office of Management and Budget's (OMB) Circular A-87. Generally, the CAP is updated every five to seven years. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023, which is included in the FY 2024-25 budget.

In addition to the direct cost of providing services, the City has indirect costs. Indirect costs include shared expenses where a department provides support to other departments (e.g., legal, finance, human resources, IT, facilities, and maintenance). The CAP allows the City to understand the full cost of providing specific services to the community more accurately. For example, the full cost of the Quinlan Community Center includes its direct costs (e.g., salaries, benefits, materials, and contracts) plus its indirect costs (e.g., finance, human resources, and IT). The CAP helps the City analyze the full cost of the Quinlan Community Center as if it were a stand-alone business that had costs for services such as finance, human resources, and IT.

The CAP distributes the allowable costs of central service programs to receiving programs. Central service programs (e.g., City Manager's Office, City Attorney's Office, Finance, Human Resources, Innovation and Technology, and City Hall building maintenance) provide support to other programs. Receiving programs, also known as grantees, receive support from central service programs.

Method

The CAP follows the double step-down method, which uses two steps to allocate costs fully. In the first step, the costs of central service programs are allocated to other central service programs and receiving programs. In the second step, the total costs (including costs allocated in the first step) of central service programs are allocated to the receiving programs only. Revenues are allocated directly to the central service program providing the service.

The CAP allocates costs to receiving programs based on an allocation base, which quantifies the use of each service. For example,

- Human Resources benefits costs are allocated based on each program's number of FTE.
- Accounting costs are allocated based on each program's number of financial transactions.

- IT costs are allocated based on the number of computer and mobile devices assigned to each program.

The CAP is updated annually. The FY 2024-25 CAP was prepared using data from FY 2022-23.

Internal Service Funds

In addition to support services, all eligible funds are charged a prorated share of the costs for Innovation & Technology, Vehicle & Equipment Replacement, and Compensated Absences.

Transfers

In addition to the allocation of costs between funds, the City also makes transfers from the General Fund to various funds, which provide subsidies and resources to the receiving fund to support operating, debt service, and capital project costs. General Fund subsidies are evaluated annually to ensure that funds outside of the General Fund end the year with sufficient fund balance. Typically, transfers are made to Special Revenue and Enterprise Funds that require subsidies due to their revenues falling short of full program costs. Furthermore, the City has recurring transfers to the Debt Service Fund to fund the costs associated with the annual debt payment.

Basis of Budgeting

The basis of budgeting refers to the method used to recognize revenues and expenditures in the budget. For the City of Cupertino, the basis of budgeting is the same as the basis of accounting.

Governmental Funds

The Governmental Funds, which include the General, Special Revenue, Debt Service, and Capital Projects funds, use a modified accrual basis. The modified accrual basis uses a current financial resources measurement focus. As a result, only current assets and current liabilities and deferred outflows of resources and deferred inflows of resources generally are included. Under the modified accrual basis, revenues are recognized when they become "susceptible to accrual," which means they are both measurable and available. Measurable means the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For example, revenues from property taxes are determined to be available if collectible within 60 days.

Proprietary Funds

The Proprietary Funds, which include Enterprise and Internal Service Funds, use a full accrual basis. The full accrual basis uses an economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when incurred, regardless of the timing of related cash flows. For example, property taxes are recognized as revenue in the year they are levied. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Departments, Divisions, and Programs

The budget is split into ten departments: Council and Commissions, Administration, Law Enforcement, Innovation and Technology, Administrative Services, Parks and Recreation, Community Development, Public Works, Non-Departmental (includes budgets that are not attributable to any specific division), and Capital Improvement Program. These departments are further split into divisions and then programs. The programs within the divisions are balanced at the department level within a given fund.

Annual Comprehensive Financial Report (ACFR)

The Annual Comprehensive Financial Report (ACFR) is prepared by the City's auditors according to generally accepted accounting principles (GAAP) set by the Governmental Accounting Standards Board (GASB). The City's auditor was Crowe, LLP from FY 2016-17 to FY 2021-22. Beginning FY 2022-23, the City's auditor is The Pun Group, LLP.

Fund Structure

In governmental accounting, a state or local government is not considered a single entity but is instead viewed as a collection of individual business units known as 'funds.' This approach is known as fund accounting, which emphasizes accountability rather than profitability.

Under fund accounting, each fund is a self-contained set of accounts that are segregated for specific purposes in accordance with laws, regulations, or other limitations. This system ensures that funds are used for their intended purpose and that there is transparency in the use of public funds.

The City's finances are structured into a range of funds that serve as the primary accounting and reporting entities in governmental accounting. These funds are broadly categorized into two groups: Governmental Funds and Proprietary Funds.

Governmental Funds

Governmental Funds are used to account for the City's general operations and other activities financed by taxes, grants, and other governmental resources. These funds include the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds. They are accounted for under the modified accrual basis of accounting.

General Fund

The General Fund is the primary operating fund for governmental services. The General Fund is a tax-supported fund.

General Fund	Purpose
100 General	The General Fund is used to pay for core services such as public safety, parks and recreation, community development, public works, and a host of other vital services. The revenue used to pay for these services comes primarily from local taxes such as sales tax, property tax, franchise fees, charges for services, and a variety of other discretionary sources.
130 Investment	Accounts for activities related to the City's investment portfolio.

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue Funds include the Storm Drain, Environmental Management/Clean Creek, Community Development Block Grant, BMR Housing, Transportation, and Park Dedication funds.

Special Revenue Funds	Purpose
210 Storm Drain Improvement	Accounts for the construction and maintenance of storm drain facilities, including drainage and sanitary sewer facilities. Projects are funded by the Capital Reserve.
215 Storm Drain	Accounts for revenues from developers as a result of connections to the storm drainage sewer system.
230 Environmental Management/Clean Creek/Storm Drain	Accounts for activities related to operating the Non-Point Source Pollution Program. Revenues are from parcel taxes.
260 Community Development Block Grant	Accounts for the Federal Housing and Community Development Block Grant (CDBG) Program activities. CDBG is a federally funded program for housing assistance and public improvements.
261 HCD Loan Rehab	Accounts for activities related to Community Development Block Grant (CDBG) rehabilitation loans.
265 BMR Housing	Accounts for activities related to the Below Market Rate (BMR) Housing Program. Revenues include BMR Housing Mitigation Fees collected from developers to mitigate the impact of housing needs. Monies in this fund are governed by the program's rules.
270 Transportation	Accounts for the City's gas tax, vehicle registration fees, and grant revenues and expenditures related to the maintenance and construction of City streets. All revenue in this fund is restricted exclusively for street and road purposes, including related engineering and administrative expenditures.
271 Traffic Impact	Accounts for development impact fees to ensure that new development and redevelopment projects pay their "fair share" to mitigate traffic impacts.
280 Park Dedication	Accounts for the activity granted by the business and professions code of the State of California in accordance with the open space and conservation element of the City's General Plan. Revenues are restricted for the acquisition, improvement, expansion, and implementation of the City's parks and recreation facilities.
281 Tree	Accounts for revenues from in-lieu tree replacement fees and tree damage and removal fees. The revenues are transferred to the Street Tree Maintenance program to pay for new and replacement trees.

Debt Service Funds

Debt Service Funds account for financial resources that are restricted, committed, or assigned to expenditures for and payment of principal and interest.

Debt Service Funds	Purpose
365 Public Facilities Corporation	Accounts for the payments of principal and interest on certificates of participation issued to provide for the financing of the Civic Center, Library, Wilson Park, Memorial Park, and other City facilities.

Capital Projects Funds

Capital Projects Funds account for the acquisition and/or construction of major capital facilities.

Capital Projects Funds	Purpose
420 Capital Improvement Projects	Accounts for activities related to the acquisition or construction of major capital facilities.
427 Stevens Creek Corridor Park	Accounts for the design and construction of the Stevens Creek Corridor Park projects.
429 Capital Reserve	Reserves to fund future capital improvement projects.

Proprietary Funds

Proprietary Funds are used to account for the City's ongoing business activities that are similar to those of a private enterprise. These funds include the Enterprise Funds and Internal Service Funds. They are accounted for under the full accrual basis of accounting.

Enterprise Funds

Enterprise Funds are for specific services funded directly by fees charged for goods or services. Enterprise Funds include the Resource Recovery, Blackberry Farm, Sports Center, and Recreation Program funds.

Enterprise Funds	Purpose
520 Resource Recovery	Accounts for activity related to the collection, disposal, and recycling of solid waste. A private company has been issued an exclusive franchise to perform the services.
560 Blackberry Farm	Accounts for activities related to operating the City-owned golf course.
570 Sports Center	Accounts for the operation and maintenance of the Cupertino Sports Center.
580 Recreation Program	Accounts for activities of the City's community center and park facilities.

Internal Service Funds

Internal Service Funds are for areas where goods or services are provided to other departments or governments on a cost-reimbursement basis. Internal Service Funds include the Innovation & Technology, Workers' Compensation, Vehicle and Equipment Replacement, Compensated Absences & Long-Term Disability, and Retiree Medical funds.

Internal Service Funds	Purpose
610 Innovation & Technology	Accounts for the activities related to the maintenance and replacement of the City's technology infrastructure. Equipment is depreciated based on the acquisition or historical costs for the useful life of the asset using the straight-line method.
620 Workers' Compensation	Accounts for claims and insurance premiums related to workers' compensation.
630 Vehicle/Equipment Replacement	Accounts for the purchase and maintenance of fleet and general equipment having a value greater than \$5,000 and an expected life of more than one year. Assets are depreciated based on the acquisition or historical costs for the useful life of the asset and using the straight-line method.
641 Compensated Absences & Long-Term Disability	Accounts for accrued leave payouts and the long-term disability insurance program.
642 Retiree Medical	Accounts for funds set aside for Other Post-Employment Benefits (OPEB).

Department/Fund Relationship

The following table illustrates the relationship between the City's departments and funds. It also shows which funds are major funds.

Fund	Council & Commissions	Administration	Department Law Enforcement	Innovation & Technology	Administrative Services
GENERAL FUND					
100 General Fund ¹	X	X	X	X	X
130 Investment Fund					
SPECIAL REVENUE FUNDS					
210 Storm Drain Improvement					
215 Storm Drain AB1600					
230 Env Mgmt Cln Crk Strm Drain					
260 CDBG ^{1,2}					
261 HCD Loan Rehab ^{1,2}					
265 BMR Housing ^{1,2}					
270 Transportation Fund ¹					
271 Traffic Impact					
280 Park Dedication					
281 Tree Fund					
DEBT SERVICE FUNDS					
365 Public Facilities Corp ¹					
CAPITAL PROJECTS FUNDS					
420 Capital Improvement Fund ¹					
427 Stevens Creek Corridor Park					
429 Capital Reserve					
ENTERPRISE FUNDS					
520 Resource Recovery ¹					
560 Blackberry Farm					
570 Sports Center ¹					
580 Recreation Program ¹					
INTERNAL SERVICE FUNDS					
610 Innovation & Technology				X	
620 Workers' Compensation					X
630 Vehicle/Equip Replacement					
641 Compensated Absence/LTD					X
642 Retiree Medical					X

¹Major funds as identified in the City's recent Annual Comprehensive Financial Reports

²Funds are consolidated and presented as one fund, Housing Development Special Revenue Fund, in the City's Annual Comprehensive Financial Reports

Fund	Department				
	Parks & Recreation	Community Development	Public Works	Capital Projects	Non-Departmental
GENERAL FUND					
100 General Fund ¹	X	X	X		X
130 Investment Fund					X
SPECIAL REVENUE FUNDS					
210 Storm Drain Improvement			X	X	
215 Storm Drain AB1600			X	X	
230 Env Mgmt Cln Crk Strm Drain			X		
260 CDBG ^{1,2}		X			
261 HCD Loan Rehab ^{1,2}		X			
265 BMR Housing ^{1,2}		X			
270 Transportation Fund ¹			X	X	
271 Traffic Impact					X
280 Park Dedication				X	
281 Tree Fund					X
DEBT SERVICE FUNDS					
365 Public Facilities Corp ¹					X
CAPITAL PROJECTS FUNDS					
420 Capital Improvement Fund ¹				X	
427 Stevens Creek Corridor Park				X	
429 Capital Reserve					X
ENTERPRISE FUNDS					
520 Resource Recovery ¹			X		
560 Blackberry Farm	X		X	X	
570 Sports Center ¹	X		X	X	
580 Recreation Program ¹	X			X	
INTERNAL SERVICE FUNDS					
610 Innovation & Technology					
620 Workers' Compensation					
630 Vehicle/Equip Replacement			X		
641 Compensated Absence/LTD					
642 Retiree Medical					

¹Major funds as identified in the City's recent Annual Comprehensive Financial Reports

²Funds are consolidated and presented as one fund, Housing Development Special Revenue Fund, in the City's Annual Comprehensive Financial Reports

Balanced Budget Policy

PURPOSE

The purpose of this policy is to ensure that the City has a balanced budget that is sustainable in the long term. It aims to establish a clear definition of a balanced budget, promote a commitment to achieving this balance, and ensure transparency and disclosure when there is deviation from the balanced operating budget.

SCOPE

This policy applies to all operating funds of the City. This policy excludes Capital Projects Funds and Debt Service Funds.

POLICY

Statutory Balanced Budget

At a minimum, the City shall adopt a statutory balanced budget, where the City's use of resources for operating purposes does not exceed available resources for the fiscal year.

Structurally Balanced Budget

The City shall adopt a balanced budget where operating expenditures do not exceed operating revenues in the ten-year forecast. The budget must be balanced not only during the current operating period but also in the future, which is referred to as a structurally balanced budget.

Recurring revenues are the portion of a government's revenues that can reasonably be expected to continue year to year, with some degree of predictability. Property taxes are an example of recurring revenue. Proceeds from the sale of property are an example of non-recurring revenue. Recurring expenditures appear in the budget each year. Salaries, benefits, materials and services, and maintenance costs are examples of recurring expenditures. Capital asset acquisitions are typically non-recurring.

Balanced Budget Calculation

To calculate a balanced budget, the following factors shall be included: operating revenues, operating expenditures, and interfund transfers. However, capital costs shall be excluded from the calculation. The use of reserves and fund balance may be considered.

The accrual basis will be used to define revenues and expenditures.

Use of Fund Balance

If a structurally balanced budget is not possible for the City at a given time, reserves and fund balance may be used to balance the budget. However, this should only be done in the context of a plan to return to structural balance, replenish fund balance, and remediate the negative impacts of any short-term balancing actions that may be taken. The plan should clearly specify the time period over which these actions will occur.

Noncompliance with Balanced Budget Policy

The policy permits noncompliance during the early stages of an economic downturn so that services can be reduced in an orderly fashion.

Responsibility for a Balanced Budget

The City Manager is responsible for making any necessary decisions on whether or not a budget is in balance. They shall take appropriate action to bring the budget into balance if adjustments are needed during the fiscal period.

Revised April 2023

Revenue Policies

PURPOSE

To establish revenue policies that assist the City in striving for and maintaining a diversified and stable revenue system to prevent undue or unbalanced reliance on any one source of funds. This revenue diversity will shelter the City from short-run fluctuations in any one revenue source.

SCOPE

All revenue sources across all funds.

POLICY

To the extent possible, maximize investment yield while maintaining a high level of liquidity for the City's anticipated capital costs;

Identify and recommend sources of revenue necessary to maintain the services desired by the community and to maintain the City's quality of life;

Perform ongoing evaluations of existing sources of revenue to maximize the City's revenue base;

Recover costs of special services through user fees;

Pursue full cost recovery and reduce the General Fund fee subsidy to the degree feasible;

Allocate all internal service and Cost Allocation Plan charges to appropriate user departments; and

Monitor Enterprise activities remain self-supporting in the long term.

Expenditure Policies

PURPOSE

To establish expenditure control policies through the appropriate internal controls and procedures. Management must ensure expenditures comply with the legally adopted or amended budget.

SCOPE

All expenditure categories across all funds.

POLICY

Each Department or Division Manager will be responsible for the administration of their department/division budget. This includes accomplishing the goals and objectives incorporated into the budget and monitoring each department/division budget for compliance with spending limits;

Accurately charge expenditures to the appropriate chart of accounts;

Maintain operating activities at levels which are offset by revenues;

The City will make every effort to control expenditures to ensure City services and programs provided to its citizens and tax payers are cost effective and efficient;

Evaluate expenditures at the department and project levels to ensure control;

Before the City purchases any major asset or undertakes any operating or capital arrangements that create fixed assets or ongoing operational expenses, the implications of such purchases or arrangements will be fully determined for current and future years;

All compensation planning and collective bargaining will include an analysis of the total cost of compensation which includes analysis of salary increases, health benefits, pension contributions, fringe benefits and other personnel costs. The City will only propose operating personnel costs which can be sustained by ongoing operating revenues;

Reduce costs and improve productivity through the use of efficiency and effective measures; and

Structure debt financing to provide the necessary capital while minimizing future debt service costs.

Capital Improvement Programs Policy

PURPOSE

To establish a Capital Improvement Programs (CIP) Policy to assist in future budget projections.

SCOPE

All anticipated CIP projects for the current fiscal year plus four additional fiscal years.

POLICY

The City will prepare an annual CIP for the current fiscal year that includes a projection of anticipated programming and funding for a total of five fiscal years.

Projects included in the CIP will have information on the need for the project (project justification), description and scope of work, total cost estimates, future operating and maintenance impacts, and funding sources.

The project justification will incorporate information on the factors that affect the prioritization of the project.

The factors to be considered include (but are not limited to) the Health & Safety of the community, continuation of ongoing work, Community requests, General Plan and Master Plans' directives, staffing and operational demands, sustainability and resiliency, and internal and external funding viability.

Changes to the CIP such as addition of new projects, significant changes in scope and costs of a project or reprioritization of projects will require City Manager and City Council approval.

The City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future operating maintenance and replacement costs. The City recognizes that deferred maintenance increases future capital costs, thus placing a burden on future residents. Therefore, the budget will provide for adequate maintenance and the orderly replacement of capital facilities from current revenues when possible.

The City will determine the least costly funding method for its capital projects and will obtain grants, contributions and low cost state or federal loans whenever possible.

The City will utilize "pay-as-you-go" funding for capital improvement expenditures considered recurring, operating or maintenance in nature. The City may also utilize "pay-as-you-go" funding for capital improvements when current revenues and adequate fund balances are available or when issuing debt would adversely affect the City's credit rating.

The City will consider the use of debt financing for capital projects under the following circumstances:

- When the project's useful life will exceed the terms of the financing
- When resources are deemed sufficient and reliable to service the long-term debt
- When market conditions present favorable interest rates for City financing
- When the issuance of debt will not adversely affect the City's credit rating and debt coverage ratios.

Revised April 2023

Information Technology Replacement and Capitalization Policy

PURPOSE

The purpose of this policy is to establish guidelines for replacing and capitalizing technology equipment and systems. Replacement is indicated when a product has run its useful life and updating/upgrading is no longer an option. Capitalization of equipment requires the set aside of funding for future replacement.

Generally, technology equipment with a life expectancy of at least 5 years and a total cost of over \$5,000 shall be capitalized. Software with an expected life of at least 7 years or a cost of over \$10,000 shall also be capitalized. Software-as-a-Service (SaaS) contracts are not capitalizable and are expensed as incurred.

Technology upgrades are determined by the Innovation Technology Department and user departments based on functionality, vendor support, and industry standards.

SCOPE

This policy covers the City of Cupertino:

- network infrastructure (routers, switches, firewalls, security appliances);
- server infrastructure (files servers, database servers, mail servers, web servers, etc);
- enterprise software;
- workgroup software; and
- broadcast video and audiovisual equipment.

Laptops and associated peripherals, desktop software not being utilized across a workgroup or enterprise, cell phones, printers, and tablet devices are not covered by this policy as these items do not meet the minimum criteria for capitalization. Replacement of these items are at the discretion of the Innovation Technology Department in concert with the user Department.

POLICY

All technology shall be replaced according to the following:

Network infrastructure (routers, switches, firewalls) shall be replaced when no longer functional, as determined by the Innovation Technology Department Division (IT), or when parts or support are no longer available from the manufacturer. Replacement needs will be determined by IT annually as part of the operating budget process. Network infrastructure with a life expectancy of at least 5 years and a total cost of over \$5,000 shall be capitalized.

Server infrastructure shall be replaced when it is no longer functional (defined as not being able to meet its intended purpose), or when parts or support are no longer available from the manufacturer. These needs are evaluated annually by IT and user departments as part of the operating budget process. Servers are evaluated as they approach 3 years in service, and placed on the schedule accordingly. Server lifetime may be extended by the purchase of additional memory or disk. Server infrastructure with a life expectancy of at least 5 years and a total cost of over \$5,000 shall be capitalized.

Interoperable systems are defined as a group of interdependent and/or interoperable components that together form a single functional unit. These components may be interconnected by their structural relationships, their common functional behavior, or by both. Generally, for a system to be eligible for

capitalization, the cumulative value of its components should be at least \$5,000 and have a life expectancy of five years or more. A common example of such system would be a telephone system or network. Individual component or replacement costs are not capitalizable unless they are greater than \$5,000 and increase the value of the asset.

Enterprise Software replacement shall be determined individually by IT and the end users. Only those large (based on license count) enterprise systems (on-site or on premise) with an expected life of at least 7 years or a cost of over \$10,000 shall be capitalized. SaaS contracts are not capitalizable and are to be expenses as incurred.

Broadcast Video and Audiovisual Equipment/Systems shall be repaired or replaced when determined no longer functional. Replacement will occur on average after 10 years. Broadcast video and audiovisual equipment/systems with a life expectancy of at least 5 years and a total cost of over \$5,000 shall be capitalized. Equipment that does not meet these criteria may still be capitalized if the item is a component of interoperable systems.

Revised April 2023

Pension and Retirement Funding Policy

PURPOSE

To establish a policy for the funding of Retirement and Retiree health.

SCOPE

Retirement and Retiree Health costs citywide, across all funds.

POLICY

Fund all current pension liabilities on an annual basis; and

Monitor certain health and dental care benefits for retired employees. Funding the liability for future retiree benefits will be determined by City Council action.

Committed, Unassigned Fund Balance, and Use of One Time Funds Policy

Purpose

To establish assigned and unassigned fund balance and one-time use policies.

Scope

The General Fund and Capital Funds.

Policy

To maintain sufficient committed and unassigned fund balance (General Fund only) in each fund for the ability to meet the following economic uncertainties:

Economic Uncertainty – \$21,329,593 and represents two months of General Fund (GF) expenditures excluding transfers out plus a two year drop in total general fund revenue of 13% or approximately 1.5 months, excluding the use of reserves. Transfers out are primarily used to fund Capital Projects and do not represent on-going expenditures. This assignment will change from year to year based on budgeted general fund expenditures and revenues.

- Mitigate short-term economic downturns and volatility in revenues (2 years or less)
- Sustain city services in the event of an emergency
- Meet requirements for debt reserves
- Meet operating cash flow requirements as a result of delay in the receipt of taxes, grant proceeds and other operating revenues

Sales Tax Repayment Reserve – \$77,554,500 and represents the funds committed for potential sales tax repayments. The result of the California Department of Tax and Fee Administration (CDTFA) audit of a City taxpayer is expected to have significant financial implications for the City's operations. To prepare for a potential adverse CDTFA decision and the uncertain outcome of the anticipated legal challenge, the City established a General Fund Sales Tax Repayment Reserve. The purpose of this reserve is to set aside funds for potential sales tax repayments to the CDTFA. An initial allocation of \$56.5 million corresponds to sales tax revenue received between April 2021 and June 2023 that the City may need to repay to the CDTFA. All or part of the funds will be transferred to General Fund Unassigned if the City's efforts to contest CDTFA's decision are ultimately successful, in whole or in part.

This reserve can be augmented when additional disputed sales tax revenue is received.

PERS – \$19,088,859 and represents the funds restricted for the City's pension obligations. In response to the increasing retirement costs based on actuarial forecasts, the City created a secondary pension trust to help stabilize the impact of pension cost volatility on the City's operating budget. To fund this secondary trust, the City made an initial contribution. After that, the annual contributions are determined based on the difference between CalPERS' current discount rate and a more conservative rate determined by the City. This difference will then be transferred to the pension trust and used exclusively for the benefit of members in the plan.

The primary goal of establishing this secondary trust is to ensure that the City can continue to provide its employees with the retirement benefits they have earned while maintaining fiscal responsibility. By using a more conservative rate for calculating contributions, the City can better anticipate and manage pension costs and mitigate potential negative impacts on the City's budget.

Funds in this trust are technically “restricted” under Governmental Accounting Standards Board (GASB) Statement No. 54 in that the funds are legally restricted to be used for retirement costs; however, the timing for which these funds may be used is only at the discretion of City Council.

Sustainability Reserve – Cupertino’s Sustainability Division oversees the City’s Climate Action Plan (CAP), which defines strategies to reduce greenhouse gas emissions, and provides residents, businesses and schools with programs and services focused on energy efficiency, renewable energy, water conservation, alternative transportation and other sustainable actions. The City receives rebates for projects that successfully meet the eligibility requirements such as energy or water efficiency. If the rebates were not initially budgeted, they are categorized as committed fund balance in the General Fund. The purpose of this reserve is to help support future sustainability projects/programs.

Unassigned – \$500,000 and represents 1% of the total general fund operating budget. This assignment may change from year to year based on budgeted general fund expenditures.

- Absorb unanticipated operating needs that arise during the fiscal year that were not anticipated during the budget process
- Absorb unexpected claims or litigation settlements

Capital Improvement – \$5,000,000 and represents average dollars spent for capital projects in the last three fiscal years. This assignment may change from year to year based on actuals dollars spent on capital projects and anticipated future capital project needs.

- Meet future capital project needs so as to minimize future debt obligations

The City shall not use fund balances/reserves in lieu of revenues to pay for ongoing expenses except as specifically provided in the City’s reserve policy.

The chart below summarizes reserve policy levels as described above:

Funding Priority	Reserve	Reserve Level ¹	Escalator ²	Description
GENERAL FUND				
1	Economic Uncertainty Reserve	\$21,329,593	GF Budgeted Operating Expenditures ³ GF Budgeted Revenue ⁴	For economic downturns and major revenue changes.
2	Sales Tax Repayment Reserve	\$77,554,500	Receipt of additional sales tax revenue in dispute	For potential sales tax repayments to the CDTFA.
3	PERS	\$19,088,859	Budgeted Citywide Retirement Costs	For pension costs.
4	Sustainability Reserve	\$127,891	GF Budget Revenue ⁴	For future sustainability projects/programs.
5	Unassigned	\$500,000	Budgeted GF Operating Expenditures ³	For mid-year budget adjustments and redeployment into the five year budget.
CAPITAL PROJECTS FUNDS				
6	Capital Improvement	\$5,000,000	None	Reserves set aside for future capital projects.

¹ As of June 30, 2023

² Rounded to the nearest hundred thousand

³ Excludes Transfers Out

⁴ Excludes the use of reserves

Changes to Committed Fund Balance – All reserves listed in this policy, with the exception of the PERS restricted reserve, are classified as Committed Fund Balance under GASB Statement No. 54. Committed fund balance is comprised of amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Changes to committed fund balances must be approved by City Council. This policy will be reviewed annually as part of the budget process.

Replenishment process – Should the City need to utilize any of the committed fund balances listed in this policy, a recommendation will be brought to City Council for approval and a plan to replenish the committed balance will be developed in conjunction with its use.

Excess – Funding of these reserves will come generally from one-time revenues, annual net income, and transfers from other reserves that exceed policy levels. They will be funded in the following priority order with any remaining funds to be placed in the Capital Reserve:

- 1) Economic Uncertainty Reserve
- 2) Sales Tax Repayment Reserve
- 3) PERS
- 4) Sustainability Reserve
- 5) Unassigned

Revised May 1, 2024

Long Term Financial Stability Policies

PURPOSE

To establish a policy for Long Term Financial Stability

SCOPE

All programs across all funds

POLICY

Ensure ongoing productivity through employee training and retention programs;

Pursue consolidation of resources and activities with other agencies and jurisdictions where beneficial;

Ensure financial planning flexibility by maintaining adequate fund balances and reserves;

Provide for major maintenance and repair of City buildings and facilities on a timely basis;

Provide for infrastructure asset preservation that maximizes the performance of these assets at minimum life-cycle costs; and

Continually evaluate and implement long-term financial planning including technology automation, multiple year capital improvement programs, revenue and expenditure forecasting, automating and streamlining service delivery, stabilizing and repositioning revenue sources, and decreasing expenditures and risk exposure.

Community Funding Policy

PURPOSE

The City of Cupertino currently provides funding to local non-profit organizations in the areas of social services, fine arts, and other programs for the general public. The policy provides a framework for the City's Community Funding Grant Program and guides the administration of the program and decision-making process. It also provides guidance on key aspects of the City's Community Funding Grant Program processes including Eligibility, Evaluation Criteria, Restrictions/Guidelines, and Procedure.

SCOPE

All requests for funding must comply with this policy.

POLICY

The City has established the Community Funding Grant Program, subject to availability of funds, with a range of \$70,000 to \$90,000 in total funding available. Community Funding Grants shall not exceed \$20,000 per applicant, per year. City Council will determine the organizations to be awarded funds through the Community Funding Grant Program. City Staff shall review applications for completeness and review the qualifications and accuracy based upon the eligibility criteria set forth below. In all cases, the City reserves the right to reject any and all applications in the event staff identifies a potential conflict of interest or the appearance of a conflict of interest. Submission of an application in no way obligates the City to award a grant and the City reserves the right to reject any or all applications, for any reason, at any time.

Eligibility

To receive consideration for a Community Funding Grant, grant requests must:

- Be made or sponsored by a 501(c)(3) non-profit organization with experienced members capable of implementing and managing the program/project/event.
- Identify how the funds will be used to benefit the Cupertino community.
- Be awarded only once per project.
- For specific needs, not ongoing, operational costs, or endowment funds.
- Have more than 75% of the requested funds allocated for direct service costs versus administrative costs.
- Be complete and submitted by the application deadline.

Evaluation Criteria

- Impact on and benefit to the Cupertino community
 - Number of Cupertino residents served vs. number of non-Cupertino residents served
 - Availability of the program/project/event to the entire Cupertino community
- Community need for the program/project/event
- Alignment with Cupertino General Plan Principles
- Uniqueness of the program/project/event
 - Lack of duplication in service in Cupertino
 - Level of collaboration if a duplicated service
- Qualifications and experience of the organization and its members

- Reasonable cost
- Demonstrated effort to secure funding from other sources and/or establishing partnerships with other community or city organizations
- Clarity, completeness, and accuracy of grant application
- Past performance and compliance with requirements if a recurring applicant

Applications will be sorted into two categories:

- New applicants
- Past recipients

Applications in each category will be evaluated using a tiered structure based on the dollar amount requested for award as follows:

- < \$999.99
- \$1,000.00 - \$4,999.99
- \$5,000.00 - \$9,999.99
- \$10,000.00 - \$20,000.00

Restrictions/Guidelines

- An organization that is applying for multiple grants shall only submit one application.
- If requested, recipients must provide full financial statements for the organization.
- Festivals currently receiving funding through Festival Fee waivers may not apply for funding through the Community Funding Grant Process for the same festival
- Admission to or participation in the event must be "free of charge"
- If an applicant makes a grant request directly to a member of the City Council, whether individually or as a group, the Council shall refer the applicant to the Parks and Recreation Department for a Grant application to be reviewed in accordance with this policy.
- Grant recipients shall acknowledge the City contribution in formal promotional materials and efforts related to the funded activity. Any use of the City logo must be approved by the City's Communications Officer.

Procedure

1. Applicants submit timely and complete grant applications by February 1.
2. City Staff reviews application for completeness and compliance eligibility.
3. Applications will then be forwarded to the Parks and Recreation Commission to be evaluated and sorted into the tiered funding structure. All applicants will be notified and invited to attend the Parks and Recreation Commission Meeting where their applications will be discussed. This meeting typically takes place in Spring.
4. City Council will make the final decision on grant amounts for each applicant as part of the budget adoption which typically happens in June. All applicants will be notified and invited to attend the City Council Meeting where their applications will be discussed.
5. Grant recipients shall submit a written report to the Parks and Recreation Department to show proof that the grant funds have been spent in the manner and for the purposes stated on the application, including information about the number of persons served and other results that benefit Cupertino.

- Due by the 15th business day of July following the Fiscal Year in which grant funds are disbursed.
- Failure to submit a written report by the July deadline could result in the loss of grant funding eligibility in the future.
- Applicants will be expected to reimburse the City any funding awarded and not used for their program/project/event.

Revised November 15, 2022

Investment Policy

The City Council annually updates and adopts a City Investment Policy that is in compliance with State statutes on allowable investments. By policy, the Audit Committee reviews the policy and acts as an oversight committee on investments. The policy directs that an external auditor perform agreed-upon procedures to review City compliance with the policy.

The Audit Committee reviewed and accepted the current Investment Policy on April 22, 2024. The City Council will consider the City's Investment Policy in May 2024.

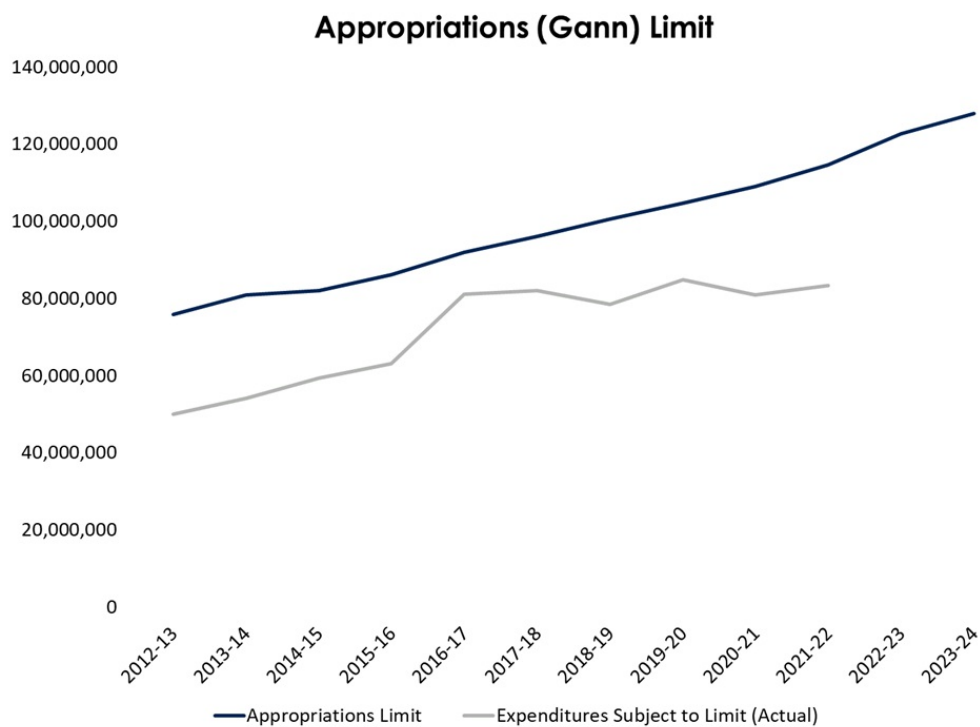
The City Investment Policy is available [here](#).

Appropriations and Legal Debt Limit Margin

Gann Appropriations Limit

In 1979, California voters approved Proposition 4, the Gann Initiative, and added Article XIII B to the California State Constitution. Article XIII B mandates a limit on the amount of proceeds of taxes that state and local governments can receive and appropriate (authorize to spend) each year. The purpose of this law is to limit government spending by putting a cap on the total proceeds of taxes that may be appropriated each year. Proposition 111 and Senate Bill 88, approved by California voters in June of 1990, offered cities more flexibility in choosing inflation and population factors to calculate the limit.

The following chart and table show the appropriations limit and actual expenditures¹ subject to the appropriations limit.



¹ Actual Expenditures from the Annual Comprehensive Financial Report (ACFR)

Fiscal Year	Appropriations Limit	Change in Appropriations Limit	Percent Change in Appropriations Limit	Expenditures Subject to Limit (Actual)
2012-13	\$ 75,844,982	\$ 3,650,684	5.1%	\$ 49,965,332
2013-14	\$ 80,979,979	\$ 5,134,997	6.8%	\$ 54,016,316
2014-15	\$ 82,005,630	\$ 1,025,652	1.3%	\$ 59,297,603
2015-16	\$ 86,100,308	\$ 4,094,677	5.0%	\$ 63,005,392
2016-17	\$ 91,867,014	\$ 5,766,706	6.7%	\$ 81,138,846
2017-18	\$ 96,028,488	\$ 4,161,474	4.5%	\$ 82,077,590
2018-19	\$ 100,538,305	\$ 4,509,818	4.7%	\$ 78,411,811
2019-20	\$ 104,753,580	\$ 4,215,275	4.2%	\$ 84,757,139
2020-21	\$ 109,062,934	\$ 4,309,354	4.1%	\$ 80,875,397
2021-22	\$ 114,666,491	\$ 5,603,558	5.1%	\$ 83,239,295
2022-23	\$ 122,756,522	\$ 8,090,031	7.1%	
2023-24	\$ 127,886,394	\$ 5,129,872	4.2%	

The limit is different for each agency and changes annually. It is calculated by taking the amount of tax proceeds that were authorized to be spent in FY 1978-79 and adjusting for changes in inflation and population each subsequent year.

Proposition 111 changed the way the limit is calculated and allowed a City to increase its limit annually in two ways:

- By the percent change in per capita personal income in California or the percent change in the assessment roll the preceding year due to the addition of local non-residential new construction; or
- By the percent change in county or city population.

The City used the following factors from the California Department of Finance.

Price Factor

- (A) Percent Change in California Per Capita Personal Income: 4.44%

Population Factor

- (B) Percent Change in County Population: -0.25%
- (C) Percent Change in City Population: -0.87%

The City multiplied the FY 2022-23 appropriations limit by Price Factor (A) and Population Factor (B) to calculate the FY 2023-24 appropriations limit, as shown below:

FY 2022-23 Appropriations Limit	\$122,756,522
Price Factor (A)	1.0444
Population Factor (B)	0.9975
FY 2023-24 Appropriations Limit	\$127,886,394

The City’s FY 2023-24 appropriations limit is \$127.9 million, an increase of \$5.1 million, or 4.2%, from the FY 2022-23 limit of \$122.8 million. The California Department of Finance will publish the price and population data to calculate the City’s FY 2024-25 appropriations limit in May 2024. As a result, the FY 2024-25 appropriations limit will not be known until May 2024 and will be included in the Adopted Budget.

Legal Debt Margin

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when the assessed valuation was based upon 25% of market value. Effective FY 1981-82, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computation shown below reflects a conversion of assessed valuation data for FY 2022-23 from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

Description	Amount	Formula
Secured Property Assessed Value, Net of Exempt Real Property (1)	\$31,157,956,858	
Adjusted Valuation - 25% of Assessed Valuation (2)	\$7,789,489,215	(1) x 25%
Debt Limit - 15% of Adjusted Valuation	\$1,168,423,382	(2) x 15%
Total City Bonded Debt (3)	\$18,020,000	
Less: Certificates of Participation Not Subject to Debt Limit (4)	\$(18,020,000)	
Amount of Debt Subject to Limit		- (3) - (4)
Legal Debt Margin	\$1,168,423,382	

This page intentionally left blank.

All Funds Financial Schedules

This page intentionally left blank.

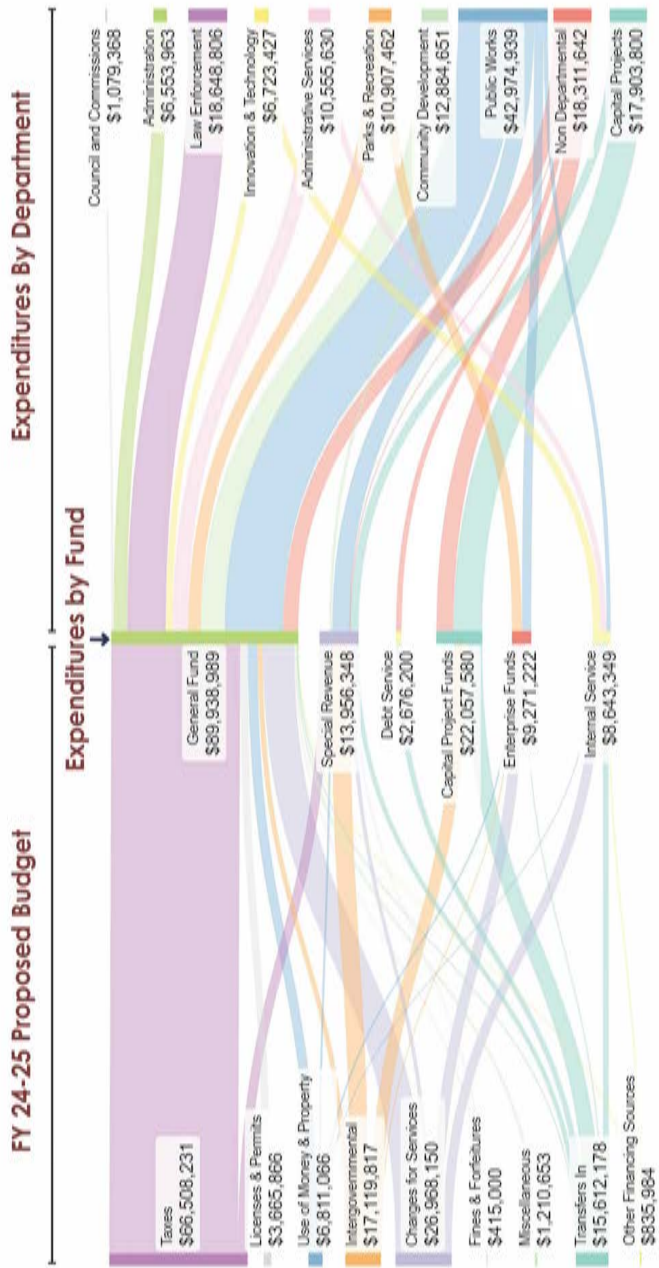
Financial Overview by Fund

Revenue Categories	2024-25 Proposed Budget					
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds
Sales Tax	11,648,962	-	-	-	-	-
Property Tax	33,174,977	-	-	-	-	-
Transient Occupancy	7,731,947	-	-	-	-	-
Utility Tax	4,130,140	-	-	-	-	-
Franchise Fees	3,509,346	-	-	-	-	-
Other Taxes	1,684,329	4,628,530	-	-	-	-
Licenses & Permits	3,665,866	-	-	-	-	-
Use of Money & Property	4,697,122	1,062,944	-	-	833,000	218,000
Intergovernmental	2,471,990	8,783,827	-	5,850,000	14,000	-
Charges for Services	15,123,336	1,880,000	-	-	5,247,500	4,717,314
Fines & Forfeitures	395,000	20,000	-	-	-	-
Miscellaneous	1,210,653	-	-	-	-	-
Other Financing Sources	367,000	-	-	-	-	-
Transfers In	15,000	2,241,580	2,676,200	7,785,000	514,000	468,984
TOTAL REVENUES	\$ 89,825,668	\$ 18,616,881	\$ 2,676,200	\$ 13,635,000	\$ 6,608,500	\$ 7,784,696
						\$ 139,146,945

Appropriation Categories	2024-25 Proposed Budget					
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds
Employee Compensation	23,388,317	1,785,475	-	-	1,922,348	1,818,488
Employee Benefits	11,329,376	953,406	-	-	839,347	2,409,499
Materials	5,773,144	1,047,713	-	-	691,338	1,046,922
Contract Services	29,115,394	555,004	-	175,000	3,661,846	1,798,760
Cost Allocation	10,638,580	2,030,054	-	-	1,577,430	304,459
Capital Outlays	-	4,974,024	-	13,635,000	150,000	-
Special Projects	1,165,000	2,586,687	-	-	212,733	440,000
Contingencies	254,580	8,985	-	-	54,339	26,622
Debt Service	-	-	2,676,200	-	-	-
Transfers Out	7,349,598	15,000	-	8,247,580	-	-
Other Financing Uses	925,000	-	-	-	161,841	798,599
TOTAL EXPENDITURES	\$ 89,938,989	\$ 13,956,348	\$ 2,676,200	\$ 22,057,580	\$ 9,271,222	\$ 8,643,349
						\$ 146,543,688

CHANGE IN FUND BALANCE/	\$ (113,321)	\$ 4,660,533	\$ -	\$ (8,422,580)	\$ (2,662,722)	\$ (858,653)
NET POSITION						\$ (7,396,743)

Flow of Funds Chart (Sankey)



The three most important things to learn from this chart:

1. The chart above demonstrates how revenues (left to right) and expenditures (right to left) flow out of and into each type of City fund.
2. Where revenues meet expenditures at the center of the chart (fund line type), a gap to the left is indicative of expenditures exceeding revenue and a decrease in fund balance/savings for that type of fund.
3. A gap to the right is indicative of an increase in fund balance/savings for that type of fund.

All Funds Summary

This section provides information on the FY 2024-25 Special Revenue, Debt Service, Capital Project, Enterprise, and Internal Service Funds budgets including, expenditure and revenue highlights, transfers to other funds, reserve funds, and the financial forecast. For descriptions of funds, see Financial Policies: Fund Structure.

Revenue Estimates

Estimates for FY 2024-25 fund balance and individual revenue accounts are based upon a careful examination of the collection history and patterns as they relate to such factors as seasonality and performance in the economic environment that the City is most likely to encounter in the coming year. Each source of revenue can be influenced by external and/or internal factors outside of the City's control.

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue Funds include the Park Dedication, Transportation, Storm Drain, and Environmental Management/Clean Creeks funds.

Revenue

Revenue sources have increased by \$5.6 million. Use of Money & Property is increasing due to higher projected interest earnings. Intergovernmental is increasing due to increased Measure B revenue and federal and state grants.

REVENUE SOURCES	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
Other Taxes	9,212,135	891,503	4,664,061	4,628,530
Use of Money & Property	(1,469,905)	567,133	572,300	1,062,944
Intergovernmental	3,812,862	3,582,440	3,753,838	8,783,827
Charges for Services	1,781,872	1,576,678	1,498,201	1,880,000
Miscellaneous Revenue	7,282	30,083	-	-
Fines and Forfeitures	3,563	23,371	3,563	20,000
Transfers In	10,322,824	3,025,000	2,500,000	2,241,580
Total Revenue Sources	\$ 23,670,633	\$ 9,696,208	\$ 12,991,963	\$ 18,616,881

Expenditures

Expenditure uses have increased by \$3.6 million. Capital Outlays are higher due to more Capital Improvement Program (CIP) projects and increased Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. As part of service level reductions, departments decreased their contract services and special projects.

EXPENDITURE USES	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
Employee Compensation	1,716,677	1,814,298	1,901,795	1,785,475
Employee Benefits	796,662	755,875	891,001	953,406
Materials	1,048,952	713,237	1,040,163	1,047,713
Contract Services	358,244	667,154	1,037,847	555,004
Cost Allocation	1,325,945	1,191,567	1,220,614	2,030,054
Capital Outlays	2,565,810	4,936,812	880,224	4,974,024
Special Projects	2,506,843	2,133,588	3,403,849	2,586,687
Contingencies	-	-	10,679	8,985
Transfers Out	486,235	1,908,631	15,000	15,000
Total Expenditure Uses	\$ 10,805,367	\$ 14,121,161	\$ 10,401,172	\$ 13,956,348

Fund Balance

Fund balance represents fund savings and is calculated by taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending fund balance. It is projected to increase by \$4.7 million due to increased Measure B and interest revenues.

CHANGES TO FUND BALANCE	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
Beginning Balance	33,507,271	46,372,537	41,947,584	25,999,564
Change in Fund Balance	12,865,266	(4,424,953)	2,590,791	4,660,533
Ending Balance	\$ 46,372,537	\$ 41,947,584	\$ 44,538,375	\$ 30,660,097

Debt Service Fund

The Debt Service Fund provides for the payment of principal, interest, and associated administrative costs incurred with the issuance of debt instruments for the City's Public Facilities Corporation. The budget funds the Corporation's annual payment of principal and interest on the City Hall/Community Hall/Library Certificates of Participation (COP) that will be paid off by July 1, 2030.

On September 29, 2020, the City's 2020A Certificates of Participation (2020 COPs) were successfully sold in order to refund the City's 2012 Certificates of Participation for debt service savings. The refunding generated net present value savings of approximately \$3.14 million, 11.61% of refunded par, and a True Interest Cost of 0.72%. Savings to the City's General Fund amounts to approximately \$494,000 per year for the next ten years or almost \$5 million in total savings.

Revenue

Revenue sources are relatively unchanged from the last fiscal year. The \$2.7 million transfer from the General Fund funds the annual payment of principal and interest for the City's debt.

REVENUE SOURCES	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
Use of Money & Property	-	(5,099)	-	-
Other Financing Sources	-	-	-	-
Transfers In	2,621,000	2,675,800	2,677,600	2,676,200
Total Revenue Sources	\$ 2,621,000	\$ 2,670,701	\$ 2,677,600	\$ 2,676,200

Expenditures

Expenditure uses are relatively unchanged from the last fiscal year. The \$2.7 million in expenditures represents the annual payment of principal and interest for the City's debt.

EXPENDITURE USES	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
Debt Service	2,676,000	2,675,800	2,677,600	2,676,200
Transfers Out	-	-	-	-
Total Expenditure Uses	\$ 2,676,000	\$ 2,675,800	\$ 2,677,600	\$ 2,676,200

Fund Balance

Fund balance represents fund savings and is calculated by taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending fund balance. Fund balance is unchanged from the last fiscal year.

CHANGES TO FUND BALANCE	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
Beginning Balance	63,350	8,350	3,250	1,750
Change in Fund Balance	(55,000)	(5,099)	-	-
Ending Balance	\$ 8,350	\$ 3,250	\$ 3,250	\$ 1,750

Capital Project Funds

This fund pays for the acquisition of major capital facilities and/or construction of major capital projects.

Revenue

Revenue sources have increased by \$11.6 million due to the transfers in for Capital Improvement Program (CIP) projects. As a result of the revenue shortfalls stemming from the CDTFa audit, the annual transfers from the General Fund to the Capital Reserve have been eliminated until FY 2029-30.

REVENUE SOURCES	2021-22	2022-23	2023-24	2024-25
	Actual	Actual	Adopted Budget	Proposed Budget
Use of Money and Property	(1,690,421)	(327,494)	-	-
Intergovernmental	1,472,565	536,911	-	5,850,000
Charges for Services	-	51,675	-	-
Miscellaneous	719,854	109,855	-	-
Transfers In	17,687,283	6,454,311	2,027,000	7,785,000
Total Revenue Sources	\$ 18,189,281	\$ 6,825,258	\$ 2,027,000	\$ 13,635,000

Expenditures

Expenditure uses have increased by \$17.8 million due to more CIP projects this year.

EXPENDITURE USES	2021-22	2022-23	2023-24	2024-25
	Actual	Actual	Adopted Budget	Proposed Budget
Employee Compensation	543	4,757	-	-
Employee Benefits	310	1,933	-	-
Contract Services	53,630	343,680	175,000	175,000
Capital Outlays	8,662,133	4,075,557	2,027,000	13,635,000
Cost Allocation	-	-	-	-
Transfers Out	11,422,048	2,489,154	2,027,000	8,247,580
Total Expenditure Uses	\$ 20,138,664	\$ 6,915,082	\$ 4,229,000	\$ 22,057,580

Fund Balance

Fund balance represents fund savings and is calculated by taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending fund balance.

CHANGES TO FUND BALANCE	2021-22	2022-23	2023-24	2024-25
	Actual	Actual	Adopted Budget	Proposed Budget
Beginning Balance	37,038,174	35,088,791	34,998,968	10,101,597
Change in Fund Balance	(1,949,383)	(89,824)	(2,202,000)	(8,422,580)
Ending Balance	\$ 35,088,791	\$ 34,998,968	\$ 32,796,968	\$ 1,679,017

Enterprise Funds

Enterprise Funds are set up for the provision of specific services that are funded directly by fees charged for those goods or services. Enterprise Funds include the Resource Recovery, Sports Center, Blackberry Farm Golf Course, and Recreation funds.

Revenue

Projected revenue sources remain relatively unchanged from the prior fiscal year. In FY 2023-24, as a result of anticipated revenue shortfalls due to the CDTFA audit, transfers from the General Fund to the Enterprise Funds have been reduced as part of an expenditure reduction strategy aimed at decreasing General Fund subsidies of Enterprise Funds. Transfers to the Enterprise Funds have resumed in FY 2024-25.

REVENUE SOURCES	2021-22	2022-23	2023-24	2024-25
	Actual	Actual	Adopted	Proposed
Use of Money & Property	134,289	713,518	733,250	833,000
Intergovernmental	14,812	98,851	14,812	14,000
Charges for Services	5,685,374	6,591,006	5,996,727	5,247,500
Miscellaneous Revenue	-	1,279	-	-
Transfers In	886,801	399,600	-	514,000
Total Revenue Sources	\$ 6,721,276	\$ 7,804,255	\$ 6,744,789	\$ 6,608,500

Expenditures

Expenditure uses have decreased by \$0.4 million due to decreases in contract services.

EXPENDITURE USES	2021-22	2022-23	2023-24	2024-25
	Actual	Actual	Adopted Budget	Proposed Budget
Employee Compensation	1,271,044	1,608,718	2,016,689	1,922,348
Employee Benefits	305,998	(53,139)	668,557	839,347
Materials	329,767	412,827	444,258	691,338
Contract Services	4,247,810	4,736,292	5,176,958	3,661,846
Contingencies	-	-	67,455	54,339
Cost Allocation	1,034,107	789,939	939,358	1,577,430
Special Projects	95,536	297,015	135,733	362,733
Transfers Out	222,566	264,959	222,567	161,841
Total Expenditure Uses	\$ 7,506,828	\$ 8,056,612	\$ 9,671,575	\$ 9,271,222

Net Position

Enterprise funds carry net position instead of fund balance. Net position is calculated by taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending net position. However, some of these resources are not liquid and represent capital assets. These monies are generally accumulated to support capital replacement and/or expansion needs. It is projected to decrease due to revenues being lower than expenditures.

CHANGES TO NET POSITION	2021-22	2022-23	2023-24	2024-25
	Actual	Actual	Adopted	Proposed
Beginning Balance	11,464,658	10,679,106	10,426,749	6,461,307
Change in Net Position	(785,552)	(252,357)	(2,926,786)	(2,662,722)
Ending Balance	\$ 10,679,106	\$ 10,426,749	\$ 7,499,963	\$ 3,798,585

Internal Service Funds

Internal Service Funds are used for areas where goods or services are provided to other departments or governments on a cost-reimbursement basis. Internal Service Funds include Information & Technology, Vehicle & Equipment Replacement, Workers' Compensation, Compensated Absences & Long-Term Disability, and Retiree Medical funds.

Revenue

Revenue sources have increase by \$2.3 million as a result of an increase in transfers in from the General Fund. In FY 2023-24, the City resumed transfers to the Retiree Medical Fund because the City's Other Post-Employment Benefits (OPEB) plan is below 100% funded.

REVENUE SOURCES	2021-22	2022-23	2023-24	2024-25
	Actual	Actual	Adopted Proposed Budget	
Use of Money & Property	(202,689)	(22,194)	129,000	218,000
Charges for Services	4,780,071	4,169,821	4,069,924	4,717,314
Miscellaneous	2,818	-	-	-
Transfers In	1,800,852	3,419,500	1,280,000	2,380,398
Other Financing Uses	374,475	466,620	-	468,984
Total Revenue Sources	\$ 6,755,526	\$ 8,033,747	\$ 5,478,924	\$ 7,784,696

Expenditures

Expenditure uses is relatively unchanged from the prior fiscal year.

EXPENDITURE USES	2021-22	2022-23	2023-24	2024-25
	Actual	Actual	Adopted Proposed Budget	
Employee Compensation	1,675,495	1,826,815	1,971,220	1,818,488
Employee Benefits	1,833,582	2,374,158	2,319,832	2,409,499
Materials	1,144,432	1,190,393	1,060,611	1,046,922
Contract Services	1,280,565	1,440,449	1,789,573	1,798,760
Cost Allocation	60,817	62,042	57,622	304,459
Special Projects	230,258	398,365	572,000	440,000
Contingencies	-	-	26,201	26,622
Other Financing Uses	926,453	798,599	926,453	798,599
Total Expenditure Uses	\$ 7,151,603	\$ 8,090,821	\$ 8,723,512	\$ 8,643,349

Net Position

Internal Service Funds carry net position instead of fund balance. Net position is calculated in the same manner as fund balance, taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending net position. However, some of the resources are not liquid and represent capital assets. These monies are generally accumulated to support capital replacement and/or expansion needs. Net positions is relatively unchanged from the prior fiscal year.

CHANGES TO NET POSITION	2021-22	2022-23	2023-24	2024-25
	Actual	Actual	Adopted Proposed Budget	
Beginning Balance	6,313,071	5,916,994	5,859,921	3,489,718
Change in Net Position	(396,077)	(57,073)	(3,244,588)	(858,653)
Ending Balance	\$ 5,916,994	\$ 5,859,921	\$ 2,615,333	\$ 2,631,065

All Funds Revenues

		REVENUES				
		FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Percent
Fund		Actual	Actual	Adopted Budget	Proposed Budget	Change
GENERAL FUND						
100	General Fund	109,799,523	112,596,103	80,281,229	89,825,668	11.9%
130	Investment Fund	230,625	-	-	-	N/A
TOTAL GENERAL FUNDS		\$ 110,030,148	\$ 112,596,103	\$ 80,281,229	\$ 89,825,668	11.9%
SPECIAL REVENUE FUNDS						
210	Storm Drain Improvement	(73,677)	12,711	28,000	11,000	-60.7%
215	Storm Drain AB1600	71,571	83,001	154,135	143,604	-6.8%
230	Env Mgmt Cln Crk Strm Drain	1,436,821	1,525,864	1,510,764	2,174,000	43.9%
260	CDBG	781,745	190,062	604,186	239,381	-60.4%
261	HCD Loan Rehab	34,006	(284)	-	-	N/A
265	BMR Housing	(146,752)	272,597	4,603,926	4,657,926	1.2%
270	Transportation Fund	9,351,615	6,633,107	5,823,952	10,890,970	87.0%
271	Traffic Impact	251,200	49,909	10,000	20,000	100.0%
280	Park Dedication	11,968,475	922,607	256,000	478,000	86.7%
281	Tree Fund	(4,370)	6,633	1,000	2,000	100.0%
TOTAL SPECIAL REVENUE FUNDS		\$ 23,670,633	\$ 9,696,208	\$ 12,991,963	\$ 18,616,881	43.3%
DEBT SERVICE FUNDS						
365	Public Facilities Corp	2,621,000	2,670,701	2,677,600	2,676,200	-0.1%
TOTAL DEBT SERVICE FUNDS		\$ 2,621,000	\$ 2,670,701	\$ 2,677,600	\$ 2,676,200	-0.1%
CAPITAL PROJECTS FUNDS						
420	Capital Improvement Fund	8,606,243	1,418,469	2,027,000	13,635,000	572.7%
427	Stevens Creek Corridor Park	(7,439)	(803)	-	-	N/A
429	Capital Reserve	9,590,477	5,407,592	-	-	N/A
TOTAL CAPITAL PROJECTS FUNDS		\$ 18,189,281	\$ 6,825,258	\$ 2,027,000	\$ 13,635,000	572.7%
ENTERPRISE FUNDS						
520	Resource Recovery	1,350,716	1,831,184	1,617,964	1,784,000	10.3%
560	Blackberry Farm	642,896	677,347	535,250	824,000	53.9%
570	Sports Center	2,733,907	3,131,935	2,649,000	1,877,000	-29.1%
580	Recreation Program	1,993,758	2,163,789	1,942,575	2,123,500	9.3%
TOTAL ENTERPRISE FUNDS		\$ 6,721,276	\$ 7,804,255	\$ 6,744,789	\$ 6,608,500	-2.0%
INTERNAL SERVICE FUNDS						
610	Innovation & Technology	3,082,266	4,991,899	3,497,858	3,635,178	3.9%
620	Workers' Compensation	230,055	455,108	47,000	558,984	1089.3%
630	Vehicle/Equip Replacement	2,115,385	1,610,890	1,535,066	1,385,136	-9.8%
641	Compensated Absence/LTD	101,817	1,002,405	399,000	613,000	53.6%
642	Retiree Medical	1,226,004	(26,554)	-	1,592,398	N/A
TOTAL INTERNAL SERVICE FUNDS		\$ 6,755,526	\$ 8,033,747	\$ 5,478,924	\$ 7,784,696	42.1%
TOTAL ALL FUNDS		\$ 167,987,864	\$ 147,626,272	\$ 110,201,505	\$ 139,146,945	26.3%

All Funds Expenditures

		EXPENDITURES				
		FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Percent
Fund		Actual	Actual	Adopted Budget	Proposed Budget	Change
GENERAL FUND						
100	General Fund	96,711,396	83,937,913	86,062,998	89,938,989	4.5%
130	Investment Fund	-	-	-	-	N/A
TOTAL GENERAL FUNDS		\$ 96,711,396	\$ 83,937,913	\$ 86,062,998	\$ 89,938,989	4.5%
SPECIAL REVENUE FUNDS						
210	Storm Drain Improvement	48,120	135,840	-	-	N/A
215	Storm Drain AB1600	-	-	-	-	N/A
230	Env Mgmt Cln Crk Strm Drain	2,014,796	1,615,378	2,233,590	1,912,473	-14.4%
260	CDBG	684,809	272,762	647,585	701,158	8.3%
261	HCD Loan Rehab	-	-	-	-	N/A
265	BMR Housing	754,692	753,958	985,203	722,539	-26.7%
270	Transportation Fund	6,933,057	7,874,828	6,519,794	10,605,178	62.7%
271	Traffic Impact	-	-	-	-	N/A
280	Park Dedication	354,893	3,407,255	-	-	N/A
281	Tree Fund	15,000	61,140	15,000	15,000	0.0%
TOTAL SPECIAL REVENUE FUNDS		\$ 10,805,367	\$ 14,121,161	\$ 10,401,172	\$ 13,956,348	34.2%
DEBT SERVICE FUNDS						
365	Public Facilities Corp	2,676,000	2,677,300	2,677,600	2,676,200	-0.1%
TOTAL DEBT SERVICE FUNDS		\$ 2,676,000	\$ 2,677,300	\$ 2,677,600	\$ 2,676,200	-0.1%
CAPITAL PROJECTS FUNDS						
420	Capital Improvement Fund	8,711,577	6,106,649	2,202,000	13,810,000	527.2%
427	Stevens Creek Corridor Park	5,039	8,432	-	-	N/A
429	Capital Reserve	11,422,048	800,000	2,027,000	8,247,580	306.9%
TOTAL CAPITAL PROJECTS FUNDS		\$ 20,138,664	\$ 6,915,082	\$ 4,229,000	\$ 22,057,580	421.6%
ENTERPRISE FUNDS						
520	Resource Recovery	1,837,779	2,038,929	2,636,342	3,222,990	22.3%
560	Blackberry Farm	655,186	805,330	745,586	1,042,617	39.8%
570	Sports Center	3,396,147	3,438,049	3,499,403	2,447,000	-30.1%
580	Recreation Program	1,617,717	1,774,303	2,790,244	2,558,615	-8.3%
TOTAL ENTERPRISE FUNDS		\$ 7,506,828	\$ 8,056,612	\$ 9,671,575	\$ 9,271,222	-4.1%
INTERNAL SERVICE FUNDS						
610	Innovation & Technology	3,349,754	3,978,937	3,924,360	3,600,434	-8.3%
620	Workers' Compensation	543,646	539,995	582,778	571,410	-2.0%
630	Vehicle/Equip Replacement	1,467,012	1,548,816	1,968,915	2,024,394	2.8%
641	Compensated Absence/LTD	434,151	627,416	760,471	838,066	10.2%
642	Retiree Medical	1,357,039	1,395,657	1,486,988	1,609,045	8.2%
TOTAL INTERNAL SERVICE FUNDS		\$ 7,151,603	\$ 8,090,821	\$ 8,723,512	\$ 8,643,349	-0.9%
TOTAL ALL FUNDS		\$ 144,989,858	\$ 123,798,888	\$ 121,765,857	\$ 146,543,688	20.3%

All Funds Expenditures by Department

Department	EXPENDITURES				
	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	Percent Change
Administration	6,387,338	6,511,384	7,759,330	6,553,963	-15.5%
Administrative Services	7,860,726	8,539,369	10,024,229	10,555,630	5.3%
Capital Improvement Program	9,676,521	12,013,372	2,202,000	17,903,800	713.1%
Community Development	12,628,296	11,693,554	13,270,637	12,884,651	-2.9%
Council and Commissions	1,062,466	1,100,397	1,169,301	1,079,368	-7.7%
Innovation & Technology	5,412,929	6,380,107	7,557,145	6,723,427	-11.0%
Law Enforcement	15,715,815	15,276,933	17,812,608	18,648,806	4.7%
Non-Departmental	40,404,173	15,899,598	11,194,703	18,311,642	63.6%
Parks & Recreation	9,764,392	10,597,553	12,355,726	10,907,462	-11.7%
Public Works	36,077,201	35,680,609	38,420,178	42,974,939	11.9%
TOTAL \$	144,989,858	\$ 123,692,876	\$ 121,765,857	\$ 146,543,688	20.3%

All Funds Fund Balance

Fund	Actual Ending Fund Balance as of 6/30/2023	Projected Ending Fund Balance as of 6/30/2024	FY 2024-25 Proposed Budget Revenues	FY 2024-25 Proposed Budget Expenditures	Proposed Budget Ending Fund Balance as of 6/30/2025
GENERAL FUND					
100 General Fund	138,598,307	130,444,966	89,825,668	89,938,989	130,331,645
130 Investment Fund	229,425	229,425	-	-	229,425
TOTAL GENERAL FUNDS	\$ 138,827,732	\$ 130,674,391	\$ 89,825,668	\$ 89,938,989	\$ 130,561,070
SPECIAL REVENUE FUNDS					
210 Storm Drain Improvement	2,123,134	335,095	11,000	-	346,095
215 Storm Drain AB1600	1,870,538	2,024,673	143,604	-	2,168,277
230 Env Mgmt Cln Crk Strm Drain	1,220,134	37,559	2,174,000	1,912,473	299,086
260 CDBG	1,173,522	755,535	239,381	701,158	293,758
261 HCD Loan Rehab	222,016	222,016	-	-	222,016
265 BMR Housing	5,217,727	8,548,062	4,657,926	722,539	12,483,449
270 Transportation Fund	10,586,674	1,559,714	10,890,970	10,605,178	1,845,506
271 Traffic Impact	770,107	780,107	20,000	-	800,107
280 Park Dedication	18,685,452	11,672,523	478,000	-	12,150,523
281 Tree Fund	78,279	64,279	2,000	15,000	51,279
TOTAL SPECIAL REVENUE FUNDS	\$ 41,947,584	\$ 25,999,564	\$ 18,616,881	\$ 13,956,348	30,660,097
DEBT SERVICE FUNDS					
365 Public Facilities Corp	1,750	1,750	2,676,200	2,676,200	1,750
TOTAL DEBT SERVICE FUNDS	\$ 1,750	\$ 1,750	\$ 2,676,200	\$ 2,676,200	\$ 1,750
CAPITAL PROJECTS FUNDS					
420 Capital Improvement Fund	21,096,986	(413,771)	13,635,000	13,810,000	(588,771)
427 Stevens Creek Corridor Park	157,343	149,495	-	-	149,495
429 Capital Reserve	13,744,638	10,365,872	-	8,247,580	2,118,292
TOTAL CAPITAL PROJECTS FUNDS	\$ 34,998,968	\$ 10,101,597	\$ 13,635,000	\$ 22,057,580	\$ 1,679,017
ENTERPRISE FUNDS					
520 Resource Recovery	4,803,254	3,212,635	1,784,000	3,222,990	1,773,645
560 Blackberry Farm	728,236	374,772	824,000	1,042,617	156,155
570 Sports Center	1,929,052	936,691	1,877,000	2,447,000	366,691
580 Recreation Program	2,966,208	1,937,210	2,123,500	2,558,615	1,502,095
TOTAL ENTERPRISE FUNDS	\$ 10,426,749	\$ 6,461,307	\$ 6,608,500	\$ 9,271,222	\$ 3,798,585
INTERNAL SERVICE FUNDS					
610 Innovation & Technology	1,889,112	505,273	3,635,178	3,600,434	540,017
620 Workers' Compensation	2,141,867	1,606,089	558,984	571,410	1,593,663
630 Vehicle/Equip Replacement	2,512,274	1,194,495	1,385,136	2,024,394	555,237
641 Compensated Absence/LTD	712,325	350,854	613,000	838,066	125,788
642 Retiree Medical	(1,395,657)	(166,993)	1,592,398	1,609,045	(183,640)
TOTAL INTERNAL SERVICE FUNDS	\$ 5,859,921	\$ 3,489,718	\$ 7,784,696	\$ 8,643,349	\$ 2,631,065
TOTAL ALL FUNDS	\$ 232,062,703	\$ 176,728,326	\$ 139,146,945	\$ 146,543,688	\$ 169,331,583

For descriptions of funds, see Financial Policies: Fund Structure.

General Fund Financial Schedules

This page intentionally left blank.

General Fund Contribution Schedule

Fund Type/Budget Unit	Description	Proposed Budget Revenues	Proposed Budget Expenditures	Proposed Budget Change in Fund Balance/Net	Proposed Budget General Fund
GENERAL FUND					
10 City Council					
100-10-100	City Council	104,305	546,800	-	442,495
100-10-101	Community Funding	-	608	-	608
100-10-104	Historical Society	-	40,000	-	40,000
100-10-110	Sister Cities	-	59,011	-	59,011
11 Commissions					
100-11-131	Telecommunication Commission	-	23,351	-	23,351
100-11-140	Library Commission	-	27,848	-	27,848
100-11-142	Arts and Culture Commission	-	29,986	-	29,986
100-11-150	Public Safety Commission	-	36,569	-	36,569
100-11-155	Bike/Ped Safety Commission	-	40,421	-	40,421
100-11-160	Recreation Commission	-	26,481	-	26,481
100-11-165	Teen Commission	-	15,571	-	15,571
100-11-170	Planning Commission	-	122,410	-	122,410
100-11-175	Housing Commission	-	60,997	-	60,997
100-11-180	Sustainability Commission	-	17,744	-	17,744
100-11-190	Audit Committee	-	31,571	-	31,571
12 City Manager					
100-12-120	City Manager	1,552,614	2,177,621	-	625,007
100-12-122	Sustainability	-	-	-	-
100-12-126	Office of Communications	545,188	416,779	-	(128,409)
100-12-305	Video	-	-	-	-
100-12-307	Public Access Support	-	-	-	-
100-12-632	Comm Outreach & Neigh Watch	-	224,749	-	224,749
100-12-633	Disaster Preparedness	152,678	645,629	-	492,951
100-12-705	Economic Development	-	541,075	-	541,075
13 City Clerk					
100-13-130	City Clerk	201,273	828,734	-	627,461
100-13-132	Duplicating/Mail Services	28,829	43,031	-	14,202
100-13-133	Elections	-	142,116	-	142,116
14 City Manager Discretionary					
100-14-123	City Manager Contingency	-	50,000	-	50,000
15 City Attorney					
100-15-141	City Attorney	344,544	1,484,229	-	1,139,685
20 Law Enforcement					
100-20-200	Law Enforcement SC Sheriff	1,790,408	18,648,806	-	16,858,398
100-20-201	Interoperability Project	-	-	-	-
31 I&T Video					
100-31-305	Video	85,679	1,179,061	-	1,093,382
32 I&T Applications					
100-32-308	Applications	1,666,729	1,943,932	-	277,203
40 Administrative Services					
100-40-400	Admin Services Administration	35,714	386,090	-	350,376
41 Finance					
100-41-405	Accounting	1,626,339	1,915,780	-	289,441
100-41-406	Business Licenses	-	325,067	-	325,067
100-41-425	Purchasing	321,408	424,809	-	103,401
100-41-426	Budgeting	507,316	572,882	-	65,566
44 Human Resources					
100-44-412	Human Resources	1,000,511	1,467,527	-	467,016
100-44-417	Insurance Administration	1,612,194	2,444,954	-	832,760
60 Recreation & Community Service					
100-60-601	Recreation Administration	-	1,423,593	-	1,423,593
100-60-634	Park Planning and Restoration	-	-	-	-
100-60-636	Library Services	-	160,427	-	160,427

Fund Type/Program	Description	Proposed Budget Revenues	Proposed Budget Expenditures	Proposed Budget Change in Fund Balance/Net	Proposed Budget General Fund
61 Business and Community Services					
100-61-602	Administration	-	538,711	-	538,711
100-61-605	Cultural Events	29,500	323,917	-	294,417
100-61-630	Facilities	162,000	278,602	-	116,602
62 Recreation and Education					
100-62-608	Administration	42,000	798,851	-	756,851
100-62-623	Youth, Teen and Senior Adult Rec	220,000	686,501	-	466,501
100-62-639	Youth and Teen Programs	8,670	263,802	-	255,132
100-62-640	Neighborhood Events	6,000	106,286	-	100,286
63 Sports, Safety & Outdoor Rec					
100-63-612	Park Facilities	200,020	1,541,846	-	1,341,826
100-63-615	Administration	-	-	-	-
70 Planning & Community Development					
100-70-700	Community Development Admin	-	413,577	-	413,577
71 Planning					
100-71-701	Current Planning	1,222,673	3,334,528	-	2,111,855
100-71-702	Mid Long Term Planning	138,750	1,227,227	-	1,088,477
100-71-704	Annexations	-	-	-	-
100-71-705	Economic Development	-	-	-	-
72 Housing Services					
100-72-712	Human Services Grants	50,000	130,496	-	80,496
73 Building					
100-73-713	General Building	315,000	1,081,716	-	766,716
100-73-714	Construction Plan Check	1,200,000	2,296,591	-	1,096,591
100-73-715	Building Inspection	2,120,000	1,397,461	-	(722,539)
100-73-718	Muni-Bldg Code Enforcement	-	72,297	-	72,297
74 Code Enforcement					
100-74-202	Code Enforcement	225,258	1,507,061	-	1,281,803
80 PW Admin					
100-80-800	Public Works Admin	80,580	1,311,650	-	1,231,070
81 Environmental Programs					
100-81-122	Sustainability Division	-	399,263	-	399,263
100-81-803	Environment Management	-	-	-	-
82 Developmental Services					
100-82-804	Plan Review	1,510,666	1,377,257	-	(133,409)
100-82-806	CIP Administration	-	1,068,064	-	1,068,064
83 Service Center					
100-83-807	Service Center Administration	111,874	1,059,147	-	947,273
84 Grounds					
100-84-808	McClellan Ranch Park	-	159,471	-	159,471
100-84-809	Memorial Park	-	796,286	-	796,286
100-84-811	BBF Ground Maintenance	-	284,818	-	284,818
100-84-812	School Site Maintenance	196,469	1,373,426	-	1,176,957
100-84-813	Neighborhood Parks	-	2,110,853	-	2,110,853
100-84-814	Sport Fields Jollyman, Creekside	-	745,000	-	745,000
100-84-815	Civic Center Ground Maint	174,161	218,943	-	44,782
85 Streets					
100-85-818	Storm Drain Maintenance	-	-	-	-
100-85-848	Street Lighting	38,906	939,273	-	900,367
100-85-850	Environmental Materials	-	188,657	-	188,657
86 Trees and Right of Way					
100-86-261	Trail Maintenance	-	263,167	-	263,167
100-86-824	Overpasses and Medians	-	1,665,540	-	1,665,540
100-86-825	Street Tree Maintenance	50,251	1,945,921	-	1,895,670
100-86-826	Sheriff Work Program	-	537,491	-	537,491
87 Facilities and Fleet					
100-87-827	Bldg Maint City Hall	265,226	510,637	-	245,411
100-87-828	Bldg Maint Library	1,032,625	1,338,128	-	305,503
100-87-829	Bldg Maint Service Center	-	341,264	-	341,264

Fund Type/Budget Unit	Description	Proposed Budget Revenues	Proposed Budget Expenditures	Proposed Budget Change in Fund Balance/Net Position	Proposed Budget General Fund
100-87-830	Bldg Maint Quinlan Center	-	526,991	-	526,991
100-87-831	Bldg Maint Senior Center	-	336,976	-	336,976
100-87-832	Bldg Maint McClellan Ranch	1,461	235,801	-	234,340
100-87-833	Bldg Maint Monta Vista Ct	-	185,905	-	185,905
100-87-834	Bldg Maint Wilson	-	102,304	-	102,304
100-87-835	Bldg Maint Portal	-	31,899	-	31,899
100-87-837	Bldg Maint Creekside	-	110,478	-	110,478
100-87-838	Comm Hall Bldg Maint	-	245,470	-	245,470
100-87-839	Teen Center Bldg Maint	-	-	-	-
100-87-840	Park Bathrooms	-	158,061	-	158,061
100-87-841	BBF Facilities Maintenance	-	464,367	-	464,367
100-87-852	Franco Traffic Operations Center	-	43,742	-	43,742
100-87-857	City Hall Annex	-	3,601	-	3,601
88 Transportation					
100-88-265	Community Shuttle	2,711,855	3,853,958	-	1,142,103
100-88-844	Traffic Engineering	-	1,539,854	-	1,539,854
100-88-845	Traffic Signal Maintenance	11,027	697,556	-	686,529
100-88-846	Safe Routes 2 School	90,000	869,179	-	779,179
TOTAL DEPARTMENTAL		\$ 23,790,701	\$ 82,566,127	\$ -	\$ 58,775,426
100-90-001	No Department	66,034,967	7,372,862	-	(58,662,105)
TOTAL NON-DEPARTMENTAL		\$ 66,034,967	\$ 7,372,862	\$ -	\$ (58,662,105)
CHANGE IN FUND BALANCE		\$ -	\$ -	\$ (113,321)	\$ (113,321)
TOTAL GENERAL FUND		\$ 89,825,668	\$ 89,938,989	\$ (113,321)	\$ -
SPECIAL REVENUE FUNDS					
210-90-001	No Department	11,000	-	11,000	-
215-90-001	No Department	143,604	-	143,604	-
230-81-802	Non Point Source	1,885,000	1,482,747	402,253	-
230-81-853	Storm Drain Fee	-	-	-	-
230-81-854	General Fund Subsidy	-	-	-	-
230-81-855	Storm Drain Maintenance	-	429,726	(429,726)	-
230-90-001	No Department	10,000	-	289,000	279,000
260-72-707	CDBG General Admin	38,131	185,643	(147,512)	-
260-72-709	CDBG Capital/Housing Projects	159,650	460,487	(300,837)	-
260-72-710	CDBG Public Service Grants	28,600	55,028	(26,428)	-
260-90-001	No Department	13,000	-	13,000	-
265-72-711	BMR Affordable Housing Fund	4,532,926	722,539	3,810,387	-
265-90-001	No Department	125,000	-	125,000	-
270-85-820	Sidewalk Curb and Gutter	15,000	1,323,980	(1,308,980)	-
270-85-821	Street Pavement Maintenance	3,180,917	4,465,079	(1,284,162)	-
270-85-822	Street Sign Marking	-	722,319	(722,319)	-
270-90-001	No Department	2,101,253	-	3,601,253	1,500,000
270-99-270	Bollinger Rd Corridor Design	425,600	532,000	-	106,400
270-99-271	Rdway Safety Improvements - HSIP	3,205,620	3,561,800	-	356,180
271-90-001	No Department	20,000	-	20,000	-
280-90-001	No Department	478,000	-	478,000	-
281-90-001	No Department	2,000	15,000	(13,000)	-
TOTAL SPECIAL REVENUE FUNDS		\$ 16,375,301	\$ 13,956,348	\$ 4,660,533	\$ 2,241,580
DEBT SERVICE FUNDS					
365-90-001	No Department	-	-	2,676,200	2,676,200
365-90-500	Facility Lease	-	2,676,200	(2,676,200)	-
TOTAL DEBT SERVICE FUNDS		\$ -	\$ 2,676,200	\$ -	\$ 2,676,200
CAPITAL PROJECTS FUNDS					
420-99-007	ADA Improvements	-	100,000	-	100,000
420-99-047	CIP Prelim Planning & Design	-	125,000	(125,000)	-
420-99-048	Capital Project Support	-	50,000	(50,000)	-
420-99-056	St Light Install - Annual Infill	-	35,000	-	35,000
420-99-085	Playground EQ (Creekside&Varian)	-	300,000	-	300,000
420-99-272	EVCS Expansion - Service Center	-	560,000	-	560,000
420-99-273	McClellan Rd Bridge Replacement	5,850,000	5,850,000	-	-
420-99-274	PV Systems Design & Installation	-	6,300,000	-	6,300,000
420-99-275	Vai Avenue Outfall	-	490,000	-	490,000
429-90-001	No Department	-	8,247,580	(8,247,580)	-
TOTAL CAPITAL PROJECTS FUNDS		\$ 5,850,000	\$ 22,057,580	\$ (8,422,580)	\$ 7,785,000

Fund Type/Budget Unit	Description	Proposed Budget Revenues	Proposed Budget Expenditures	Proposed Budget Change in Fund Balance/Net Position	Proposed Budget General Fund Contribution
ENTERPRISE FUNDS					
520-81-801	Resources Recovery	1,659,000	3,222,990	(1,563,990)	-
520-90-001	No Department	125,000	-	125,000	-
560-63-616	BBF Golf Course	688,000	566,423	121,577	-
560-87-260	BBF Golf Maintenance	-	121,007	(121,007)	-
560-84-268	Golf Grounds Maintenance	-	355,187	(355,187)	-
560-90-001	No Department	23,000	-	136,000	113,000
570-63-621	Sports Center Operation	1,445,000	1,659,888	(214,888)	-
570-87-836	Bldg Maint Sports Center	-	787,112	(787,112)	-
570-90-001	No Department	31,000	-	432,000	401,000
580-62-613	Youth Teen Recreation	1,155,500	1,592,949	(437,449)	-
580-63-620	Outdoor Recreation	886,000	965,666	(79,666)	-
580-90-001	No Department	82,000	-	82,000	-
TOTAL ENTERPRISE FUNDS		\$ 6,094,500	\$ 9,271,222	\$ (2,662,722)	\$ 514,000
INTERNAL SERVICE FUNDS					
610-30-300	Administration	191,672	77,806	113,866	-
610-34-310	Infrastructure	1,745,011	2,079,379	(137,368)	197,000
610-35-986	GIS	1,424,495	1,443,249	(18,754)	-
610-90-001	No Department	77,000	-	77,000	-
620-44-418	Workers Compensation Insurance	468,984	571,410	(102,426)	-
620-90-001	No Department	90,000	-	90,000	-
630-85-849	Equipment Maintenance	1,356,136	1,565,283	(209,147)	-
630-90-001	No Department	29,000	-	29,000	-
630-90-985	Fixed Assets Acquisition	-	459,111	(459,111)	-
641-44-419	Long Term Disability	-	110,329	(110,329)	-
641-44-420	Compensated Absence	-	727,737	(136,737)	591,000
641-90-001	No Department	22,000	-	22,000	-
642-44-414	HR Retiree Benefits	-	1,609,045	(16,647)	1,592,398
TOTAL INTERNAL SERVICE FUNDS		\$ 5,404,298	\$ 8,643,349	\$ (858,653)	\$ 2,380,398
TOTAL ALL FUNDS		\$ 123,549,767	\$ 146,543,688	\$ (7,396,743)	\$ 15,597,178

General Fund Summary

The General Fund is the City's main operating fund, responsible for providing essential services such as law enforcement, public works, community development, park maintenance, code enforcement, and administrative support. It is funded by discretionary sources such as property tax, sales tax, transient occupancy tax, and utility tax. The General Fund is typically reserved for operations that lack other dedicated funding sources, while operations such as street maintenance, solid waste collection, and recreation are funded from other sources, detailed in the All Funds Summary section of this document.

For FY 2024-25, General Fund revenues are estimated to be \$89.8 million, reflecting a \$9.5 million or 11.9% increase from the previous year's Adopted Budget. General Fund expenditures are estimated to be \$89.9 million, a \$3.9 million or 4.5% increase from the previous year's Adopted Budget. Since revenues are slightly short of expenditures, the estimated use of fund balance is \$0.1 million. The budget is just short of balancing and staff recommends using unassigned fund balance to fill the small gap in funding this year. The General Fund's ending fund balance is projected to be \$149.9 million.

GENERAL FUND OPERATING SUMMARY					
	2021-22	2022-23	2023-24	2024-25	Percent
	Actual	Actual	Adopted	Proposed	Change
Beginning Fund Balance \$	96,850,790	\$ 110,169,541	\$ 113,496,269	\$ 150,056,723	32.2%
Operating Revenues	110,030,148	112,596,103	80,281,229	89,825,668	11.9%
Operating Expenditures	96,711,396	83,937,913	86,062,998	89,938,989	4.5%
Net Revenues - Expenditures \$	13,318,751	\$ 28,658,191	\$ (5,781,769)	\$ (113,321)	-98.0%
Unassigned	51,804,288	73,864,369	48,332,873	22,830,029	-52.8%
All Other Classifications	58,365,253	64,963,363	56,319,373	127,113,373	125.7%
Total Ending Fund Balance \$	110,169,541	\$ 138,827,732	\$ 104,652,246	\$ 149,943,402	43.3%

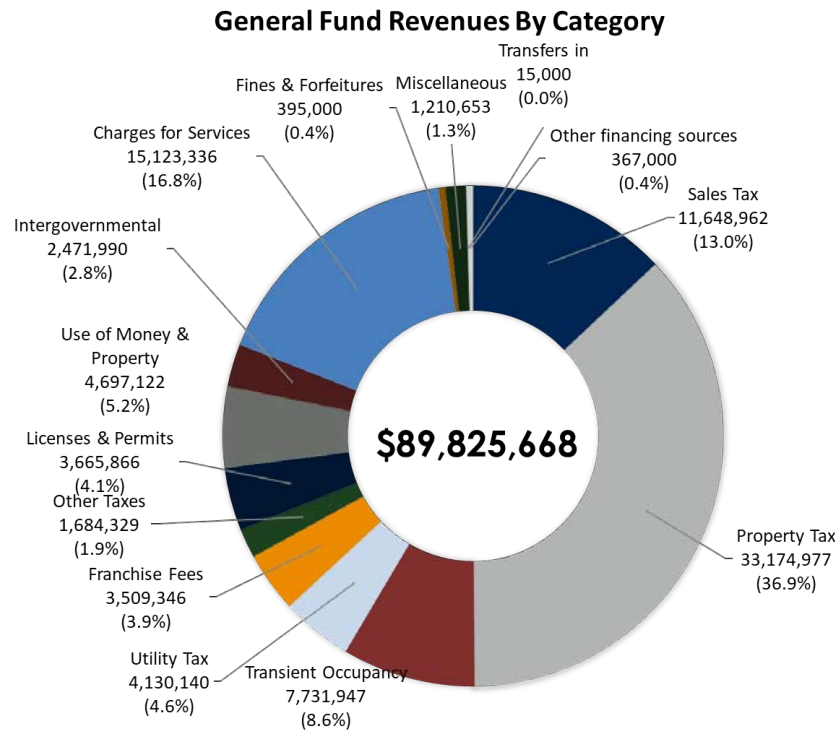
General Fund Revenues

FY 2024-25 General Fund revenue sources have been carefully evaluated by considering collection history, seasonal patterns, and economic performance. These estimates are based on projected increases or decreases in activity and receipts in the upcoming year. It is important to note that each revenue source can be affected by external or internal factors beyond the City's control.

As shown in the chart below, FY 2024-25 revenues are estimated at \$89.8 million, a \$9.5 million or 11.9% increase from the FY 2023-24 Adopted Budget. This increase is primarily due to an increase in Charges for Services related to Cost Allocation expenses, an increase in Other Service Fees related to the City's community shuttle program revenue, and an increase in the City's investment earnings. These revenue categories will be discussed in greater detail in the following sections.

GENERAL FUND REVENUE SUMMARY					
REVENUES	2021-22 Actuals	2022-23 Actuals	2023-24 Adopted	2024-25 Proposed	Percent Change
Sales Tax	42,175,218	34,819,341	11,428,930	11,648,962	1.9%
Property Tax	29,724,411	31,889,638	31,736,834	33,174,977	4.5%
Transient Occupancy	4,404,958	7,062,150	7,500,000	7,731,947	3.1%
Utility Tax	3,356,389	4,103,906	3,304,742	4,130,140	25.0%
Franchise Fees	3,479,555	3,995,018	3,443,574	3,509,346	1.9%
Other Taxes	1,905,393	1,471,789	1,641,486	1,684,329	2.6%
Licenses & Permits	4,141,902	4,093,631	4,265,081	3,665,866	-14.0%
Use of Money & Property	-5,341,211	3,005,895	2,328,336	4,697,122	101.7%
Intergovernmental	4,417,903	7,771,411	807,624	2,471,990	206.1%
Charges for Services	14,299,032	11,639,763	11,894,786	15,123,336	27.1%
Fines & Forfeitures	370,160	303,573	405,000	395,000	-2.5%
Miscellaneous	1,940,935	1,306,454	1,142,836	1,210,653	5.9%
Transfers in	4,862,387	861,140	15,000	15,000	0.0%
Other financing sources	293,116	272,396	367,000	367,000	0.0%
TOTAL REVENUES \$	110,030,148	\$ 112,596,103	\$ 80,281,229	\$ 89,825,668	11.9%

The majority of Cupertino's General Fund operating revenues are generated by property taxes (37%), charges for services (17%), sales taxes (13%), and transient occupancy taxes (9%). The chart below illustrates the sources of General Fund revenue by category.



The FY 2024-25 General Fund revenue estimates are discussed by category below.

Sales Tax

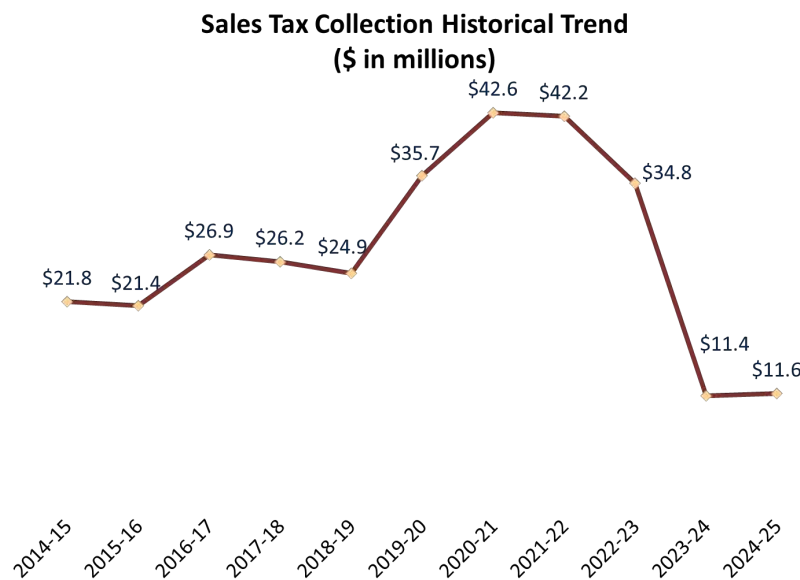
Sales and Use Tax, commonly known as the "sales tax," consists of two components: an excise tax levied on retailers for selling tangible personal property, and an excise tax applied to purchases from out-of-state vendors that are not required to collect tax on their sales. The revenue generated from sales and use taxes collected within Cupertino's boundaries is allocated by the State to various agencies, with the City receiving one percent, as depicted in the chart to the right. The City considered the ¼ cent sales tax revenue source imposed on local governments. However, the City decided not to proceed with this item for the 2024 election due to unknown conflicting proposals.

Sales Tax Distribution	
Agency	
State	6.000%
VTA	1.125%
City of Cupertino	1.000%
County General Purpose	0.750%
County Transportation	0.250%
Total:	9.125%

The City's sales tax revenue comes from five primary economic categories: business-to-business (including electronic equipment and software manufacturers and distributors), state and county pools, restaurants and hotels, general consumer goods, and fuel and service stations and other. The California Department of Tax and Fee Administration (CDTFA) manages the collection and administration of sales and use taxes, which is a significant source of revenue for the state and local governments. Businesses are required to register for a sales tax permit and collect taxes from their customers, and the collected taxes are then remitted to the CDTFA for distribution to the relevant local governments. In addition, the CDTFA conducts audits to ensure tax compliance by businesses. The City receives a portion of the sales tax revenue generated within its boundaries, which funds a wide range of City services and programs.

In December 2021, the CDTFA informed the City of an audit that would be conducted on one of its taxpayers. The City was verbally informed in March 2023 of the CDTFA's preliminary determination that tax dollars had been misallocated to the City, and potential impacts on City funds were provided. The CDTFA is expected to provide the City with a formal letter in the next four to six months, including the final results of the audit and the actual amount of money lost.

Following discussions with the affected taxpayer and the CDTFA, an updated forecast was presented to the Council on April 13, 2023. The impact was estimated to be a 73% decline in sales tax revenue, equating to an ongoing \$30 million decrease. This shifted the City's financial outlook from a surplus to a structural deficit, where ongoing expenses exceed revenue. In particular, sales tax revenues are anticipated to amount to \$11.4 million in FY 2023-24, marking a decline of 67% from FY 2022-23 actuals.



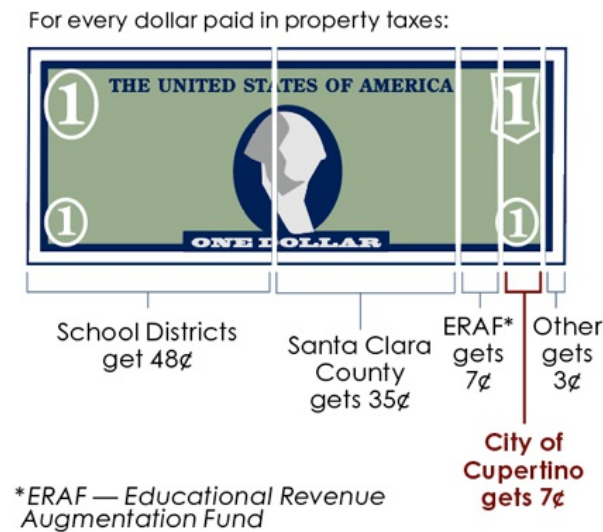
SALES & USE TAX	
FY 22-23 Actual	34,819,341
FY 23-24 Adopted	11,428,930
FY 23-24 Estimate	11,428,930
FY 24-25 Proposed	11,648,962
% of General Fund	12.88%
% Change from FY 23-24 Adopted	1.93%

Property Tax

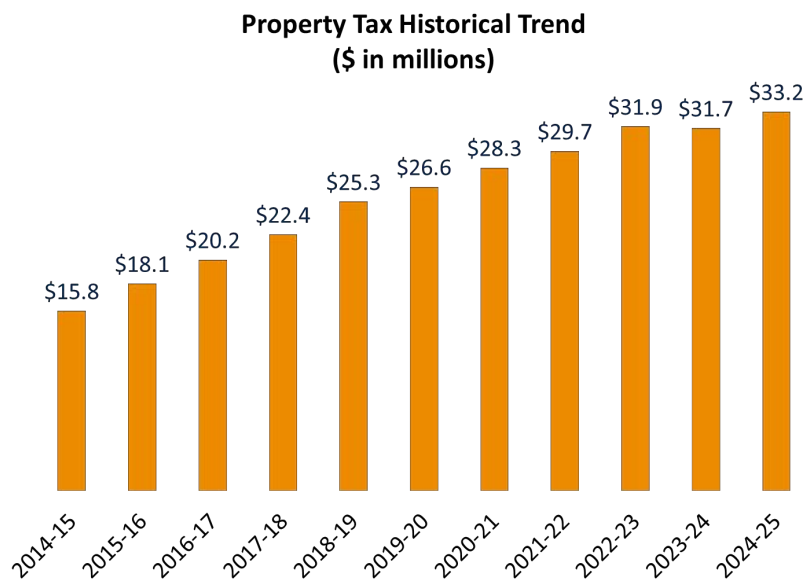
Under current law, property is assessed at actual full cash value, with the maximum levy being 1% of the assessed valuation. The assessed value of real property that has not changed ownership can be adjusted by the change in the California Consumer Price Index (CCPI) up to a maximum of 2% per year. Property that changes ownership, property that is substantially altered, newly-constructed property, State-assessed property, and personal property are assessed at the full market value in the first year and subject to the two percent cap thereafter.

In 1978, voters approved the passage of Proposition 13, which froze property tax rates and limited the amount

that rates could increase each year. Cupertino had one of the lowest property tax rates in Santa Clara County, receiving only \$0.02 for every \$1.00 paid. Subsequent legislation required Counties to provide "no/low tax" cities with a Tax Equity Allocation (TEA) equal to 7% of the property tax share. However, the property tax distribution for the no/low tax cities in Santa Clara County was limited to 55% of what other TEA cities in the State received.



In FY 2006-07, West Valley cities won the passage of State legislation which restored a portion of TEA property tax revenue. This TEA change provided an additional \$1.35 million in property tax annually and increased the City's share of property taxes to 5.6%. In conjunction with three other West Valley cities, Cupertino continued legislative efforts to gain parity with other no/low property tax cities in the State. In FY 2015-16, Governor Brown agreed to restore TEA revenues over a five-year period. In FY 2019-20 TEA was fully restored, and Cupertino kept approximately 7.0% of property tax revenues in FY 2019-20 compared to 6.72% in FY 2018-19. Additionally, the Educational Revenue Augmentation Fund (ERAF), enacted in July of 1992 by the State Legislature to shift local tax revenues from cities, counties, and special districts to a State control ERAF, absorbs the shift-back of the TEA.



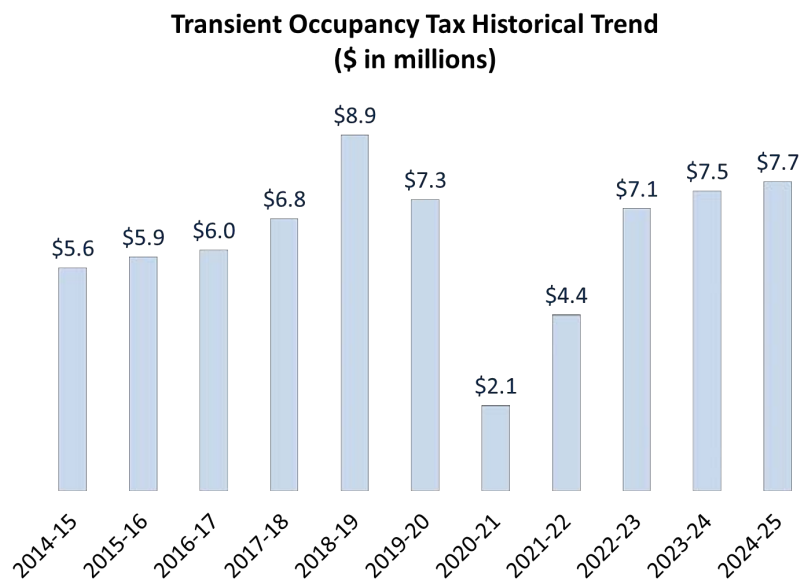
PROPERTY TAX	
FY 22-23 Actual	31,889,638
FY 23-24 Adopted	31,736,834
FY 23-24 Estimate	31,736,834
FY 24-25 Proposed	33,174,977
% of General Fund	36.69%
% Change from FY 23-24 Adopted	4.53%

The City experienced a net taxable value increase of 4.6% for the FY 2023-24 tax roll. The bulk of the increase was due to increases in residential properties by \$1.3 billion, or 6.8%. This category makes up 62.4% of the net taxable value. Unsecured property tax increased by \$76 million, or 7.1%. This category makes up 3.5% of the net taxable value. Lastly, commercial property values decreased by \$91.5 million, or 1%. This category makes up 28.3% of the net taxable value.

The FY 2024-25 Property Tax revenue estimate is based on 2023-24 values and estimated changes according to HdL, the City's property tax consultant. HdL also provides insight into real estate trends for calendar year 2023, the year that influences the 2024-25 property values enrolled. In this calendar year, there were continued interest rate increases and a continuation of the downturn in the real estate cycle when interest rate increases were implemented to slow the rate of inflation. Throughout the 2023 calendar year, the number of properties offered for sale in comparison to those offered in 2022 trend down by 25%-30%. Homes are sold for more than the currently taxed value but the differential between the assessor's enrolled value for taxation the prior year and the sale price paid in the 2023 calendar year is not as high as it has historically been for the past 3-year period.

Transient Occupancy Taxes

Transient occupancy taxes (TOT) are levied on hotels and short-term room rentals located in the City at 12% of room revenues. In November 2011, 83% of voters approved increasing the rate from 10% to 12%. This rate increase contributed to the upward trend shown in the TOT Historical Trend graph.



TOT is budgeted to end FY 2023-24 at \$7.5 million, a 6.2% increase from FY 2022-23 actuals. The anticipated

increase is due to increased travel and the return of employees to their places of work. An increase to \$7.7 million is anticipated in FY 2024-25, a 3.1% increase from the FY 2023-24 Adopted Budget. Historical growth in TOT revenues is due to new hotels. Since 2015, the following hotels have been added to the City: Marriott at Main Street and Hyatt House at Vallco. Staff will continue to monitor this revenue source and bring forward adjustments and recommendations as necessary.

TRANSIENT OCCUPANCY TAX	
FY 22-23 Actual	7,062,150
FY 23-24 Adopted	7,500,000
FY 23-24 Estimate	7,500,000
FY 24-25 Proposed	7,731,947
% of General Fund	8.55%
% Change from FY 23-24 Adopted	3.09%

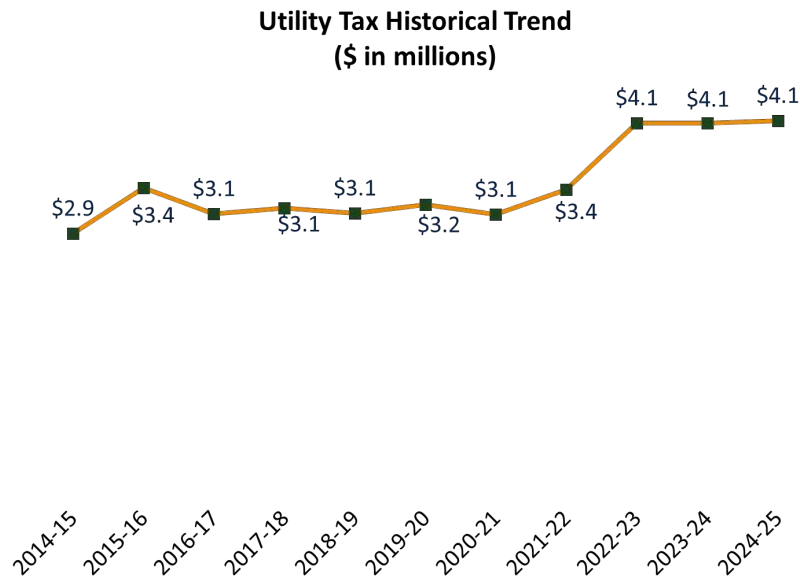
Utility Tax

The utility user tax (UUT), approved by voters in 1990, is assessed on gas, electricity, and telecommunication services provided within the City's jurisdiction at a rate of 2.4% of billed charges. Revenues generated from this tax can be used for general City purposes.

Utility User Tax Comparison				
	Gas/Electric	Cable	Water	Telecom
Sunnyvale	2.0%	-	-	2.0%
Cupertino	2.4%	-	-	2.4%
Mountain View	3.0%	-	-	3.0%
Los Altos	3.5%	3.2%	3.5%	3.2%
Palo Alto	5.0%	-	5.0%	4.8%
Gilroy	5.0%	5.0%	-	5.0%
San Jose	5.0%	-	5.0%	4.5%

The City's tax rate is generally lower than that of other cities within Santa Clara County, as shown in the chart above. In March 2002, voters approved extending the utility tax's sunset date from 2015 to 2030. This extension corresponded with the extended debt maturity date resulting from the refinancing of debt for capital improvement projects. To maintain tax revenues received from telecom services, voters passed a measure in 2009 to update the ordinance to the changing technology in this area.

In FY 2024-25, budgeted revenues are expected to increase 25.0% to \$4.1 million compared to the FY 2023-24 Adopted Budget. This is primarily driven by a rate increase for Silicon Valley Clean Energy. This revenue source will be monitored closely as the fiscal year progresses.

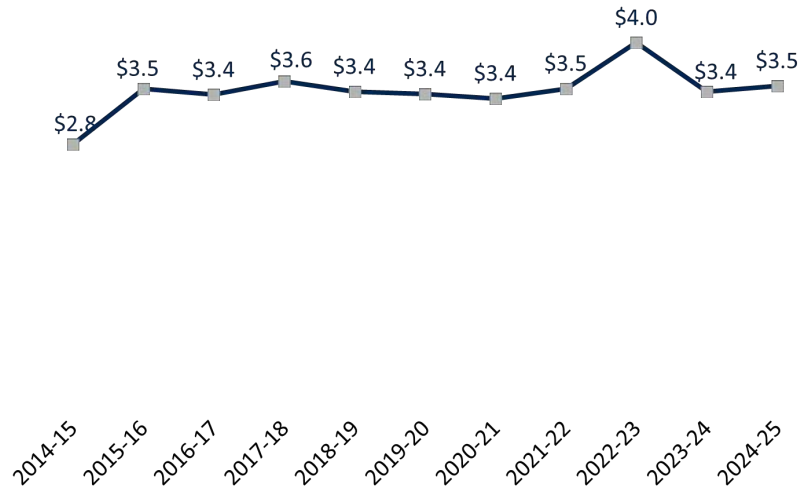


UTILITY TAX	
FY 22-23 Actual	4,103,906
FY 23-24 Adopted	3,304,742
FY 23-24 Estimate	4,100,000
FY 24-25 Proposed	4,130,140
% of General Fund	4.57%
% Change from FY 23-24 Adopted	24.98%

Franchise Fees

Franchise fees are received from cable, solid waste, water, gas, and electricity franchisees that operate in the City. The fees range from 1% to 12% of the franchisee's gross revenues, depending on each agreement. As shown in the graph below, these revenues are relatively steady and not sensitive to economic fluctuations, aside from a spike in revenue in FY 2022-23. This revenue spike is related to a combination of the new franchise agreement with associated rate increases plus the demolition of the Oaks shopping center, which increased the usage of Recology debris boxes.

**Franchise Fee Collection Historical Trend
(\$ in million)**

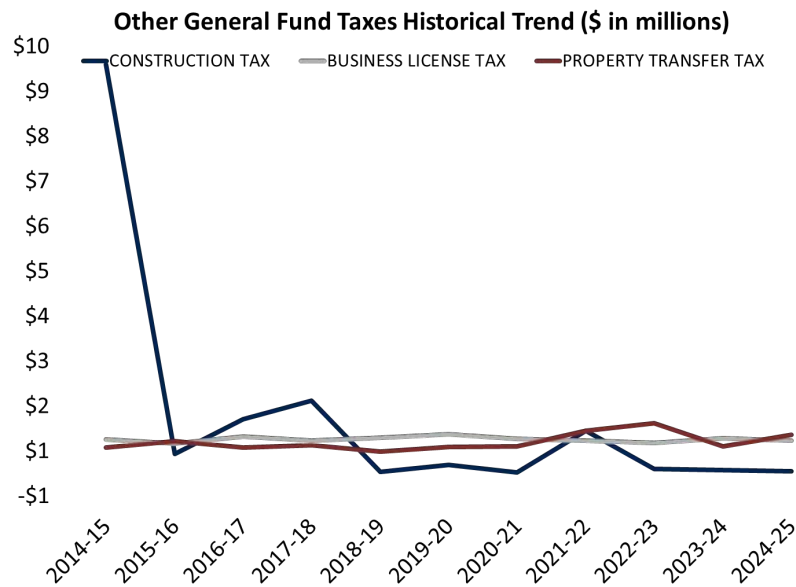


FRANCHISE FEES	
FY 22-23 Actual	3,995,018
FY 23-24 Adopted	3,443,574
FY 23-24 Estimate	3,443,574
FY 24-25 Proposed	3,509,346
% of General Fund	3.88%
% Change from FY 23-24 Adopted	1.91%

The FY 2023-24 estimated franchise fee revenues are trending down 13.8% from FY 2022-23 actuals primarily due to a decrease in rates and/or usage for solid waste, electricity, and water, offset by an increase in cable and telecommunication rates and/or usage. In FY 2024-25, budgeted revenues are expected to increase approximately 1.9% from the prior year adopted budget. This revenue source will be monitored closely as the fiscal year progresses.

Other Taxes

Other taxes are comprised mainly of business license taxes, construction taxes, and property transfer taxes. As shown in the graph, business license and property transfer taxes are relatively steady, while construction taxes are extremely volatile and sensitive to economic fluctuations.

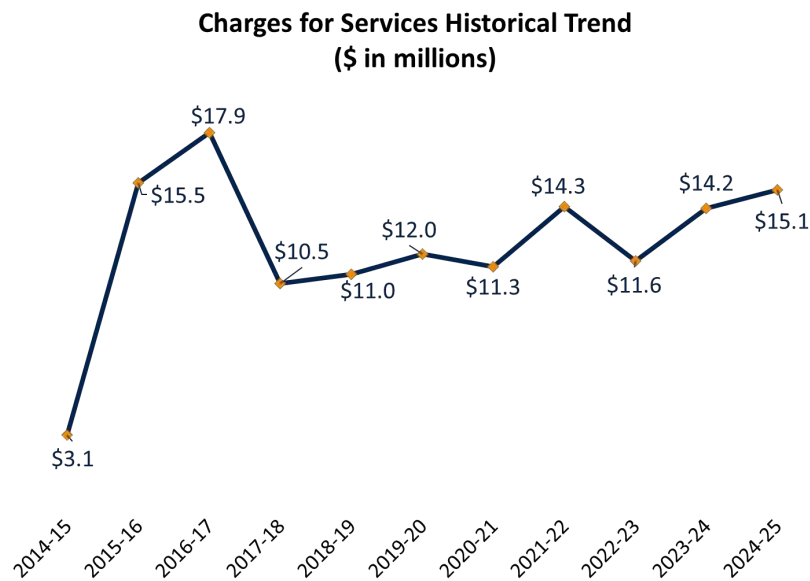


OTHER TAXES	
FY 22-23 Actual	1,471,789
FY 23-24 Adopted	1,641,486
FY 23-24 Estimate	1,641,486
FY 24-25 Proposed	1,684,329
% of General Fund	1.86%
% Change from FY 23-24 Adopted	2.61%

With the influx of several major construction projects beginning in 2012, revenues began increasing. The largest of the projects included the Apple Park and Main Street developments. These projects, coupled with a strong housing recovery, created a record year for revenues in FY 2013-14. These revenues have since returned to historic levels. In FY 2024-25, these revenues are expected to increase 2.6% from the prior year adopted budget. The projected increase is based on a 3-year historical trend of actuals for property tax transfers. According to HdL, for FY 2024-25, the projected increase from known 2023 transfers within the non-Successor Agency areas of City is used to estimate value growth, with possible adjustments for Prop 8 appeals activity on transferred parcels. For this scenario, the estimated growth from transfers in FY 2025-26 matches the percentage of real value in FY 2024-25. For FY 2026-27 and later, growth is based on the historical average rate of real property growth due to properties that have transferred ownership.

Charges for Services

Charges for Services account for charges to users of City services funded by the General Fund as well as internal City-wide overhead. The City attempts to recover the cost of the services, including planning, zoning, and engineering permit processing for new property development, as well as some recreation-related fees. As such, this revenue source is sensitive to economic fluctuations, as shown in the graph below.



Apple Park and other large developments generated large one-time revenues in FY 2013-14 as well as FY 2015-16 and FY 2016-17. In addition, beginning in FY 2013-14, enterprise funds, internal service funds, and special funds began charging for overhead services previously subsidized by the General Fund. Some internal strategic support services (Human Resources, Finance, City Clerk, etc.) also began charging internal departments to capture the true cost of providing various programs and services within City operations. After a comprehensive Cost Allocation Plan was approved by Council in April 2016, internal strategic support services (City Council, Facilities, Maintenance, etc.) were included. In FY 2015-16, the City's administration changed its methodology for tracking developer deposits driven by increased developer activity, and, as a result, both budgets for revenues and expenses were increased by anticipated deposit amounts leading to another large increase in revenue.

CHARGES FOR SERVICES	
FY 22-23 Actual	11,639,763
FY 23-24 Adopted	11,894,786
FY 23-24 Estimate	14,207,507
FY 24-25 Proposed	15,123,336
% of General Fund	16.84%
% Change from FY 23-24 Adopted	27.14%

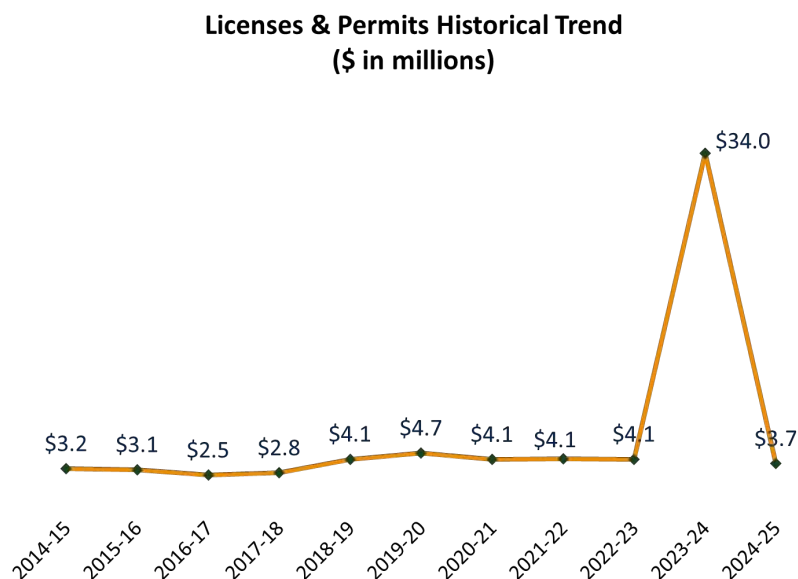
In FY 2023-24, estimated revenues are expected to come in roughly \$2.3 million higher compared to budgeted levels due to the Vallco Town Center (renamed the Rise) and its scheduled commencement in FY 2023-24, in which the applicant received approval of value-engineered and modified plans. Revenues are carried forward until project completion.

FY 2024-25 revenues are projected to be 27% higher than the prior year adopted budget due. This projected increase is also due to an increase in Cost Allocation expenses, in which Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. Other contributing factors are an increase in Other Service Fees related to the City's community shuttle program revenue and a new technology fee.

Licenses and Permits

Licenses and permits include fees for reviewing building plans, building inspections, construction, tenant

improvements, and commercial/residential installations for compliance with state and municipal building codes.



Apple Park and large residential projects (Rosebowl, Biltmore expansion, Main Street) generated significant permitting revenues in FY 2013-14 (not shown in the trend chart above). Since then, activity has slowed until FY 2018-19, when revenues came in 48.8% higher. Although this revenue source is relatively consistent from year to year, fluctuations may occur depending on the timing of projects being completed. The \$34 million estimated amount in FY 2023-24 is due to plan check fee revenues anticipated to be recognized for Vallco Town Center (renamed The Rise). In FY 2024-25, revenues are budgeted at \$3.7 million, a slight decrease from the prior year adopted budget.

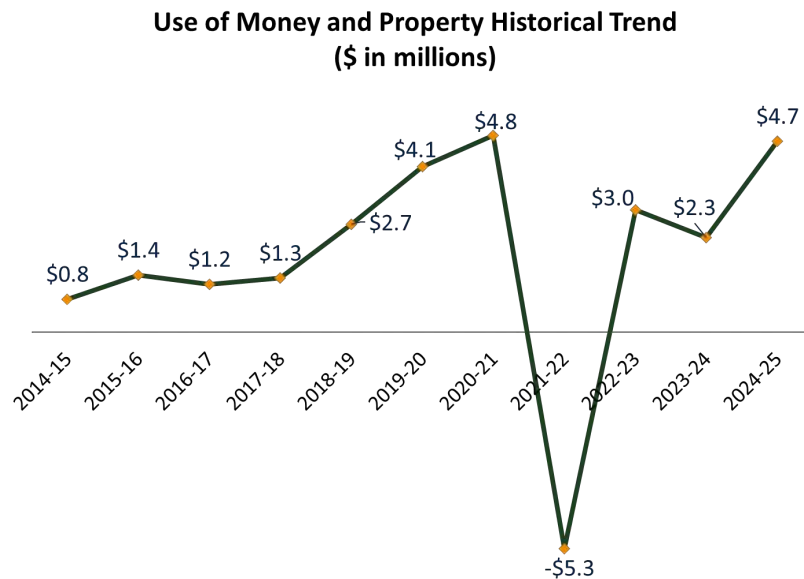
LICENSES AND PERMITS	
FY 22-23 Actual	4,093,631
FY 23-24 Adopted	4,265,081
FY 23-24 Estimate	34,012,361
FY 24-25 Proposed	3,665,866
% of General Fund	4.08%
% Change from FY 23-24 Adopted	-14.05%

Use of Money and Property

The use of money and property category is comprised of General Fund interest earnings as well as facility and concession rental income of City-owned property. As of March 31, 2024, the City's portfolio included \$67.0 million invested with the Local Agency Investment Fund (LAIF) and \$149.6 million invested with Chandler Asset Management. As of March 31, 2023, the City also had \$19.1 million in its Section 115 Pension Trust, which is restricted for pension costs.

Fluctuations in this revenue category are a result of investment earnings, as rental income is fairly steady. Investment earnings were higher in FY 2019-20 and FY 2020-21 due to investment gains in the City's Section 115 Pension Trust. Investment earnings fell in FY 2021-22 due to mark-to-market adjustments to account for unrealized losses in the City's portfolio.

The portfolio's market value fluctuates depending on interest rates. When interest rates decrease after an investment is purchased, the market value of the investment increases. In contrast, when interest rates increase after an investment is purchased, the market value of the investment decreases. At the time of purchase, the City intends to hold all investments until maturity, meaning that changes in market value will not impact the City's investment principal. If the market value decreases, the City will incur an unrealized loss. However, the loss will only be realized if the City sells its investments before their maturity.



USE OF MONEY AND PROPERTY	
FY 22-23 Actual	3,005,895
FY 23-24 Adopted	2,328,336
FY 23-24 Estimate	2,328,336
FY 24-25 Proposed	4,697,122
% of General Fund	5.19%
% Change from FY 23-24 Adopted	101.74%

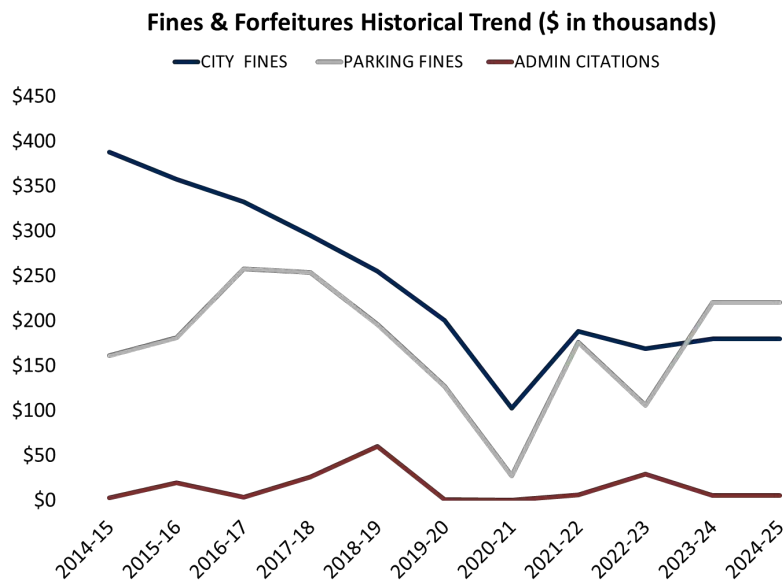
Investment earnings are a function of the amount of cash available for investment, current interest rates, and the composition of investments. The City's investment objectives, in order of priority, are:

- Safety to ensure the preservation of capital
- Sufficient liquidity for cash needs
- A market rate of return consistent with the investment program

City staff will continue to monitor interest rates as well as economic factors in both the local as well as national economies. The \$4.7 million budget is based on estimated interest earnings for FY 2024-25, which marks a departure from the City's previous more conservative approach to budgeting interest earnings. City staff collaborated with the City's investment advisor, Chandler Asset Management, to estimate interest earnings for FY 2024-25.

Fines and Forfeitures

Fines and forfeitures account for revenues generated from vehicle, parking, and miscellaneous code violations issued by the County Sheriff and the City's Code Enforcement officers. Revenues in this category dropped significantly in FY 2020-21 due to pandemic related restrictions and have increased over the next few years as society continued to rebound from the pandemic. In FY 2023-24, this revenue source is expected to reach \$405,000. Revenues in FY 2024-25 are expected to slightly decrease 2.4% from the prior year adopted budget.



FINES AND FORFEITURES	
FY 22-23 Actual	303,573
FY 23-24 Adopted	405,000
FY 23-24 Estimate	405,000
FY 24-25 Proposed	395,000
% of General Fund	0.44%
% Change from FY 23-24 Adopted	-2.47%

Intergovernmental

Intergovernmental revenues are made up of federal, state, and regional grants, including miscellaneous intergovernmental revenue.

INTERGOVERNMENTAL	
FY 22-23 Actual	7,771,411
FY 23-24 Adopted	807,624
FY 23-24 Estimate	1,571,820
FY 24-25 Proposed	2,471,990
% of General Fund	2.73%
% Change from FY 23-24 Adopted	206.08%

FY 2023-24 actuals are estimated to come in higher than budgeted levels due to the anticipated receipt of state grant revenues and other local revenues. FY 2024-25 revenues in this category are anticipated to be 206% higher than the prior year Adopted Budget due to an anticipated increase in grant revenues received, primarily due to a grant for the community shuttle.

Miscellaneous Revenue

Miscellaneous revenues account for unanticipated revenues such as donations and administrative fees.

MISCELLANEOUS REVENUE	
FY 22-23 Actual	1,306,454
FY 23-24 Adopted	1,142,836
FY 23-24 Estimate	1,160,642
FY 24-25 Proposed	1,210,653
% of General Fund	1.34%
% Change from FY 23-24 Adopted	5.93%

FY 2024-25 miscellaneous revenues are budgeted 5.9% higher than the prior year adopted budget. The majority of the General Fund's miscellaneous revenues are due to Sheriff services from Apple for Law Enforcement services at Apple Park.

Other Financing Sources

Other Financing Sources generally account for refundable deposit revenues within the Community Development Department. With significant fluctuations, year-over-year, staff conservatively estimate these revenues. In FY 2024-25, revenues are projected to be relatively consistent with the prior year adopted budget.

OTHER FINANCING SOURCES	
FY 22-23 Actual	272,396
FY 23-24 Adopted	367,000
FY 23-24 Estimate	483,779
FY 24-25 Proposed	367,000
% of General Fund	0.41%
% Change from FY 23-24 Adopted	0.00%

Transfers In

Transfers In represent the movement of funds from one City fund to another, the General Fund in this case.

TRANSFERS IN	
FY 22-23 Actual	861,140
FY 23-24 Adopted	15,000
FY 23-24 Estimate	111,000
FY 24-25 Proposed	15,000
% of General Fund	0.02%
% Change from FY 23-24 Adopted	0.00%

In FY 2022-23, actual transfers were high due to a transfer in from the Capital Reserve for the I-280/Wolfe project. FY 2023-24 is anticipated to come in higher than budgeted levels due to transfers in during the fiscal year for various projects. In FY 2024-25, the City plans to transfer \$15,000 from the City's Tree Fund to the General Fund to support ongoing tree maintenance operations.

General Fund Expenditures

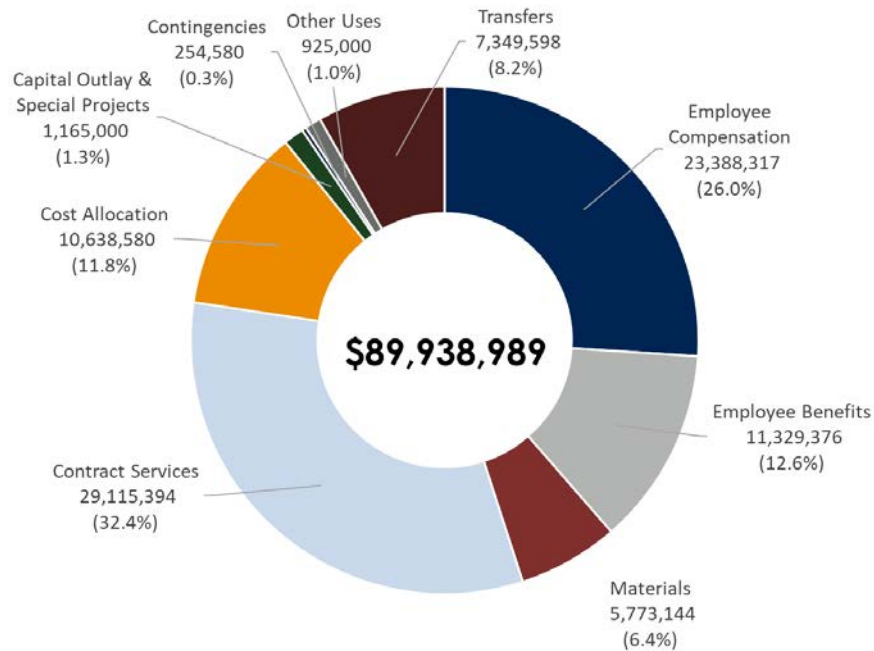
The estimates for FY 2024-25 General Fund expenditures are based on a thorough analysis of anticipated personnel and non-personnel costs. To create a more fiscally responsible budget, department budgets reflect a base budget with only justified ongoing expenses. This accounts for changes in personnel costs as well as any other anticipated or known increased costs in FY 2024-25.

As shown in the chart on the next page, FY 2024-25 expenditures are estimated at \$89.9 million, which represents a 4.5% increase compared to the adopted budget from the prior year. This budget reflects an increase in Contract Services primarily attributed to an increase in a general service agreement for the City's community shuttle program.

GENERAL FUND EXPENDITURE SUMMARY					
EXPENDITURES	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	Percent Change
Employee Compensation	19,749,109	21,760,345	24,781,492	23,388,317	-5.6%
Employee Benefits	9,086,959	8,464,077	11,004,730	11,329,376	3.0%
Total Personnel Costs	28,836,068	30,224,422	35,786,222	34,717,693	-3.0%
Non-Personnel Costs					
Materials	4,875,697	5,507,090	6,395,466	5,773,144	-9.7%
Contract Services	21,340,524	21,845,913	24,813,166	29,115,394	17.3%
Cost Allocation	11,948,062	10,385,961	10,257,656	10,638,580	3.7%
Capital Outlay & Special Projects	2,863,072	3,020,115	1,211,157	1,165,000	-3.8%
Contingencies	5,132	277	216,731	254,580	17.5%
Other Uses	569,977	619,687	925,000	925,000	0.0%
Total Non-Personnel	41,602,464	41,379,044	43,819,176	47,871,698	9.2%
Transfers	26,272,864	12,334,447	6,457,600	7,349,598	13.8%
TOTAL EXPENDITURES	\$ 96,711,396	\$ 83,937,913	\$ 86,062,998	\$ 89,938,989	4.5%

The largest General Fund operating expenditure categories include Employee Compensation and Benefits (39%), Contract Services (32%), Cost Allocation (12%), and Transfers (8%) as illustrated in the FY 2024-25 General Fund Expenditures by Category chart.

General Fund Expenditures by Category



Service Level Reductions

The table below illustrates service-level reductions made to the FY 2024-25 Budget. This budget was developed by taking the previous year's base budget and incorporating additional ongoing costs, while also adjusting material and contract expenses based on the Consumer Price Index (CPI), where applicable. Community benefit service level reductions were originally proposed at \$463,690. Based on Council direction, only \$123,343 in reductions remain for the 4th of July event, as staff was directed to secure alternate funding for the other items. Staff is working with non-profit and for-profit organizations, but nothing has been finalized to date. A detailed list can be found in the Budget Overview.

Grouping	Reductions
Operations and Maintenance	
Reduce sidewalk, curb, and gutter. Move some Public Works contract services in-house, extending maintenance timelines. Reduce Public Works PT staffing. Shift credit card fees to customers. Remove library extra hours from the base due to available State funding to cover these costs. Various other reductions.	(2,903,446)
Infrastructure	
Reduce funding to CIP of \$2M annually for the first 5 years of the forecast. Will utilize the existing fund balance to cover these costs. Lengthen tree trimming cycle, reduce frequency of median maintenance, shift focus of sidewalk maintenance	(2,947,764)
Fiscal Accountability	
Align law enforcement costs with prior year actual hours. Reduce applications used in the City, extend tech refresh cycles, and remove the new Enterprise Resource Planning (ERP) software from the budget.	(2,750,544)
Community Benefit	
Reduce 4 th of July Event, partnerships, City events/outreach, paid events, concerts and movies, select City Work Program projects.	(123,344)
Total	\$(8,725,098)

Personnel Costs

In FY 2024-25, personnel costs are expected to reach \$34.7 million, accounting for 39% of the General Fund expenditures. These costs include salaries and compensation for benefitted and part-time staff (67%), retirement benefits (19%), and other fringe benefits (13%), such as health coverage.

To obtain these figures, the City extracted data from the payroll system and made necessary updates to account for vacant positions, new hires, salary adjustments, and reallocated positions. Furthermore, the projected costs of benefits for the upcoming year, such as retirement and health plans, were taken into consideration. A transfer to the Retiree Medical Fund for retiree healthcare, which is an ongoing expense, is budgeted in FY 2024-25.

The FY 2024-25 Proposed Budget proposes funding for a total of 207 positions, representing a reduction of five positions from the FY 2023-24 Amended Budget. This reduction is due to revenue shortfalls resulting from the California Department of Taxes and Fee Administration (CDTFA) audit. It is important to note that the positions being eliminated are vacant positions that have not been filled for various reasons such as resignation, retirement, or the positions being left unfilled.

Position	Department	Description	FTE
FY 2023-24 Amended Budget			212.00
FY 2024-25 Proposed Budget			
Special Project Executive Limited-Term	Administration	Eliminating Position	-1.00
Public Works Project Manager	Public Works	Eliminating Position	-1.00
Public Works Project Manager	Public Works	Eliminating Position	-1.00
Maintenance Worker I/II	Public Works	Eliminating Position	-1.00
Innovation & Technology Manager	Innovation & Technology	Eliminating Position	-1.00
FY 2024-25 Proposed Budget			207.00

Non-Personnel

In FY 2024-25, non-personnel costs make up 53% of the total at \$47.9 million. Contract services are the largest component at 32%, followed by cost allocation charges at 12%, materials at 6%, and capital outlays and special projects at 1%.

One-time projects were separated into a different category in FY 2013-14 to ensure expenditure trends reflect ongoing needs. In FY 2017-18, special projects and capital outlays were categorized separately from other costs.

Non-Personnel budgets were developed based on previous year's base budget and adjusted for the current year's needs. One-time projects were excluded to reflect ongoing expenditure needs. Materials and contract services were adjusted by CPI, where applicable.

Contingencies

In FY 2013-14, a contingencies expenditure category was added to each program to provide a cushion for any unforeseen expenses. In FY 2020-21, the program contingencies and City Manager Contingency were reduced from 5% to 2.5%. To further reduce expenditures, in FY 2021-22, the City Manager Contingency was reduced to \$75,000. In FY 2022-23, program contingencies was reduced to 1.25%, and the City Manager Contingency was reduced to \$50,000. The City has a track record of underspending in this category. The program contingency budget may be used by departments to cover unanticipated expenses at their discretion, while the City Manager Contingency requires the approval of the City Manager and is reported to the City Council quarterly for transparency and accountability.

General Fund Transfers

Transfers out represent transfers of monies out of the General Fund to various other funds. These transfers provide resources to the receiving fund to support operating and capital expenditures. Transfers from the General Fund are as follows:

Receiving Fund	Description	FY 2023-24	FY 2024-25
		Adopted Budget	Proposed Budget
Environmental Management Fund	Environmental Management	-	279,000
Transportation Fund	Sidewalk, Curb, and Gutter Maintenance	2,500,000	1,500,000
Debt Service Fund	Annual Debt Payment	2,677,600	2,676,200
Blackberry Farm Fund	Blackberry Farm Golf	-	113,000
Sports Center Fund	Sports Center	-	401,000
Innovation & Technology Fund	IT Infrastructure	900,000	197,000
Compensated Absence/LTD Fund	Compensated Absences	380,000	591,000
Retiree Medical Fund	Retiree Medical	-	1,592,398
TOTAL		\$ 6,457,600	\$ 7,349,598

For descriptions of funds, see Financial Policies: Fund Structure.

General Fund Fund Balance

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds are made up of the following:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, prepaid items, property held for resale, and long-term notes receivable.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action (resolution) that imposed the constraint originally.

Assigned Fund Balance – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. The intent is expressed by the City Council or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. Through the adopted budget, the City Council establishes assigned fund balance policy levels and also sets the means and priority for the City Manager to fund these levels.

Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. Only the General Fund reports a positive unassigned fund balance. A governmental fund other than the General Fund may report a negative unassigned fund balance if expenditures incurred for a specific purpose exceed the amounts that are restricted, committed, or assigned to those purposes.

In circumstances when an expenditure may be made for which amounts are available in multiple fund balance classifications, the fund balance in General Fund will generally be used in the order of restricted, unassigned, and then assigned reserves. In other governmental funds, the order will generally be restricted and then assigned.

General Fund Classification of Fund Balance

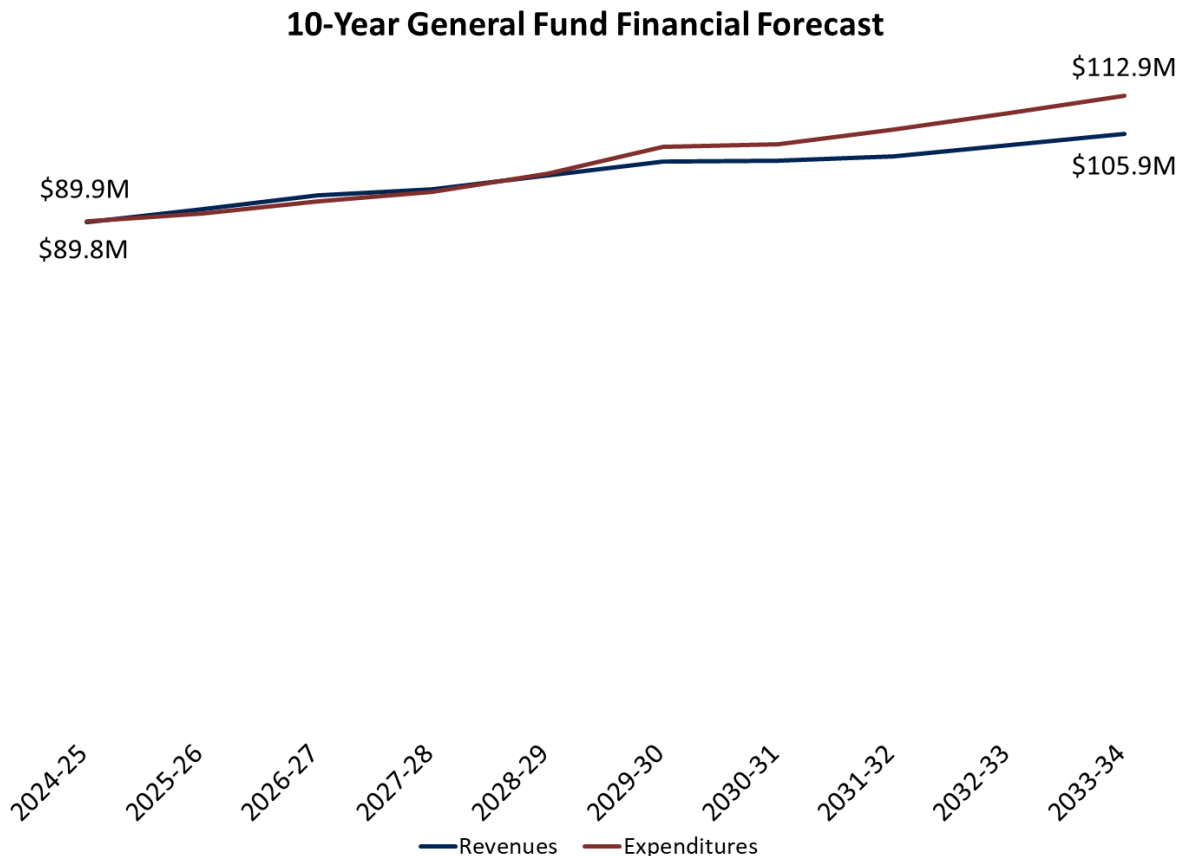
Classification	2021-22 Actual	2022-23 Actual	2023-24 Adopted Budget	2023-24 Year End Projected	2024-25 Proposed Budget
<u>Nonspendable</u>					
Loans Receivable	439,199	433,896	435,000	433,896	435,000
Advance to Other Funds	-	-	-	-	-
Total Nonspendable	439,199	433,896	435,000	433,896	435,000
<u>Restricted</u>					
CASp Certification and Training	23,621	12,377	23,621	12,377	12,377
Section 115 Pension Trust	17,240,051	19,088,859	17,240,051	19,088,859	19,088,859
Public Access Television	1,492,810	1,565,153	1,492,810	1,565,153	1,565,153
Public Art In-Lieu	-	-	-	-	-
Total Restricted	18,756,482	20,666,389	18,756,482	20,666,389	20,666,388
<u>Committed</u>					
Sales Tax Repayment Reserve	-	-	-	74,500,000	77,554,500
Economic Uncertainty Reserve	24,000,000	24,000,000	24,000,000	18,000,000	21,329,593
Capital Projects Reserve	10,000,000	10,000,000	10,000,000	-	-
Sustainability Reserve	127,891	127,891	127,891	127,891	127,891
Total Committed	34,127,891	34,127,891	34,127,891	92,627,891	99,011,984
<u>Assigned</u>					
Reserve for Encumbrances	5,041,681	9,735,187	3,000,000	9,735,187	7,000,000
Total Assigned	5,041,681	9,735,187	3,000,000	9,735,187	7,000,000
Total Unassigned	51,804,288	73,864,369	48,332,873	26,593,360	22,830,029
TOTAL FUND BALANCE	\$ 110,169,541	\$ 138,827,732	\$ 104,652,246	\$ 150,056,723	\$ 149,943,402

General Fund Forecast

Overview

Given the unknown final impact of the CDTFA audit appeal process, this budget focuses on the 10-year forecast. While long-term projections may be less precise than short-term projections, they can help identify potential structural budget issues in advance.

The following chart shows a structural deficit that begins in FY 2028-29 due to expenditures (2.6% average annual growth rate) growing at a faster rate than revenues (1.9% AAGR).



The California Department of Tax and Fee Administration (CDTFA) recently conducted an audit on one of the City's taxpayers. This will have a substantial impact on the City's finances, with a projected decline of \$30 million, or 73%, in sales tax revenues from the initial FY 2023-24 forecast provided by HdL, the City's sales tax consultant. As a result, the City's total revenues are also anticipated to decrease by \$30 million, or 28%, from the original FY 2023-24 forecast. In addition, the notice from the CDTFA indicated that the City may be required to pay back any disputed sales tax received since April 2021. While the ongoing impact of the audit is included in the forecast, the one-time impact is not.

The Council and staff have demonstrated proactive fiscal stewardship in response to the evolving financial landscape. The FY 2023-24 Adopted Budget, which Council adopted on June 6, 2023, incorporated significant expenditure reductions of more than \$15 million dollars, including:

- Eliminating 14 vacant positions (\$2.6 million)
- Decreasing materials, contract services, special projects, capital outlays, and contingency expenditures

(\$5.9 million)

- Decreasing transfers from the General Fund to other funds (\$5.5 million)
- Using the City's Section 115 Trust to fund OPEB (Other Post-Employment Benefits) costs (\$1.4 million)

Additionally, on October 10, 2023, the Council established a committed Sales Tax Repayment Reserve with an initial allocation of \$56.5 million. This reserve was designed to address a potential adverse CDTFA decision and the uncertain outcome of the anticipated legal challenge. Funding came from Unassigned fund balance, the Capital Projects Reserve, and the Economic Uncertainty Reserve. Staff will be going to Council on May 21, 2024 to increase the Sales Tax Repayment Reserve to \$74.5 million.

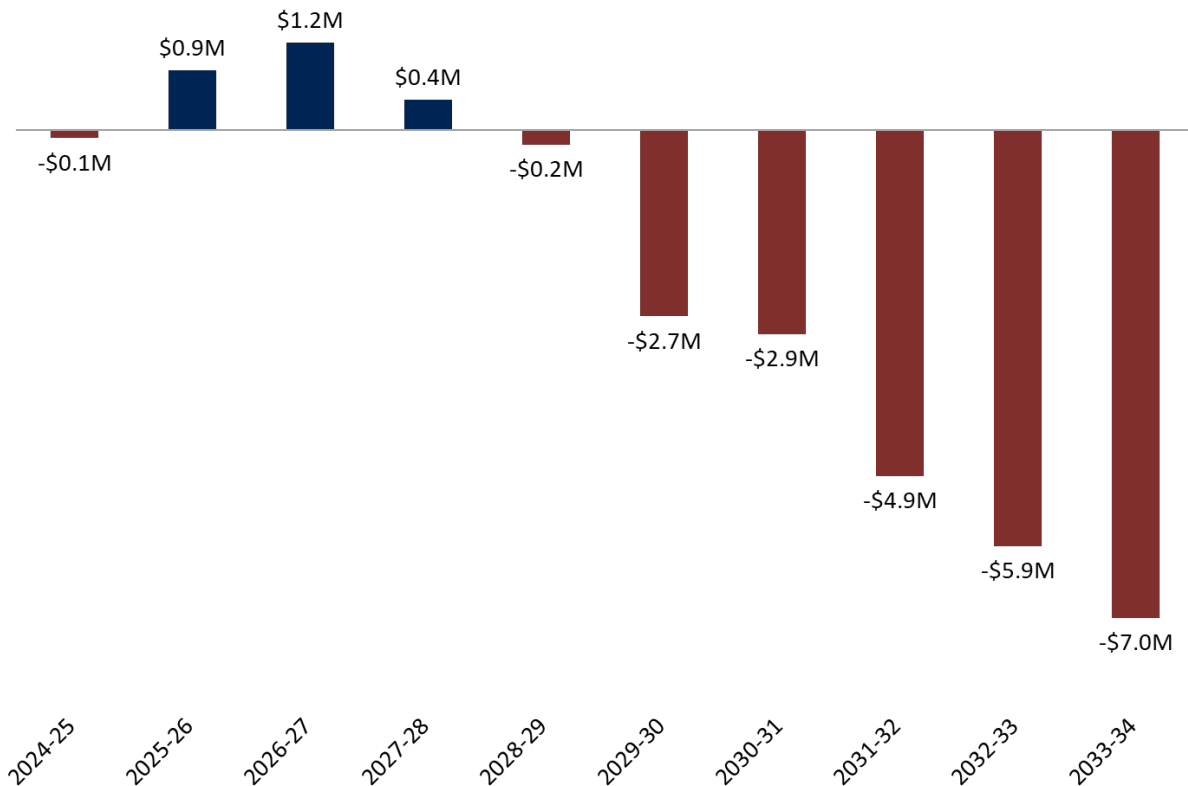
On January 17, 2024, staff sought Council direction on potential service-level reductions to help resolve the City's structural deficit. Council provided feedback and directed staff to provide additional information. On April 16, 2024, staff provided additional information to Council and received confirmation on the updated service-level reductions.

The City recognizes the importance of fiscal prudence and responsible financial management in light of this significant revenue loss. To address the potential shortfall resulting from the CDTFA audit, City staff has updated the financial forecast and is actively exploring various strategies to balance the budget.

To address the structural deficit caused by recurring expenditures consistently surpassing recurring revenues, the City has been implementing cost-cutting measures while ensuring that essential services continue to be provided to the community.

The City is taking a proactive approach to minimize the impact on its staff and residents, and City staff will continue to keep the Council informed of any new developments related to the audit and its impact on the City's finances. It is crucial to note that the CDTFA audit has resulted in an estimated structural deficit beginning in FY 2028-29 of the forecast, and the City will need to continue implementing long-term solutions to address this ongoing challenge. The surpluses in FY 2025-26 to FY 2027-28 are due to the elimination of \$2 million in Capital Improvement Program (CIP) funding in the first five years of the forecast.

General Fund Annual Operating Surplus/Deficit



Despite the challenging times, the City's financial position remains strong with reserves that can be utilized to offset deficits until the City can align its ongoing expenditures with its revenues. It is important to note that these reserves are one-time funding, which cannot be relied upon to sustain the City's finances in the long run. In addition, reductions in FY 2023-24 and FY 2024-25, along with increases in charges for services and interest earnings, have positively impacted the forecast resulting in a modest surplus from FY 2025-26 to FY 2027-28. In the out years, the deficit is primarily due to a recession scenario in FY 2027-28, as demonstrated in the chart above. The resumption of a \$2 million transfer to the Capital Reserve in FY 2029-30, and the sunset of the Utility Users Tax in FY 2030-31.

These resources give the City a buffer and more options to manage its finances effectively. With a solid financial footing and prudent planning, the City is well-positioned to navigate these uncertain times and maintain its commitment to its staff and community.

Forecast Methodology

A financial forecast is a crucial tool for planning and budgeting, allowing staff to analyze trends and anticipate the long-term impacts of budget decisions. It plays a vital role in modeling the effects of various factors, such as retirement costs, employee compensation, and revenues, on the City's budget.

It is important to note that the forecast is not a plan but rather a model that relies on revenue and cost assumptions, which are updated regularly as new information becomes available. While cost projections, which are based on known costs, are relatively reliable, revenue forecasts are subject to uncertainties related to future economic conditions. Economic forecasts can change frequently, making it difficult to commit to a particular prediction of the future. As such, staff must update the forecast regularly to ensure it reflects the latest information and trends.

While economic conditions are the primary drivers for economically sensitive revenues such as sales tax and property tax, other factors drive non-economically sensitive categories such as utility user taxes and franchise fees. These revenue categories are more heavily impacted by utility rate changes, energy prices, and consumption levels. Revenues from local, state, and federal agencies are primarily driven by grant and reimbursement funding. As a result, these revenues experience no significant net gain or loss during economic expansions or slowdowns. All revenue projections are based upon trend analysis, including a careful examination of the collection history and patterns related to seasonality and the economic environment the City is most likely to encounter in the future. Staff also considered the potential impacts of the CDTFA audit in determining the sales tax estimates.

A discussion of the national and local economic outlooks used to develop the revenue estimates for the forecast is included below. To create the revenue forecasts, the City reviewed national, state, and regional economic forecasts from multiple sources, including the Congressional Budget Office, California's Legislative Analyst's Office (LAO), and the Center for Continuing Study of the California Economy (CCSCE). To develop the sales tax, property tax, and transient occupancy tax (TOT) revenue projections, the City worked with HdL Companies, a tax consultant.

The City's Consumer Price Index (CPI) forecasts are from:

- UCLA Anderson Forecast for the Nation and California
- California Department of Transportation's California County-Level Economic Forecast

In 2019, the City worked with UFI (Urban Futures, Inc.), a financial advisory and consulting firm, to:

- Review, update, and enhance the City's baseline financial forecast.
- Evaluate fiscal strategies, including potential local revenue measures.
- Develop capital financing options, structures, and estimates for identified projects.
- Prepare an analysis of city charter costs/benefits related to fiscal activities.

In 2024, the City worked with Baker Tilly to validate the City's financial forecast. In collaboration with Baker Tilly, the City has made the following updates to the forecast:

- Increased the sales tax growth rate.
- Adjusted the recession scenario from every 4 years to every 7 years to align with post-World War II patterns.
- Incorporated 2% salary savings to account for vacant positions.
- Updated CPI data source to UCLA Anderson Forecast.
- Adjusted interest earnings to align with current reserves and investment strategy.
- Implemented updates to the Economic Uncertainty Reserve level every year.

National Economic Outlook

In the first quarter of 2024, the U.S. real gross domestic product (GDP) increased by 1.6% following a 3.4% rise in the previous quarter, propelled by heightened consumer spending, residential and nonresidential fixed investment, and state and local government expenditure, although dampened by a decrease in private inventory investment. This slower growth was primarily attributed to reduced consumer spending, exports, and government expenditure, alongside tightened financial conditions and restrictive monetary policies. Despite these factors, recent data suggests positive growth for the year, albeit below trend, with a slowing job market yet robust labor conditions and resilient consumer behavior.

With inflationary pressures easing but remaining above the Federal Reserve's target, expectations lean towards an anticipated softening of the economy and potential loosening of monetary policy in late 2024. Additionally, in March, the stabilization of the U.S. Treasury yield curve coincided with the Federal Open Market Committee (FOMC) maintaining the Federal Funds rate. The spread between the 2-year and 10-year Treasury yields widened slightly, indicating ongoing economic monitoring and potential adjustments.

Cupertino Economic Outlook

The City does not anticipate significant impacts on property tax revenues in FY 2024-25. The City is optimistic about the future of transient occupancy tax (TOT) revenues, as the relaxation of pandemic-related restrictions has boosted business travel.

As more information becomes available, staff will bring forward updates and adjustments to City Council regularly as necessary.

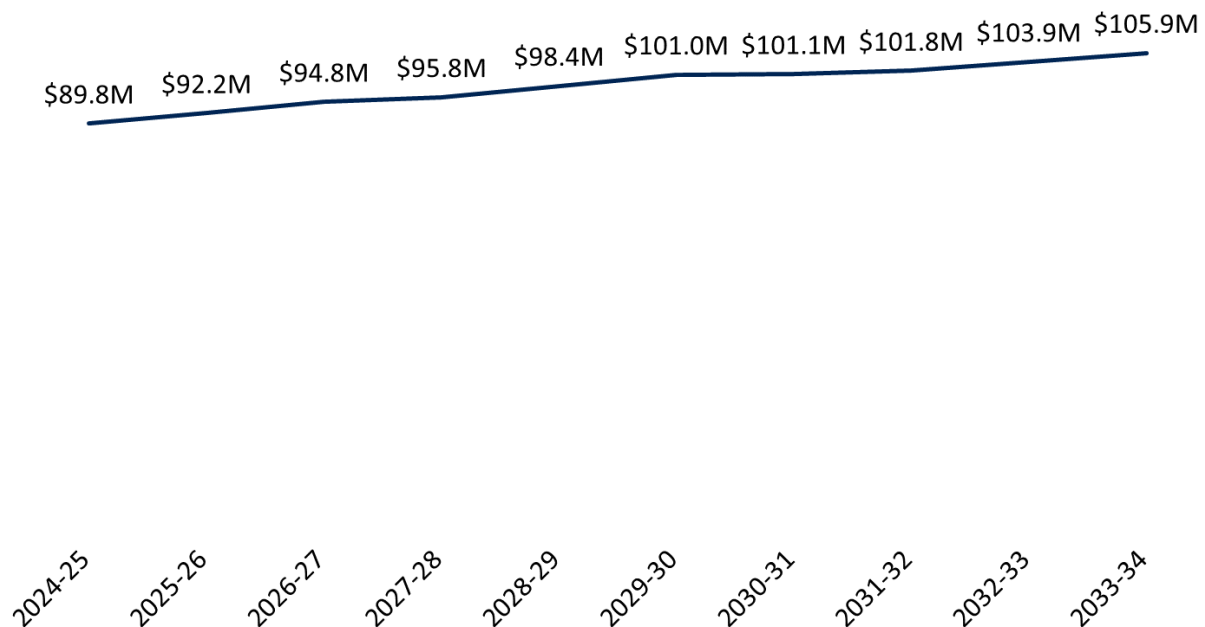
Revenues

The City relies heavily on three revenue sources: property tax, sales tax, and transient occupancy tax (TOT), which together make up the majority of its General Fund revenues.

The City's General Fund revenues are projected to be \$89.8 million in FY 2024-25, and are expected to increase over the forecast period. Property tax and transient occupancy tax are expected to continue to be strong revenue sources, with projected increases. However, sales tax is projected to decrease significantly due to the CDTFA audit.

The National Bureau of Economic Research (NBER), an American private nonprofit research organization, defines the beginning and ending dates of recessions. The NBER defines a recession as "a significant decline in economic activity spread across the economy, lasting more than two quarters which is six months, normally visible in real gross domestic product (GDP), real income, employment, industrial production, and wholesale-retail sales. Since World War II, recessions have lasted an average of 10 months and have occurred, on average, about every 6.5 years. As a result, the forecast assumes a recession every seven years where most revenues remain flat while expenditures continue to increase. The forecast incorporates a recession scenario in FY 2027-28. This is a change from the previous recessionary assumption of every four years. The update was made based on a recommendation from Baker Tilly.

10-Year General Fund Revenue Forecast



	GENERAL FUND REVENUES FORECAST (\$ IN THOUSANDS)									
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	Proposed	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
REVENUES										
Sales Tax	11,649	12,026	12,409	12,409	12,804	13,233	13,682	14,126	14,585	15,057
Property Tax	33,175	34,263	35,349	36,422	37,507	38,612	39,738	40,886	42,057	43,252
Transient Occupancy Tax	7,732	7,957	8,176	8,176	8,379	8,577	8,770	8,959	9,145	9,327
Utility Tax	4,130	4,160	4,191	4,191	4,221	4,252	1,784	-	-	-
Franchise Fees	3,509	3,575	3,641	3,641	3,706	3,770	3,835	3,900	3,964	4,029
Other Taxes	1,684	1,729	1,768	1,768	1,809	1,852	1,895	1,941	1,985	2,033
Licenses and Permits	3,666	3,684	3,703	3,703	3,721	3,740	3,758	3,777	3,796	3,815
Use of Money and Property	4,697	4,868	4,963	4,963	5,164	5,253	5,298	5,268	4,695	4,024
Intergovernmental	2,472	2,484	2,497	2,497	2,509	2,522	2,534	2,547	2,560	2,573
Charges for Services	15,123	15,750	16,336	16,336	16,868	17,422	17,994	18,585	19,196	19,829
Fines and Forfeitures	395	395	395	395	395	395	395	395	395	395
Miscellaneous	1,211	1,266	1,321	1,321	1,321	1,321	1,378	1,439	1,498	1,563
Transfers In	15	15	15	15	15	15	15	15	15	15
Other Financing Sources	367	-	-	-	-	-	-	-	-	-
TOTAL REVENUES \$	89,826	\$ 92,173	\$ 94,764	\$ 95,837	\$ 98,418	\$ 100,962	\$ 101,076	\$ 101,838	\$103,891	\$ 105,911

Sales Tax

Prior to FY 2023-24, sales tax has been the City's largest revenue source. Sales taxes are collected at the point of sale and remitted to the California Department of Tax and Fee Administration (CDTFA), formerly the Board of Equalization.

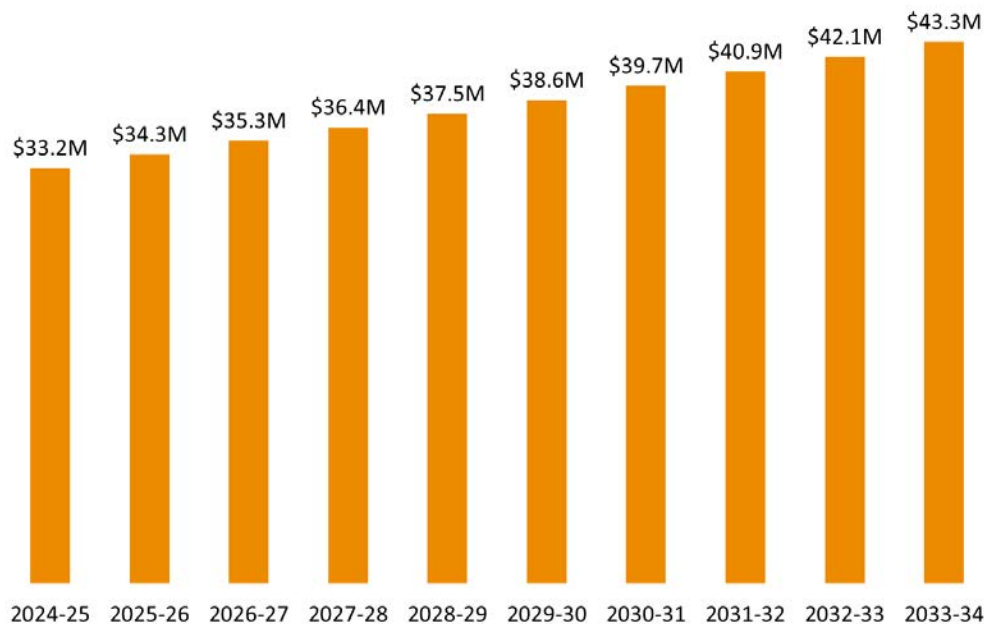


Sales tax revenues are projected to increase by an average annual growth rate of 2.9% in the forecast. Staff used moderate estimates for business and industry, general consumer goods, restaurants and hotels, and state and county pools.

Property Tax

Property taxes are projected to remain stable in the near term. However, the impact of potential remote work on property taxes in the long term is uncertain. The trend towards remote work has caused people to reconsider where they choose to live, which could lead to a decrease in demand for residential real estate. The high interest rate environment and a slow turnover rate of properties in the City may also impact this revenue category. Additionally, companies may need less office space if fewer employees are working at the office, which could decrease demand for commercial office space. This could result in a reduction of property tax revenue for the City.

Property Tax Forecast



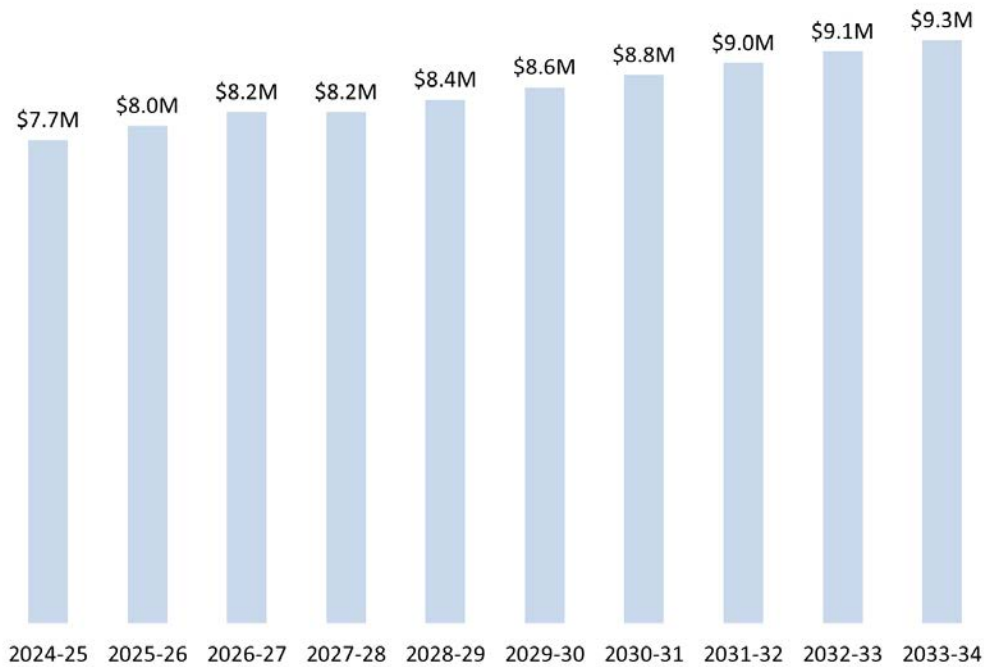
In FY 2024-25, property tax revenues are expected to reach \$33.2 million and increase at an average annual growth rate of 3.0% in the forecast. The moderate forecast is based on a range of factors, including historical trends for the City and projections for the region. While property tax has grown at an average annual rate of 11% historically, this projection assumes a lower growth rate. Historical property tax growth has been due to significant development projects such as Main Street and Apple Park, as well as the restoration of Tax Equity Allocation (TEA) revenues from FY 2015-16 to FY 2019-20.

The current projection does not assume any such developments in the near future, resulting in a more modest growth rate forecast. The City will continue to monitor economic and market trends to ensure that property tax revenue projections remain accurate.

Transient Occupancy Tax

The City's current forecast assumes that TOT revenues will be \$7.7 million in FY 2024-25, and gradually increase. The forecast projects an average annual growth rate of 2.1% for TOT revenues. This moderate forecast is based on historical tax collections and assumes slower growth than historical trends. Historical growth in TOT revenues was primarily due to the addition of new hotels and a voter-approved increase in the TOT rate from 10% to 12% in 2012.

Transient Occupancy Tax Forecast



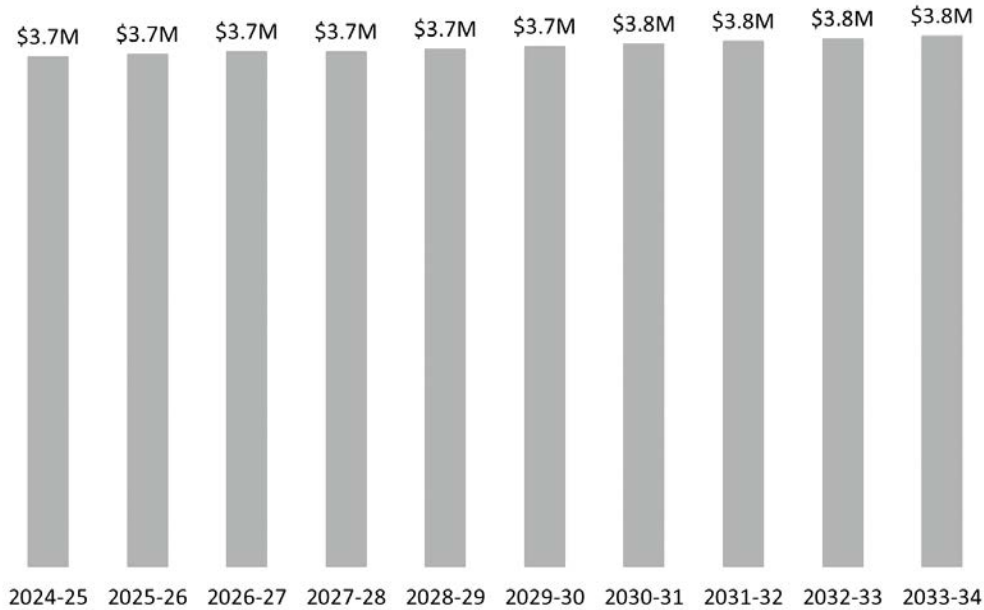
The TOT revenues are affected by the tax rate charged on hotels, occupancy rates, and average daily room rates (ADR). Given that TOT revenues in Cupertino are mainly driven by business travel, any shift in travel habits or economic conditions could significantly impact this revenue source.

Licenses and Permits

The City's forecast projects an average annual growth rate of 0.5% for licenses and permits revenue, based on forecasts of California residential building permits, non-residential building permits, and construction payrolls from the UCLA Anderson Forecast for the Nation and California.

It is important to note that this forecast does not take into account any significant development projects that are awaiting approval. If new development projects are approved, staff will update this forecast accordingly.

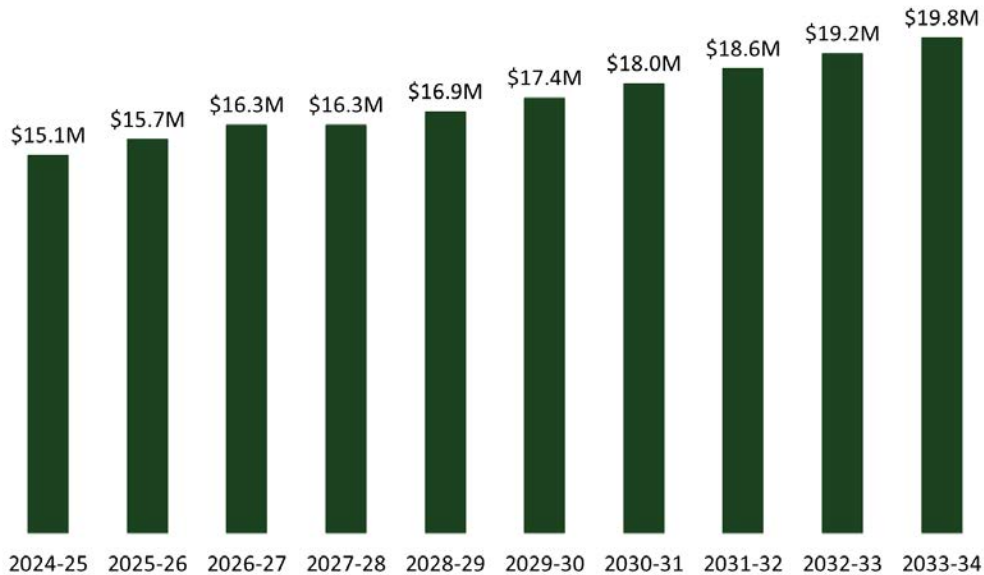
Licenses & Permits Forecast



Charges for Services

Charges for services revenues are projected to increase at an average annual growth rate of 3.1%. Other Service Fees, Cost Allocation Plan Charges for Services, and General Service Fees are expected to increase by the full-time salary growth rate. Planning Fees and Engineering Fees are forecasted based on construction and development factors, such as California residential and non-residential building permits, and construction payrolls from the UCLA Anderson Forecast for the Nation and California.

Charges for Services Forecast



This forecast does not consider any significant development projects awaiting approval. The City will update the forecast if new projects are approved.

Other Revenue

Utility taxes are forecasted to be \$0 beginning in FY 2030-31, as the utility user tax expires in November 2030.

Franchise fees are projected to increase by an average annual growth rate of 1.6% based on a trend of historical data.

Other taxes are made up of construction, property transfer, and business license tax revenue. Revenue is projected to increase by an average of State and County CPI.

Use of money and property are projected based on the City's forecasted General Fund fund balance and the City's current investment strategy. The Section 115 Pension Trust is expected to grow at the discount rate of 6.25%.

Intergovernmental revenues are projected to grow at a rate of 0.4% each year.

Fines and Forfeitures are forecasted to remain constant in the forecast.

Miscellaneous revenues are forecasted to increase by CPI each year.

Non-operational revenues (Transfers and Other Financing Sources) are not assumed in the forecast.

Expenditures

In FY 2019-20, the City developed a zero-based budget, which involved analyzing every function of the City for its needs and costs. As a result, all costs were justified, and base budget savings were achieved.

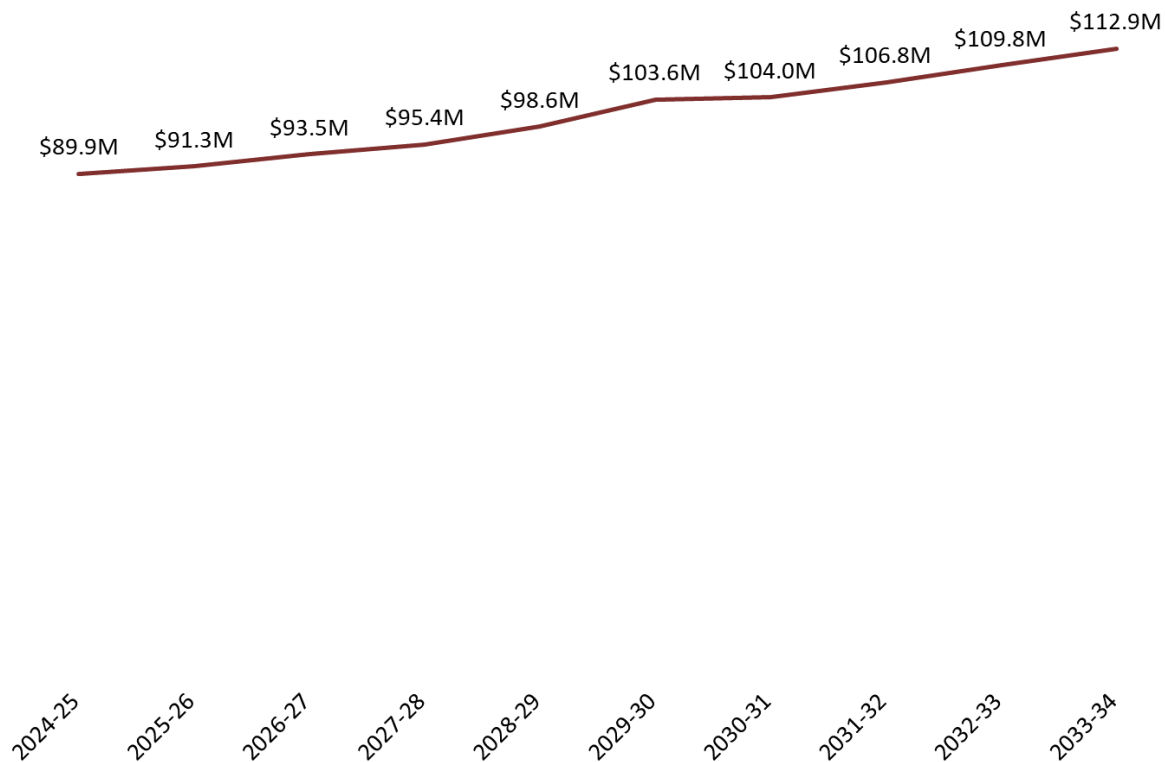
In FY 2023-24, the City implemented several budget-balancing strategies, including:

- Eliminating 14 vacant positions
- Decreasing expenditure on materials and contract services
- Reducing spending on special projects and capital outlays
- Reducing the City Manager's Discretionary Fund by \$25,000 and contingencies by 50%
- Decreasing the amount of transfers to other funds
- Utilizing the City's Section 115 Trusts to fund pension and OPEB (Other Post-Employment Benefits) costs

In FY 2024-25, the City is proposing further service-level reductions of \$8.7 million. Council reviewed these reductions in a January 17, 2024 study session, and confirmed the reductions for inclusion in the proposed budget on April 16, 2024.

To inform these decisions, the City developed a forecast based on actual expenditures in prior years and FY 2024-25 projections. The forecast also considered factors such as CPI, construction and development activity, and CalPERS Normal Cost and Unfunded Liability projections. The forecast will be adjusted throughout the year to account for one-time changes and budget adjustments.

10-Year General Fund Expenditure Forecast



GENERAL FUND EXPENDITURES FORECAST (\$ IN THOUSANDS)										
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	Proposed	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
EXPENDITURES										
Employee Compensation & Benefit	34,718	34,799	36,345	37,108	38,672	39,919	41,176	42,073	43,271	44,314
Personnel Costs \$	\$ 34,718	\$ 34,799	\$ 36,345	\$ 37,108	\$ 38,672	\$ 39,919	\$ 41,176	\$ 42,073	\$ 43,271	\$ 44,314
Materials	5,773	5,926	6,061	6,199	6,341	6,491	6,642	6,802	6,957	7,125
Contract Services	29,115	30,255	31,344	32,474	33,650	34,903	36,180	37,541	38,865	40,307
Cost Allocation	10,639	10,931	11,232	11,541	11,858	12,184	12,519	12,863	13,217	13,581
Capital Outlay & Special Projects	1,165	740	757	774	792	810	829	849	868	889
Contingencies	255	217	222	227	232	238	243	249	255	261
Other Uses	925	-	-	-	-	-	-	-	-	-
Non-Personnel Costs \$	\$ 47,872	\$ 48,069	\$ 49,616	\$ 51,214	\$ 52,873	\$ 54,626	\$ 56,414	\$ 58,305	\$ 60,163	\$ 62,163
Transfers \$	\$ 7,350	\$ 8,450	\$ 7,555	\$ 7,079	\$ 7,079	\$ 9,080	\$ 6,402	\$ 6,402	\$ 6,402	\$ 6,402
TOTAL EXPENDITURES \$	\$ 89,939	\$ 91,318	\$ 93,516	\$ 95,402	\$ 98,624	\$ 103,625	\$ 103,993	\$ 106,780	\$ 109,836	\$ 112,879

The chart above illustrates the projected General Fund expenditures, which are estimated to be \$89.9 million in FY 2024-25, with an expected increase over the forecast period. The forecasted expenditure growth is primarily driven by increasing Law Enforcement costs. To provide an in-depth understanding of the estimated expenditure categories in the General Fund Forecast, the following discussion focuses on the assumptions made for each category.

Personnel Expenditures

Salaries

FY 2024-25 salaries and benefits reflect the cost-of-living adjustments (COLA)s approved by the City Council in October 2023. In the forecast, full-time salaries are expected to increase by estimated payroll increases from the CalPERS valuation report. On the other hand, part-time salaries are forecasted to grow at a rate of 1.5%, because historically, part-time salaries have tended to grow at a slower rate than full-time salaries. A 2% vacancy rate has been included in the out-years of the forecast. This vacancy rate is new to the forecast, based on collaboration with Baker Tilly on the City's long-term forecast.

Employees who have yet to reach the top step in their classification's salary range are eligible to receive a step increase on their anniversary date. 39% of employees are below the top step. Typically, classifications have five steps, with each increase equivalent to a 5% increase in salary.

Health Benefits

In FY 2024-25, health benefits account for about 10% of all personnel costs in the General Fund, primarily due to health insurance costs. The City pays employees a fixed amount for health and dental insurance costs instead of covering a percentage of premiums. In October 2016, City Council approved labor contracts that significantly increased the City's health insurance contributions to align the City with the median offerings of our comparator cities. For the duration of the contract, cost increases in health and dental premiums above the negotiated amounts were fully absorbed by employees. In November 2023, City Council approved additional increases to the City's health insurance contributions and a flat 6% increase to its contribution beginning in January 2025.

Retirement Benefits

Rising retirement costs are driving the increase in employee benefits. The City provides a defined benefit pension to its employees through the California Public Employees' Retirement System (CalPERS). The table below illustrates the City's CalPERS costs over the next few years.

	Projected CalPERS Contributions					
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2028-29
Projected Payroll	\$ 24,352,479	\$ 25,034,349	\$ 25,735,310	\$ 26,455,899	\$ 27,196,665	\$ 27,958,170
Normal Cost (%)	10.5%	10.3%	10.1%	10.0%	9.8%	9.7%
Normal Cost	\$ 2,547,269	\$ 2,578,538	\$ 2,599,266	\$ 2,645,590	\$ 2,665,273	\$ 2,711,942
UAL Payment (%)	22.3%	21.7%	22.6%	20.6%	22.1%	22.0%
UAL Payment	\$ 5,441,780	\$ 5,441,000	\$ 5,807,000	\$ 5,443,000	\$ 6,013,000	\$ 6,138,000
Total Contribution (%)	32.8%	32.0%	32.7%	30.6%	31.9%	31.7%
Total Contribution	\$ 7,989,049	\$ 8,019,538	\$ 8,406,266	\$ 8,088,590	\$ 8,678,273	\$ 8,849,942

The City's retirement rates are based on a blend of all three tiers (2.7% @ 55, 2% @ 60, and 2% @ 62). Although employees pay a different rate depending on their tier, the City's costs are the same for all three tiers. The table below shows the current breakdown of City employees amongst the three retirement tiers. The majority of employees in the City are currently covered under Tier 3.

Tier	Number of Employees	Benefit Factor	CalPERS Plan Breakdown by Tier			
			Compensation Basis	Employer Share of Contribution	Employee Share of Contribution	Total Contribution
1	51	2.7% @ 55	Highest Year	32.81%	8.00%	40.81%
2	17	2% @ 60	Highest 3 Year Average	32.81%	7.00%	39.81%
3	120	2% @ 62	Highest 3 Year Average	32.81%	7.00%	39.81%

A retiree's highest monthly pension benefits are calculated by multiplying:

- Service credit: the number of years of CalPERS service.
- Benefit Factor: percentage of pay based on age.
- Compensation Basis: the highest monthly average salary for a defined period.

The retirement benefits are funded by:

- Investment earnings (56%)
- Employer contributions (33%)
- Employee contributions (11%)

Each year, CalPERS determines an employer's contributions based on actual investment returns and actuarial assumptions, including:

- Expected investment returns (discount rates)
- Inflation rates
- Salaries
- Retirement ages
- Life expectancies

Contributions to fund the pension plan are comprised of two components:

- Normal cost (the cost of the benefits earned in a respective year)
- Amortization of the unfunded accrued liability (UAL)

CalPERS Discount Rate

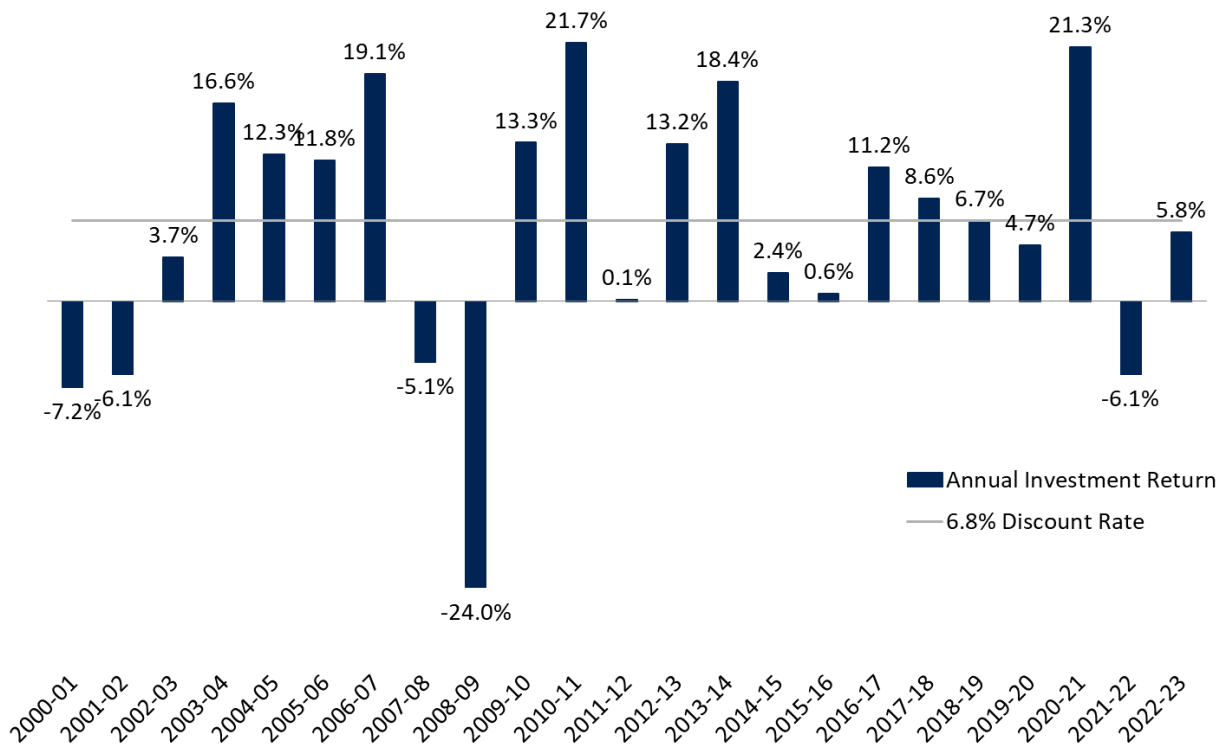
Defined benefit plans are highly sensitive to the discount rate assumption. The discount rate is the expected rate of return of the plan's assets over the long term. The discount rate will depend on the plan's size, asset allocation, time horizon, and other considerations. The discount rate is important as it is used to determine the City's annual contributions to the plan, the plan's unfunded liability, and the plan's funded status.

CalPERS Investment Earnings

The City's pension plan heavily relies on investment earnings, which fund nearly 60% of retirement benefits. Thus, the plan is sensitive to the investment returns of CalPERS. When investment returns fall below the discount rate, contributions must increase to cover the shortfall.

Currently, CalPERS assumes an annual investment return of 6.8%. However, the investment returns earned by CalPERS have fallen short of the discount rate assumption approximately half the time over the past 20 years, as shown in the chart below. Investment returns for individual fiscal years have ranged between -24.0% and +21.7%. For instance, CalPERS suffered negative investment returns in 2001 and 2002 due to the dot-com crash and in 2008 and 2009 due to the Great Recession.

CalPERS Historical Annual Investment Returns



Note: Beginning in 2002, investment returns are reported as gross of fees.

For FY 2022-23, CalPERS reported an investment return of 5.8%. The average investment return is 6.1% for a 5-year period, 7.1% for a 10-year period, 7.0% for a 20-year period, and 7.5% for a 30-year period. As returns in a given year are volatile, it can be more instructive to look at returns over longer time horizons.

CalPERS Update

Asset Liability Management Process

In November 2021, CalPERS completed its quadrennial Asset Liability Management (ALM) process, which reviewed investment strategies and actuarial assumptions. At the November 15-17, 2021, meetings, the CalPERS Board approved a 6.8% discount rate, selected a new asset allocation for the fund's investment portfolio, and adopted new actuarial assumptions.

During the ALM process, the board examined different potential portfolios and their impact on the CalPERS fund. Ultimately, the board selected the portfolio with an assumed investment return of 6.8%.

Asset Class	Current Allocation	New Allocation
Global Equity	50%	42%
Fixed Income	28%	30%
Real Assets	13%	15%
Private Equity	8%	13%
Private Debt	0%	5%
Liquidity	1%	0%
Total	100%	105%

The new portfolio includes a 5% allocation to leverage. Leverage involves using borrowed funds or debt to amplify the potential returns of an investment. This increases the total amount of money available to invest to 105%.

CalPERS Plan Status

As of the most recent actuarial valuation on June 30, 2022, the City's pension plan had assets of \$117.0 million and liabilities of \$177.3 million, resulting in an unfunded liability of \$60.3 million and a funded ratio of 66.0%. The unfunded liability is the difference between assets and liabilities, while the funded ratio is the ratio of assets to liabilities.

CalPERS Plan Status			
	June 30, 2021		June 30, 2022
Present Value of Projected Benefits	\$	201,774,867	\$ 214,305,212
Entry Age Normal Accrued Liability	\$	168,421,875	\$ 177,277,147
Market Value of Assets	\$	127,113,891	\$ 117,004,578
Unfunded Accrued Liability	\$	41,307,984	\$ 60,272,569
Funded Ratio		75.5%	66.0%

A defined-benefit plan is considered adequately funded if its assets equal or exceed the value of its future liabilities. When the funded ratio is lower than 100%, the plan has insufficient assets to pay all future liabilities. The funded status of the system decreased because:

- Poor investment returns during the Great Recession significantly decreased the plan's assets.
- Enhanced benefits and actuarial assumption changes due to increased life expectancies increased the plan's liabilities.

Over the past few years, CalPERS has taken steps to improve the long-term financial sustainability of the system. In December 2016, the CalPERS board voted to reduce the discount rate, also known as the assumed rate of return for investments, from 7.5% to 7.0% over three years from FY 2018-19 to FY 2020-21. In February

2018, the CalPERS board also voted to decrease the amortization period for new pension liabilities from 30 years to 20 years, effective July 1, 2019. While these changes will provide long-term benefits to the pension plan, they will also increase the City's pension contributions.

Section 115 Trust

A Section 115 Trust is a tax-exempt investment tool that allows local governments to pre-fund pension and retiree health costs. Once contributions are placed into the trust, the City can only use assets from the trust for retirement plan purposes. The City may make withdrawals to either reimburse the City for retirement system contributions or to pay CalPERS directly. The benefits of a Section 115 Trust include the following:

- Local control over assets: The City controls the contributions, withdrawals, investment strategy, and risk level of assets in the Trust.
- Pension rate stabilization: Assets can be transferred to CalPERS at the City's discretion to pay for Normal Cost or UAL contributions and can be used to reduce or eliminate large fluctuations in the City's pension costs.
- Potential for higher investment returns than General Fund: Investment requirements applicable to the City's General Fund assets under Government Code 53601 do not apply to Trust assets.
- Diversification: Trust assets will be diversified from CalPERS investments.

City Strategies

Given that pension obligations are one of the City's largest financial obligations, the City has taken proactive steps to reduce the impact of pension cost volatility. In March 2018, the City provided options to Council to address rising pension costs. In April 2018, the City presented a long-term pension funding strategy to the Fiscal Strategic Plan Committee. In May 2018, the City established a Section 115 Pension Trust to reduce the effect of pension rate volatility on the City's budget. The Section 115 Pension Trust helps the City to:

- Grow assets for future pension contributions.
- Invest assets over appropriate time horizons.
- Earn higher investment returns than the General Fund.
- Reduce pension contribution volatility.
- Diversify funds from CalPERS investments.

As a fiscal sustainability measure, the City funds the Section 115 Pension Trust using a more conservative discount rate of 6.25%. The City's pension funding goal is to accumulate sufficient funds in the Pension Trust to fund the difference between a 6.25% and a 7% discount rate and achieve a funded ratio of 80% over 20 years. The City's projections indicated that the City would need to accumulate over \$42 million in the Pension Trust within 20 years to achieve its pension funding goal.

As a result, the funding strategy proposed \$8.0 million in initial funding, along with additional funding of \$10.0 million over the first five years. The City has contributed \$16.0 million, including:

- \$8 million in FY 2018-19
- \$4 million in FY 2019-20
- \$2 million in FY 2020-21
- \$2 million in FY 2021-22

As of June 30, 2023, the Section 115 Pension Trust had a balance of \$19.1 million and had earned an annualized investment return of 5.51% gross of fees since inception.

Other Benefits

The forecast assumes health insurance increase by 6% for the second half of FY 2024-25 and then, dental

insurance, and vision insurance increase by CPI. No increases were forecasted for the following benefits: internet allowance, standby pay, Employee Assistance Program, and Deferred Compensation. Rec Bucks are assumed to increase at a 0.5% growth rate.

Non-Personnel Expenditures

Non-Personnel budgets were developed based on the previous year's base budget and adjusted for the current year's needs. One-time projects were excluded to reflect ongoing expenditure needs. Materials and contract services were adjusted by CPI, where applicable. In response to the anticipated revenue shortfall resulting from the CDTFA audit, departments were asked to find ways to reduce the base budget. To balance the budget, various categories including materials, contract services, capital outlays, special projects, transfers to other funds, and contingencies were reduced.

Materials costs are forecasted to increase by CPI.

Contract Services costs are projected to grow by CPI except for the Law Enforcement contract with the Santa Clara County Sheriff's Office. Law Enforcement costs are projected to grow by CPI plus 2%. Per the terms of the contract, the annual increase is limited to the lesser of:

- Percentage increase in total compensation and annual CalPERS cost increase
- Annual CPI plus 2% and annual CalPERS cost increase

The City's current agreement with the Santa Clara County Sheriff's Office is set to expire in June 2024, and negotiations are ongoing for a new agreement. In anticipation of potential increases in Law Enforcement costs, a placeholder increase has been included in the forecast. These costs have been a significant driver of the City's expenditure growth in recent years, and it is expected that they will continue to increase in the coming years.

Cost Allocation is projected to grow by 2.8%.

Capital Outlays and **Special Projects** are projected to increase by CPI. Capital Outlays and Special Projects are being reduced as an expenditure-reduction strategy.

Contingencies are projected to increase by CPI. Program contingencies were reduced to 1.25% and the City Manager's Contingency Fund was reduced to \$50,000 in FY 2023-24. Program contingencies were cut in half to 2.5% in FY 2020-21, and the City Manager's Contingency Fund was reduced to \$75,000 in FY 2021-22. In prior years, program contingencies were 5% of Materials and Contract Services, and the City Manager's Contingency was 5% of General Fund Materials and Contract Services, excluding the law enforcement contract. It's worth noting that the City has historically underutilized contingencies, and the use of these funds would require pre-approval by the City Manager or their designee.

Transfers represent the General Fund's contributions to other City funds to support debt payments, pay retiree health costs, finance capital projects, replenish capital project reserves, acquire new equipment, and subsidize enterprises and operations. After the implementation of a comprehensive Cost Allocation Plan in FY 2015-16, General Fund expenses have been shifted to other City funds, causing some of those funds' revenues to fall short of expenses and necessitating the use of fund balances to cover expenses. The General Fund benefits in the near term from the cost shift; however, after fund balances in those other funds are drawn down to minimum levels and absent aggressive revenue or cost actions in those other funds, General Fund subsidies are necessary to maintain fund balance minimums.

Projected General Fund subsidies to each fund are based on the following assumptions:

- Special Revenue Funds: \$1.5 million annually.
- Debt Service Funds: \$2.7 million based on the 2012 COPS debt service schedule until FY 2030-31.

- Capital Reserve: \$0 million until FY 2028-29, then \$2 million annually.
- Retiree Medical Fund: Funding from FY 2024-25 to FY 2026-27 to restore OPEB plan to 100% funded. Funding normal cost in the subsequent years.
- Compensated Absences Fund: \$0.8 million annually.
- Innovation and Technology Fund: \$0.2 million annually.
- Enterprise Funds: \$1.8 million annually.

Transfers from the General Fund to other funds have been reduced as part of an expenditure reduction strategy aimed at decreasing General Fund subsidies of other funds.

The City is expected to complete its debt payments for city facilities by FY 2029-30. Until then, the City will pay approximately \$2.7 million annually in principal and interest on its Certificates of Participation for City Hall, Community Hall, and Library. These funds will be transferred from the General Fund to the Debt Service Funds.

Fund Balance

The foresight of the City Council and staff in previous years to focus on ensuring healthy reserves is paying off in full.

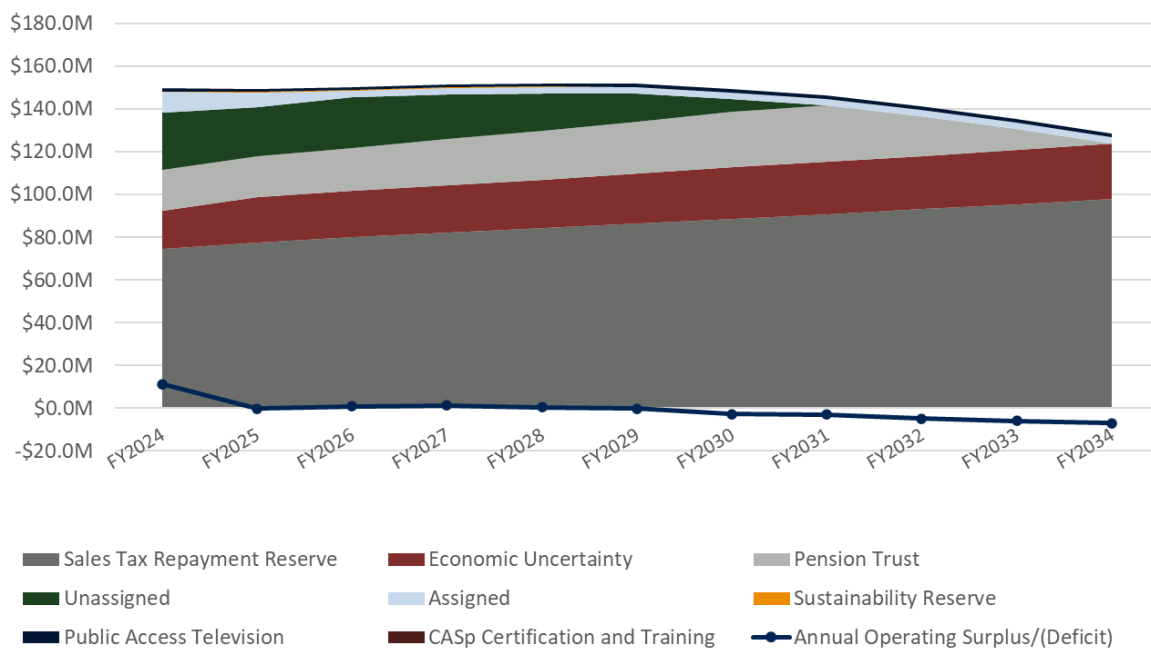
The General Fund's Unassigned fund balance remains healthy and will be able to assist in addressing funding gaps. In addition, the General Fund's Committed and Restricted fund balance includes:

- Sales Tax Repayment Reserve: may be used for potential sales tax repayments to the CDTFA.
- Economic Uncertainty Reserve: may be used to mitigate potential shortfalls.
- Section 115 Pension Trust: may be used to fund pension costs. Funds in the Section 115 Pension Trust are restricted and can only be used to pay CalPERS or reimburse the City for pension contributions.

In FY 2024-25, the General Fund's total fund balance is projected to be \$149.9 million, and the General Fund's Unassigned fund balance is projected to be \$22.8 million. Fund balance is decreasing due to a persistent structural deficit that begins in FY 2028-29, resulting from ongoing expenses exceeding ongoing revenues. To address this, the City intends to utilize the fund balance to cover the shortfall until revenue and expenditure can be brought into alignment.

The Economic Uncertainty Reserve is increasing due to growth in the City's revenues and expenditures. The Sales Tax Repayment Reserve is increasing due to interest earnings. Due to the structural deficit that begins in FY 2028-29, Unassigned and the Pension Trust are drawn down, with Unassigned being completely drawn down by FY 2030-31, and the Pension Trust being completely drawn down by FY 2033-34.

10-Year General Fund Fund Balance and Reserves



GENERAL FUND FUND BALANCE FORECAST (\$ IN THOUSANDS)										
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	Proposed	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Operating Revenue	89,826	92,173	94,764	95,837	98,418	100,962	101,076	101,838	103,891	105,911
Operating Expenditures	89,939	91,318	93,516	95,402	98,624	103,625	103,993	106,780	109,836	112,879
Net Revenues - Expenditures \$	(113)	\$ 855	\$ 1,248	\$ 435	\$ (206)	\$ (2,663)	\$ (2,916)	\$ (4,942)	\$ (5,944)	\$ (6,969)
Unassigned	22,830	23,764	20,871	17,433	12,953	5,920	-	-	-	-
All Other Classifications	127,113	127,035	131,175	135,049	139,323	143,693	146,697	141,755	135,810	128,842
Ending Fund Balance \$	149,943	\$ 150,799	\$ 152,047	\$ 152,482	\$ 152,276	\$ 149,613	\$ 146,697	\$ 141,755	\$ 135,810	\$ 128,842

GENERAL FUND FUND BALANCE FORECAST (\$ IN THOUSANDS)										
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	Proposed	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<u>Nonspendable</u>										
Loans Receivable	435	430	425	420	415	410	405	400	395	390
Prepaid Items										
Total Nonspendable \$	435	\$ 430	\$ 425	\$ 420	\$ 415	\$ 410	\$ 405	\$ 400	\$ 395	\$ 390
<u>Restricted</u>										
CASp Certification and Training	12	12	12	12	12	12	12	12	12	12
Section 115 Trust	19,089	20,282	21,550	22,896	24,327	25,848	26,248	18,613	9,717	-
Public Access Television	1,565	1,565	1,565	1,565	1,565	1,565	1,565	1,565	1,565	1,565
Public Art In-Lieu	-	-	-	-	-	-	-	-	-	-
Total Restricted \$	20,666	\$ 21,859	\$ 23,127	\$ 24,474	\$ 25,905	\$ 27,425	\$ 27,826	\$ 20,191	\$ 11,295	\$ 1,578
<u>Committed</u>										
Economic Uncertainty	21,330	21,543	22,258	22,735	23,475	24,169	24,564	24,992	25,623	25,992
Sales Tax Repayment Reserve	77,555	80,075	82,237	84,293	86,400	88,560	90,774	93,044	95,370	97,754
Capital Projects Reserve	-	-	-	-	-	-	-	-	-	-
Sustainability Reserve	128	128	128	128	128	128	128	128	128	128
Total Committed \$	99,012	\$ 101,745	\$ 104,623	\$ 107,155	\$ 110,003	\$ 112,857	\$ 115,466	\$ 118,164	\$ 121,121	\$ 123,874
<u>Assigned</u>										
Reserve for Encumbrances	7,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Assigned \$	7,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
	-	-	-	-	-	-	-	-	-	-
Total Unassigned \$	22,830	\$ 23,764	\$ 20,871	\$ 17,433	\$ 12,953	\$ 5,920	\$ -	\$ -	\$ -	\$ -
TOTAL FUND BALANCE \$	149,943	\$ 150,799	\$ 152,047	\$ 152,482	\$ 152,276	\$ 149,613	\$ 146,697	\$ 141,755	\$ 135,810	\$ 128,842

Potential Budget-Balancing Strategies

Historically, the City has maintained a structurally sound budget, with revenues surpassing expenditures in most fiscal years. During periods of excess revenue, the City has transferred the surplus fund balance to the Capital Reserve Fund in accordance with the City's Fund Balance and Use of One-Time Funds Policy.

However, the forecast shows a potential structural deficit resulting from the anticipated decrease in sales tax revenue due to the CDTFA audit. A structural deficit occurs when recurring expenditures consistently surpass recurring revenues, leading to an ongoing imbalance that cannot be remedied through short-term solutions.

The City began including these strategies in FY 2018-19 and updates them at least annually or as needed.

Potential Strategy	Description	Potential Impact	Currently Recommended
Section 115 Pension Trust	<p>In FY 2017-18, the City established a Section 115 Pension Trust to mitigate pension rate volatility when CalPERS investment returns are below the discount rate or when CalPERS changes assumptions. The City can also use it to offset pension costs in any given year.</p> <p>The City established a Section 115 Trust to reduce pension rate volatility when CalPERS investment returns are below the discount rate or when CalPERS changes assumptions. The City can also use it to offset pension costs.</p>	The fund has a balance of \$21.6 million. ¹	Yes
Section 115 OPEB Trust	<p>In FY 2009-10, the City established a Section 115 OPEB Trust to help fund its retiree health obligations, also known as other post-employment benefits (OPEB).</p> <p>The OPEB plan is fully funded. Starting in FY 2022-23, retiree health costs will be funded by the OPEB Trust rather than the General Fund.</p>	The fund has a balance of \$39.2 million. ¹	Yes
Sales Tax Repayment Reserve	On October 10, 2023, the Council established a committed Sales Tax Repayment Reserve with an initial allocation of \$56.5 million. This reserve was designed to address a potential adverse CDTFA decision and the uncertain outcome of the anticipated legal challenge.	The reserve has a balance of \$77.6 million. ²	Yes
Economic Uncertainty Reserve	The General Fund Economic Uncertainty Reserve may be used to mitigate potential shortfalls.	The reserve has a balance of \$21.3 million. ²	No

¹ Balance as of March 31, 2024

² Proposed balance as of May 1, 2024

Expenditure Reduction Strategies

Potential Strategy	Description	Potential Impact	Currently Recommended
No new positions	Cost containment strategy	\$0	Yes
Vacancy control	Keep non-essential positions unfilled as they become vacant.	Approximately \$196,000 per position on average	Yes
Employee cost-sharing of increases to CalPERS	Negotiate to share costs of increases to CalPERS employer rates with employees. Would be subject to bargaining unit agreement.	\$250,000 approximate based on a 5% rate increase	No
Defer or eliminate negotiated increases	Would be subject to bargaining unit agreement.	Approximately \$0.4 million savings based on a 1% decrease	No
Furloughs	Employees would take up to a 10% decrease in pay in exchange for 1 unpaid furlough day per pay period. Would be subject to bargaining unit agreement.	Approximately \$4 million savings based on a 10% decrease	No
Reduction in force	Identify positions to be reduced (laid off) based on MOU provisions and service level needs.	Approximately \$196,000 per position on average	No
Reduction in capital outlays and special projects	Cost containment strategy	Up to \$13 million	Yes
Reduction in contingencies	Cost containment strategy	Up to \$340,000	Yes
Defer or cancel capital projects	Cost reduction strategy	Varies	Yes

Revenue Generation Strategies

Potential Strategy	Description	Potential Impact	Currently Recommended
¼ Cent Transaction and Use Tax (TUT)	Voter approval is required Could increase sales tax from 9.125% to 9.375%	\$5.4 million ¹	No
Transient Occupancy Tax (2% increase)	Voter approval is required Could increase transient occupancy tax from 12% to 14%	\$1.25M at \$7.5M base	No
Parcel Tax	Voter approval is required	\$3.7M flat rate per parcel \$3.8M variable rate per square foot	No
Business Operations Tax	Employee count tax	\$4.2 million	No
Increase fees and cost-recovery	Matrix Consulting Group conducted a fee study in 2023. The study assessed the potential for fee increases and cost recovery. The new fee schedule will go to Council in May 2024.	Varies	Yes
Sale of City-owned Properties or Assets	The sale of city-owned assets would generate one-time revenue.	Varies	No

¹ HdL estimate as of July 2023

Development Revenue Estimates

The City's current forecast does not incorporate potential significant development projects that are pending approval and permitting. However, once new development projects receive approvals and permits, staff will update the forecast accordingly.

The table below shows our best estimates of potential development revenue. These figures serve as rough approximations and are intended to give you a general idea of what to expect. The timeline for each project represents the Community Development department's best estimate of when commencement is anticipated. It is crucial to note that these estimates are subject to adjustments as we gather additional information over time.

Year Fee Paid (projects may pay fees in multiple years)											
Project	Fund	Sub-Revenue	2024	2025	2026	2027	2028	2029	2030	Grand Total	
Apple VP1											
Ongoing	General Fund	Property Tax Increase ²		79,000	80,647	82,342	84,032	84,032	85,847	495,900	
Ongoing	General Fund	Sales Tax Increase ³		9,000	9,811	10,078	10,505	10,505	10,810	60,710	
Ongoing	General Fund	Transient Occupancy Tax ⁴								-	
One-time	General Fund	Permit Fees	Inspection/Plan Review	194,577						194,577	
One-time	General Fund	Planning Fee	Advanced Planning Fee	222,930						222,930	
One-time	BMR	Impact Fee	BMR	4,496,925						4,496,925	
One-time	Transportation	Impact Fee	Transportation	2,702,255						2,702,255	
One-time	Park Dedication	Impact Fee	Park	-						-	
One-time	General Fund	Construction Tax		552,753						552,753	
Canyon Crossing											
Ongoing	General Fund	Property Tax Increase			14,000	14,292	14,592	14,892	15,213	87,881	
Ongoing	General Fund	Sales Tax Increase			17,000	18,531	19,036	19,843	20,420	114,674	
Ongoing	General Fund	Transient Occupancy Tax								-	
One-time	General Fund	Permit Fees	Inspection/Plan Review	121,678						121,678	
One-time	General Fund	Planning Fee	Advanced Planning Fee	21,638						21,638	
One-time	BMR	Impact Fee	BMR	-						-	
One-time	Transportation	Impact Fee	Transportation	84,830						84,830	
One-time	Park Dedication	Impact Fee	Park	900,000						900,000	
One-time	General Fund	Construction Tax		39,971						39,971	
Bateh Brother/Alan Row											
Ongoing	General Fund	Property Tax Increase		8,000	8,000	8,167	8,338	8,510	8,510	58,218	
Ongoing	General Fund	Sales Tax Increase								-	
Ongoing	General Fund	Transient Occupancy Tax								-	
One-time	General Fund	Permit Fees	Inspection/Plan Review							-	
One-time	General Fund	Planning Fee	Advanced Planning Fee							-	
One-time	BMR	Impact Fee	BMR							-	
One-time	Transportation	Impact Fee	Transportation							-	
One-time	Park Dedication	Impact Fee	Park							-	
One-time	General Fund	Construction Tax								-	
Marina Plaza											
Ongoing	General Fund	Property Tax Increase			125,000	127,606	130,289	132,961	135,834	784,652	
Ongoing	General Fund	Sales Tax Increase			206,000	224,554	230,677	240,453	247,439	1,389,576	
Ongoing	General Fund	Transient Occupancy Tax								-	
One-time	General Fund	Permit Fees	Inspection/Plan Review	230,473						230,473	
One-time	General Fund	Planning Fee	Advanced Planning Fee	226,480						226,480	
One-time	BMR	Impact Fee	BMR	\$0 (onsite)						-	
One-time	Transportation	Impact Fee	Transportation	792,420						792,420	
One-time	Park Dedication	Impact Fee	Park	10,152,000						10,152,000	
One-time	General Fund	Construction Tax		209,192						209,192	
Westport											
Ongoing	General Fund	Property Tax Increase			127,000	129,648	132,373	135,089	138,007	797,206	
Ongoing	General Fund	Sales Tax Increase			76,000					76,000	
Ongoing	General Fund	Transient Occupancy Tax								-	
One-time	General Fund	Permit Fees	Inspection/Plan Review	210,760						210,760	
One-time	General Fund	Planning Fee	Advanced Planning Fee	15,314						15,314	
One-time	BMR	Impact Fee	BMR							-	
One-time	Transportation	Impact Fee	Transportation							-	
One-time	Park Dedication	Impact Fee	Park							-	
One-time	General Fund	Construction Tax		387,497						387,497	
Hamptons Apartments											
Ongoing	General Fund	Property Tax Increase							253,000	253,000	
Ongoing	General Fund	Sales Tax Increase								-	
Ongoing	General Fund	Transient Occupancy Tax								-	
One-time	General Fund	Permit Fees	Inspection/Plan Review					415,424		415,424	
One-time	General Fund	Planning Fee	Advanced Planning Fee					654,226		654,226	
One-time	BMR	Impact Fee	BMR					128,999		128,999	
One-time	Transportation	Impact Fee	Transportation					1,800,000		1,800,000	
One-time	Park Dedication	Impact Fee	Park					30,805,920		30,805,920	
One-time	General Fund	Construction Tax						860,234		860,234	

De Anza Hotel										
Ongoing	General Fund	Property Tax Increase								47,000
Ongoing	General Fund	Sales Tax Increase								-
Ongoing	General Fund	Transient Occupancy Tax								984,000
One-time	General Fund	Permit Fees	Inspection/Plan Review						115,730	115,730
One-time	General Fund	Planning Fee	Advanced Planning Fee						107,740	107,740
One-time	BMR	Impact Fee	BMR						2,095,377	2,095,377
One-time	Transportation	Impact Fee	Transportation						577,840	577,840
One-time	Park Dedication	Impact Fee	Park						-	-
One-time	General Fund	Construction Tax							100,589	100,589
1655 S. De Anza										
Ongoing	General Fund	Property Tax Increase								
Ongoing	General Fund	Sales Tax Increase								
Ongoing	General Fund	Transient Occupancy Tax								
One-time	General Fund	Permit Fees	Inspection/Plan Review			107,517				
One-time	General Fund	Planning Fee	Advanced Planning Fee			36,993				
One-time	BMR	Impact Fee	BMR	-	-	-	-	-	-	-
One-time	Transportation	Impact Fee	Transportation			97,734				
One-time	Park Dedication	Impact Fee	Park			1,740,000				
One-time	General Fund	Construction Tax				61,562				
Cupertino Village										
Ongoing	General Fund	Property Tax Increase								43,000
Ongoing	General Fund	Sales Tax Increase								-
Ongoing	General Fund	Transient Occupancy Tax								1,174,000
One-time	General Fund	Permit Fees	Inspection/Plan Review						109,531	109,531
One-time	General Fund	Planning Fee	Advanced Planning Fee						88,985	88,985
One-time	BMR	Impact Fee	BMR						1,849,765	1,849,765
One-time	Transportation	Impact Fee	Transportation						689,680	689,680
One-time	Park Dedication	Impact Fee	Park						-	-
One-time	General Fund	Construction Tax							94,890	94,890
Vallco										
Ongoing	General Fund	Property Tax Increase								1,538,000
Ongoing	General Fund	Sales Tax Increase								1,621,000
Ongoing	General Fund	Transient Occupancy Tax								-
One-time	General Fund	Permit Fees	Inspection/Plan Review						4,136,525	4,136,525
One-time	General Fund	Planning Fee	Advanced Planning Fee						1,886,668	
One-time	BMR	Impact Fee	BMR						-	-
One-time	Transportation	Impact Fee	Transportation						-	-
One-time	Park Dedication	Impact Fee	Park						-	-
One-time	General Fund	Construction Tax							1,865,553	1,865,553
TOTAL ALL PROJECTS										
Ongoing	General Fund	Property Tax Increase		8,000	353,000	360,361	367,935	375,483	375,483	2,264,594
Ongoing	General Fund	Sales Tax Increase		-	308,000	252,896	259,791	270,802	270,802	1,899,669
Ongoing	General Fund	Transient Occupancy Tax		-	-	-	-	-	-	2,158,000
One-time	General Fund	Permit Fees	Inspection/Plan Review	757,488	-	-	-	-	4,777,210	5,534,698
One-time	General Fund	Planning Fee	Advanced Planning Fee	486,362	-	-	-	-	2,737,619	3,223,981
One-time	BMR	Impact Fee	BMR	4,496,925	-	-	-	-	4,074,141	8,571,066
One-time	Transportation	Impact Fee	Transportation	3,579,505	-	-	-	-	3,067,520	6,647,025
One-time	Park Dedication	Impact Fee	Park	11,052,000	-	-	-	-	30,805,920	41,857,920
One-time	General Fund	Construction Tax		1,189,413	-	-	-	-	2,921,266	4,110,679
Total Ongoing				8,000	661,000	613,256	627,726	646,285	646,285	6,322,263
Total One-Time				21,561,693	-	-	-	-	48,383,676	69,945,369

* These estimates are intended to provide a general idea and should be considered rough approximations. The timing of projects represents the Community Development department's best estimate of when a project is anticipated to commence. It's important to note that these estimates are subject to change as additional information becomes available.

** The estimate assumes an increased value of the improvements but not an increased value of the land. The increased value of the improvements is based on the number of bedrooms for residential properties and square footage for hotels, retail, or office properties. The average market values of residential properties are from Zillow.

³ The estimate is calculated by multiplying the proposed retail square footage by the average sales tax revenue per square foot of retail from HdL 2023 Q1 Sales Tax Reports.

⁴ The estimate is calculated by multiplying the number of proposed rooms in the hotel by the RevPAR (Revenue Per Occupied Room) and Transient Occupancy Tax rate (12%). RevPAR is the Average Daily Rate (ADR) multiplied by the Occupancy Rate. The average ADR and Occupancy Rate over the last year for hotels in Cupertino are from HdL.

This page intentionally left blank.

Council and Commissions

This page intentionally left blank.

Department Overview

Budget Units

Budget Unit	Program	2025 Proposed Budget
City Council		\$ 646,419
100-10-100	City Council	\$ 546,800
100-10-101	Community Funding	\$ 608
100-10-104	Historical Society	\$ 40,000
100-10-110	Sister Cities	\$ 59,011
Commissions		\$ 432,949
100-11-131	Technology, Information & Communications Commission	\$ 23,351
100-11-140	Library Commission	\$ 27,848
100-11-142	Arts and Culture Commission	\$ 29,986
100-11-150	Public Safety Commission	\$ 36,569
100-11-155	Bicycle and Pedestrian Commission	\$ 40,421
100-11-160	Parks and Recreation Commission	\$ 26,481
100-11-165	Teen Commission	\$ 15,571
100-11-170	Planning Commission	\$ 122,410
100-11-175	Housing Commission	\$ 60,997
100-11-180	Sustainability Commission	\$ 17,744
100-11-190	Audit Committee	\$ 31,571
Total		\$ 1,079,368

Budget at a Glance

2025 Proposed Budget

Total Revenues	\$ 104,305
Total Expenditures	\$ 1,079,368
Fund Balance	\$ -
General Fund Costs	\$ 975,063
% Funded by General Fund	90.3%
Total Staffing	7.2 FTE

Organization

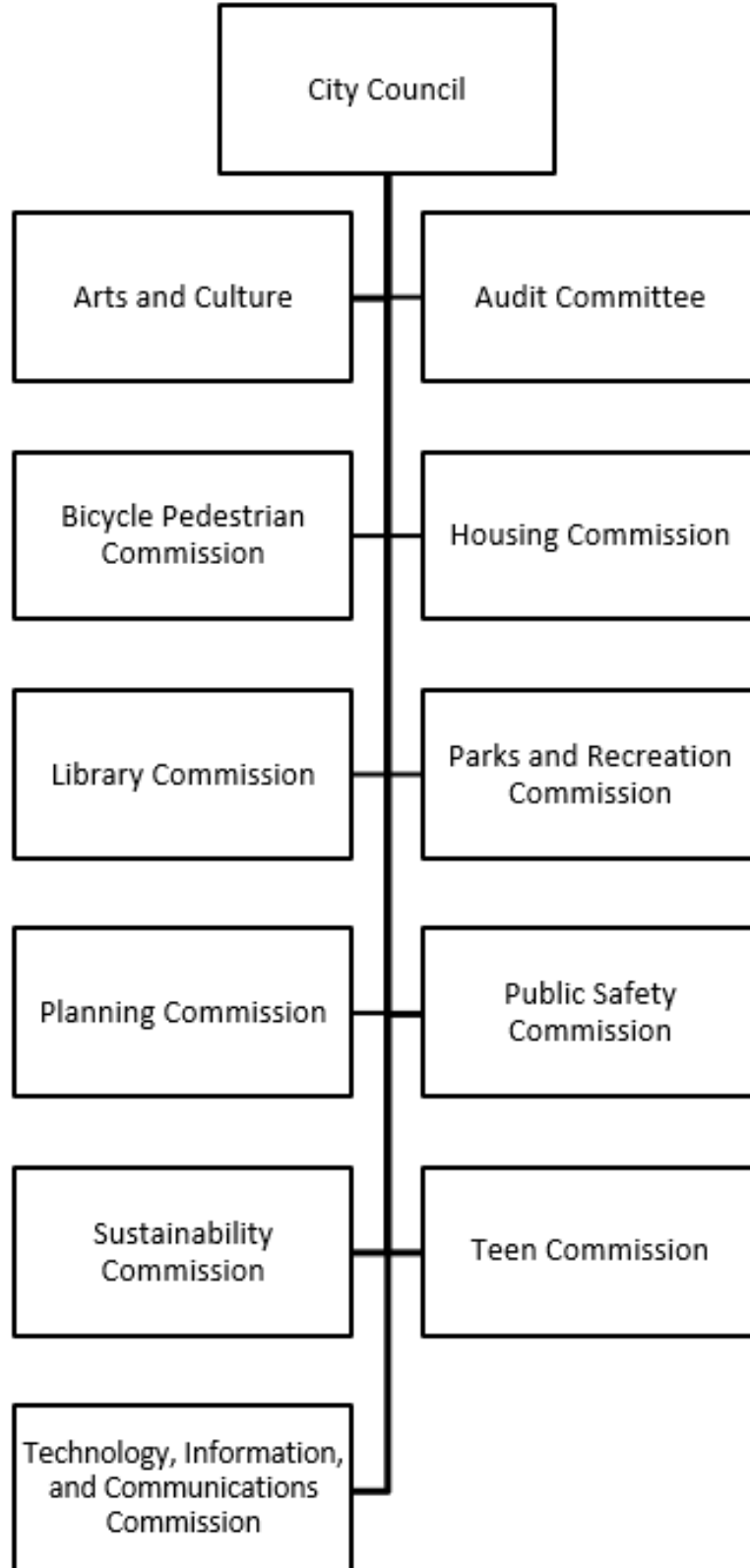
Sheila Mohan, Mayor

J.R. Fruen, Vice Mayor

Liang Chao, Council Member

Kitty Moore, Council Member

Hung Wei, Council Member



Proposed Budget

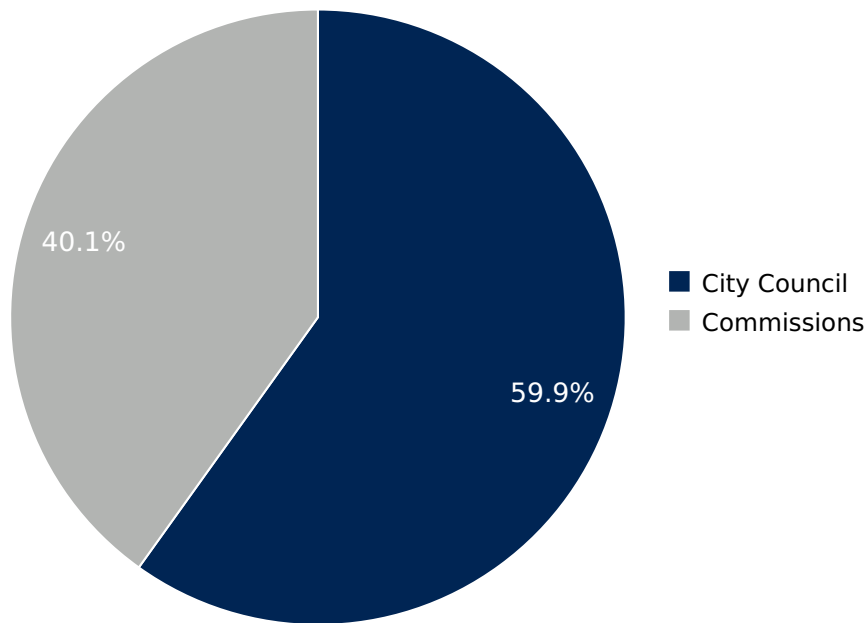
It is recommended that City Council approve a budget of \$1,079,368 for the Council and Commissions department. This represents a decrease of \$89,933 (-7.7%) from the FY 2023-24 Adopted Budget.

The decrease is primarily due to the reallocation of positions in various programs, the exclusion of Community Funding as the City Council will not consider these requests until their May 21, 2024 meeting, and updates to the Cost Allocation Plan (CAP) charges that occurred this year. These reductions are offset by increased health costs due to negotiated increases.

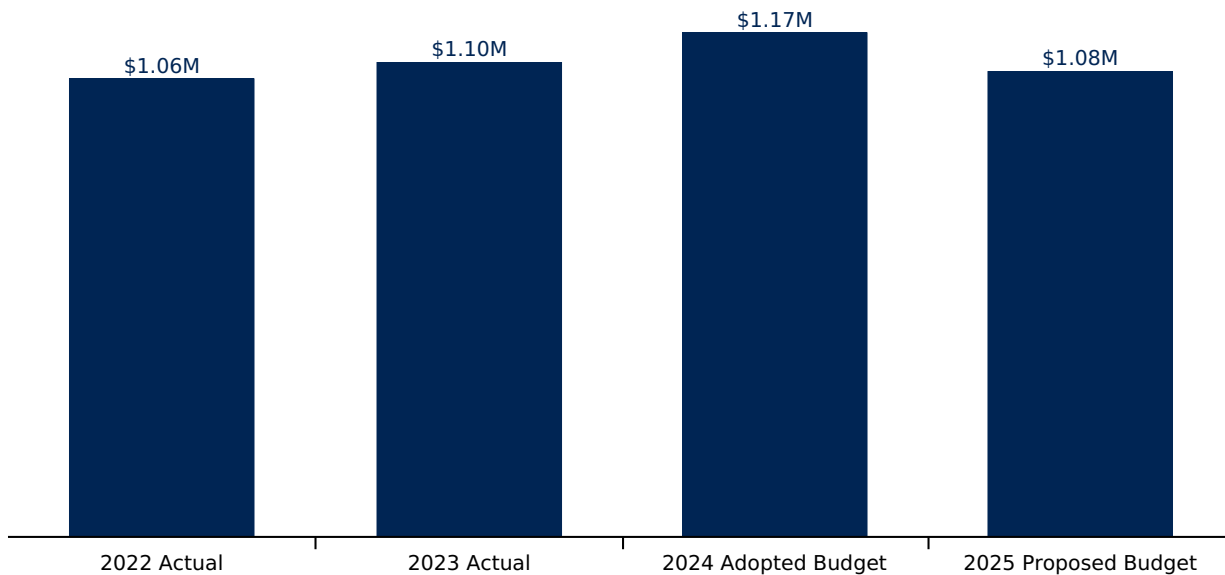
The following table illustrates the Service-Level Reductions for the department.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Commission Expenses	\$(468)	Reduction aligns with budget actuals
Operations and Maintenance	Reduce Commission Expenses	\$(1,855)	Reduced budget for Teen Commission
Total		\$(2,323)	

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 1,054,877	\$ 830,532	\$ 827,983	\$ 104,305
Miscellaneous Revenue	\$ 1,251	\$ -	\$ -	\$ -
Transfers In	\$ 82,396	\$ -	\$ -	\$ -
Total Revenues	\$ 1,138,524	\$ 830,532	\$ 827,983	\$ 104,305
Expenditures				
Employee Compensation	\$ 328,386	\$ 326,585	\$ 359,253	\$ 339,760
Employee Benefits	\$ 214,198	\$ 195,869	\$ 238,316	\$ 257,659
Materials	\$ 121,075	\$ 142,479	\$ 161,259	\$ 133,358
Contract Services	\$ 137,954	\$ 164,201	\$ 133,320	\$ 97,326
Cost Allocation	\$ 260,845	\$ 271,261	\$ 273,620	\$ 248,971
Contingencies	\$ 7	\$ -	\$ 3,533	\$ 2,294
Total Expenditures	\$ 1,062,465	\$ 1,100,395	\$ 1,169,301	\$ 1,079,368
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (76,059)	\$ 269,864	\$ 341,318	\$ 975,063

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.50	0.50	0.40	0.40
ASSISTANT ENGINEER	0	0	0	0.10
ASST DIR RECREATION COMM SVCS	0.05	0.15	0	0
CHIEF TECHNOLOGY OFFICER	0.02	0.02	0.02	0.02
COMMS AND MARKETING COORDINATOR	0	0	0	0.15
COMMUNITY OUTREACH SPECIALIST	0.10	0.10	0.10	0.10
COUNCIL MEMBER	5.00	5.00	5.00	5.00
DIRECTOR OF COMM DEVELOPMENT	0.06	0.06	0.06	0.06
DIRECTOR OF PARKS REC	0.05	0.05	0	0
EMERGENCY MANAGER	0	0	0.05	0.05
EMERGENCY SERVICES COORDINATOR	0.05	0.05	0	0
ENV. PROGRAMS SPECIALIST	0	0	0	0.05
EXEC ASST TO THE CITY COUNCIL	0.50	0.50	0.50	0.50
FINANCE MANAGER	0.05	0.05	0.05	0.05
MANAGEMENT ANALYST	0.10	0.10	0.20	0.10
PLANNING MANAGER	0.10	0.10	0.10	0
PUBLIC INFORMATION OFFICER	0.15	0.15	0.15	0
RECREATION COORDINATOR	0.45	0	0	0
RECREATION MANAGER	0	0.10	0.15	0.15
RECREATION SUPERVISOR	0.05	0	0	0
SENIOR HOUSING COORDINATOR	0	0	0	0.20
SENIOR PLANNER	0	0	0.10	0.10
SR OFFICE ASSISTANT	0.20	0.20	0.20	0.20
SUSTAINABILITY MANAGER	0.05	0.05	0.05	0
TRANSPORTATION MANAGER	0.10	0.10	0.10	0
Total	7.58	7.28	7.23	7.23

City Council

Budget Unit 100-10-100

General Fund - City Council - City Council

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 104,305
Total Expenditures	\$ 546,800
Fund Balance	\$ -
General Fund Costs	\$ 442,495
% Funded by General Fund	80.9%
Total Staffing	5.9 FTE

Program Overview

The Mayor and Councilmembers, acting as the elected representatives of the residents of Cupertino, establish public policies to meet the community needs of the City. This budget includes funding of \$10,000 for the Mayor's Fund and \$2,500 for fee waivers for the City Council members.

Service Objectives

The City Council objectives are carried out by City staff under the sole direction of the City Manager.

Proposed Budget

It is recommended that City Council approve a budget of \$546,800 for the City Council program. This represents an increase of \$115,407 (26.8%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses and increased health care costs due to negotiated increases. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 1,054,877	\$ 830,532	\$ 827,983	\$ 104,305
Miscellaneous Revenue	\$ 1,251	\$ -	\$ -	\$ -
Total Revenues	\$ 1,056,128	\$ 830,532	\$ 827,983	\$ 104,305
Expenditures				
Employee Compensation	\$ 118,793	\$ 148,303	\$ 149,862	\$ 148,580
Employee Benefits	\$ 121,999	\$ 131,806	\$ 143,301	\$ 167,750
Materials	\$ 92,438	\$ 112,595	\$ 108,303	\$ 108,890
Contract Services	\$ 7,086	\$ 33,125	\$ 28,220	\$ 24,110
Cost Allocation	\$ -	\$ -	\$ -	\$ 95,807
Contingencies	\$ -	\$ -	\$ 1,707	\$ 1,663
Total Expenditures	\$ 340,316	\$ 425,829	\$ 431,393	\$ 546,800
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (715,812)	\$ (404,703)	\$ (396,590)	\$ 442,495

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
COMMS AND MARKETING COORDINATOR	0	0	0	0.10
COMMUNITY OUTREACH SPECIALIST	0.10	0.10	0.10	0.10
COUNCIL MEMBER	5.00	5.00	5.00	5.00
EXEC ASST TO THE CITY COUNCIL	0.50	0.50	0.50	0.50
PUBLIC INFORMATION OFFICER	0.10	0.10	0.10	0
SR OFFICE ASSISTANT	0.15	0.15	0.15	0.20
Total	5.85	5.85	5.85	5.90

Staff is being reallocated to better reflect actual time spent in this program.

Community Funding

Budget Unit 100-10-101

General Fund - City Council - Community Funding

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 608
Fund Balance	\$ -
General Fund Costs	\$ 608
% Funded by General Fund	100.0%
Total Staffing	FTE

Program Overview

The Community Funding program provides funding for various community activities and community-based organizations throughout the fiscal year.

Service Objectives

- Provide funding to local non-profit organizations in the areas of social services, fine arts and other programs for the general public.
- Grant funding requests in a fair and equitable manner.
- Grant funding requests per the updated Community Funding Policy revised and adopted by City Council on November 15, 2022.

Proposed Budget

It is recommended that City Council approve a budget of \$608 for the Community Funding program. This represents a decrease of \$34,965 (-98.3%) from the FY 2023-24 Adopted Budget.

The decrease is primarily due to the exclusion of community funding dollars due to the timing of the request not being presented to City Council until May 21, 2024. Any funding approved will be included in the adopted budget.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Transfers In	\$ 82,396	\$ -	\$ -	\$ -
Total Revenues	\$ 82,396	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 115,900	\$ 109,460	\$ 32,500	\$ -
Cost Allocation	\$ 2,259	\$ 2,270	\$ 2,267	\$ 608
Contingencies	\$ -	\$ -	\$ 806	\$ -
Total Expenditures	\$ 118,159	\$ 111,730	\$ 35,573	\$ 608
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 35,763	\$ 111,730	\$ 35,573	\$ 608

Staffing

There is no staffing associated with this program.

Historical Society

Budget Unit 100-10-104

General Fund - City Council - Historical Society

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 40,000
Fund Balance	\$ -
General Fund Costs	\$ 40,000
% Funded by General Fund	100.0%
Total Staffing	FTE

Program Overview

The City has executed a Grant Funding and License Agreement with the Cupertino Historical Society, approved by City Council on October 4, 2022. The Agreement is set for three years, with an option to extend for another two. During this term the City is providing an annual grant amount of \$40,000 and a license to utilize space at the Quinlan Community Center to the Cupertino Historical Society. In return, the Cupertino Historical Society will continue to manage and operate the Historical Museum, commit to the Service Objectives highlighted below, and other terms and conditions highlighted in the Agreement. The grant amount has been separated into this program for increased transparency.

Service Objectives

- Collections Management - Professionally manage archive of over 5,000 objects. Sample activities include cataloging, rehousing objects, collections research, object paperwork and assessment, collections inventory, collections digitizing, condition reports, pest remediation, etc.
- Curatorial/Exhibitions - Provide 3-5 professionally curated exhibits/pop-up exhibits annually that relate to the mission of the museum and interests of the community.
- Community Outreach - Museum open houses during City festivals and fairs; QCC Preschool Events with Crafts; Special Exhibits at various locations around Cupertino (Cupertino Library, Baer Blacksmith Shop, Other Local Organizations); Traveling Trunk; Quarterly Speaker Series; Community Action Committee; Oral History Events; History Happy Hours; Volunteer and Internship opportunities for anyone ages 16+; Reading Groups

Proposed Budget

It is recommended that City Council approve a budget of \$40,000 for the Historical Society program. This budget is unchanged from the prior year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ -	\$ -	\$ 40,000	\$ 40,000
Total Expenditures	\$ -	\$ -	\$ 40,000	\$ 40,000
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ 40,000	\$ 40,000

Staffing

There is no staffing associated with this program.

Sister Cities

Budget Unit 100-10-110

General Fund - City Council - Sister Cities

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 59,011
Fund Balance	\$ -
General Fund Costs	\$ 59,011
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

Cupertino has four active sister cities registered with Sister Cities International; Toyokawa, Japan; Hsinchu, Taiwan; Copertino, Italy; and Bhubaneswar, India.

Service Objectives

- To further international communication and understanding through the Sister City Program
- To foster educational, technical, economic and cultural exchanges
- To encourage student exchange programs to promote communication and understanding among people of different cultures

Proposed Budget

It is recommended that City Council approve a budget of \$59,011 for the Sister Cities program. This represents a decrease of \$14,075 (-19.3%) from the FY 2023-24 Adopted Budget.

The decrease is primarily due to reduction in staff and level of staff to support this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 11,095	\$ 8,883	\$ 12,533	\$ 6,550
Employee Benefits	\$ 4,320	\$ 3,003	\$ 5,957	\$ 3,967
Materials	\$ 1,210	\$ 810	\$ 15,680	\$ 8,887
Contract Services	\$ 2,825	\$ 11,347	\$ 20,000	\$ 20,000
Cost Allocation	\$ 31,921	\$ 19,459	\$ 18,520	\$ 19,246
Contingencies	\$ -	\$ -	\$ 396	\$ 361
Total Expenditures	\$ 51,371	\$ 43,502	\$ 73,086	\$ 59,011
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 51,371	\$ 43,502	\$ 73,086	\$ 59,011

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
COMMS AND MARKETING COORDINATOR	0	0	0	0.05
PUBLIC INFORMATION OFFICER	0.05	0.05	0.05	0
SR OFFICE ASSISTANT	0.05	0.05	0.05	0
Total	0.10	0.10	0.10	0.05

Staff is being reallocated to better reflect actual time spent in this program.

Technology, Information & Communications Commission

Budget Unit 100-11-131

General Fund - Commissions - Technology, Information & Communications Commission

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 23,351
Fund Balance	\$ -
General Fund Costs	\$ 23,351
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Technology, Information & Communications Commission (TICC) advises the City Council and informs the community about issues relating to the rapidly changing fields of communication and technology. Commissioners also serve as a resource for the Planning Commission in offering technical guidance for antenna sightings. The Chief Technology Officer serves as staff liaison. The commission also supports public and educational access to cable services.

Service Objectives

- Continue to work with appropriate companies in bringing advanced services to interested residents.
- Monitor AT&T and Comcast services and revenue.
- Negotiate and manage public access provider KMVT to ensure maximum programming value for Cupertino residents.
- Work with Community Development and Public Works regarding antenna placement and negotiate agreements for communication services that serve Cupertino.

Proposed Budget

It is recommended that City Council approve a budget of \$23,351 for the Technology, Information & Communications Commission program. This represents a decrease of \$12,279 (-34.5%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 10,365	\$ 11,291	\$ 11,795	\$ 11,757
Employee Benefits	\$ 3,748	\$ 3,348	\$ 5,026	\$ 5,226
Materials	\$ 740	\$ 187	\$ 318	\$ 400
Cost Allocation	\$ 16,056	\$ 18,183	\$ 18,487	\$ 5,963
Contingencies	\$ -	\$ -	\$ 4	\$ 5
Total Expenditures	\$ 30,909	\$ 33,009	\$ 35,630	\$ 23,351
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 30,909	\$ 33,010	\$ 35,630	\$ 23,351

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.05	0.05	0	0
CHIEF TECHNOLOGY OFFICER	0.02	0.02	0.02	0.02
MANAGEMENT ANALYST	0	0	0.05	0.05
Total	0.07	0.07	0.07	0.07

There are no changes to the current level of staffing.

Library Commission

Budget Unit 100-11-140

General Fund - Commissions - Library Commission

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 27,848
Fund Balance	\$ -
General Fund Costs	\$ 27,848
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Library Commission is a five-member commission appointed by the City Council to review and make recommendations related to the operations and services of the Cupertino Library. The Cupertino Library is operated by Santa Clara County Library Services. The building is provided by the City of Cupertino. County Library management serve as Commission staff and a Parks and Recreation Department Recreation Manager serves as the City staff liaison.

Service Objectives

- Monitor the various service activities of the library and make recommendations for improvements to appropriate bodies.
- Support library advocacy groups, including Friends of the Cupertino Library and Cupertino Library Foundation.
- Consult with and act as liaison with private community groups supportive of Library programs.
- Represent the Cupertino library in the local community.
- Participate in state and local library workshops and conferences.
- Participate in the long-range planning of quality library services for the City.
- Continue library advocacy in Cupertino activities and with other organizations.
- Coordinate and implement the biennial Cupertino Poet Laureate program and provide staff support and City resources to sustain the program.
- Continue emphasis on integrating additional technology into library services.

Proposed Budget

It is recommended that City Council approve a budget of \$27,848 for the Library Commission program. This represents a decrease of \$15,111 (-35.2%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Commission Expenses	\$(468)	Reduction aligns with budget actuals.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 15,404	\$ 19,956	\$ 12,526	\$ 12,402
Employee Benefits	\$ 6,887	\$ 8,268	\$ 6,060	\$ 6,690
Materials	\$ 307	\$ 53	\$ 68	\$ 11
Contract Services	\$ 2,143	\$ 269	\$ 2,000	\$ 2,000
Cost Allocation	\$ 15,562	\$ 32,894	\$ 22,279	\$ 6,720
Contingencies	\$ -	\$ -	\$ 26	\$ 25
Total Expenditures	\$ 40,303	\$ 61,440	\$ 42,959	\$ 27,848
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 40,303	\$ 61,440	\$ 42,959	\$ 27,848

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.05	0.05	0.05	0.05
ASST DIR RECREATION COMM SVCS	0.05	0	0	0
RECREATION MANAGER	0	0.05	0.05	0.05
RECREATION SUPERVISOR	0.05	0	0	0
Total	0.15	0.10	0.10	0.10

There are no changes to the current level of staffing.

Arts and Culture Commission

Budget Unit 100-11-142

General Fund - Commissions - Arts and Culture Commission

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 29,986
Fund Balance	\$ -
General Fund Costs	\$ 29,986
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Arts and Culture Commission is a five-member commission appointed by the City Council to foster, encourage and assist the realization, preservation and advancement of fine arts for the benefit of the citizens of Cupertino. At the end of Fiscal Year 2023-2024, the Senior Planner of Community Development serves as the staff liaison.

Service Objectives

- Act as a catalyst for the promotion of fine arts activities and provide liaison and coordination between fine arts activities, groups, and facilities.
- Enhance the interaction between arts and businesses through personal outreach.
- Review and approve public art proposals and Art in Lieu fees.
- Review and select deserving artists in recognition of local talent through the Distinguished, Emerging, and Young Artist Awards.
- Encourage and facilitate "art in unexpected places" throughout the City.

Proposed Budget

It is recommended that City Council approve a budget of \$29,986 for the Arts and Culture Commission program. This represents a decrease of \$11,526 (-27.8%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 8,751	\$ -	\$ 15,613	\$ 15,382
Employee Benefits	\$ 5,784	\$ (845)	\$ 5,914	\$ 5,924
Materials	\$ 3,249	\$ 3,453	\$ 4,089	\$ 2,039
Cost Allocation	\$ 25,149	\$ 16,128	\$ 15,845	\$ 6,641
Contingencies	\$ 7	\$ -	\$ 51	\$ -
Total Expenditures	\$ 42,940	\$ 18,736	\$ 41,512	\$ 29,986
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 42,939	\$ 18,736	\$ 41,512	\$ 29,986

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ASST DIR RECREATION COMM SVCS	0	0.15	0	0
RECREATION COORDINATOR	0.15	0	0	0
SENIOR PLANNER	0	0	0.10	0.10
Total	0.15	0.15	0.10	0.10

There are no changes to the current level of staffing.

Public Safety Commission

Budget Unit 100-11-150

General Fund - Commissions - Public Safety Commission

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 36,569
Fund Balance	\$ -
General Fund Costs	\$ 36,569
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Public Safety Commission (PSC), a five-member board appointed by the City Council, assists the Council by advising on matters pertaining to safety, traffic, police, fire and other areas wherein the matter of public safety may be of concern.

Service Objectives

- Advise the City Council on safety issues and concerns.
- Promote public education programs concerning safety issues.
- Provide assistance in implementing public safety programs approved by the City Council.

Proposed Budget

It is recommended that City Council approve a budget of \$36,569 for the Public Safety Commission program. This represents a decrease of \$10,824 (-22.8%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 7,227	\$ 8,136	\$ 9,583	\$ 9,440
Employee Benefits	\$ 3,801	\$ 3,520	\$ 4,559	\$ 4,885
Materials	\$ 1,454	\$ 4,846	\$ 6,143	\$ 6,143
Contract Services	\$ 10,000	\$ 10,000	\$ 10,600	\$ 10,600
Cost Allocation	\$ 8,933	\$ 12,496	\$ 16,299	\$ 5,292
Contingencies	\$ -	\$ -	\$ 209	\$ 209
Total Expenditures	\$ 31,415	\$ 38,998	\$ 47,393	\$ 36,569
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 31,415	\$ 38,998	\$ 47,393	\$ 36,569

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
EMERGENCY MANAGER	0	0	0.05	0.05
EMERGENCY SERVICES COORDINATOR	0.05	0.05	0	0
Total	0.05	0.05	0.05	0.05

There are no changes to the current level of staffing.

Bicycle and Pedestrian Commission

Budget Unit 100-11-155

General Fund - Commissions - Bicycle and Pedestrian Commission

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 40,421
Fund Balance	\$ -
General Fund Costs	\$ 40,421
% Funded by General Fund	100.0%
Total Staffing	0.2 FTE

Program Overview

The Bicycle and Pedestrian Commission (BPC) is a five-member board appointed by the City Council, which assists the Council by reviewing, monitoring, and making recommendations on City transportation matters pertaining to bicycle and pedestrian traffic, parking, education, and recreation within Cupertino. The City's Transportation Manager serves as staff liaison.

Service Objectives

- Review and make recommendations on City transportation infrastructure, development standards, public and private development projects, and citizen outreach and education efforts as they affect bicycle and pedestrian traffic in the City of Cupertino.
- Promote safe, efficient, and enjoyable travel for bicycle and pedestrian traffic within Cupertino.

Proposed Budget

It is recommended that City Council approve a budget of \$40,421 for the Bicycle and Pedestrian Commission program. This represents a decrease of \$22,294 (-35.5%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses and the reallocation of staff supporting this program. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 24,762	\$ 27,443	\$ 27,282	\$ 19,919
Employee Benefits	\$ 12,022	\$ 9,640	\$ 11,434	\$ 9,654
Materials	\$ 131	\$ -	\$ 223	\$ 223
Contract Services	\$ -	\$ -	\$ -	\$ 616
Cost Allocation	\$ 10,706	\$ 24,809	\$ 23,773	\$ 9,999
Contingencies	\$ -	\$ -	\$ 3	\$ 10
Total Expenditures	\$ 47,621	\$ 61,892	\$ 62,715	\$ 40,421
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 47,621	\$ 61,892	\$ 62,715	\$ 40,421

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.05	0.05	0.05	0.05
ASSISTANT ENGINEER	0	0	0	0.10
TRANSPORTATION MANAGER	0.10	0.10	0.10	0
Total	0.15	0.15	0.15	0.15

Staff is being reallocated to better reflect actual time spent in this program.

Parks and Recreation Commission

Budget Unit 100-11-160

General Fund - Commissions - Parks and Recreation Commission

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 26,481
Fund Balance	\$ -
General Fund Costs	\$ 26,481
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Parks and Recreation Commission is a five-member commission appointed by the City Council to make recommendations pertaining to parks, recreation, and community services. A Parks and Recreation Department Recreation Manager serves as staff liaison.

Service Objectives

- Engage with the public by attending Parks and Recreation Events.
- Consider public input regarding parks projects.
- To make, in its advisory capacity, any and all recommendations to the City Council regarding parks projects.
- Provide feedback to the department on related programs and events.
- To consider, formulate, and propose cultural activities and historical preservation for the City and its residents.
- Serve as ambassadors for the Parks and Recreation Department.

Proposed Budget

It is recommended that City Council approve a budget of \$26,481 for the Parks and Recreation Commission program. This represents a decrease of \$12,369 (-31.8%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 14,314	\$ 14,225	\$ 12,603	\$ 13,129
Employee Benefits	\$ 4,407	\$ 5,457	\$ 5,069	\$ 6,840
Materials	\$ 90	\$ -	\$ 11	\$ 11
Cost Allocation	\$ 24,945	\$ 20,182	\$ 21,167	\$ 6,501
Total Expenditures	\$ 43,756	\$ 39,864	\$ 38,850	\$ 26,481
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 43,756	\$ 39,864	\$ 38,850	\$ 26,481

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.05	0.05	0.05	0.05
DIRECTOR OF PARKS REC	0.05	0.05	0	0
RECREATION MANAGER	0	0	0.05	0.05
Total	0.10	0.10	0.10	0.10

There are no changes to the current level of staffing.

Teen Commission

Budget Unit 100-11-165

General Fund - Commissions - Teen Commission

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 15,571
Fund Balance	\$ -
General Fund Costs	\$ 15,571
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Teen Commission is comprised of nine teens representing grades 8-11. The Teen Commission advises the City Council and staff on teen issues. A Parks and Recreation Department Recreation Manager serves as the staff liaison.

Service Objectives

- Engage the public in dialogue regarding the design of new teen programs and make recommendations regarding these projects to City staff.
- Assist staff with the evaluation of teen programming.
- Work with staff and the public to create new avenues to interact with teens.

Proposed Budget

It is recommended that City Council approve a budget of \$15,571 for the Teen Commission program. This represents a decrease of \$26,895 (-63.3%) from the FY 2023-24 Adopted Budget.

The decrease is mainly due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Commission Expenses	\$(1,855)	Reduced budget for Teen Commission.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 31,766	\$ 6,882	\$ 7,343	\$ 7,590
Employee Benefits	\$ 14,694	\$ 2,600	\$ 2,767	\$ 2,891
Materials	\$ 220	\$ 828	\$ 2,140	\$ 285
Cost Allocation	\$ 31,971	\$ 29,226	\$ 30,189	\$ 4,801
Contingencies	\$ -	\$ -	\$ 27	\$ 4
Total Expenditures	\$ 78,651	\$ 39,536	\$ 42,466	\$ 15,571
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 78,652	\$ 39,536	\$ 42,466	\$ 15,571

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
RECREATION COORDINATOR	0.30	0	0	0
RECREATION MANAGER	0	0.05	0.05	0.05
Total	0.30	0.05	0.05	0.05

There are no changes to the current level of staffing.

Planning Commission

Budget Unit 100-11-170

General Fund - Commissions - Planning Commission

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 122,410
Fund Balance	\$ -
General Fund Costs	\$ 122,410
% Funded by General Fund	100.0%
Total Staffing	0.3 FTE

Program Overview

The Planning Commission is a five-member citizen board appointed by the City Council. The functions of the Planning Commission are as follows:

- Advise the City Council on land use and development policy related to the General Plan;
- Implement the General Plan through review and administration of specific plans and related ordinances;
- Review land use applications for conformance with the General Plan and ordinances; and
- Promote the coordination of local plans and programs with regional and other agencies.

Service Objectives

- Conduct periodic reviews of the General Plan. These reviews test the fundamental goals and measure the performance of short-term objectives.
- Conduct public hearings for approximately 80 land development applications every year. Ensure that decisions are made fairly and expeditiously in accordance with adopted General Plan policies, zoning ordinances, development plans, and design guidelines.
- Review specific plans, zoning ordinance amendments, and amendments to the General Plan and make recommendations to Council.
- Serve on the Planning Commission Design Review Committee, the Environmental Review Committee, and in an advisory role to the Housing Commission and Economic Development Committee.

Proposed Budget

It is recommended that City Council approve a budget of \$122,410 for the Planning Commission program. This represents an increase of \$4,755 (4.0%) from the FY 2023-24 Adopted Budget.

This is due to an increase in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. The increase is offset by a reduction in material costs for this budget.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 33,901	\$ 33,992	\$ 36,403	\$ 36,723
Employee Benefits	\$ 12,208	\$ 11,429	\$ 18,046	\$ 17,459
Materials	\$ 20,172	\$ 17,600	\$ 22,215	\$ 4,900
Cost Allocation	\$ 37,520	\$ 35,427	\$ 40,713	\$ 63,328
Contingencies	\$ -	\$ -	\$ 278	\$ -
Total Expenditures	\$ 103,801	\$ 98,448	\$ 117,655	\$ 122,410
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 103,801	\$ 98,448	\$ 117,655	\$ 122,410

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.20	0.20	0.20	0.20
DIRECTOR OF COMM DEVELOPMENT	0.06	0.06	0.06	0.06
Total	0.26	0.26	0.26	0.26

There are no changes to the current level of staffing.

Housing Commission

Budget Unit 100-11-175

General Fund - Commissions - Housing Commission

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 60,997
Fund Balance	\$ -
General Fund Costs	\$ 60,997
% Funded by General Fund	100.0%
Total Staffing	0.3 FTE

Program Overview

The Cupertino Housing Commission (CHC) is a five-member board appointed by the City Council to assist the Planning Commission and the City Council in developing housing policies and strategies for implementation of General Plan Housing Element goals. The Commission also oversees the Community Development Block Grant (CDBG) program.

Service Objectives

- Assist the Planning Commission and the City Council in developing housing policies and strategies for implementation of general plan housing element goals;
- Recommend policies for implementation and monitoring of affordable housing projects;
- Facilitate innovative approaches to affordable housing development and to generate ideas and interest in pursuing a variety of housing options;
- When requested by the Director of Community Development or the City Council, to make recommendations to the Planning Commission and the City Council regarding affordable housing proposals in connection with applications for development.
- Make recommendations regarding requests for money from the CDBG and Affordable Housing Funds;
- Provide information about affordable housing;
- Meet with neighborhood, community, regional and business groups as necessary to receive input and assist in generating affordable housing;
- Help identify sources of funds to develop and build affordable housing; and
- Perform any other advisory functions authorized by the City Council.

Proposed Budget

It is recommended that City Council approve a budget of \$60,997 for the Housing Commission program. This represents a decrease of \$380 (-0.6%) from the FY 2023-24 Adopted Budget.

The decrease is mainly due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023 and is offset by increases in salary and benefits due to the reallocation of staff to better reflect actual time spent in this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 22,098	\$ 21,822	\$ 24,595	\$ 34,855
Employee Benefits	\$ 10,469	\$ 8,037	\$ 11,438	\$ 15,597
Materials	\$ -	\$ -	\$ 229	\$ 229
Cost Allocation	\$ 24,838	\$ 23,497	\$ 25,112	\$ 10,316
Contingencies	\$ -	\$ -	\$ 3	\$ -
Total Expenditures	\$ 57,405	\$ 53,356	\$ 61,377	\$ 60,997
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 57,405	\$ 53,356	\$ 61,377	\$ 60,997

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.05	0.05	0.05	0.05
PLANNING MANAGER	0.10	0.10	0.10	0
SENIOR HOUSING COORDINATOR	0	0	0	0.20
Total	0.15	0.15	0.15	0.25

Staff is being reallocated to better reflect actual time spent in this program.

Sustainability Commission

Budget Unit 100-11-180

General Fund - Commissions - Sustainability Commission

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 17,744
Fund Balance	\$ -
General Fund Costs	\$ 17,744
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Sustainability Commission is a five-member board appointed by the City Council to serve in an advisory capacity by providing expertise and guidance on major policy and programmatic areas related to the environmental, economic and societal goals noted within Cupertino's Climate Action Plan and General Plan Environmental Resources/Sustainability Element.

Service Objectives

- Monitor implementation of the Climate Action Plan based upon quantified metrics to measure and evaluate mitigated impacts and community benefits.
- Suggest recommendations, review, and monitor the City's General Plan Environmental Resources/Sustainability Element and its intersections with the CAP.
- Advise the City Council how to strategically accelerate Cupertino's progress towards sustainability and recommend priorities to promote continued regional leadership in sustainability.
- Periodically review policies governing specific practices and programs, such as greenhouse gas emissions reduction, water conservation, renewable energy, energy efficiency, materials management, and urban forestry. Illustrative examples include the creation of infrastructure for low emissions vehicles, installation of renewable energy or energy efficiency technologies, drafting of water conservation or waste reduction policies, delivery of habitat restoration and conservation programs, design and roll-out of pollution prevention campaigns, etc.
- Make recommendations regarding the allocation of funds for infrastructure and technology improvements to elevate the operational performance of City facilities, businesses, educational institutions, and homes by reducing costs, improving public health, and serving community needs.
- Accept public input on the subject areas noted above and advise the City Council on ways to drive community awareness, behavior change, education and participation in City programs modeled upon the field's best practices.
- Review and make recommendations to the City Council on Federal, State and regional policies related to sustainability that have the potential to impact City Council's goals and policies.
- Pursue any other activity or scope that may be deemed appropriate and necessary by the City Council.

Proposed Budget

It is recommended that City Council approve a budget of \$17,744 for the Sustainability Commission program. This represents a decrease of \$40,365 (-69.5%) from the FY 2023-24 Adopted Budget.

This decrease is due to the reallocation and transfer of the Sustainability Manager and Management Analyst positions in Sustainability to Environmental Programs. Additionally, the decrease is due to a reduction in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 20,574	\$ 18,882	\$ 23,264	\$ 6,588
Employee Benefits	\$ 10,723	\$ 7,625	\$ 11,295	\$ 2,999
Materials	\$ 1,064	\$ 2,107	\$ 1,840	\$ 1,340
Cost Allocation	\$ 25,122	\$ 21,216	\$ 21,687	\$ 6,800
Contingencies	\$ -	\$ -	\$ 23	\$ 17
Total Expenditures	\$ 57,483	\$ 49,830	\$ 58,109	\$ 17,744
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 57,483	\$ 49,830	\$ 58,109	\$ 17,744

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ENV. PROGRAMS SPECIALIST	0	0	0	0.05
MANAGEMENT ANALYST	0.10	0.10	0.10	0
SUSTAINABILITY MANAGER	0.05	0.05	0.05	0
Total	0.15	0.15	0.15	0.05

As part of an expenditure reduction strategy, the Sustainability department was absorbed by Public Works, and the vacant Management Analyst and Sustainability Manager were transferred to Public Works:

Audit Committee

Budget Unit 100-11-190

General Fund - Commissions - Audit Committee

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 31,571
Fund Balance	\$ -
General Fund Costs	\$ 31,571
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Audit Committee, consisting of two City Council members and a minimum of two and a maximum of three at large members, holds the following powers and functions:

- To review the annual audit report and management letter.
- To recommend appointment of internal/external auditors.
- To review the quarterly Treasurer's Investment report.
- To recommend a budget format.
- To review City investment policies and internal controls of such policies.
- To review internal audit reports.
- To review quarterly Fraud, Waste, and Abuse Program reports.

The Audit Committee meets quarterly. The Finance Manager serves as staff liaison.

Proposed Budget

It is recommended that City Council approve a budget of \$31,571 for the Audit Committee program. This represents a decrease of \$9,012 (-22.2%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 9,336	\$ 6,770	\$ 15,851	\$ 16,845
Employee Benefits	\$ 3,136	\$ 1,981	\$ 7,450	\$ 7,777
Cost Allocation	\$ 5,863	\$ 15,474	\$ 17,282	\$ 6,949
Total Expenditures	\$ 18,335	\$ 24,225	\$ 40,583	\$ 31,571
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 18,335	\$ 24,225	\$ 40,583	\$ 31,571

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.05	0.05	0	0
FINANCE MANAGER	0.05	0.05	0.05	0.05
MANAGEMENT ANALYST	0	0	0.05	0.05
Total	0.10	0.10	0.10	0.10

There are no changes to the current level of staffing.

Administration

This page intentionally left blank.

Department Overview

Budget Units

Budget Unit	Program	2025 Proposed Budget
City Manager		\$ 4,005,853
100-12-120	City Manager	\$ 2,177,621
100-12-122	Sustainability	\$ -
100-12-126	Office of Communications	\$ 416,779
100-12-305	Multimedia	\$ -
100-12-307	Public Access Support	\$ -
100-12-632	Community Outreach and Neighborhood Watch	\$ 224,749
100-12-633	Office of Emergency Management	\$ 645,629
100-12-705	Economic Development	\$ 541,075
City Clerk		\$ 1,013,881
100-13-130	City Clerk	\$ 828,734
100-13-132	Duplicating and Mail Services	\$ 43,031
100-13-133	Elections	\$ 142,116
City Manager Discretionary		\$ 50,000
100-14-123	City Manager Contingency	\$ 50,000
City Attorney		\$ 1,484,229
100-15-141	City Attorney	\$ 1,484,229
Total		\$ 6,553,963

Budget at a Glance

2025 Proposed Budget

Total Revenues	\$ 2,825,126
Total Expenditures	\$ 6,553,963
Fund Balance	\$ -
General Fund Costs	\$ 3,728,837
% Funded by General Fund	56.9%
Total Staffing	19.0 FTE

Organization

Pamela Wu, City Manager

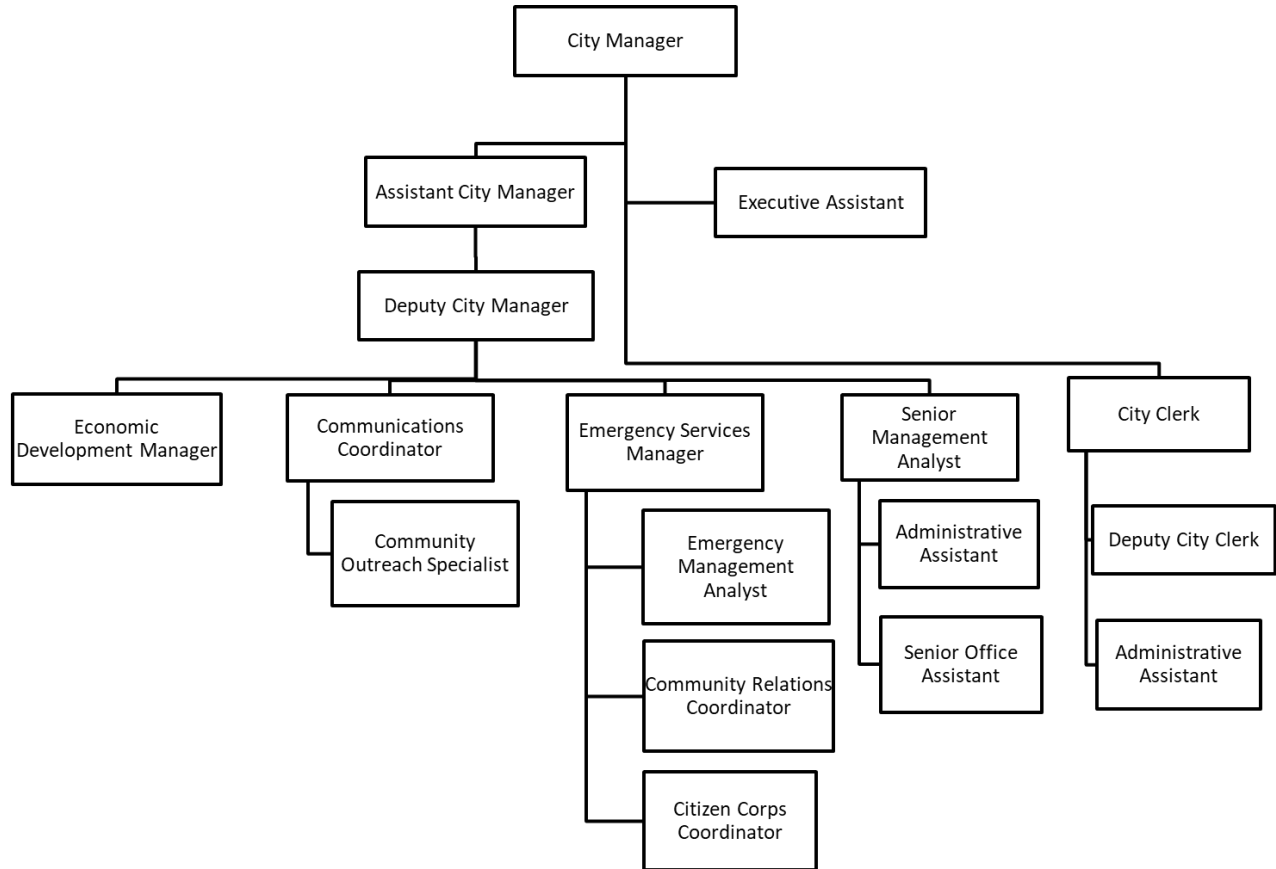
Matt Morley, Assistant City Manager

Christopher Jensen, City Attorney

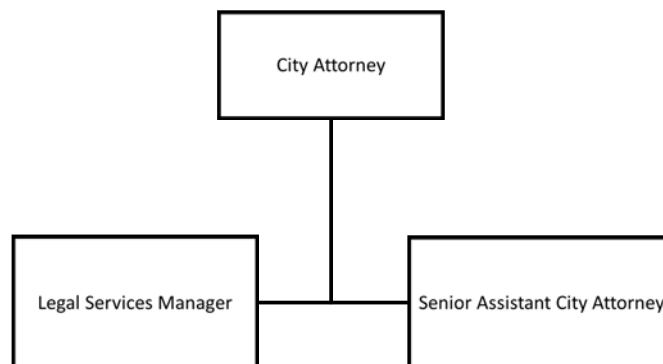
Tina Kapoor, Deputy City Manager

Kirsten Squarcia, City Clerk

City Manager's Office



City Attorney's Office



Staffing levels in Administration are changing due to the transfer of a Sustainability Manager and a Sustainability Analyst to Public Works. In addition, there is an elimination of one vacant limited term Special Projects Executive.

Performance Measures

City Clerk Division

Goal: Streamline information processing for Council, staff, and community members for compliance with State requirements and facilitate independent and transparent access to public information.

Benefit: All can fully participate in local government to achieve the community & organizational goals.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
City Council minutes for meetings presented for Council approval by the following regular meeting	100%	100%	100%	100%
Adopted City Council resolutions and ordinances processed and scanned to Laserfiche within a week of Clerk's office receipt of final, signed document	96%/100%	100%/100%	100%/100%	100%
Public Record Act requests responded to by the Statutory deadline date	100%	99%	99%	100%

Office of Communications

Goal: Promote and increase interest and participation in City services, programs, initiatives, and projects while building community pride and positive identification with the City among its residents.

Benefit: Residents have access to timely, engaging, and important information.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
Social media engagement: total number of followers including City Hall Nextdoor, Facebook, Twitter, and Instagram , YouTube, accounts	40,294	41,000	43,011	10% annual increase
Community engagement: total number of IOI recipients	1508	1732	2096	10% annual increase
Total Number of Gov Delivery Notices sent	631	586	255	Average Close Time 5 Days

*Social media engagement metrics seen here are different due to Facebook's changes on its metrics, how they calculate it, and what they provide now. Previously, Facebook would count any action as engagement; now they only count likes/reactions, comments, link clicks, and shares.

Economic Development Division

Goal: To actively pursue opportunities in the areas of business attraction, retention, and expansion as a means of promoting economic vitality, and strengthening the City's sales tax base to support Cupertino's excellent quality of life for its residents, businesses, and daytime population.

Benefit: Cupertino's economy and sales tax revenue base are diversified to further enhance the City's financial stability and its ability to provide quality amenities to the community.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
Maintain Economic Development Business Connect Subscribers	3,000	6,000	8,525	8,000
Economic Development Business Visits, Workshops & Events	3	7	15	20 per year

Multimedia Division

Multimedia Division has been moved under the Innovation & Technology Department.

Sustainability Division

Sustainability Division has been moved under the Public Works Department.

Workload Indicators

City Clerk Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
City Council minutes for regular meetings presented for Council approval by the following regular meeting	21/21	20/20	9/9
Adopted City Council resolutions and ordinances processed and scanned to Laserfiche within a week of Clerk's office receipt of final, signed document	134/140; 16/16	160/160; 10/10	18/70; 4/4
Public Record Act requests responded to by the Statutory deadline date	240/240	271/274	109/110

Office of Communications

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Social Media Engagement: Post per year (Facebook, Nextdoor, Twitter, Instagram)	1,161	500	432
Number of YouTube videos created	17	31	26
Number of Community Information and Outreach Program products provided (newsletters, press releases, website news postings)	185	150	257

Economic Development Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Meetings with large groups/organizations; appointments with brokers, prospective business owners, business owners and operators, City staff, etc.	50	50	20
Special events, including small business workshops and seminars, ICSC conferences and events, ribbon cuttings and grand openings, and Small Business Saturday Celebration	7	7	4
Number of Business Connect Newsletter editions	4	3	1

Multimedia Division

Multimedia Division has been moved under the Innovation & Technology Department.

Sustainability Division

Sustainability Division has been moved under the Public Works Department.

Proposed Budget

It is recommended that City Council approve a budget of \$6,553,963 for the Administration department. This represents a decrease of \$1,205,367 (-15.5%) from the FY 2023-24 Adopted Budget.

The decrease is due to a change of three positions, two of which are sustainability positions that were transferred to Public Works and the elimination of a vacant limited term Special Projects Executive. Additional reductions were achieved in contracts and materials due to service level reductions.

The following table illustrates the Service-Level Reductions for the department.

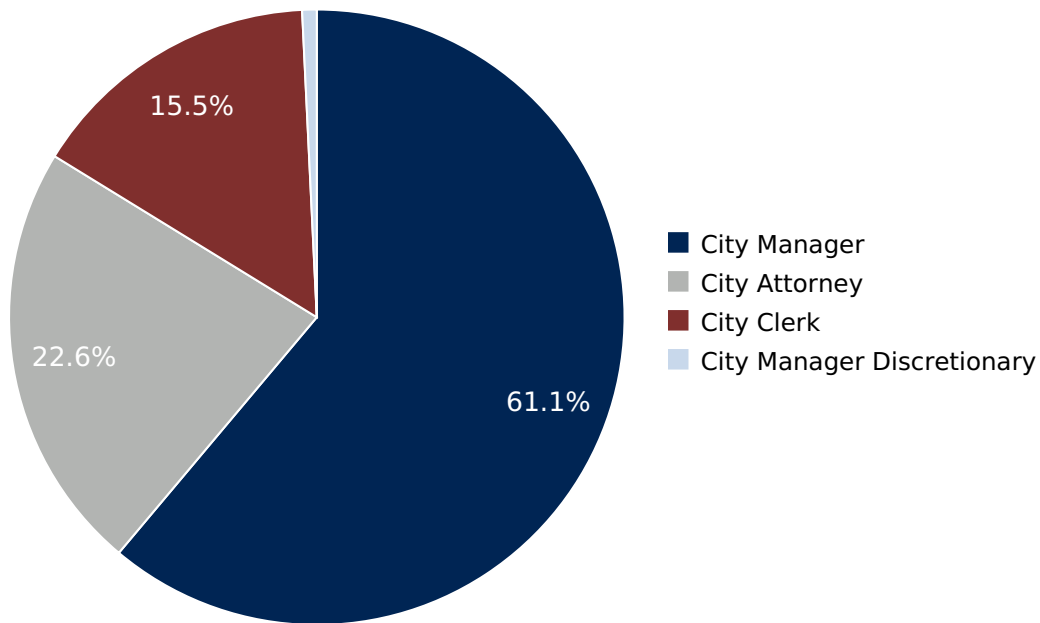
Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Contract Services and Materials	\$(226,561)	Potential need for additional appropriations if unanticipated legal costs arise
Fiscal Accountability	Material operations that are no longer needed	\$(8,892)	Reduction aligns budget with actuals
Fiscal Accountability	Econ Dev Strategy Outreach	\$(20,000)	Reduction will result in minimal impact as existing staff is already implementing these duties.

Operations and Maintenance	<ul style="list-style-type: none"> - Management Analyst reclassification to Administrative Assistant - Removal of vacant shared Senior Office Assistant between CMO and City Clerk - Removal of PT Intern 	\$(61,755)	Staffing for the department has been reorganized for efficiency and to streamline workload.
Operations and Maintenance	Reduced a limited term Project Executive position	\$(404,221)	Use of cost recoverable contract services will be used instead
Operations and Maintenance	This reduction will remove funding for a PT Intern and Overtime Compensation. This reduction also includes the reclassification of a Public Information Officer to a Communications Coordinator.	\$(78,249)	Staffing for the department has been reorganized for efficiency and to streamline workload.
Operations and Maintenance	Reduce cost of the quarterly Scene Newsletter by moving to a digital-only publication.	\$(53,600)	Residents will no longer receive the Scene in the mail and will have to find the Scene on a City webpage instead.
Operations and Maintenance	Minimum Wage Enforcement and Mailers	\$(23,202)	Reduction will result in minimal impact on staff time to administer enforcement of min wage annual increases. Removing printed mailers will require businesses to print it out and post in their place of business.
Operations and Maintenance	Regulate Diversified Retail	\$(5,000)	Reduction will result in minimal impact as existing staff is already implementing these duties.
Total		\$(881,480)	

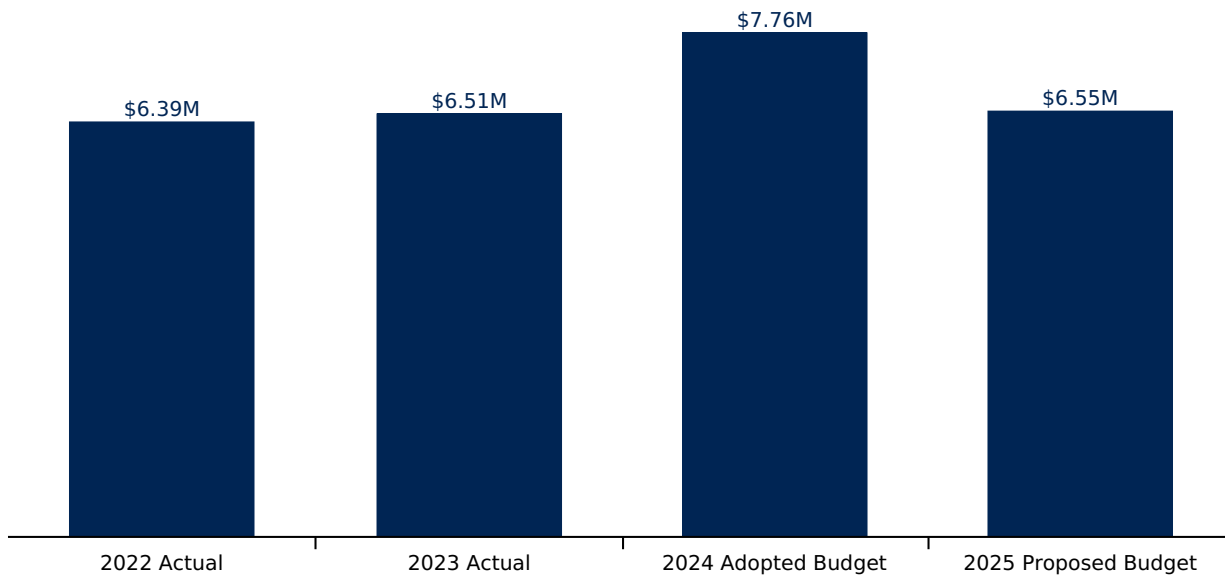
The following table shows the special project for the department.

Special Project	Appropriations	Revenue	Funding Source	Description	Strategic Goal
The Rise: Construction Stakeholder Engagement	\$100,000	\$100,000	General Fund	City Work Program Project. Improve engagement with stakeholders to ensure progress with construction and reduce barriers.	Quality of Life

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 6,074	\$ 1,025,000	\$ 111,500	\$ -
Charges for Services	\$ 1,739,136	\$ 1,485,073	\$ 1,149,857	\$ 2,825,126
Miscellaneous Revenue	\$ 11,326	\$ 4,357	\$ -	\$ -
Transfers In	\$ 477,507	\$ -	\$ -	\$ -
Total Revenues	\$ 2,234,043	\$ 2,514,430	\$ 1,261,357	\$ 2,825,126
Expenditures				
Employee Compensation	\$ 3,301,226	\$ 3,434,456	\$ 4,069,298	\$ 3,304,638
Employee Benefits	\$ 1,297,532	\$ 1,179,676	\$ 1,753,607	\$ 1,540,703
Materials	\$ 311,781	\$ 299,269	\$ 400,223	\$ 212,796
Contract Services	\$ 649,787	\$ 980,642	\$ 941,380	\$ 786,970
Cost Allocation	\$ 526,940	\$ 468,859	\$ 518,051	\$ 546,360
Special Projects	\$ 299,938	\$ 148,484	\$ 10,000	\$ 100,000
Contingencies	\$ 135	\$ -	\$ 66,771	\$ 62,496
Total Expenditures	\$ 6,387,339	\$ 6,511,386	\$ 7,759,330	\$ 6,553,963
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 4,153,294	\$ 3,996,953	\$ 6,497,973	\$ 3,728,837

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0	1.00	1.00	2.00
ASSISTANT CITY MANAGER	1.00	2.00	1.00	1.00
ASSIST TO THE CITY MNGR	1.00	0	0	0
CITY ATTORNEY	0	1.00	1.00	1.00
CITY CLERK	1.00	1.00	1.00	1.00
CITY MANAGER	1.00	1.00	1.00	1.00

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
COMMS AND MARKETING COORDINATOR	0	0	0	0.85
COMMUNICATIONS ANALYST	0	1.00	0	0
COMMUNITY OUTREACH SPECIALIST	1.20	0.90	0.90	0.90
COMMUNITY RELATIONS COORD	0.75	1.00	1.00	1.00
DEPUTY CITY CLERK	1.00	1.00	1.00	1.00
DEPUTY CITY MANAGER	0	1.00	1.00	1.00
ECONOMIC DEVELOPMENT MANAGER	1.00	1.00	1.00	1.00
EMERGENCY MANAGER	0	0	0.95	0.95
EMERGENCY SERVICES COORDINATOR	0.95	0.95	0	0
ENVIRONMENTAL PROGRAMS ASSISTANT	0.35	0.35	0.35	0
EXEC ASST TO THE CITY COUNCIL	0.50	0.50	0.50	0.50
LEGAL SERVICES MANAGER	1.00	1.00	1.00	1.00
LEGISLATIVE AIDE	0	1.00	0	0
MANAGEMENT ANALYST	2.70	2.70	2.70	1.00
MULTIMEDIA COMMUNICATIONS SPEC	3.00	1.50	0	0
PUBLIC INFORMATION OFFICER	0.85	0.85	0.85	0
SENIOR ASSISTANT CITY ATTORNEY	0	1.00	1.00	1.00
SENIOR MANAGEMENT ANALYST	0	0	1.00	1.00
SPECIAL PROJECT EXECUTIVE	0	0	1.00	0
SR OFFICE ASSISTANT	1.80	1.80	1.80	1.80
SUSTAINABILITY MANAGER	0.75	0.75	0.75	0
Total	19.85	24.30	21.80	19.00

City Manager

Budget Unit 100-12-120

General Fund - City Manager - City Manager

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 1,552,614
Total Expenditures	\$ 2,177,621
Fund Balance	\$ -
General Fund Costs	\$ 625,007
% Funded by General Fund	28.7%
Total Staffing	6.6 FTE

Program Overview

The City Manager is responsible to the City Council for the effective and efficient operation of the City. Under the direction of the City Council as a whole, the City Manager carries out the City's goals and objectives.

Service Objectives

- Accomplish the Council-approved City Work Program.
- Manage City operations.
- Ensure all laws and ordinances of the City are duly enforced and that all franchises, permits, licenses, and privileges granted by the City are faithfully performed and observed.
- Advise the City Council on policy, and the financial conditions and needs of the City.
- Research and respond to concerns regarding City operations of the City.
- Ensure that engagement and transparency are a City priority.
- Prepare reports and initiate recommendations as may be desirable or as requested by the City Council.
- Ensure that the City's policies and procedures provide a foundation for a secure financial position.

Proposed Budget

It is recommended that City Council approve a budget of \$2,177,621 for the City Manager program. This represents a decrease of \$204,784 (-8.6%) from the FY 2023-24 Adopted Budget.

The decrease is due to the elimination of one vacant, limited term Special Projects Executive and is offset by increases in Cost Allocation and a new Council Work Program item in special projects. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Positions	<ul style="list-style-type: none"> - Management Analyst reclassification to Administrative Assistant - Removal of vacant shared Senior Office Assistant between CMO and City Clerk - Removal of PT Intern 	\$(101,415)	Staffing for the department has been reorganized for efficiency and to streamline workload.
Materials	Reduction in Materials allocated for removed positions	\$(8,200)	Reduction aligns budget with actuals.
Total		\$(109,615)	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description	Strategic Goal
The Rise: Construction Stakeholder Engagement	\$100,000	\$100,000	General Fund	City Work Program Project. Improve engagement with stakeholders to ensure progress with construction and reduce barriers.	Quality of Life

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 637,444	\$ 646,348	\$ 617,164	\$ 1,552,614
Total Revenues	\$ 637,444	\$ 646,348	\$ 617,164	\$ 1,552,614
Expenditures				
Employee Compensation	\$ 968,245	\$ 974,503	\$ 1,579,939	\$ 1,280,208
Employee Benefits	\$ 304,009	\$ 285,760	\$ 674,247	\$ 569,757
Materials	\$ 16,993	\$ 53,361	\$ 54,628	\$ 45,689
Contract Services	\$ 70,416	\$ 113,975	\$ 72,008	\$ 78,008
Cost Allocation	\$ -	\$ -	\$ -	\$ 102,413
Special Projects	\$ -	\$ -	\$ -	\$ 100,000
Contingencies	\$ -	\$ -	\$ 1,583	\$ 1,546
Total Expenditures	\$ 1,359,663	\$ 1,427,599	\$ 2,382,405	\$ 2,177,621
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 722,219	\$ 781,251	\$ 1,765,241	\$ 625,007

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0	0	0	1.00
ASSISTANT CITY MANAGER	1.00	2.00	1.00	1.00
ASSIST TO THE CITY MNGR	1.00	0	0	0
CITY MANAGER	1.00	1.00	1.00	1.00
DEPUTY CITY MANAGER	0	1.00	1.00	1.00
EXEC ASST TO THE CITY COUNCIL	0.50	0.50	0.50	0.50
LEGISLATIVE AIDE	0	1.00	0	0
MANAGEMENT ANALYST	1.00	1.00	1.00	0
SENIOR MANAGEMENT ANALYST	0	0	1.00	1.00
SPECIAL PROJECT EXECUTIVE	0	0	1.00	0
SR OFFICE ASSISTANT	0.40	0.40	0.40	1.10
Total	4.90	6.90	6.90	6.60

Staff is being reallocated to better reflect actual time spent in this program. In addition, a Management Analyst position has been underfilled with an Administrative Assistant position, resulting in budget savings.

Sustainability

Budget Unit 100-12-122

General Fund - City Manager - Sustainability

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2023-2024, this program was moved to Public Works. A complete discussion of the program can be found under Budget Unit 100-81-122. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ -	\$ 111,500	\$ -
Miscellaneous Revenue	\$ 11,326	\$ 14,822	\$ -	\$ -
Transfers In	\$ 327,106	\$ -	\$ -	\$ -
Total Revenues	\$ 338,432	\$ 14,822	\$ 111,500	\$ -
Expenditures				
Employee Compensation	\$ 257,523	\$ 272,016	\$ 315,081	\$ -
Employee Benefits	\$ 126,271	\$ 102,200	\$ 136,429	\$ -
Materials	\$ 12,899	\$ 16,113	\$ 20,366	\$ -
Contract Services	\$ 64,815	\$ 67,997	\$ 52,850	\$ -
Cost Allocation	\$ 249,106	\$ 182,388	\$ 178,396	\$ -
Special Projects	\$ 265,652	\$ 106,200	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 915	\$ -
Total Expenditures	\$ 976,266	\$ 746,914	\$ 704,037	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 637,833	\$ 732,091	\$ 592,537	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ENVIRONMENTAL PROGRAMS ASSISTANT	0.35	0.35	0.35	0
MANAGEMENT ANALYST	0.70	0.70	0.70	0
SUSTAINABILITY MANAGER	0.75	0.75	0.75	0
Total	1.80	1.80	1.80	0

Office of Communications

Budget Unit 100-12-126

General Fund - City Manager - Office of Communications

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 545,188
Total Expenditures	\$ 416,779
Fund Balance	\$ -
General Fund Costs	\$ (128,409)
% Funded by General Fund	-30.8%
Total Staffing	2.0 FTE

Program Overview

The Office of Communications is responsible for community outreach to ensure that residents have access to timely, useful, and important information. The Office of Communications oversees and maintains many of the City's lines of communication with residents, including the City's website, social media accounts, bimonthly newsletter, quarterly newsletter, videos, event tabling, flyers, and press releases. The Office of Communications also acts as a liaison between various City departments and the community when it comes to communicating information about projects and events.

Service Objectives

- Serve as the communications link between the City of Cupertino and residents
- Ensure that the community has easy access to important, useful, and timely information through various forms of media including print, online, and video
- Build community pride and positive identification with the City among residents
- Increase interest and participation in City services, projects, and activities
- Promote City Council and departmental goals, initiatives, programs, and services
- Assist in creating better internal and external communication
- Enhance the City's relationship with the news media

Proposed Budget

It is recommended that City Council approve a budget of \$416,779 for the Office of Communications program. This represents a decrease of \$263,488 (-38.7%) from the FY 2023-24 Adopted Budget.

The decrease is due to reduction in positions and materials and contracts in service level reductions and is offset by increase in cost allocation plan charges. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Positions	This reduction will remove funding for a Part-time Intern and Overtime Compensation. This reduction also includes the reclassification of a Public Information Officer to a Communications Coordinator.	\$(78,249)	Staffing for the department has been reorganized for efficiency and to streamline workload.
Cupertino Scene	Reduce cost of the quarterly Scene Newsletter by moving to a digital-only publication.	\$(53,600)	Residents will no longer receive the Scene in the mail and will have to find the Scene on a City webpage instead.
Total		\$(131,849)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ -	\$ 545,188
Total Revenues	\$ -	\$ -	\$ -	\$ 545,188
Expenditures				
Employee Compensation	\$ 300,055	\$ 247,454	\$ 350,688	\$ 228,455
Employee Benefits	\$ 127,829	\$ 90,120	\$ 150,231	\$ 124,460
Materials	\$ 141,280	\$ 138,360	\$ 152,134	\$ 17,152
Contract Services	\$ 23,731	\$ 133,287	\$ 25,000	\$ 14,110
Cost Allocation	\$ -	\$ -	\$ -	\$ 32,211
Contingencies	\$ -	\$ -	\$ 2,214	\$ 391
Total Expenditures	\$ 592,895	\$ 609,221	\$ 680,267	\$ 416,779
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 592,894	\$ 609,221	\$ 680,267	\$ (128,409)

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
COMMS AND MARKETING COORDINATOR	0	0	0	0.85
COMMUNICATIONS ANALYST	0	1.00	0	0
COMMUNITY OUTREACH SPECIALIST	1.20	0.90	0.90	0.90
PUBLIC INFORMATION OFFICER	0.85	0.85	0.85	0
SR OFFICE ASSISTANT	0.90	0.90	0.90	0.20
Total	2.95	3.65	2.65	1.95

Staff time is being reallocated to better reflect actual time spent in this program.

Multimedia

Budget Unit 100-12-305

General Fund - City Manager - Multimedia

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2023-24, this program was moved to Innovation & Technology. A complete discussion of the program can be found under Budget Unit 100-31-305. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 6,074	\$ -	\$ -	\$ -
Charges for Services	\$ 414,196	\$ 354,821	\$ 167,188	\$ -
Total Revenues	\$ 420,270	\$ 354,821	\$ 167,188	\$ -
Expenditures				
Employee Compensation	\$ 495,765	\$ 312,438	\$ -	\$ -
Employee Benefits	\$ 217,343	\$ 139,867	\$ -	\$ -
Materials	\$ 46,049	\$ 22	\$ 2,745	\$ -
Contract Services	\$ 73,083	\$ 17,236	\$ 13,800	\$ -
Special Projects	\$ 19,541	\$ 9,549	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 207	\$ -
Total Expenditures	\$ 851,781	\$ 479,112	\$ 16,752	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 431,510	\$ 124,290	\$ (150,436)	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MULTIMEDIA COMMUNICATIONS SPEC	3.00	1.50	0	0
Total	3.00	1.50	0	0

Public Access Support

Budget Unit 100-12-307

General Fund - City Manager - Public Access Support

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

In FY 2023-2024, this program was moved to Innovation & Technology. A complete discussion of the program can be found under Budget Unit 100-31-305. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 69,815	\$ 73,306	\$ 45,000	\$ -
Cost Allocation	\$ 2,533	\$ 2,251	\$ 2,169	\$ -
Contingencies	\$ -	\$ -	\$ 563	\$ -
Total Expenditures	\$ 72,348	\$ 75,557	\$ 47,732	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 72,348	\$ 75,557	\$ 47,732	\$ -

Staffing

There is no staffing associated with this program.

Community Outreach and Neighborhood Watch

Budget Unit 100-12-632

General Fund - City Manager - Community Outreach and Neighborhood Watch

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 224,749
Fund Balance	\$ -
General Fund Costs	\$ 224,749
% Funded by General Fund	100.0%
Total Staffing	1.0 FTE

Program Overview

Community Outreach programs facilitate communication and enhance cultural understanding in Cupertino neighborhoods. Block Leaders are instrumental in building connected communities, delivering timely and pertinent information to neighbors, and providing input to the City. Neighborhood Watch enhances public safety by providing crime prevention information to local businesses and residents. The program promotes an active relationship between the community and the Sheriff's Office.

Service Objectives

- Aid in the development, implementation, and coordination of City programs and community-building activities designed to bring Cupertino neighborhoods together.
- Coordinate and disseminate useful and important information to Cupertino residents through regular meetings and communications that build relationships and strengthen neighborhoods.
- Facilitate collaboration with Emergency Preparedness and Neighborhood Watch programs.
- Train residents to connect and organize neighbors and neighborhoods.
- Get Block Leaders involved in the Parks and Recreation System Master Plan.
- Create and implement Neighborhood Watch meetings and groups.
- Disseminate important City news and safety information.
- Organize and conduct annual National Night Out initiative.

Proposed Budget

It is recommended that City Council approve a budget of \$224,749 for the Community Outreach and Neighborhood Watch program. This represents a decrease of \$27,354 (-10.9%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. In addition to a reduction in special projects and service level reductions.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Impact	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	This reduction will remove funding for a PT Intern and Overtime Compensation. This reduction also includes the reclassification of a Public Information Officer to a Communications Coordinator.	\$(78,249)	Staffing for the department has been reorganized for efficiency and to streamline workload.
Operations and Maintenance	Reduce cost of the quarterly Scene Newsletter by moving to a digital-only publication.	\$(53,600)	Residents will no longer receive the Scene in the mail and will have to find the Scene on a City webpage instead.
Total		\$(131,849)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Transfers In	\$ 1,500	\$ -	\$ -	\$ -
Total Revenues	\$ 1,500	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 40,018	\$ 100,034	\$ 106,151	\$ 109,783
Employee Benefits	\$ 20,309	\$ 40,723	\$ 49,441	\$ 52,924
Materials	\$ 1,964	\$ 8,047	\$ 8,290	\$ 8,290
Cost Allocation	\$ 68,769	\$ 58,538	\$ 78,117	\$ 53,648
Special Projects	\$ -	\$ -	\$ 10,000	\$ -
Contingencies	\$ -	\$ -	\$ 104	\$ 104
Total Expenditures	\$ 131,060	\$ 207,342	\$ 252,103	\$ 224,749
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 129,560	\$ 207,342	\$ 252,103	\$ 224,749

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
COMMUNITY RELATIONS COORD	0.75	1.00	1.00	1.00
Total	0.75	1.00	1.00	1.00

There are no changes to the current level of staffing.

Office of Emergency Management

Budget Unit 100-12-633

General Fund - City Manager - Office of Emergency Management

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 152,678
Total Expenditures	\$ 645,629
Fund Balance	\$ -
General Fund Costs	\$ 492,951
% Funded by General Fund	76.4%
Total Staffing	2.0 FTE

Program Overview

The mission of the Office of Emergency Management is to lead and direct the City in prevention, preparation, mitigation, response, and recovery from all emergencies, hazards, incidents, and events.

Service Objectives

- Develop and implement the goals and objectives of Cupertino's Office of Emergency Management.
- Maintain the City's Emergency Operations Center (EOC) in a perpetual state of operational readiness.
- Support Citizen Corps including the Block Leader Program, Neighborhood Watch, Community Emergency Response Team (CERT), Cupertino Amateur Radio Emergency Service (CARES), and Medical Reserve Corps (MRC).
- Prepare, test, and revise emergency response and recovery policies, plans, and procedures in compliance with the California Emergency Services Act, the Standardized Emergency Management System (SEMS), and the National Incident Management System (NIMS).
- Coordinate training of City staff in personal preparedness, SEMS/NIMS, and EOC functions.
- Maintain effective liaison with local, state, and national emergency management organizations and/or allied disaster preparedness and response agencies.
- Manage the City's Contract for Law Enforcement Services with the Santa Clara County Sheriff's Office.
- Serve as liaison to the Santa Clara County Fire Department.

Proposed Budget

It is recommended that City Council approve a budget of \$645,629 for the Office of Emergency Management program. This represents a decrease of \$108,139 (-14.3%) from the FY 2023-24 Adopted Budget.

The decrease is mainly due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. In addition, streamlining materials and contracts to align budget with actuals also resulted in decreased costs.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ 1,025,000	\$ -	\$ -
Charges for Services	\$ -	\$ -	\$ -	\$ 152,678
Transfers In	\$ 144,039	\$ -	\$ -	\$ -
Total Revenues	\$ 144,039	\$ 1,025,000	\$ -	\$ 152,678
Expenditures				
Employee Compensation	\$ 239,898	\$ 317,068	\$ 355,040	\$ 356,968
Employee Benefits	\$ 106,987	\$ 130,230	\$ 160,346	\$ 176,079
Materials	\$ 8,384	\$ 13,394	\$ 29,925	\$ 23,997
Contract Services	\$ 4,544	\$ 156	\$ 2,120	\$ 2,120
Cost Allocation	\$ 188,792	\$ 177,604	\$ 205,936	\$ 86,139
Special Projects	\$ 4,745	\$ 18,677	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 401	\$ 326
Total Expenditures	\$ 553,350	\$ 657,129	\$ 753,768	\$ 645,629
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 409,312	\$ (367,872)	\$ 753,768	\$ 492,951

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
EMERGENCY MANAGER	0	0	0.95	0.95
EMERGENCY SERVICES COORDINATOR	0.95	0.95	0	0
MANAGEMENT ANALYST	1.00	1.00	1.00	1.00
Total	1.95	1.95	1.95	1.95

There are no changes to the current level of staffing.

Economic Development

Budget Unit 100-12-705

General Fund - City Manager - Economic Development

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 541,075
Fund Balance	\$ -
General Fund Costs	\$ 541,075
% Funded by General Fund	100.0%
Total Staffing	1.0 FTE

Program Overview

The Economic Development Division oversees the development and implementation of policies and programs to promote business resiliency while undertaking a wide variety of business attraction, retention, and expansion efforts.

Service Objectives

- Provide assistance and support to businesses to enable job creation, new business formation, private investment, and industry evolution.
- Conduct outreach to existing small businesses to create strong working relationships.
- Collaborate with internal city team members to keep the needs of businesses in the forefront when reviewing applications and projects.
- Partner with local business associations, agencies, and organizations to create a strong and cohesive network offering business support and assistance.
- Provide the public with current data and information easily accessible online or in printed format. Assist with policy formation to align with business and community goals.

Proposed Budget

It is recommended that City Council approve a budget of \$541,075 for the Economic Development program. This represents an increase of \$74,264 (15.9%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. The division budget related to materials and contracts has been reduced by \$53,034 from the FY 2023-24 Adopted Budget.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Minimum Wage Enforcement and Mailers	\$(23,202)	Reduction will result in minimal impact on staff time to administer enforcement of min wage annual increases. Removing printed mailers will require businesses to print it out and post in their place of business.
Fiscal Accountability	Material operations that are no longer needed	\$(8,892)	Reduction aligns budget with actuals.
Fiscal Accountability	Econ Dev Strategy Outreach	\$(20,000)	Reduction will result in minimal impact as existing staff is already implementing these duties.
Operations and Maintenance	Regulate Diversified Retail	\$(5,000)	Reduction will result in minimal impact as existing staff is already implementing these duties.
Total		\$(57,094)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Transfers In	\$ 4,862	\$ -	\$ -	\$ -
Total Revenues	\$ 4,862	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 125,701	\$ 161,796	\$ 206,441	\$ 194,086
Employee Benefits	\$ 46,931	\$ 52,073	\$ 82,324	\$ 99,396
Materials	\$ 21,189	\$ 19,101	\$ 39,236	\$ 17,648
Contract Services	\$ 69,780	\$ 15,449	\$ 87,646	\$ 56,200
Cost Allocation	\$ 13,227	\$ 41,781	\$ 49,578	\$ 172,822
Special Projects	\$ 10,000	\$ 14,058	\$ -	\$ -
Contingencies	\$ 135	\$ -	\$ 1,586	\$ 923
Total Expenditures	\$ 286,963	\$ 304,258	\$ 466,811	\$ 541,075
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 282,100	\$ 304,258	\$ 466,811	\$ 541,075

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ECONOMIC DEVELOPMENT MANAGER	1.00	1.00	1.00	1.00
Total	1.00	1.00	1.00	1.00

There are no changes to the current level of staffing.

City Clerk

Budget Unit 100-13-130

General Fund - City Clerk - City Clerk

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 201,273
Total Expenditures	\$ 828,734
Fund Balance	\$ -
General Fund Costs	\$ 627,461
% Funded by General Fund	75.7%
Total Staffing	3.5 FTE

Program Overview

The City Clerk's office responsibilities include administrative duties associated with the City Council's agenda and actions, publishing legal notices, posting notice of all commission vacancies, processing codification of City's Municipal Code, records management, compliance with Public Records Act requests, managing official elections, and providing partial mail service for all City Departments.

Service Objectives

- Ensure compliance with the Brown Act open meetings requirements, Maddy Act Commission vacancy requirements and the Public Records Act, to accurately process documents and maintain a records management system that facilitates timely access to information, including digital access to City records.
- Provide complete, accurate and timely information to the public, staff and City Council.
- Respond to internal routing requests within two working days; respond to internal requests requiring archival research within five working days.
- Respond to Public Record Act requests within the time specified by State law.
- Provide a digital City Council packet to members of the City Council and staff.
- Process and sort routine incoming and outgoing mail for each department.

Proposed Budget

It is recommended that City Council approve a budget of \$828,734 for the City Clerk program. This represents an increase of \$54,332 (7.0%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 144,551	\$ 121,651	\$ 87,435	\$ 201,273
Total Revenues	\$ 144,551	\$ 121,651	\$ 87,435	\$ 201,273
Expenditures				
Employee Compensation	\$ 352,315	\$ 388,186	\$ 476,192	\$ 475,265
Employee Benefits	\$ 139,124	\$ 121,637	\$ 207,511	\$ 222,740
Materials	\$ 23,445	\$ 25,946	\$ 42,301	\$ 40,578
Contract Services	\$ 45,355	\$ 54,812	\$ 47,278	\$ 39,594
Cost Allocation	\$ -	\$ -	\$ -	\$ 49,555
Contingencies	\$ -	\$ -	\$ 1,120	\$ 1,002
Total Expenditures	\$ 560,239	\$ 590,581	\$ 774,402	\$ 828,734
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 415,688	\$ 468,930	\$ 686,967	\$ 627,461

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0	1.00	1.00	1.00
CITY CLERK	1.00	1.00	1.00	1.00
DEPUTY CITY CLERK	1.00	1.00	1.00	1.00
SR OFFICE ASSISTANT	0.50	0.50	0.50	0.50
Total	2.50	3.50	3.50	3.50

There are no changes to the current level of staffing.

Duplicating and Mail Services

Budget Unit 100-13-132

General Fund - City Clerk - Duplicating and Mail Services

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 28,829
Total Expenditures	\$ 43,031
Fund Balance	\$ -
General Fund Costs	\$ 14,202
% Funded by General Fund	33.0%
Total Staffing	FTE

Program Overview

The Duplicating and Mail budget provides paper, envelope, and postage supplies Citywide, and is responsible for the maintenance costs of the postage and folder-inserter machines.

Service Objectives

- Supply paper, envelopes, and postage Citywide and maintain postage and folder-inserter machines.

Proposed Budget

It is recommended that City Council approve a budget of \$43,031 for the Duplicating and Mail Services program. This represents an increase of \$2,223 (5.4%) from the FY 2023-24 Adopted Budget.

This increase is due to the rising cost of postage and mail service equipment.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ -	\$ 28,829
Total Revenues	\$ -	\$ -	\$ -	\$ 28,829
Expenditures				
Materials	\$ 23,733	\$ 20,557	\$ 30,471	\$ 31,500
Contract Services	\$ 3,738	\$ 922	\$ 6,500	\$ 11,000
Cost Allocation	\$ 4,366	\$ 3,674	\$ 3,375	\$ -
Contingencies	\$ -	\$ -	\$ 462	\$ 531
Total Expenditures	\$ 31,837	\$ 25,153	\$ 40,808	\$ 43,031
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 31,838	\$ 25,153	\$ 40,808	\$ 14,202

Staffing

There is no staffing associated with this program.

Elections

Budget Unit 100-13-133

General Fund - City Clerk - Elections

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 142,116
Fund Balance	\$ -
General Fund Costs	\$ 142,116
% Funded by General Fund	100.0%
Total Staffing	FTE

Program Overview

The City Clerk’s office administers the legislative process including management of local elections and filings of Fair Political Practices Commission documents.

Service Objectives

- Administer elections and Fair Political Practices Commission filings in compliance with State law.
- Conduct a local election in even-numbered years and ballot measure elections as necessary, in compliance with the California Elections Code.
- Facilitate timely filing of required and voluntary documentation from candidates and election committees, including Nomination Papers, Candidate Statements of Qualification, Campaign Financial Disclosure Statements, and Statements of Economic Interest.
- Make election-related information available to the public and news media in a timely manner.

Proposed Budget

It is recommended that City Council approve a budget of \$142,116 for the Elections program. This represents an increase of \$141,139 (14446.2%) from the FY 2023-24 Adopted Budget.

This increase is due to the election cycle.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ -	\$ (10,465)	\$ -	\$ -
Total Revenues	\$ -	\$ (10,465)	\$ -	\$ -
Expenditures				
Materials	\$ 847	\$ (11,726)	\$ 491	\$ 10,345
Contract Services	\$ -	\$ 120,921	\$ -	\$ 130,000
Cost Allocation	\$ 147	\$ 2,623	\$ 480	\$ 17
Contingencies	\$ -	\$ -	\$ 6	\$ 1,754
Total Expenditures	\$ 994	\$ 111,818	\$ 977	\$ 142,116
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 994	\$ 122,283	\$ 977	\$ 142,116

Staffing

There is no staffing associated with this program.

City Manager Contingency

Budget Unit 100-14-123

General Fund - City Manager Discretionary - City Manager Contingency

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 50,000
Fund Balance	\$ -
General Fund Costs	\$ 50,000
% Funded by General Fund	100.0%
Total Staffing	FTE

Program Overview

The City Manager Contingency program is designed to address unforeseen citywide expenses that may arise during the year. To provide a cushion for any unexpected expenses, a contingencies expenditure category was added to each program in FY 2013-14. This category was established to cover any unforeseen expenses that may arise during the year. However, in FY 2020-21, the program contingencies were reduced from 5% of budgeted materials and contract services to 2.5%.

To provide a second layer of contingency for any unexpected expenditures, the City Manager Contingency was established. This contingency is in addition to the program contingency and is used for unexpected expenditures that exceed the program contingency. In FY 2020-21, the City Manager Contingency was also reduced from 5% of budgeted General Fund materials and contract services to 2.5%.

To further reduce expenditures, in FY 2021-22, the City Manager Contingency was reduced to \$75,000. In FY 2022-23, as part of an expenditure-reduction strategy, program contingencies are being reduced to 1.25%, and the City Manager Contingency is being reduced to \$50,000. These measures are aimed at maintaining fiscal responsibility while ensuring that unexpected expenses can still be addressed.

The City has a track record of underspending in this category. The program contingency budget may be used by departments to cover unanticipated expenses at their discretion. On the other hand, the City Manager Contingency requires the approval of the City Manager before it can be used. Any usage of the City Manager Contingency is reported by staff to the City Council as part of the quarterly financial report. This reporting ensures transparency and accountability in the use of contingency funds.

Proposed Budget

It is recommended that City Council approve a budget of \$50,000 for the City Manager Contingency program. This budget is unchanged from the prior year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ -	\$ 2,633	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 50,000	\$ 50,000
Total Expenditures	\$ -	\$ 2,633	\$ 50,000	\$ 50,000
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 2,633	\$ 50,000	\$ 50,000

Staffing

There is no staffing associated with this program.

City Attorney

Budget Unit 100-15-141

General Fund - City Attorney - City Attorney

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 344,544
Total Expenditures	\$ 1,484,229
Fund Balance	\$ -
General Fund Costs	\$ 1,139,685
% Funded by General Fund	76.8%
Total Staffing	3.0 FTE

Program Overview

The City Attorney is appointed by the City Council to manage the legal affairs of the City, including the operation of the City Attorney's Office. The City Attorney's Office provides all legal services that are needed to support the City Council, City Commissions and Committees, City Manager, department directors, and City staff.

Service Objectives

The mission of the City Attorney's Office is to protect and defend the City by all legal and ethical means and to provide the municipal corporation with high-quality legal service and advice. These legal services include the following:

- Prosecute and defend the City in any legal action such as civil matters involving personal injury or property damage, code enforcement, or any administrative action arising out of City business.
- Manage all liability claims filed against the City including investigation and disposition.
- Attend City Council, Planning Commission, and other public meetings as requested.
- Prepare and review proposed legislation including ordinances and resolutions.
- Draft and/or review contracts, agreements, and other legal documents.
- Conduct legal research and analysis, and prepare legal memoranda.
- Provide legal support for special projects.

Proposed Budget

It is recommended that City Council approve a budget of \$1,484,229 for the City Attorney program. This represents a decrease of \$105,039 (-6.6%) from the FY 2023-24 Adopted Budget.

The decrease is due to a reduction in Contract Services, Materials, and Employee Compensation due to estimated compensation increases in the prior fiscal year which did not come to fruition. This decrease is offset by an increase in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Contract Services and Materials	\$(226,561)	Potential need for additional appropriations if unanticipated legal costs arise

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 542,945	\$ 362,253	\$ 278,070	\$ 344,544
Total Revenues	\$ 542,945	\$ 362,253	\$ 278,070	\$ 344,544
Expenditures				
Employee Compensation	\$ 521,706	\$ 660,961	\$ 679,766	\$ 659,873
Employee Benefits	\$ 208,729	\$ 217,066	\$ 293,078	\$ 295,347
Materials	\$ 14,998	\$ 16,094	\$ 19,636	\$ 17,597
Contract Services	\$ 224,510	\$ 379,948	\$ 589,178	\$ 455,938
Cost Allocation	\$ -	\$ -	\$ -	\$ 49,555
Contingencies	\$ -	\$ -	\$ 7,610	\$ 5,919
Total Expenditures	\$ 969,943	\$ 1,274,069	\$ 1,589,268	\$ 1,484,229
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 426,998	\$ 911,816	\$ 1,311,198	\$ 1,139,685

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
CITY ATTORNEY	0	1.00	1.00	1.00
LEGAL SERVICES MANAGER	1.00	1.00	1.00	1.00
SENIOR ASSISTANT CITY ATTORNEY	0	1.00	1.00	1.00
Total	1.00	3.00	3.00	3.00

There are no changes to the current level of staffing.

Law Enforcement

This page intentionally left blank.

Department Overview

Budget Units

Budget Unit	Program	2025 Proposed Budget
Law Enforcement		\$ 18,648,806
100-20-200	Law Enforcement	\$ 18,648,806
100-20-201	Interoperability Project	\$ -
Total		\$ 18,648,806

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 1,790,408
Total Expenditures	\$ 18,648,806
Fund Balance	\$ -
General Fund Costs	\$ 16,858,398
% Funded by General Fund	90.4%
Total Staffing	FTE

Organization

Captain Neil Valenzuela, Office of the Sheriff

Law Enforcement
(Contracted)

Performance Measures

Goal: Maintain a safe environment to live, work, learn and play.

Benefit: All members of the community are safe, informed, empowered and supported.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
Response time for emergency calls				
Priority 1	3.27	6.57	5.78	5 minutes
Priority 2	6.66	7.46	6.69	9 minutes
Priority 3	11.73	12.72	8.18	20 minutes
% programs maintaining minimum attendance				
Teen & Citizen Academy	98%	90%	90%	80%

Workload Indicators

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Total Priority 1 Calls	76	85	30
Total Priority 2 Calls	4,027	4,263	2,548
Total Priority 3 Calls	3,624	3,161	1,965
Total Teen/Community Academy Participants	39	18	18

Proposed Budget

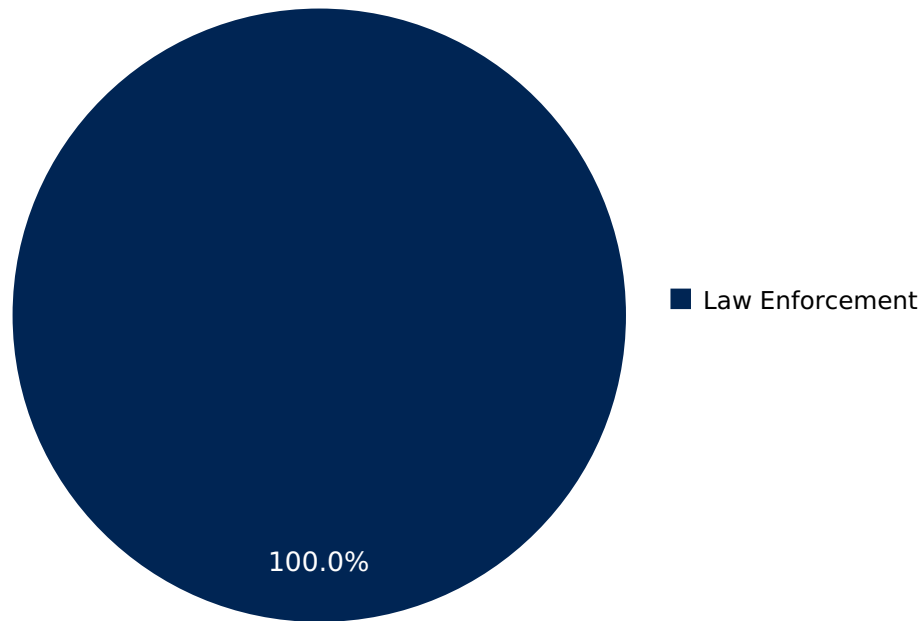
It is recommended that City Council approve a budget of \$18,648,806 for the Law Enforcement department. This represents an increase of \$836,198 (4.7%) from the FY 2023-24 Adopted Budget.

The increase is due to an increase in Law Enforcement Services contract in addition to supplemental law enforcement services. Supplemental law enforcement services also have offsetting revenue and an administrative fee paid to the City.

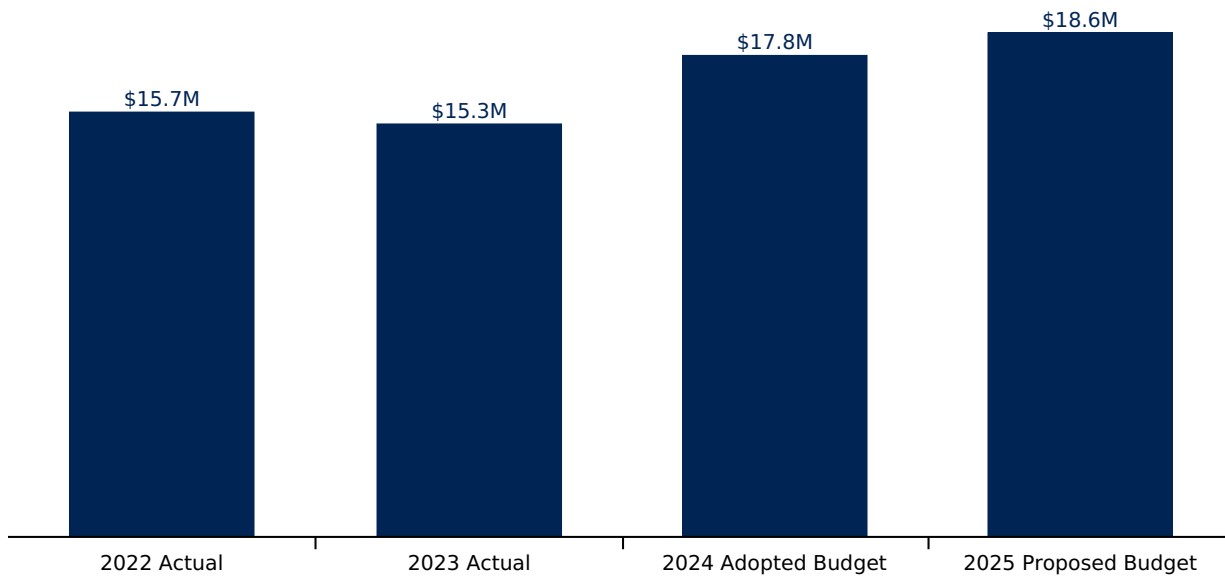
The following table illustrates the Service-Level Reductions for the department.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Align law enforcement budget with actuals	\$(1,000,000)	Reduction aligns budget with actuals.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 161,285	\$ 165,271	\$ 161,094	\$ 161,094
Charges for Services	\$ 558,777	\$ 277,277	\$ 115,000	\$ 402,500
Fines and Forfeitures	\$ 188,053	\$ 168,859	\$ 180,000	\$ 180,000
Miscellaneous Revenue	\$ 887,259	\$ 948,721	\$ 1,006,552	\$ 1,046,814
Transfers In	\$ 972,987	\$ -	\$ -	\$ -
Total Revenues	\$ 2,768,361	\$ 1,560,128	\$ 1,462,646	\$ 1,790,408
Expenditures				
Materials	\$ 222	\$ 404	\$ 408	\$ 424
Contract Services	\$ 15,547,160	\$ 15,122,638	\$ 17,667,516	\$ 18,285,280
Cost Allocation	\$ 168,433	\$ 153,891	\$ 144,684	\$ 363,102
Total Expenditures	\$ 15,715,815	\$ 15,276,933	\$ 17,812,608	\$ 18,648,806
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 12,947,454	\$ 13,716,805	\$ 16,349,962	\$ 16,858,398

Staffing

There is no staffing associated with this department.

Law Enforcement

Budget Unit 100-20-200

General Fund - Law Enforcement - Law Enforcement

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 1,790,408
Total Expenditures	\$ 18,648,806
Fund Balance	\$ -
General Fund Costs	\$ 16,858,398
% Funded by General Fund	90.4%
Total Staffing	FTE

Program Overview

The Law Enforcement program provides law enforcement, emergency communications, and School Resource Officers. Law enforcement services are provided by the Santa Clara County Sheriff's Office, while communications services are provided by the Santa Clara County General Services Administration. Other services include general law enforcement (patrol), traffic enforcement and investigation, detective services, and additional resources from specialized units.

The State allocates the Citizens Option for Public Safety (COPS) grant to cities and counties for front-line law enforcement purposes. Funding is allocated proportionately based on population size with a minimum allocation of \$100,000 per jurisdiction. This grant will be used to partially offset the cost of a second School Resource Officer that was added in the FY 2016-17 school year. Furthermore, the City receives an annual donation from Apple for enhanced law enforcement services (two additional deputies) available to the entire community. The donation is \$1,046,814 for FY 2024-25.

Service Objectives

- Protect life and property through innovative and progressive policing methods.
- Respond to Priority 1 emergency situations within an average of fewer than five minutes.
- Enforce the vehicle code with the goal of increasing traffic safety.
- Divert first time/minor youth offenders from the juvenile justice system.
- Provide daily on-site interaction with our youth.
- Provide annual Teen Academy during summer months providing community engagement and an introduction to law enforcement for youth (budgeted in the Public Safety Commission).

Proposed Budget

It is recommended that City Council approve a budget of \$18,648,806 for the Law Enforcement program. This represents an increase of \$836,198 (4.7%) from the FY 2023-24 Adopted Budget.

This increase is due to an increased need for supplemental law enforcement services, which are offset by revenues from the requesting private entities. The increase is also due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows Service-Level Reductions for this program.

Grouping	Service Level Reduction	Fiscal Impact	Service Level Reduction Impact Narrative
Fiscal Accountability	Align law enforcement budget with actuals	\$(1,000,000)	Reduction aligns budget with actuals.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 161,285	\$ 165,271	\$ 161,094	\$ 161,094
Charges for Services	\$ 558,777	\$ 277,277	\$ 115,000	\$ 402,500
Fines and Forfeitures	\$ 188,053	\$ 168,859	\$ 180,000	\$ 180,000
Miscellaneous Revenue	\$ 887,259	\$ 948,721	\$ 1,006,552	\$ 1,046,814
Transfers In	\$ 972,987	\$ -	\$ -	\$ -
Total Revenues	\$ 2,768,361	\$ 1,560,128	\$ 1,462,646	\$ 1,790,408
Expenditures				
Materials	\$ 222	\$ 404	\$ 408	\$ 424
Contract Services	\$ 15,547,160	\$ 15,122,638	\$ 17,667,516	\$ 18,285,280
Cost Allocation	\$ 167,594	\$ 153,007	\$ 144,684	\$ 363,102
Total Expenditures	\$ 15,714,976	\$ 15,276,049	\$ 17,812,608	\$ 18,648,806
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 12,946,615	\$ 13,715,921	\$ 16,349,962	\$ 16,858,398

Staffing

There is no staffing associated with this program.

Interoperability Project

Budget Unit 100-20-201

General Fund - Law Enforcement - Interoperability Project

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

The Silicon Valley Regional Interoperability Authority (SVRIA) was formed under the Joint Exercise of Powers Act (JPA) to provide interoperable communications solutions to its members. The SVRIA represents the interests of all public safety agencies in Santa Clara County through its members. It services the Santa Clara Operational Area which includes the County of Santa Clara, its fifteen cities and towns, and all special districts. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Service Objectives

SVRIA exists to identify, coordinate, and implement communications interoperability solutions to its member agencies. The purpose of these projects is to seamlessly integrate voice and data communications between law enforcement, the fire and rescue service, emergency medical services, and emergency management for routine operations, critical incidents, and disaster response and recovery.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 839	\$ 884	\$ -	\$ -
Total Expenditures	\$ 839	\$ 884	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 839	\$ 884	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Innovation and Technology

This page intentionally left blank.

Department Overview

Budget Units

Budget Unit	Program	2025 Proposed Budget
I&T Administration		\$ 77,806
610-30-300	Innovation & Technology Administration	\$ 77,806
Video		\$ 1,179,061
100-31-305	Video	\$ 1,179,061
Applications		\$ 1,943,932
100-32-308	Applications	\$ 1,943,932
Infrastructure		\$ 2,079,379
610-34-310	Infrastructure	\$ 2,079,379
GIS		\$ 1,443,249
610-35-986	GIS	\$ 1,443,249
Total		\$ 6,723,427

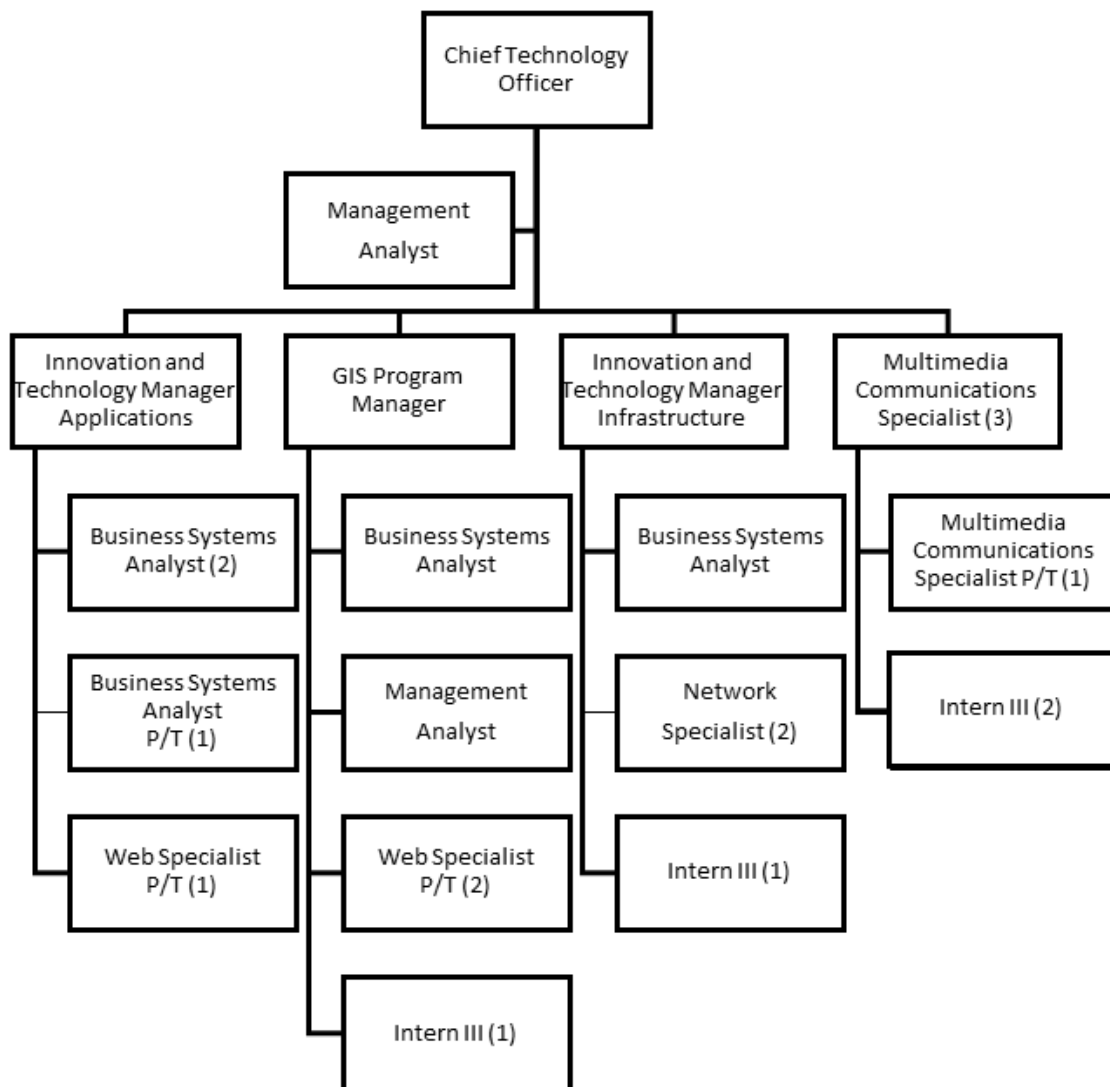
Budget at a Glance

2025 Proposed Budget

Total Revenues	\$ 5,113,586
Total Expenditures	\$ 6,723,427
Fund Balance	\$ (42,256)
General Fund Costs	\$ 1,567,585
% Funded by General Fund	23.3%
Total Staffing	13.9 FTE

Organization

Bill Mitchell, Chief Technology Officer



As part of an expenditure Reduction Strategy, one IT Manager position will be reduced resulting from an internal Chief Technology Officer recruitment.

Performance Measures

Goal: Provide superior delivery of information and technology services to city employees and constituents while continually enhancing levels of engagement.

Benefit: Integrated information services enable customer access to the tools and information they need, when and where they need it.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
GIS: % of time spent Developing Application	40%	50%	55%	65%
GIS: % of time Maintaining applications	60%	50%	45%	35%
GIS: Increase Property Information (Internal/External) site visits per month	3,344/616	2807/1593	3546/1606	900/600
GIS: Cityworks utilization - # of assets Cupertino maintains vs # of assets maintained in Cityworks. Also the % increase of work units completed (WOs, INSP,SRs)	45/31 68%	45/31	45/31	45/45 100%
Infrastructure: Percentage based upon number of scheduled projects/Number of projects completed on time	89%	N/A	50%	100%
Infrastructure: Percentage based upon number of HelpDesk tickets/SLA measurements	93%	85.9%	91.5%	90%
Infrastructure: % Customer satisfaction based upon Satisfaction Rate from helpdesk tickets	98.0%	99.6%	95.7%%	85%
Infrastructure: % of network uptime (not including planned maintenance)	99.9%	99.9%	99.9%	99%
Applications: % of citywide-enterprise application project management performed on time and on budget	96%	98.1%%	96%	95%
Applications: Number of website site visits/Number of site hits	886,899	857,387	438,732	5% annual increase
Applications: Number of support request for the applications support per month	870	640	330	20

Multimedia Division

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
Percentage of total video productions performed vs scheduled productions (city meetings excluded)	356% 57/16	220% 44/20	155% 28/18	100%
Percentage of total engineering projects vs scheduled projects	200% 10/5	182% 11/6	133% 4/3	100%
Total video views on YouTube*	141,571	135,641	80,351	5% annual increase

* Unable to retrieve Granicus viewership data due to error in their reporting module

Workload Indicators

Applications Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Number of tasks for Enterprise Programs Support & Maintenance - includes enterprise business platforms like ERP, Land Management System, Recreation System, City Digital Records, City Website and many programs like Admin Services digital transformation, citywide permitting, licensing, and enforcement solutions.	1,950	2,250 Standardizing tracking process	2,450
Number of Hours for Application Development - includes custom software solutions like Bid Management solution and Permit Parking software solutions. Application development for these kind of software solution goes through all stages of Software Development Life Cycle (SDLC) of Requirement-gathering, Analysis, Designing, Coding, Testing and Deployment of these custom software solutions.	850	1,300	1,450
% of Project Implementation Performed on Time and Budget for Citywide Applications - This measure involves the task of project research and communications, project charter creation, creating or reviewing statement of work, contractor research and selection process, activity and resource planning, creation of work breakdown structure, team building, time management, deliverable management, customer satisfaction, risk management, communication management, project closeout process and documentation.	94%	95%	95%

Infrastructure Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
% of helpdesk requests completed 48 hours or less - Prompt customer service and attention is a critical customer service measurement to ensure staff is able to perform and excel with their daily duties. This core responsibility is performed by two Network Specialists serving 200-250 staff depending on the time of year. Infrastructure's goal is to provide a service level where 90% of all helpdesk service requests are completed in 48 hours or less.	93%	85.9%	91.5%
% of network uptime - Maintain availability and accessibility of the City's network infrastructure during business hours of operation. The City's local and wide area networks require high reliability to ensure various applications (ERP, GIS, Land management, etc.) and services (Internet, e-mail, shared files, City web services, etc). are available for staff and members of the public.	99.9%	99.9%	99.9%
Number of IT Projects Completed - Project research and communications, project charter creation, SOW creation, contractor research and selection process, activity & resource planning/work breakdown structure, team building and motivation, time management, deliverable management, ensuring customer satisfaction, risk management, communication management, project closeout process, documentation	88.89% 9/8	N/A	50% 1/2

GIS Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Hours Spent on Development - The GIS Division builds internal and external web applications, business intelligence tools, digital workflows, and configures enterprise applications.	876/tracking is still being refined. This is not an accurate account.	507/new tracking system was in development during this time frame	824
Number of Map, Data, Analysis, Report Completed Requests - Requests range from hard copy maps to interactive web maps, data request, data changes, crystal report requests.	1272/tracking is still being refined. This is not an accurate account.	316/new tracking system was in development during this time frame	328
Number of I&T workplan projects completed - Project research and communications, project charter creation, SOW creation, contractor research and selection process, activity & resource planning/work breakdown structure, team building and motivation, time management, deliverable management, ensuring customer satisfaction, risk management, communication management, project closeout process, documentation	90% 9/10	90%* 7/8	2% 1/6

Multimedia Division

* Percentage skewed due to pandemic - more overall views due to daily press conference postings

Proposed Budget

It is recommended that City Council approve a budget of \$6,723,427 for the Innovation and Technology department. This represents a decrease of \$833,718 (-11.0%) from the FY 2023-24 Adopted Budget.

The decrease is primarily due to no Special Projects being requested as well as the reduction of one IT Manager position resulting from an internal Chief Technology Officer recruitment.

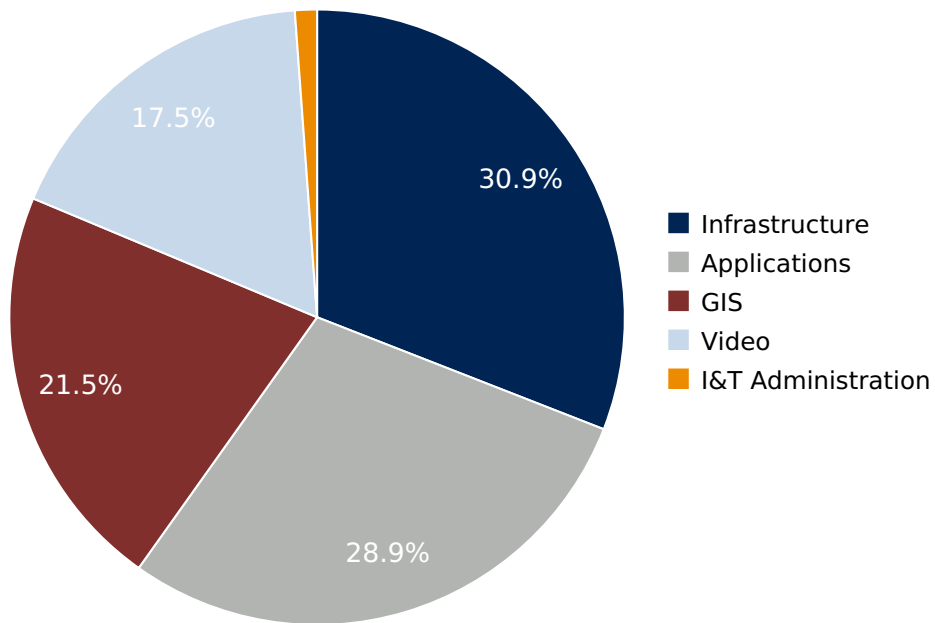
The following table illustrates the Service-Level Reductions for the Department.

Grouping	Service-Level Reduction	Fiscal impact	Service Level Impact Narrative
Fiscal Accountability	Reduce Budget for I&T	\$(779,187)	Reduced applications utilized by City staff; Cancelled ERP Implementation; Prolonged tech refresh cycles; Significantly reduced replacement parts and supplies, Reduced outside expert technical support. This reduction would reduce efficiencies from some technology uses where the city has historically been comparatively advanced.

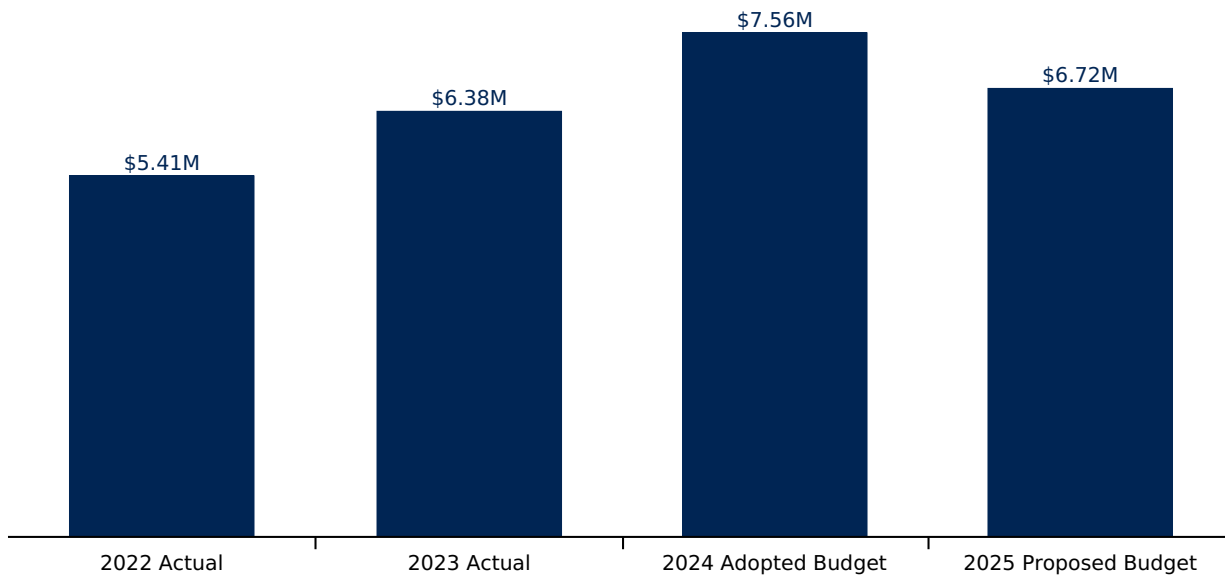
The table below shows unfunded needs for the Department.

Service	Description	Estimated Costs	Funding Status
Data Warehouse	Central Repository for all enterprise application data.	\$200,000	Unfunded
Learning Management System (LMS) Expansion	Add training certification module to HUB learning Management System	\$30,000	Unfunded
New World Enhancements	Address the deficiencies identified in the Needs Analysis of New World ERP	\$75,000	Unfunded
Enhanced Email threat Detection/Response	Five year contract for enhanced email threat detection and response	\$50,000	Unfunded
Senior Center Projection System	Procurement and Installation of a ceiling mount laser projector and a projection screen	\$45,000	Unfunded
Expansion of Foothill-De Anza (HDA)	Expand FHDA Internship Program to all students , irrespective of income level	\$160,000	Unfunded
Total		\$560,000	

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 242,900	\$ (30)	\$ 60,000	\$ -
Charges for Services	\$ 4,572,658	\$ 3,928,046	\$ 4,085,863	\$ 5,113,586
Transfers In	\$ 146,308	\$ -	\$ -	\$ -
Total Revenues	\$ 4,961,866	\$ 3,928,016	\$ 4,145,863	\$ 5,113,586
Expenditures				
Employee Compensation	\$ 2,030,751	\$ 2,415,101	\$ 2,953,284	\$ 2,746,194
Employee Benefits	\$ 611,750	\$ 1,061,734	\$ 1,163,394	\$ 1,125,453
Materials	\$ 1,705,614	\$ 1,717,933	\$ 1,812,505	\$ 1,655,136
Contract Services	\$ 456,178	\$ 446,993	\$ 620,119	\$ 714,647
Cost Allocation	\$ -	\$ -	\$ -	\$ 230,915
Special Projects	\$ 322,675	\$ 516,888	\$ 691,475	\$ -
Other Financing Uses	\$ 285,961	\$ 221,459	\$ 285,961	\$ 221,459
Contingencies	\$ -	\$ -	\$ 30,407	\$ 29,623
Total Expenditures	\$ 5,412,929	\$ 6,380,108	\$ 7,557,145	\$ 6,723,427
Fund Balance	\$ (198,074)	\$ 1,149,792	\$ (477,502)	\$ (42,256)
General Fund Costs	\$ 252,990	\$ 3,601,883	\$ 2,933,780	\$ 1,567,585

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.95	0.95	0	0
APPLICATIONS MANAGER	1.00	1.00	1.00	0
ASSET MANAGEMENT TECHNCIAN	1.00	0	0	0
BUSINESS SYSTEMS ANALYST	3.00	3.00	3.00	3.00
CHIEF TECHNOLOGY OFFICER	0.98	0.98	0.98	0.98
GIS ANALYST	1.00	1.00	1.00	1.00
GIS MANAGER	1.00	1.00	1.00	1.00
INFRASTRUCTURE MANAGER	1.00	1.00	1.00	1.00
I.T. ASSISTANT	2.00	2.00	0	0
MANAGEMENT ANALYST	0	1.00	1.95	1.95
MULTIMEDIA COMMUNICATIONS SPEC	0	1.50	3.00	3.00
NETWORK SPECIALIST	0	0	2.00	2.00
Total	11.93	13.43	14.93	13.93

Innovation & Technology Administration

Budget Unit 610-30-300

Information Technology - I&T Administration - Innovation & Technology Administration

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 191,672
Total Expenditures	\$ 77,806
Fund Balance	\$ 113,866
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.3 FTE

Program Overview

The Innovation & Technology Department Administration Division is responsible for the strategic planning, governance, policy setting, and leadership in the use of digital services for the City. The services include a state of the art network which provides transport for best of class business applications, e.g., financial, land management, recreation, asset management, HR, e-commerce and work order management. Additionally, Administration ensures oversight of budget, tactical plans, succession planning, partnership development (internal/external) and staffing. Procurement and budget monitoring are also responsibilities of Administration.

Service Objectives

- Develop a roadmap to effectively leverage existing technology and adopt emerging technology to meet business needs.
- Create and sustain a workplace atmosphere that promotes a balance between employee innovation, accountability and business needs.
- Ensure two-way communication between and among the City organization and stakeholders.
- Improve user experience including ease of use, availability, and accessibility within the context of compliance with industry standards.
- Ensure transparent and easy access to City information and services via multiple technologies, e.g. social media, TV, web, and radio.

Proposed Budget

It is recommended that City Council approve a budget of \$77,806 for the Innovation & Technology Administration program. This represents a decrease of \$111,909 (-59.0%) from the FY 2023-24 Adopted Budget.

The decrease is primarily due to the reallocation of the Chief Technology Officer from this budget to better reflect actual time spent in this program.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Reduced Budget for I&T	\$(2,850)	Reduced outside expert technical support. This reduction would reduce efficiencies from some technology uses where the city has historically been comparatively advanced.

The table below shows unfunded needs for this program.

Service	Description	Estimated Costs	Funding status
Expansion of Foothill-De Anza (FHDA) Internship Agreement	Expand FHDA Internship program to all students, irrespective of income level	\$160,000	Unfunded

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ -	\$ 191,672
Total Revenues	\$ -	\$ -	\$ -	\$ 191,672
Expenditures				
Employee Compensation	\$ 114,941	\$ 127,562	\$ 128,598	\$ 45,698
Employee Benefits	\$ 23,024	\$ 46,310	\$ 52,439	\$ 20,160
Materials	\$ 3,787	\$ 8,809	\$ 6,071	\$ 5,721
Contract Services	\$ 14,107	\$ 7,933	\$ 2,500	\$ 2,000
Cost Allocation	\$ -	\$ -	\$ -	\$ 4,130
Special Projects	\$ 29,100	\$ 41,000	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 107	\$ 97
Total Expenditures	\$ 184,959	\$ 231,614	\$ 189,715	\$ 77,806
Fund Balance	\$ (184,959)	\$ (149,113)	\$ (189,715)	\$ 113,866
General Fund Costs	\$ -	\$ 82,500	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.15	0.15	0	0
CHIEF TECHNOLOGY OFFICER	0.38	0.38	0.38	0.10
MANAGEMENT ANALYST	0	0	0.15	0.15
Total	0.53	0.53	0.53	0.25

As part of an expenditure reduction strategy, one IT Manager position will be promoted to Chief Technology Officer from an Internal recruitment. Staff time is being reallocated to better reflect actual time spent in this program.

Video

Budget Unit 100-31-305

General Fund - Video - Video

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 85,679
Total Expenditures	\$ 1,179,061
Fund Balance	\$ -
General Fund Costs	\$ 1,093,382
% Funded by General Fund	92.7%
Total Staffing	3.1 FTE

Program Overview

The primary goal of the Multimedia Division is to increase public awareness, interest, understanding, and participation in the issues, programs, and services presented by the City of Cupertino. The staff promotes City services and programs through its 24/7 government access channel, radio station, digital signage network, City website, and numerous online video platforms. In addition, the video staff provides multimedia production services and technical support for all City departments. Multimedia staff also oversees the design, maintenance, and engineering of the City's broadcast and audiovisual systems.

Service Objectives

Multimedia staff works together to manage and maintain the following city services:

- City Channel, the government access television channel which provides 24/7 information to Cupertino residents, includes full coverage of city meetings, community events, town hall forums, press conferences, election coverage, and local speaker series, as well as educational programming and state government affairs programming
- Webcasting and video on demand services for live streaming city meetings, events and other programs of interest
- Radio Cupertino for emergency and community information for public service announcements, traffic alerts, and weather forecasts
- Digital signage to promote city programs and events via electronic displays in city facilities
- Multimedia production services and maintenance of city video equipment

Proposed Budget

It is recommended that City Council approve a budget of \$1,179,061 for the Video program. This represents an increase of \$253,091 (27.3%) from the FY 2023-24 Adopted Budget.

The increase in Contract Services is due to a transfer in from City Manager's Office for Multimedia split Budget.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Reduced Budget for I&T	\$(33,522)	Prolonged tech refresh cycles; Significantly reduced replacement parts and supplies, Reduced outside expert technical support.

The table below shows unfunded needs for this program.

Service	Description	Estimated Costs	Funding Status
Senior Center Projection System	Procurement and Installation of a ceiling mount laser projector and a projection screen	\$45,000	Unfunded

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 11,506	\$ -	\$ 85,679
Total Revenues	\$ -	\$ 11,506	\$ -	\$ 85,679
Expenditures				
Employee Compensation	\$ -	\$ 230,675	\$ 591,230	\$ 619,967
Employee Benefits	\$ -	\$ 65,460	\$ 231,422	\$ 268,574
Materials	\$ -	\$ 69,243	\$ 38,579	\$ 37,319
Contract Services	\$ -	\$ 70,852	\$ 63,463	\$ 197,746
Cost Allocation	\$ -	\$ -	\$ -	\$ 52,517
Special Projects	\$ -	\$ 42,433	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 1,276	\$ 2,938
Total Expenditures	\$ -	\$ 478,663	\$ 925,970	\$ 1,179,061
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 467,157	\$ 925,970	\$ 1,093,382

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
CHIEF TECHNOLOGY OFFICER	0	0	0	0.13
MULTIMEDIA COMMUNICATIONS SPEC	0	1.50	3.00	3.00
Total	0	1.50	3.00	3.13

Staff time is being reallocated to better reflect actual time spent in this Program.

Applications

Budget Unit 100-32-308

General Fund - Applications - Applications

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 1,666,729
Total Expenditures	\$ 1,943,932
Fund Balance	\$ -
General Fund Costs	\$ 277,203
% Funded by General Fund	14.3%
Total Staffing	3.1 FTE

Program Overview

The Applications Division oversees citywide business critical enterprise software systems. The responsibilities include requirements gathering, design, development, procurement, project management, implementation, ongoing maintenance and support for all enterprise-wide business systems and programs. These software systems encompass Financial Enterprise Resource Planning (ERP), Land-use Management System, Recreation Management System, and their respective customer-facing portals. Additionally, the division manages the electronic content management (records retention) system and the city's procurement management system.

Furthermore, the Applications Division oversees the development of the City's website, Intranet, and mobile apps. Its staff supports digital services of permitting, licensing, registrations, inspections, and enforcement. The division is tasked with developing custom software applications, including bid management and residential parking permit solutions. Staff also manages application integrations to facilitate the flow of critical business data between enterprise platforms. Additionally, the division's staff generates crucial business analytics and reports, aiding city staff in gaining insights through data visualization. This assistance extends to department supervisors and managers, aiding them in decision-making and measuring key performance indices and goals.

Service Objectives

- Implement business solutions that align with customer requirements and seamlessly integrate into the City's application framework.
- Aid departments in developing streamlined and efficient business processes that are easily comprehensible and can be implemented in existing and new enterprise applications.
- Collaborate closely with City staff to ensure that the City's enterprise application platforms are regularly updated and deliver value to all stakeholders.
- Work in conjunction with various City departments to ensure that the City's enterprise software solutions meet functional requirements and align with the organization's long-term technology strategy.
- Develop and maintain user-friendly online and mobile access to municipal information and services.
- Facilitate the use of communication and technical resources by non-technical staff and customers.
- Produce business data dashboards for city staff and external stakeholders.

Proposed Budget

It is recommended that City Council approve a budget of \$1,943,932 for the Applications program. This represents a decrease of \$762,883 (-28.2%) from the FY 2023-24 Adopted Budget.

The decrease is primarily due to no special projects and reduced materials. Staff time is being reallocated to better reflect actual time spent in this Program.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Reduced Budget for I&T	\$(532,354)	Reduced applications utilized by City staff; Cancelled ERP Implementation; Reduced outside expert technical support. This reduction would reduce efficiencies from some technology uses where the city has historically been comparatively advanced.

The table below shows unfunded needs for this program.

Service	Description	Estimated Costs	Funding Status
New World Enhancements	Address deficiencies identified in the Needs Analysis	\$75,000	Unfunded

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 242,900	\$ (30)	\$ 60,000	\$ -
Charges for Services	\$ 1,613,055	\$ 1,431,322	\$ 1,539,005	\$ 1,666,729
Transfers In	\$ 146,308	\$ -	\$ -	\$ -
Total Revenues	\$ 2,002,263	\$ 1,431,292	\$ 1,599,005	\$ 1,666,729
Expenditures				
Employee Compensation	\$ 670,756	\$ 718,099	\$ 754,882	\$ 666,439
Employee Benefits	\$ 232,154	\$ 210,496	\$ 265,644	\$ 231,676
Materials	\$ 895,294	\$ 909,110	\$ 966,999	\$ 880,026
Contract Services	\$ 129,333	\$ 59,951	\$ 126,151	\$ 103,121
Cost Allocation	\$ -	\$ -	\$ -	\$ 50,381
Special Projects	\$ 135,638	\$ 130,862	\$ 579,475	\$ -
Contingencies	\$ -	\$ -	\$ 13,664	\$ 12,289
Total Expenditures	\$ 2,063,175	\$ 2,028,518	\$ 2,706,815	\$ 1,943,932
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 60,912	\$ 597,226	\$ 1,107,810	\$ 277,203

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.30	0.30	0	0
APPLICATIONS MANAGER	1.00	1.00	1.00	0
BUSINESS SYSTEMS ANALYST	2.00	2.00	2.00	2.00
CHIEF TECHNOLOGY OFFICER	0.20	0.20	0.20	0.75
MANAGEMENT ANALYST	0	0	0.30	0.30
Total	3.50	3.50	3.50	3.05

As part of an expenditure reduction strategy, one IT Manager position will be promoted to Chief Technology Officer from an Internal recruitment.

Infrastructure

Budget Unit 610-34-310

Information Technology - Infrastructure - Infrastructure

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 1,745,011
Total Expenditures	\$ 2,079,379
Fund Balance	\$ (137,368)
General Fund Costs	\$ 197,000
% Funded by General Fund	9.5%
Total Staffing	4.3 FTE

Program Overview

The IT Infrastructure Division is responsible for technology-related expenses for the citywide management of information technology services. The Infrastructure Manager and staff are responsible for computer helpdesk, network availability, and performance, cybersecurity and compliance, incident response, disaster recovery and business continuity, project management of implementations and upgrades, purchasing and inventory control, technical training, and maintenance of systems. Infrastructure is also tasked with ensuring that the City continues to follow best practices in technology adoption and security practices.

Service Objectives

- Provide and continuously improve helpdesk support as this function is often the face of IT that staff interacts with on a daily basis.
- Maintain standards and procedures for the replacement, support, and maintenance of all City-owned computing devices, printers, networks, peripherals and systems defined by City policy.
- Manage and support the City's server and network infrastructure and data centers, ensuring 99.9% availability of network resources.
- Proactively protect the City from cyberthreats and conduct ongoing City-wide educational and security-related training programs.
- Continue innovation and outreach to ensure the City follows best IT practices relating to equipment, policy, and security practices.

Proposed Budget

It is recommended that City Council approve a budget of \$2,079,379 for the Infrastructure program. This represents a decrease of \$165,738 (-7.4%) from the FY 2023-24 Adopted Budget.

The decrease in compensation is due to Chief Technology Officer time being reallocated to better reflect actual time spent in this program.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narratives
Fiscal Accountability	Reduced Budget for I&T	\$(143,841)	Reduced applications utilized by City staff; Prolonged tech refresh cycles; Significantly reduced replacement parts and supplies, Reduced outside expert technical support. This reduction would reduce efficiencies from some technology uses where the city has historically been comparatively advanced.

The table below shows unfunded needs for this program.

Service	Description	Estimated Cost	Funding Status
Enhanced Email thread Detection/Response	Five-Year contract for enhanced email threat detection and response.	\$50,000	Unfunded

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 1,882,195	\$ 1,556,269	\$ 1,591,722	\$ 1,745,011
Total Revenues	\$ 1,882,195	\$ 1,556,269	\$ 1,591,722	\$ 1,745,011
Expenditures				
Employee Compensation	\$ 629,802	\$ 657,342	\$ 789,572	\$ 716,658
Employee Benefits	\$ 192,068	\$ 375,545	\$ 326,584	\$ 318,911
Materials	\$ 611,350	\$ 632,757	\$ 566,688	\$ 506,467
Contract Services	\$ 195,656	\$ 184,272	\$ 265,905	\$ 235,580
Cost Allocation	\$ -	\$ -	\$ -	\$ 71,028
Special Projects	\$ 78,960	\$ 98,353	\$ -	\$ -
Other Financing Uses	\$ 285,961	\$ 221,459	\$ 285,961	\$ 221,459
Contingencies	\$ -	\$ -	\$ 10,407	\$ 9,276
Total Expenditures	\$ 1,993,797	\$ 2,169,728	\$ 2,245,117	\$ 2,079,379
Fund Balance	\$ 80,476	\$ 1,841,542	\$ 246,605	\$ (137,368)
General Fund Costs	\$ 192,078	\$ 2,455,000	\$ 900,000	\$ 197,000

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.30	0.30	0	0
BUSINESS SYSTEMS ANALYST	1.00	1.00	1.00	1.00
CHIEF TECHNOLOGY OFFICER	0.20	0.20	0.20	0
INFRASTRUCTURE MANAGER	1.00	1.00	1.00	1.00
I.T. ASSISTANT	2.00	2.00	0	0
MANAGEMENT ANALYST	0	0	0.30	0.30
NETWORK SPECIALIST	0	0	2.00	2.00
Total	4.50	4.50	4.50	4.30

Staff is being reallocated to better reflect actual time spent in this program.

GIS

Budget Unit 610-35-986

Information Technology - GIS - GIS

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 1,424,495
Total Expenditures	\$ 1,443,249
Fund Balance	\$ (18,754)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	3.2 FTE

Program Overview

The Geographic Information Systems (GIS) program serves as the central hub for capturing, managing, analyzing, and displaying all geographically referenced information pertinent to the City of Cupertino. Alongside the administration of Cupertino's asset management system, public service request system, document management system, and the city SharePoint intranet Hub, the GIS Program oversees essential platforms such as Teams, Planner, and enterprise digital workflows. Through maps, reports, dashboards, and charts, we facilitate the exploration, understanding, and interpretation of our city's data. Our aim is to empower staff, citizens, businesses, and development communities by providing easily comprehensible visualizations that facilitate problem-solving and decision-making processes, all readily shareable and accessible.

Service Objectives

- **Efficient Data Management:** Ensuring the accurate capture, storage, and organization of geographically referenced information related to Cupertino's assets, public service requests, documents, and other relevant data sets.
- **Data Analysis and Visualization:** Utilizing GIS tools and technologies to analyze spatial data, identify patterns, trends, and relationships, and present findings through maps, reports, dashboards, and charts to aid decision-making processes.
- **User Support and Training:** Providing assistance, guidance, and training to staff and citizens in utilizing GIS tools and platforms effectively for data analysis, problem-solving, and decision-making purposes.
- **Platform Administration:** Managing and maintaining GIS platforms, as well as other associated systems such as asset management, public service requests, document management, intranet hub, collaboration tools, and digital workflows to ensure optimal functionality and accessibility.
- **Collaboration and Integration:** Facilitating collaboration and integration of GIS data and tools with other city departments, agencies, and stakeholders to enhance coordination, information sharing, and efficiency in addressing various challenges and initiatives.

- Continuous Improvement: Continuously evaluating and enhancing GIS services, platforms, and processes to adapt to evolving needs, technological advancements, and best practices, thereby optimizing the overall effectiveness and value delivered to stakeholders.

Proposed Budget

It is recommended that City Council approve a budget of \$1,443,249 for the GIS program. This represents a decrease of \$46,279 (-3.1%) from the FY 2023-24 Adopted Budget.

The decrease is due to a slight reduction in materials, offset by increases in contract services and Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal impact	Service-Level Impact Narrative
Fiscal Accountability	Reduce Budget for I&T	\$(66,980)	Reduced applications utilized by City staff; Reduced outside expert technical support. This reduction would reduce efficiencies from some technology uses where the city has historically been comparatively advanced.

The table below shows unfunded needs for this program.

Service	Description	Estimated Cost	Funding Status
Data Warehouse	Central Repository for all enterprise application data.	\$200,000	Unfunded
Learning Management System (LMS) Training Certification	Add training certification module to HUB Learning Management System	\$30,000	Unfunded
Total		\$230,000	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 1,077,408	\$ 928,949	\$ 955,136	\$ 1,424,495
Total Revenues	\$ 1,077,408	\$ 928,949	\$ 955,136	\$ 1,424,495
Expenditures				
Employee Compensation	\$ 615,252	\$ 681,423	\$ 689,002	\$ 697,432
Employee Benefits	\$ 164,504	\$ 363,923	\$ 287,305	\$ 286,132
Materials	\$ 195,183	\$ 98,014	\$ 234,168	\$ 225,603
Contract Services	\$ 117,082	\$ 123,985	\$ 162,100	\$ 176,200
Cost Allocation	\$ -	\$ -	\$ -	\$ 52,859
Special Projects	\$ 78,977	\$ 204,240	\$ 112,000	\$ -
Contingencies	\$ -	\$ -	\$ 4,953	\$ 5,023
Total Expenditures	\$ 1,170,998	\$ 1,471,585	\$ 1,489,528	\$ 1,443,249
Fund Balance	\$ (93,591)	\$ (542,637)	\$ (534,392)	\$ (18,754)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.20	0.20	0	0
ASSET MANAGEMENT TECHNICIAN	1.00	0	0	0
CHIEF TECHNOLOGY OFFICER	0.20	0.20	0.20	0
GIS ANALYST	1.00	1.00	1.00	1.00
GIS MANAGER	1.00	1.00	1.00	1.00
MANAGEMENT ANALYST	0	1.00	1.20	1.20
Total	3.40	3.40	3.40	3.20

Staff time is being reallocated to better reflect actual time spent in this program.

This page intentionally left blank.

Administrative Services

This page intentionally left blank.

Department Overview

Budget Units

Budget Unit	Program	2025 Proposed Budget
Administrative Services		\$ 386,090
100-40-400	Administrative Services Administration	\$ 386,090
Finance		\$ 3,238,538
100-41-405	Accounting	\$ 1,915,780
100-41-406	Business Licenses	\$ 325,067
100-41-425	Purchasing	\$ 424,809
100-41-426	Budget	\$ 572,882
Human Resources		\$ 6,931,002
100-44-412	Human Resources	\$ 1,467,527
642-44-414	Retiree Benefits	\$ 1,609,045
100-44-417	Insurance Administration	\$ 2,444,954
620-44-418	Workers Compensation Insurance	\$ 571,410
641-44-419	Long Term Disability	\$ 110,329
641-44-420	Compensated Absences	\$ 727,737
Total		\$ 10,555,630

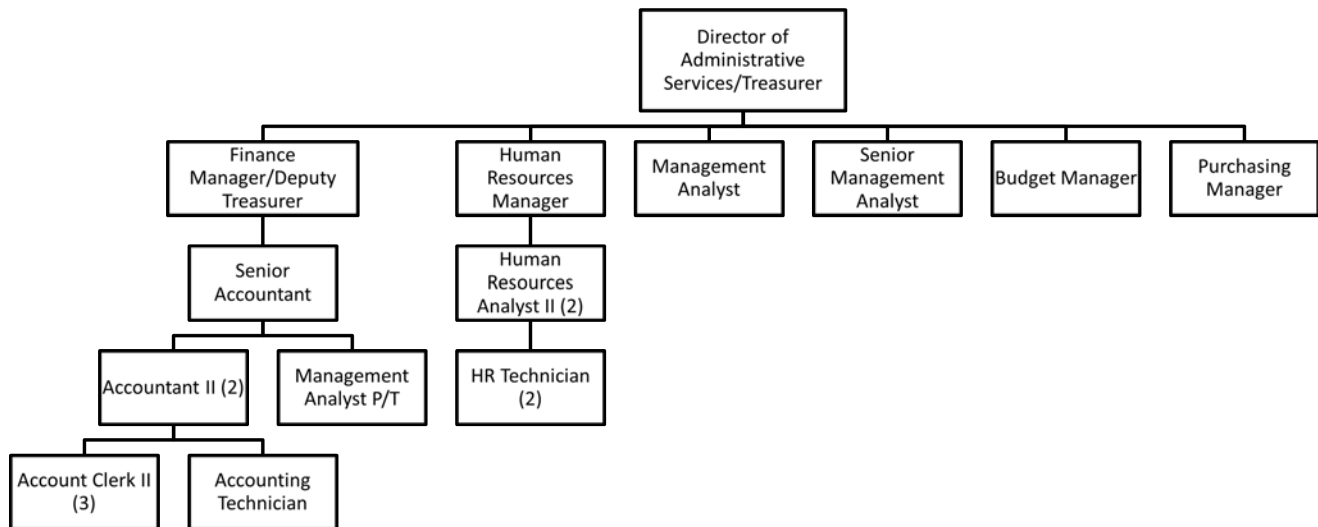
Budget at a Glance

2025 Proposed Budget

Total Revenues	\$ 5,572,466
Total Expenditures	\$ 10,555,630
Fund Balance	\$ (366,139)
General Fund Costs	\$ 4,617,025
% Funded by General Fund	43.7%
Total Staffing	17.9 FTE

Organization

Kristina Alfaro, Director of Administrative Services



Performance Measures

Finance Division

Goal: Financial Stability - Provide a sustainable level of core services that are funded from ongoing and stable revenue sources.

Benefit: Citizens can enjoy high quality of services that meet community priorities.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
General Fund committed, assigned, and unassigned fund balance as a % of budgeted appropriations	86%	122%	97%	35%
Credit Rating	AA+	AA+	AA+	AA+
Actual revenue vs. budget (% below budget)	24%	17%	28%	10%
Actual expenditures (% below budget)	9%	14%	24%	5%
Funding allocated to high priority services (Public Works, Community Development, Law Enforcement)	52%	58%	72%	63%

Human Resources Division

Goal: To create a thriving organization with meaningful careers in public service.

Benefit: The agency supports a professional and engaged workforce offering diverse and quality community services.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
# of Worker's Compensation Cases	11	4	1	0
Total recordable Injury Rate YTD	4.3%	1.4%	0.3%	0%
% absenteeism (% of total annual work hours)	2%	3%	3%	2%
% turnover rate	9%	9%	3%	1%
% Employee participation in wellness activities	48%	38%	39%	75%
Average # of applications received per recruitment	49	45	49	50
Recruitment timeline - # days from hiring request to offer letter	88	105	53	60

Workload Indicators

Finance Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
# of vendor checks processed	4,993	5,130	2,199
# of payroll checks processed	8,119	9,176	4,758
# of business license applications	884	969	515
# of business license renewals	1,521	2,176	1,005
# of journal entries posted	3,635	3,695	1,743
# of purchase orders approved	563	543	307
# of receipts processed	9,353	11,275	4,885

Human Resources Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
# of regular recruitments	33	29	11
# of regular new hires	38	31	9
# of temporary new hires	77	70	14
# of personnel payroll changes	787	773	331
# of full-time employee exits processed	24	22	12
# of mandated training classes offered*	20	19	21
# of employees participating in the wellness program	104	161	99

* some trainings mandated every other year, however not on the same annual schedule

Proposed Budget

It is recommended that City Council approve a budget of \$10,555,630 for the Administrative Services department. This represents an increase of \$531,401 (5.3%) from the FY 2023-24 Adopted Budget.

The increase is mainly due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

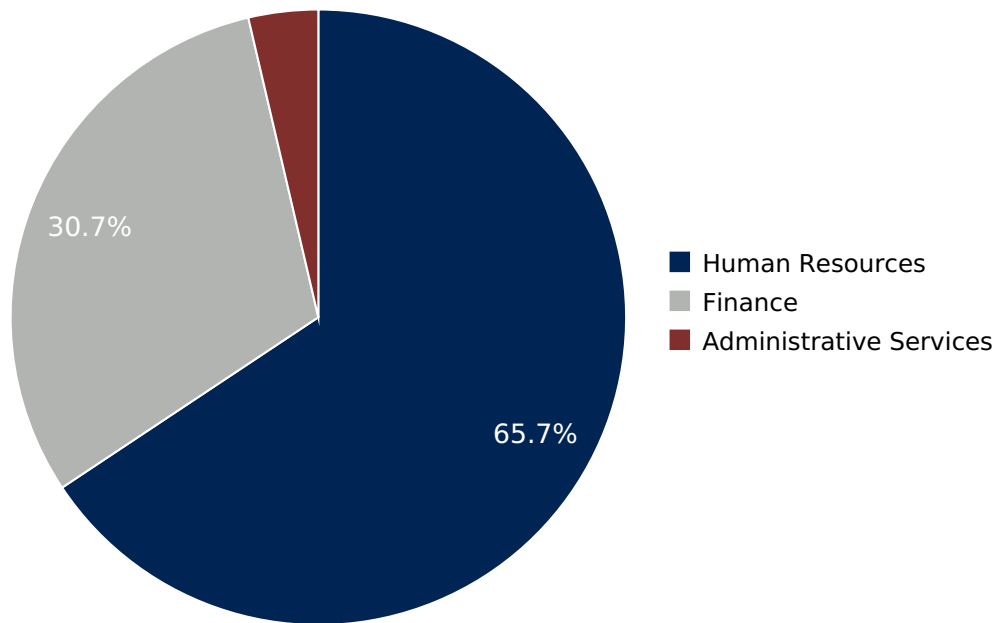
The following table illustrates the Service-Level Reductions for the department.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Reduce Unemployment Insurance	\$(64,148)	New costs are reflective of post-COVID estimates
Operations and Maintenance	Reduce Budget for Internal Audit	\$(40,000)	Reduction in the number of internal audit projects. Audits would occur on a less frequent basis.
Operations and Maintenance	Shift credit card fees to customers	\$(39,000)	Customers would pay a credit card transaction fee for any payments made using a credit card. Currently, the City does not charge credit card fees to customers. Many jurisdictions charge customers a credit card transaction fee for any payments made using a credit card.
Total		\$(139,148)	

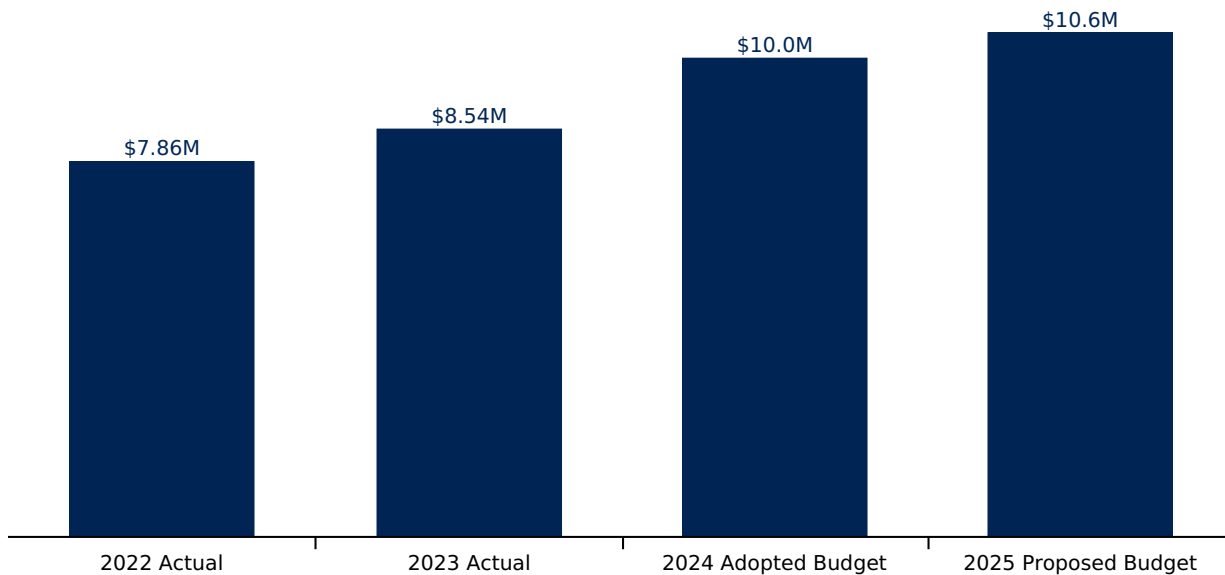
The table below shows unfunded needs for the department.

Project	Description	Estimated Cost	One-time or Ongoing	Funding Status
Training Investment	California Association of Public Procurement Officials (CAPPO) 2025 Conference - in Person	\$1,500	One-time	Unfunded
Training Investment	Successful Scope of Work Development (5 @ \$195/ea) National Institute of Governmental Purchasing, Inc (NIGP)	\$1,000	One-time	Unfunded
Analytic Support	Student Intern for support with Presentation Development, Handout Materials, Policy comparison	\$5,000	One-time	Unfunded
Professional Purchasing Support	Professional Consultant to Research and develop bid and quote documents	\$15,000	One-time	Unfunded
Professional Purchasing Support	Consultant to draft training presentations for citywide staff including contract development, contract negotiations, Request For Proposal use	\$20,000	Ongoing	Unfunded
Professional Purchasing Support	Consultant to develop template for documenting and achieving the Achievement of Excellence in Procurement (AEP) Award	\$15,000	One-time	Unfunded
Citywide Analyst Classification Study	Consultant study of citywide analyst classifications	\$10,000	One-time	Unfunded
Succession Planning	Hire consultant to assist with developing a succession plan for the city	\$20,000	One-time	Unfunded
Human Resources Support	Part-time staff support for recommended centralized citywide training model	\$52,360	Ongoing	Unfunded
Total		\$139,860		

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 4,484,822	\$ 3,974,879	\$ 4,159,392	\$ 5,103,482
Miscellaneous Revenue	\$ 44,002	\$ 43,832	\$ -	\$ -
Other Financing Sources	\$ 356,830	\$ 436,462	\$ -	\$ 468,984
Transfers In	\$ 332,112	\$ -	\$ -	\$ -
Total Revenues	\$ 5,217,766	\$ 4,455,173	\$ 4,159,392	\$ 5,572,466
Expenditures				
Employee Compensation	\$ 2,240,233	\$ 2,445,716	\$ 2,808,263	\$ 2,766,469
Employee Benefits	\$ 2,401,776	\$ 2,376,202	\$ 2,735,256	\$ 2,889,460
Materials	\$ 136,581	\$ 127,195	\$ 108,808	\$ 111,160
Contract Services	\$ 2,740,443	\$ 3,236,527	\$ 4,020,746	\$ 4,232,614
Cost Allocation	\$ 341,693	\$ 349,530	\$ 308,962	\$ 511,081
Special Projects	\$ -	\$ 4,200	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 42,194	\$ 44,846
Total Expenditures	\$ 7,860,726	\$ 8,539,370	\$ 10,024,229	\$ 10,555,630
Fund Balance	\$ (735,233)	\$ (1,244,606)	\$ (2,450,237)	\$ (366,139)
General Fund Costs	\$ 1,907,727	\$ 2,839,589	\$ 3,414,600	\$ 4,617,025

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ACCOUNTANT II	2.00	2.00	2.00	2.00
ACCOUNT CLERK II	3.00	3.00	3.00	3.00
ACCOUNTING TECHNICIAN	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	0.95	0.95	0	0
BUDGET MANAGER	0	1.00	1.00	1.00
DIRECTOR OF ADMIN SERVICES	1.00	1.00	1.00	1.00
FINANCE MANAGER	0.95	0.95	0.95	0.95
HUMAN RESOURCES ANALYST II	2.00	2.00	2.00	2.00
HUMAN RESOURCES MANAGER	1.00	1.00	1.00	1.00
HUMAN RESOURCES TECH	2.00	2.00	2.00	2.00
MANAGEMENT ANALYST	0	0	0.95	0.95
PURCHASING MANAGER	0	1.00	1.00	1.00
SENIOR ACCOUNTANT	1.00	1.00	1.00	1.00
SENIOR MANAGEMENT ANALYST	2.00	2.00	1.00	1.00
Total	16.90	18.90	17.90	17.90

Administrative Services Administration

Budget Unit 100-40-400

General Fund - Administrative Services - Administrative Services Administration

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 35,714
Total Expenditures	\$ 386,090
Fund Balance	\$ -
General Fund Costs	\$ 350,376
% Funded by General Fund	90.7%
Total Staffing	1.4 FTE

Program Overview

The Administrative Services Administration program oversees and coordinates Human Resources/Risk Management, Finance, Purchasing, Budget, and Treasury. In Fall 2022, City Council adopted the City's Fraud, Waste, and Abuse (FWA) Program which is administered by the City's Internal Auditor. The Internal Auditor monitors the hotline, triages complaints received, recommends action to the appropriate City personnel, and conducts investigations, as appropriate. Costs associated with supporting the FWA hotline are expensed in this program. Additionally, staff support from this program is provided to the Audit Committee.

Service Objectives

- Manage the City's investment portfolio to obtain safety of funds, liquidity, and a reasonable rate of return.
- Perform special projects for the City Manager.
- Manage contract for the City's Fraud, Waste, Abuse Program.
- Provide staff support to Audit Committee.

Proposed Budget

It is recommended that City Council approve a budget of \$386,090 for the Administrative Services Administration program. This represents an increase of \$18,397 (5.0%) from the FY 2023-24 Adopted Budget.

The increase is primarily due to increases in Cost Allocation Plan (CAP) expenses. Matrix Consulting Group updated the CAP based on a study performed in 2023. This is offset by a reduction in overall material expenses.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 183,169	\$ 156,003	\$ 154,333	\$ 35,714
Miscellaneous Revenue	\$ 36,300	\$ 11	\$ -	\$ -
Total Revenues	\$ 219,469	\$ 156,014	\$ 154,333	\$ 35,714
Expenditures				
Employee Compensation	\$ 562,571	\$ 540,819	\$ 240,749	\$ 239,790
Employee Benefits	\$ 242,833	\$ 220,816	\$ 103,522	\$ 105,249
Materials	\$ 47,865	\$ 17,917	\$ 17,628	\$ 12,199
Contract Services	\$ -	\$ -	\$ 5,505	\$ 5,505
Cost Allocation	\$ -	\$ -	\$ -	\$ 23,126
Contingencies	\$ -	\$ -	\$ 289	\$ 221
Total Expenditures	\$ 853,269	\$ 779,552	\$ 367,693	\$ 386,090
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 633,800	\$ 623,538	\$ 213,360	\$ 350,376

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.95	0.95	0	0
DIRECTOR OF ADMIN SERVICES	0.80	0.80	0.20	0.20
MANAGEMENT ANALYST	0	0	0.20	0.20
SENIOR MANAGEMENT ANALYST	2.00	2.00	1.00	1.00
Total	3.75	3.75	1.40	1.40

There are no changes to the current level of staffing.

Accounting

Budget Unit 100-41-405

General Fund - Finance - Accounting

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 1,626,339
Total Expenditures	\$ 1,915,780
Fund Balance	\$ -
General Fund Costs	\$ 289,441
% Funded by General Fund	15.1%
Total Staffing	7.1 FTE

Program Overview

The Finance Division oversees all financial accounting and treasury functions for the City. Accurate and timely maintenance of all City financial records, including financial reporting, revenue collection, banking and investments, disbursement of all funds, and payroll processing are handled by the Finance Division. All required Federal, State and other regulatory reporting with respect to the City's financial condition are prepared in the Accounting program of Finance. In addition, Finance monitors the City's three investment policies, performs all financial analyses, conducts research, and prepares reports on all fiscal matters of the City for internal and external customers.

Service Objectives

- Process all financial transactions of the City of Cupertino, including general ledger accounting, cash management and investment of City funds, payroll, accounts payable, revenue collections, banking, and miscellaneous billing.
- Record all City financial transactions prudently and within all regulatory requirements.
- Produce timely and accurate financial reports.
- Maintain a high level of professionalism when fulfilling the City's financial policies, processing its financial transactions, and representing the City to its residents.
- Respond promptly to inquiries from the public and other City departments.

Proposed Budget

It is recommended that City Council approve a budget of \$1,915,780 for the Accounting program. This represents an increase of \$97,531 (5.4%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Budget for Internal Audit	\$(40,000)	Reduction in the number of internal audit projects. Audits would occur on a less frequent basis.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 2,179,273	\$ 2,112,498	\$ 2,120,939	\$ 1,626,339
Miscellaneous Revenue	\$ 7,702	\$ 39,662	\$ -	\$ -
Transfers In	\$ 150,000	\$ -	\$ -	\$ -
Total Revenues	\$ 2,336,975	\$ 2,152,160	\$ 2,120,939	\$ 1,626,339
Expenditures				
Employee Compensation	\$ 813,499	\$ 803,440	\$ 1,017,729	\$ 960,073
Employee Benefits	\$ 371,524	\$ 308,804	\$ 470,843	\$ 471,799
Materials	\$ 13,248	\$ 14,576	\$ 14,987	\$ 16,323
Contract Services	\$ 337,405	\$ 348,778	\$ 310,620	\$ 346,595
Cost Allocation	\$ -	\$ -	\$ -	\$ 116,454
Special Projects	\$ -	\$ 4,200	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 4,070	\$ 4,536
Total Expenditures	\$ 1,535,676	\$ 1,479,798	\$ 1,818,249	\$ 1,915,780
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (801,299)	\$ (672,362)	\$ (302,690)	\$ 289,441

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ACCOUNTANT II	1.90	1.90	1.90	1.90
ACCOUNT CLERK II	2.00	2.00	2.00	2.00
ACCOUNTING TECHNICIAN	1.00	1.00	1.00	1.00
DIRECTOR OF ADMIN SERVICES	0	0	0.20	0.20
FINANCE MANAGER	0.95	0.95	0.95	0.95
SENIOR ACCOUNTANT	1.00	1.00	1.00	1.00
Total	6.85	6.85	7.05	7.05

There are no changes to the current level of staffing.

Business Licenses

Budget Unit 100-41-406

General Fund - Finance - Business Licenses

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 325,067
Fund Balance	\$ -
General Fund Costs	\$ 325,067
% Funded by General Fund	100.0%
Total Staffing	1.1 FTE

Program Overview

The Business Licenses program monitors business licensing activity for compliance with the City Municipal Code and applicable state law.

Service Objectives

- Issue business licenses to entities conducting business within the city limits of Cupertino.
- Collect appropriate business license fees.
- Monitor compliance with the Business License Tax Code and provide useful information related to business activity to City departments.
- Identify non-compliant business activity.

Proposed Budget

It is recommended that City Council approve a budget of \$325,067 for the Business Licenses program. This represents a decrease of \$98,463 (-23.2%) from the FY 2023-24 Adopted Budget.

The decrease is due to a shift of credit card fees to customers. The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Shift credit card fees to customers	\$(39,000)	Customers would pay a credit card transaction fee for any payments made using a credit card. Currently, the City does not charge credit card fees to customers. Many jurisdictions charge customers a credit card transaction fee for any payments made using a credit card.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 103,915	\$ 114,293	\$ 110,981	\$ 109,333
Employee Benefits	\$ 57,777	\$ 57,200	\$ 64,549	\$ 58,740
Materials	\$ 173	\$ 204	\$ -	\$ -
Contract Services	\$ 38,832	\$ 18,753	\$ 39,000	\$ -
Cost Allocation	\$ 239,885	\$ 240,930	\$ 208,512	\$ 156,994
Contingencies	\$ -	\$ -	\$ 488	\$ -
Total Expenditures	\$ 440,582	\$ 431,380	\$ 423,530	\$ 325,067
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 440,581	\$ 431,379	\$ 423,530	\$ 325,067

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ACCOUNTANT II	0.10	0.10	0.10	0.10
ACCOUNT CLERK II	1.00	1.00	1.00	1.00
Total	1.10	1.10	1.10	1.10

There are no changes to the current level of staffing.

Purchasing

Budget Unit 100-41-425

General Fund - Finance - Purchasing

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 321,408
Total Expenditures	\$ 424,809
Fund Balance	\$ -
General Fund Costs	\$ 103,401
% Funded by General Fund	24.3%
Total Staffing	1.2 FTE

Program Overview

The Purchasing program provides centralized oversight and management over the City's procurement of goods and services. Centralized procurement assures fair and open acquisition processes that seek to obtain maximum value for each dollar spent. Major activities include providing review, guidance, and standardization for soliciting formal and informal competitive bids and proposals, obtaining quotes, and participating in cooperative procurements lead by other governmental agencies. In addition, the Purchasing program assists City employees in complying with all legal and ethical requirements.

Service Objectives

- Oversee and manage the procurement of goods and services by the City while ensuring compliance with applicable federal, state, and local laws, ordinances, rules, and regulations.
- Develop and implement strategic procurement planning, procurement policies and procedures, quality control, procurement training, electronic procurement systems, and procurement card administration.
- Provide professional support and contractual advice to all stakeholders involving contractual services, consultants, equipment, supplies, construction, capital improvements, and other applicable activities.
- Keep informed of current developments in the field of purchasing, prices, market conditions, and new products.

Proposed Budget

It is recommended that City Council approve a budget of \$424,809 for the Purchasing program. This represents an increase of \$55,332 (15.0%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The following table shows unfunded needs for the program.

Service	Description	Estimated Cost	Funding Status
Training Investment	California Association of Public Procurement Officials (CAPPO) 2025 Conference - in Person	\$1,500	Unfunded
Training Investment	Successful Scope of Work Development (5 @ \$195/ea) National Institute of Governmental Purchasing, Inc (NIGP)	\$1,000	Unfunded
Analytic Support	Student Intern for support with Presentation Development, Handout Materials, Policy comparison	\$5,000	Unfunded
Professional Purchasing Support	Professional Consultant to Research and develop bid and quote documents	\$15,000	Unfunded
Professional Purchasing Support	Consultant to draft training presentations for citywide staff including contract development, contract negotiations, RFP use	\$20,000	Unfunded
Professional Purchasing Support	Consultant to develop template for documenting and achieving the Achievement of Excellence in Procurement (AEP) Award	\$15,000	Unfunded
Total		\$57,500	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ -	\$ 321,408
Total Revenues	\$ -	\$ -	\$ -	\$ 321,408
Expenditures				
Employee Compensation	\$ -	\$ 35,897	\$ 255,899	\$ 272,068
Employee Benefits	\$ -	\$ (3,149)	\$ 111,804	\$ 131,492
Materials	\$ -	\$ 1,546	\$ 1,752	\$ 1,409
Contract Services	\$ -	\$ 200	\$ -	\$ -
Cost Allocation	\$ -	\$ -	\$ -	\$ 19,822
Contingencies	\$ -	\$ -	\$ 22	\$ 18
Total Expenditures	\$ -	\$ 34,494	\$ 369,477	\$ 424,809
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 34,494	\$ 369,477	\$ 103,401

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
DIRECTOR OF ADMIN SERVICES	0	0	0.20	0.20
PURCHASING MANAGER	0	1.00	1.00	1.00
Total	0	1.00	1.20	1.20

There are no changes to the current level of staffing.

Budget

Budget Unit 100-41-426

General Fund - Finance - Budget

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 507,316
Total Expenditures	\$ 572,882
Fund Balance	\$ -
General Fund Costs	\$ 65,566
% Funded by General Fund	11.4%
Total Staffing	2.0 FTE

Program Overview

The Budget program manages the budget-to-actual activities for both the operating budget and capital budgets. The program also develops, delivers, and updates the annual operating budget, twenty-year long-term financial forecast, and revenue and expenditure projections. Additionally, the Budget program provides financial planning and fiscal analysis on City issues and complex business decisions.

Service Objectives

- Develops the annual operating budget.
- Coordinates the preparation and publication of the operating budget document.
- Communicates the budget through the City's interactive financial transparency portal.
- Engages residents in the budgeting process.
- Develops the Twenty-Year General Fund Financial Forecast.
- Prepares and updates revenue and expenditure forecasts.
- Analyze budget performance during the year and prepare Quarterly Financial Reports.
- Provides departments with timely and accurate financial reports to assist them in their daily decision-making.
- Assists departments with any necessary budget amendments during the year.
- Advises the City in the areas of short and long-term financial planning and fiscal analysis.
- Advises the City in developing and implementing sound financial policies.

Proposed Budget

It is recommended that City Council approve a budget of \$572,882 for the Budget program. This represents an increase of \$50,742 (9.7%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ -	\$ 507,316
Total Revenues	\$ -	\$ -	\$ -	\$ 507,316
Expenditures				
Employee Compensation	\$ -	\$ 130,237	\$ 352,271	\$ 366,895
Employee Benefits	\$ -	\$ 26,849	\$ 152,448	\$ 155,599
Materials	\$ -	\$ 7,168	\$ 14,249	\$ 17,953
Contract Services	\$ -	\$ 4,280	\$ 2,957	\$ -
Cost Allocation	\$ -	\$ -	\$ -	\$ 32,211
Contingencies	\$ -	\$ -	\$ 215	\$ 224
Total Expenditures	\$ -	\$ 168,534	\$ 522,140	\$ 572,882
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 168,534	\$ 522,140	\$ 65,566

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
BUDGET MANAGER	0	1.00	1.00	1.00
DIRECTOR OF ADMIN SERVICES	0	0	0.20	0.20
MANAGEMENT ANALYST	0	0	0.75	0.75
Total	0	1.00	1.95	1.95

There are no changes to the current level of staffing.

Human Resources

Budget Unit 100-44-412

General Fund - Human Resources - Human Resources

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 1,000,511
Total Expenditures	\$ 1,467,527
Fund Balance	\$ -
General Fund Costs	\$ 467,016
% Funded by General Fund	31.8%
Total Staffing	4.9 FTE

Program Overview

The Human Resources Division is responsible for the administration of human resources programs, employee benefits, and labor relation programs including personnel selection, classification, compensation, equal employment opportunity, labor negotiations, employee relations, employee training and development, benefits, HRIS and retirement. The Human Resources Administration Division budget covers contracts and materials associated with supporting these internal services functions.

In addition, Human Resources administers risk management, safety and wellness programs, a self-insured workers' compensation program, and retiree medical insurance. Funding for these internal services is reflected in subsequent Human Resources program budgets.

Service Objectives

- Provide a working environment where respect for the individual is encouraged and safeguarded.
- Provide timely personnel services to departments and divisions in a fair, objective, and equitable manner.
- Enter into agreements with employee groups concerning terms and conditions of employment.
- Provide an employee development program addressing immediate and long-term training needs.
- Provide departments a listing of qualified persons for employment consideration within sixty days of an authorized vacant position.
- Ensure equal employment opportunities.
- Administer classification plan.
- Administer employee benefits.
- Provide personnel services consistent with the operational needs of the user department.

Proposed Budget

It is recommended that City Council approve a budget of \$1,467,527 for the Human Resources program. This represents an increase of \$72,061 (5.2%) from the FY 2023-24 Adopted Budget.

The overall increase is due to increases in Cost Allocation Plan (CAP) expenses. Matrix Consulting Group updated the CAP based on a study performed in 2023. This increase is offset by decreases in executive recruitment, tuition reimbursement and employee assistance program premium expenses.

The table below shows unfunded needs for this program.

Service	Description	Estimated Cost	Funding Status
Succession Planning	Hire consultant to assist with developing a succession plan for the city	\$20,000	Unfunded
Citywide Analyst Classification Study	Consultant study of citywide analyst classifications	\$15,000	Unfunded
Total		\$35,000	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 2,122,380	\$ 1,706,378	\$ 1,884,120	\$ 1,000,511
Miscellaneous Revenue	\$ -	\$ 2,470	\$ -	\$ -
Transfers In	\$ 182,112	\$ -	\$ -	\$ -
Total Revenues	\$ 2,304,492	\$ 1,708,848	\$ 1,884,120	\$ 1,000,511
Expenditures				
Employee Compensation	\$ 709,499	\$ 767,855	\$ 777,118	\$ 765,589
Employee Benefits	\$ 370,729	\$ 367,391	\$ 336,685	\$ 351,256
Materials	\$ 75,295	\$ 85,784	\$ 60,192	\$ 63,276
Contract Services	\$ 360,707	\$ 300,638	\$ 217,994	\$ 204,445
Cost Allocation	\$ -	\$ -	\$ -	\$ 80,114
Contingencies	\$ -	\$ -	\$ 3,477	\$ 2,847
Total Expenditures	\$ 1,516,230	\$ 1,521,668	\$ 1,395,466	\$ 1,467,527
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (788,262)	\$ (187,181)	\$ (488,654)	\$ 467,016

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
DIRECTOR OF ADMIN SERVICES	0.20	0.20	0.20	0.20
HUMAN RESOURCES ANALYST II	1.70	1.70	1.70	1.70
HUMAN RESOURCES MANAGER	1.00	1.00	1.00	1.00
HUMAN RESOURCES TECH	1.95	1.95	1.95	1.95
Total	4.85	4.85	4.85	4.85

There are no changes to the current level of staffing.

Retiree Benefits

Budget Unit 642-44-414

Retiree Medical - Human Resources - Retiree Benefits

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,609,045
Fund Balance	\$ (16,647)
General Fund Costs	\$ 1,592,398
% Funded by General Fund	99.0%
Total Staffing	FTE

Program Overview

The Retiree Benefits program administers the City’s Other Post-Employment Benefits (OPEB).

Service Objectives

Provide investment oversight and appropriate funding for the City’s retiree medical liability. The City established a trust account with Public Agency Retirement Services (PARS) that will fund the future liability. Annual contributions from the City are deposited into the trust and invested in a portfolio of equity, bond, and money market funds.

Proposed Budget

It is recommended that City Council approve a budget of \$1,609,045 for the Retiree Benefits program. This represents an increase of \$122,057 (8.2%) from the FY 2023-24 Adopted Budget.

This increase is based on the City's most current OPEB actuarial report.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Benefits	\$ 1,342,158	\$ 1,380,875	\$ 1,473,000	\$ 1,592,398
Cost Allocation	\$ 14,881	\$ 14,782	\$ 13,988	\$ 16,647
Total Expenditures	\$ 1,357,039	\$ 1,395,657	\$ 1,486,988	\$ 1,609,045
Fund Balance	\$ (135,835)	\$ (1,395,657)	\$ (1,486,988)	\$ (16,647)
General Fund Costs	\$ 1,221,204	\$ -	\$ -	\$ 1,592,398

Staffing

There is no staffing associated with this program.

Insurance Administration

Budget Unit 100-44-417

General Fund - Human Resources - Insurance Administration

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 1,612,194
Total Expenditures	\$ 2,444,954
Fund Balance	\$ -
General Fund Costs	\$ 832,760
% Funded by General Fund	34.1%
Total Staffing	0.2 FTE

Program Overview

The Insurance Administration General Liability and Property programs and Employment Practices Law insurance.

Service Objectives

- Provide the City with General Liability and Property Insurance
- Provide the City with Employment Practices Law Insurance

Proposed Budget

It is recommended that City Council approve a budget of \$2,444,954 for the Insurance Administration program. This represents an increase of \$147,517 (6.4%) from the FY 2023-24 Adopted Budget.

This increase is due to an increase in annual premiums for General Liability and Property insurance offset by a decrease in estimated litigated claims expenses.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ -	\$ 1,612,194
Miscellaneous Revenue	\$ -	\$ 1,689	\$ -	\$ -
Total Revenues	\$ -	\$ 1,689	\$ -	\$ 1,612,194
Expenditures				
Employee Compensation	\$ 19,680	\$ 21,635	\$ 21,793	\$ 21,469
Employee Benefits	\$ 8,689	\$ 7,960	\$ 9,403	\$ 9,761
Contract Services	\$ 1,101,955	\$ 1,476,879	\$ 2,188,193	\$ 2,381,478
Cost Allocation	\$ 49,808	\$ 54,402	\$ 50,696	\$ 2,478
Contingencies	\$ -	\$ -	\$ 27,352	\$ 29,768
Total Expenditures	\$ 1,180,132	\$ 1,560,876	\$ 2,297,437	\$ 2,444,954
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,180,133	\$ 1,559,187	\$ 2,297,437	\$ 832,760

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
HUMAN RESOURCES ANALYST II	0.10	0.10	0.10	0.10
HUMAN RESOURCES TECH	0.05	0.05	0.05	0.05
Total	0.15	0.15	0.15	0.15

There are no changes to the current level of staffing.

Workers Compensation Insurance

Budget Unit 620-44-418

Workers' Compensation - Human Resources - Workers Compensation Insurance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 468,984
Total Expenditures	\$ 571,410
Fund Balance	\$ (102,426)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.2 FTE

Program Overview

This program provides oversight of the Workers' Compensation program, including claims, proactive Risk Management, return to work accommodations and excess workers compensation insurance. Additionally, this program is responsible for the administration of the City's self-insured unemployment insurance benefit account.

Service Objectives

- Manage employee industrial injury and/or illness and provide proactive risk management programs to ensure employee safety in the workplace.
- Monitor costs associated with claims.
- Analyze and implement proactive measures to curtail costs.
- Implement a return to work policy.
- Manage and administer the City's unemployment insurance benefit account with the State of CA.

Proposed Budget

It is recommended that City Council approve a budget of \$571,410 for the Workers Compensation Insurance program. This represents a decrease of \$11,368 (-2.0%) from the FY 2023-24 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Reduce Unemployment Insurance	\$(64,148)	New costs are reflective of post-COVID estimates

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Other Financing Sources	\$ 356,830	\$ 436,462	\$ -	\$ 468,984
Total Revenues	\$ 356,830	\$ 436,462	\$ -	\$ 468,984
Expenditures				
Employee Compensation	\$ 31,069	\$ 31,540	\$ 31,723	\$ 31,252
Employee Benefits	\$ 8,066	\$ 9,456	\$ 13,002	\$ 13,166
Contract Services	\$ 476,344	\$ 470,630	\$ 502,477	\$ 470,591
Cost Allocation	\$ 28,167	\$ 28,369	\$ 29,295	\$ 50,519
Contingencies	\$ -	\$ -	\$ 6,281	\$ 5,882
Total Expenditures	\$ 543,646	\$ 539,995	\$ 582,778	\$ 571,410
Fund Balance	\$ (186,816)	\$ (103,533)	\$ (582,778)	\$ (102,426)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
HUMAN RESOURCES ANALYST II	0.20	0.20	0.20	0.20
Total	0.20	0.20	0.20	0.20

There are no changes to the current level of staffing.

Long Term Disability

Budget Unit 641-44-419

Compensated Absence/LTD - Human Resources - Long Term Disability

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 110,329
Fund Balance	\$ (110,329)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

This program oversees claims and premiums associated with Long Term Disability.

Service Objectives

- Obtain and manage insurance policies
- Negotiate rates
- Coordinate claims

Proposed Budget

It is recommended that City Council approve a budget of \$110,329 for the Long Term Disability program. This represents an increase of \$7,948 (7.8%) from the FY 2023-24 Adopted Budget.

This increase is due to a monthly premium expense associated with providing a contracted benefit for full time employees.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 92,612	\$ 97,976	\$ 100,000	\$ 108,000
Cost Allocation	\$ 3,362	\$ 2,767	\$ 2,381	\$ 979
Contingencies	\$ -	\$ -	\$ -	\$ 1,350
Total Expenditures	\$ 95,974	\$ 100,743	\$ 102,381	\$ 110,329
Fund Balance	\$ (95,974)	\$ (100,743)	\$ (102,381)	\$ (110,329)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Compensated Absences

Budget Unit 641-44-420

Compensated Absence/LTD - Human Resources - Compensated Absences

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 727,737
Fund Balance	\$ (136,737)
General Fund Costs	\$ 591,000
% Funded by General Fund	81.2%
Total Staffing	FTE

Program Overview

This program provides for payment of liabilities associated with employees retiring or leaving service.

Service Objectives

Properly account and disburse benefits as set forth in the employee contracts.

Proposed Budget

It is recommended that City Council approve a budget of \$727,737 for the Compensated Absences program. This represents an increase of \$69,647 (10.6%) from the FY 2023-24 Adopted Budget.

This increase is reflective of the estimated number of employees eligible to cash out leave balances due to constructive receipts, retirements, resignations, and other types of separation from the City. Under Internal Revenue Service ("IRS") Regulations, the IRS considers income to be received for tax purposes if the individual actually receives it or has an option to receive it during the tax year. This is known as the constructive receipt doctrine.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 332,588	\$ 518,393	\$ 654,000	\$ 716,000
Cost Allocation	\$ 5,590	\$ 8,280	\$ 4,090	\$ 11,737
Total Expenditures	\$ 338,178	\$ 526,673	\$ 658,090	\$ 727,737
Fund Balance	\$ (316,608)	\$ 355,327	\$ (278,090)	\$ (136,737)
General Fund Costs	\$ 21,570	\$ 882,000	\$ 380,000	\$ 591,000

Staffing

There is no staffing associated with this program.

This page intentionally left blank.

Parks and Recreation

This page intentionally left blank.

Department Overview

Budget Units

Budget Unit	Program	2025 Proposed Budget
Parks and Recreation		\$ 1,584,020
100-60-601	Recreation Administration	\$ 1,423,593
100-60-636	Library Services	\$ 160,427
Business and Community Services		\$ 1,141,230
100-61-602	Administration	\$ 538,711
100-61-605	Cultural Events	\$ 323,917
100-61-630	Facilities	\$ 278,602
Recreation and Education		\$ 3,448,389
100-62-608	Administration	\$ 798,851
580-62-613	Youth Teen Recreation	\$ 1,592,949
100-62-623	Senior Center	\$ 686,501
100-62-639	Teen Programs	\$ 263,802
100-62-640	Neighborhood Events	\$ 106,286
Sports, Safety and Outdoor Recreation		\$ 4,733,823
100-63-612	Park Facilities	\$ 1,541,846
100-63-615	Administration	\$ -
560-63-616	Blackberry Farm Golf Course	\$ 566,423
580-63-620	Outdoor Recreation	\$ 965,666
570-63-621	Sports Center Operations	\$ 1,659,888
Total		\$ 10,907,462

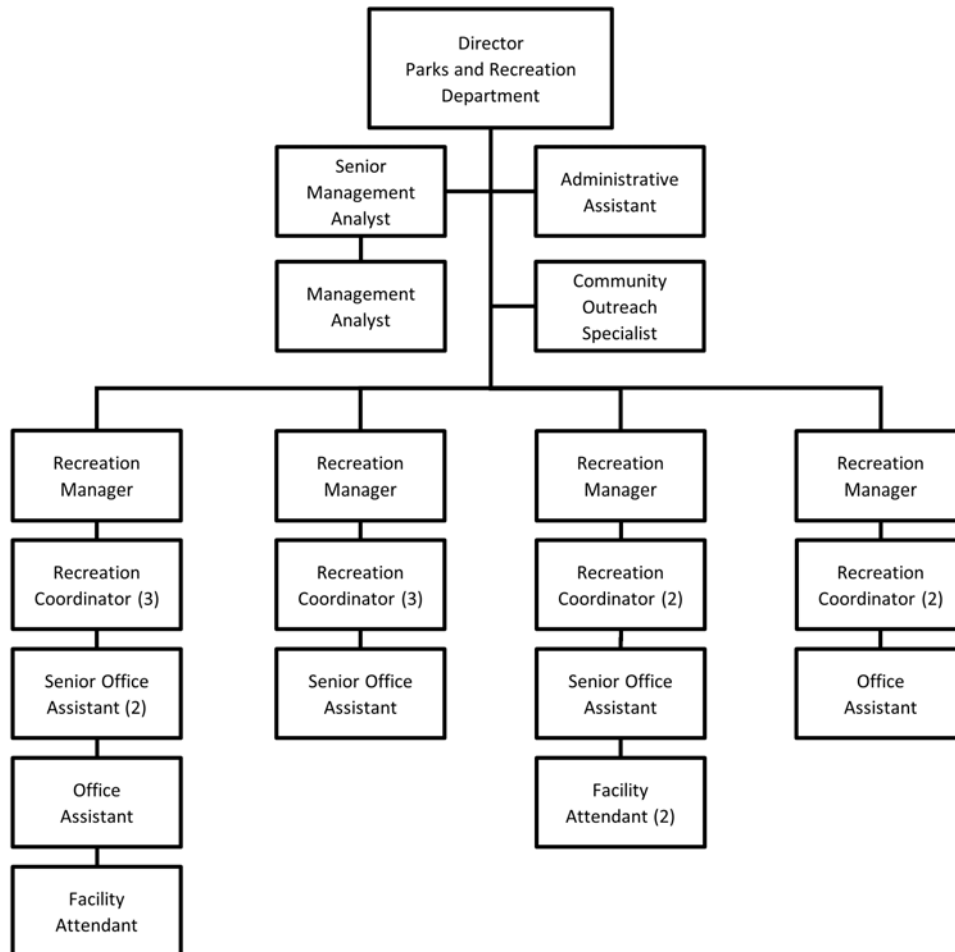
Budget at a Glance

2025 Proposed Budget

Total Revenues	\$ 4,842,690
Total Expenditures	\$ 10,907,462
Fund Balance	\$ (610,426)
General Fund Costs	\$ 5,454,346
% Funded by General Fund	50.0%
Total Staffing	27.6 FTE

Organization

Rachelle Sander, Director of Parks and Recreation



Performance Measures

Goal: Create a positive, healthy and connected community.

Benefit: Cupertino has an exceptional system of parks and services that align with community values.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
% of Parks and Recreation Department customers surveyed who rate services as good or excellent	95%	98%	98%	85%
% of programs maintaining minimum registration	73%	78%	79%	80%
% Department's total cost recovery for all (direct and indirect) costs	53%	55%	59%	40%
% change in participants	119%	16%	14%	1%

Workload Indicators

Business and Community Services Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Number of reservations at Quinlan Center	260	405	210
Number of festival applications received	9	10	0

Recreation and Education Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Number of registrations	2,736	3,756	2,636
Number of survey respondents	85	95	41
Number of Senior Center classes offered	183	235	178
Number of Senior Center trips offered	3	14	9

Sports, Safety, and Outdoor Recreation Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Number of programs offered	1445	1256	705
Number of picnic reservations @ BBF	123	152	107
Rounds of golf at BBF Golf Course	45,367	37,961	21,950
Sports Center Memberships	1,186	1,394	1,474

Proposed Budget

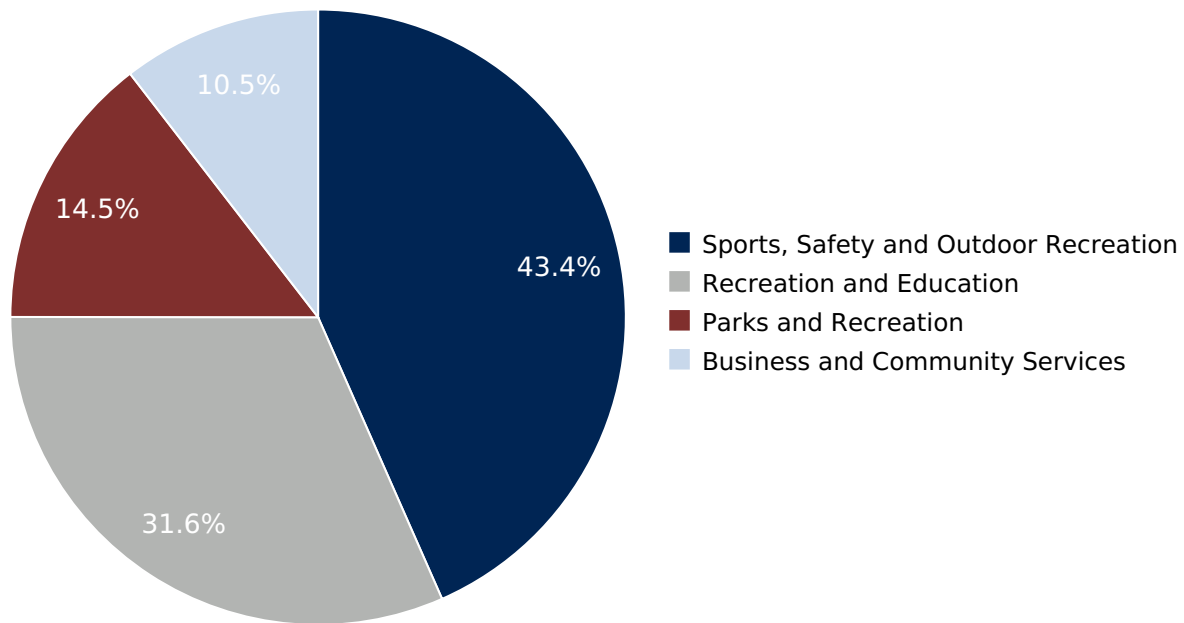
It is recommended that City Council approve a budget of \$10,907,462 for the Parks and Recreation department. This represents a decrease of \$1,448,264 (-11.7%) from the FY 2023-24 Adopted Budget.

The decrease is due to decreases in part-time staff, contracts and Cost Allocation. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

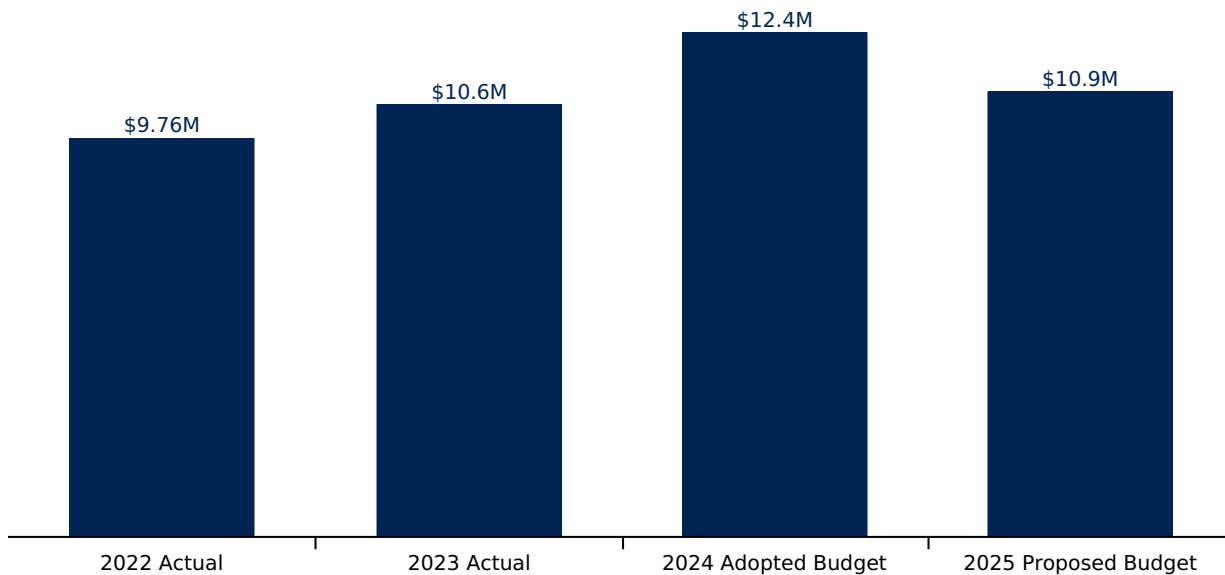
The following table illustrates the Service-Level Reductions for the department.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Shift Credit Card Fees to Customers	\$(176,669)	Customers would pay credit card transaction fees
Operations and Maintenance	Reduce Funding for Library Extra Hours	\$(160,000)	No immediate impact on current operational hours. Santa Clara County Library District has historically received funds from the state to cover these costs
Operations and Maintenance	Reduce Parks and Recreation Expenses	\$(28,196)	Elimination of Helping Hands program, consolidated Preschool Program with a focus on the 3-year-old program, removed budgets for overtime, and realign with budget actuals
Operations and Maintenance	Reduce Park Ranger Services	\$(31,155)	Reduced ranger presence at the Stevens Creek Corridor, Environmental Education Center, and some nature-based programs and events
Operations and Maintenance	Reduce Senior Center Part-Time Staffing and Supplies	\$(21,748)	Estimated longer wait times for the front desk, reduced rental support and amenities offered for Senior programs and events
Fiscal Accountability	Consolidate Swim Lessons Program	\$(87,118)	Consolidate Swim Lessons into BBF Operations, reduced overall part-time costs and program supplies
Community Benefit	Reduce 4th of July Funding	\$(123,344)	Elimination of 4th of July evening fireworks
Total		\$(627,917)	

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 758,156	\$ 790,052	\$ 821,007	\$ 840,420
Charges for Services	\$ 4,405,909	\$ 5,261,531	\$ 4,867,067	\$ 3,972,770
Miscellaneous Revenue	\$ 2,521	\$ 27,411	\$ 30,500	\$ 29,500
Transfers In	\$ 452,304	\$ -	\$ -	\$ -
Total Revenues	\$ 5,618,890	\$ 6,078,994	\$ 5,718,574	\$ 4,842,690
Expenditures				
Employee Compensation	\$ 2,818,650	\$ 3,704,795	\$ 4,452,134	\$ 4,173,717
Employee Benefits	\$ 1,043,311	\$ 859,238	\$ 1,466,688	\$ 1,642,726
Materials	\$ 343,553	\$ 453,490	\$ 465,268	\$ 414,267
Contract Services	\$ 3,409,853	\$ 3,921,765	\$ 4,087,409	\$ 2,256,409
Cost Allocation	\$ 2,018,870	\$ 1,559,137	\$ 1,681,979	\$ 2,322,642
Special Projects	\$ 2,947	\$ 30,092	\$ 25,000	\$ -
Other Financing Uses	\$ 124,102	\$ 64,377	\$ 124,102	\$ 64,377
Contingencies	\$ -	\$ -	\$ 53,146	\$ 33,324
Total Expenditures	\$ 9,761,286	\$ 10,592,894	\$ 12,355,726	\$ 10,907,462
Fund Balance	\$ 548,188	\$ 692,023	\$ (1,229,040)	\$ (610,426)
General Fund Costs	\$ 4,690,584	\$ 5,205,925	\$ 5,408,112	\$ 5,454,346

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.90	0.90	0.90	0.90
ASST DIR RECREATION COMM SVCS	0.95	0.85	0	0
COMMUNITY OUTREACH SPECIALIST	0.70	2.00	1.00	1.00
DIRECTOR OF PARKS REC	0.95	0.95	1.00	1.00
FACILITY ATTENDANT	3.00	3.00	3.00	3.00
MANAGEMENT ANALYST	1.00	2.00	1.00	1.00
OFFICE ASSISTANT	2.00	2.00	2.00	2.00
RECREATION COORDINATOR	11.43	9.88	9.88	9.88
RECREATION MANAGER	0	1.90	3.85	3.85
RECREATION SUPERVISOR	3.95	2.00	0	0
SENIOR MANAGEMENT ANALYST	0	0	1.00	1.00
SR OFFICE ASSISTANT	3.00	4.00	4.00	4.00
Total	27.88	29.48	27.63	27.63

Recreation Administration

Budget Unit 100-60-601

General Fund - Parks and Recreation - Recreation Administration

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,423,593
Fund Balance	\$ -
General Fund Costs	\$ 1,423,593
% Funded by General Fund	100.0%
Total Staffing	4.9 FTE

Program Overview

The Recreation Administration program provides overall department administration, project management, community outreach, support to the Parks and Recreation and Library Commissions, and administration of recreation management software.

Service Objectives

- Provide overall department administration, budget control, contract support, policy development, administration of recreation management software, and employee development and evaluation.
- Support the Planning and Public Works Departments in the development, renovation, outreach for, and improvements of parks and open spaces in conjunction with the Parks and Recreation System Master Plan.
- Monitor and facilitate partnerships with other community organizations.
- Perform outreach to the community regarding Parks and Recreation programs, events, and services.
- Pursue additional financial support in scholarships and grants from local organizations and Federal and State governments.

Proposed Budget

It is recommended that City Council approve a budget of \$1,423,593 for the Recreation Administration program. This represents an increase of \$65,449 (4.8%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Shift credit card fees to customers	\$(17,049)	Customers would pay credit card transaction fees

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Transfers In	\$ 49,000	\$ -	\$ -	\$ -
Total Revenues	\$ 49,000	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 648,472	\$ 700,257	\$ 793,876	\$ 814,896
Employee Benefits	\$ 237,781	\$ 250,509	\$ 314,330	\$ 326,474
Materials	\$ 85,470	\$ 132,181	\$ 149,173	\$ 134,335
Contract Services	\$ 46,505	\$ 62,898	\$ 72,988	\$ 60,799
Cost Allocation	\$ -	\$ -	\$ -	\$ 84,659
Special Projects	\$ 2,947	\$ 30,092	\$ 25,000	\$ -
Contingencies	\$ -	\$ -	\$ 2,777	\$ 2,430
Total Expenditures	\$ 1,021,175	\$ 1,175,937	\$ 1,358,144	\$ 1,423,593
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 972,176	\$ 1,175,939	\$ 1,358,144	\$ 1,423,593

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.90	0.90	0.90	0.90
ASST DIR RECREATION COMM SVCS	0.95	0.85	0	0
COMMUNITY OUTREACH SPECIALIST	0.70	2.00	1.00	1.00
DIRECTOR OF PARKS REC	0.95	0.95	1.00	1.00
MANAGEMENT ANALYST	1.00	2.00	1.00	1.00
SENIOR MANAGEMENT ANALYST	0	0	1.00	1.00
Total	4.50	6.70	4.90	4.90

There are no changes to the current level of staffing.

Library Services

Budget Unit 100-60-636

General Fund - Parks and Recreation - Library Services

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 160,427
Fund Balance	\$ -
General Fund Costs	\$ 160,427
% Funded by General Fund	100.0%
Total Staffing	FTE

Program Overview

This budget augments the existing library service currently provided to our community through the Santa Clara County (SCC) Library Joint Powers Authority.

Service Objectives

- Provide increased library service for our constituents through support of 12 additional operational hours per week.
- Explore partnerships with the SCC Library for recreation and community programs.

Proposed Budget

It is recommended that City Council approve a budget of \$160,427 for the Library Services program. This represents a decrease of \$9,271 (-5.5%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. The table below shows the service-level reductions for this program.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Funding for Library Extra Hours	\$(160,000)	No immediate impact on current operational hours. Santa Clara County Library District has historically received funds from the state to cover these costs.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Transfers In	\$ 403,304	\$ -	\$ -	\$ -
Total Revenues	\$ 403,304	\$ -	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 233,790	\$ 180,814	\$ 169,698	\$ 160,427
Total Expenditures	\$ 233,790	\$ 180,814	\$ 169,698	\$ 160,427
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (169,514)	\$ 180,814	\$ 169,698	\$ 160,427

Staffing

There is no staffing associated with this program.

Administration

Budget Unit 100-61-602

General Fund - Business and Community Services - Administration

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 538,711
Fund Balance	\$ -
General Fund Costs	\$ 538,711
% Funded by General Fund	100.0%
Total Staffing	3.0 FTE

Program Overview

The Youth, Teen, Events, and Facilities Division supports department programs and services through the provision of customer service and analytical support, development, and administration of policies. The division is also responsible for the department's front line communication with the public for classes, programs, and facility information, and manages the Quinlan Community Center (QCC) and rentals of facilities and park picnic areas.

Service Objectives

- Provide first-rate customer service through the implementation of consistent policies, procedures, and performance standards.
- Administer recreation software system for customer registration, memberships, point-of-sale, and facility rentals.
- Collect and analyze data from customer satisfaction surveys and program and revenue reports to improve programs and services.
- Ensure the delivery of clear and up to date communication on current programs and events to community members.
- Issue parks and facilities permits for individual customers as well as community festivals and events that promote our diverse culture and connected community.
- Maintain a positive relationship with neighborhoods adjacent to our facilities and parks.

Proposed Budget

It is recommended that City Council approve a budget of \$538,711 for the Administration program. This represents a decrease of \$47,646 (-8.1%) from the FY 2023-24 Adopted Budget.

The decrease is mainly due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 239,347	\$ 283,910	\$ 259,139	\$ 257,101
Employee Benefits	\$ 150,189	\$ 138,473	\$ 141,508	\$ 154,941
Materials	\$ 839	\$ 1,210	\$ 1,151	\$ 1,400
Cost Allocation	\$ 227,216	\$ 187,222	\$ 184,545	\$ 125,251
Contingencies	\$ -	\$ -	\$ 14	\$ 18
Total Expenditures	\$ 617,591	\$ 610,815	\$ 586,357	\$ 538,711
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 617,592	\$ 610,815	\$ 586,357	\$ 538,711

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
OFFICE ASSISTANT	1.00	1.00	1.00	1.00
RECREATION COORDINATOR	0.35	0.35	0	0
RECREATION SUPERVISOR	0.20	0	0	0
SR OFFICE ASSISTANT	2.00	2.00	2.00	2.00
Total	3.55	3.35	3.00	3.00

There are no changes to the current level of staffing.

Cultural Events

Budget Unit 100-61-605

General Fund - Business and Community Services - Cultural Events

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 29,500
Total Expenditures	\$ 323,917
Fund Balance	\$ -
General Fund Costs	\$ 294,417
% Funded by General Fund	90.9%
Total Staffing	1.0 FTE

Program Overview

The Youth, Teen, and Cultural Events Division's events program produces the City's special events including 4th of July festivities and Big Bunny 5K, and those hosted at Memorial Park and Quinlan Community Center including the Summer Concert Series, Shakespeare in the Park, and Tree Lighting. This staff also serves as liaison and issues permits for community festivals at Memorial Park including the Cherry Blossom Festival, Rotary Fall Festival, Kids N' Fun, Diwali Festival, Bhubaneswar Sister City's India Heritage Fair, Dilli Haat, Holi, Relay for Life, Egg Hunt, and more.

Service Objectives

- Provide a summer concert series at Memorial Park.
- Partner with the San Francisco Shakespeare Company to produce Free Shakespeare in the Park in Cupertino.
- Organize and facilitate the 4th of July Independence Day morning celebration.
- Organize and facilitate the Big Bunny 5K fun run.
- Bring the community together with the annual Tree Lighting celebration.
- Serve as liaison and issue special event permits to nonprofit organization event producers to ensure successful community and cultural festivals in Memorial Park and Civic Center Plaza.

Proposed Budget

It is recommended that City Council approve a budget of \$323,917 for the Cultural Events program. This represents a decrease of \$113,877 (-26.0%) from the FY 2023-24 Adopted Budget.

The decrease is due to service level reductions in contracts and part-time staffing.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Community Benefit	Reduce 4th of July Funding	\$(123,344)	Elimination of 4th of July evening fireworks

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 1,221	\$ 26,047	\$ 30,500	\$ 29,500
Total Revenues	\$ 1,221	\$ 26,047	\$ 30,500	\$ 29,500
Expenditures				
Employee Compensation	\$ 60,544	\$ 111,329	\$ 135,799	\$ 122,520
Employee Benefits	\$ 31,004	\$ 39,218	\$ 48,499	\$ 52,631
Materials	\$ 11,501	\$ 20,015	\$ 17,763	\$ 19,222
Contract Services	\$ 147,282	\$ 199,163	\$ 152,448	\$ 70,216
Cost Allocation	\$ 52,995	\$ 54,537	\$ 81,970	\$ 58,210
Contingencies	\$ -	\$ -	\$ 1,315	\$ 1,118
Total Expenditures	\$ 303,326	\$ 424,262	\$ 437,794	\$ 323,917
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 302,105	\$ 398,216	\$ 407,294	\$ 294,417

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
RECREATION COORDINATOR	0.50	0.65	0.75	0.75
RECREATION MANAGER	0	0.25	0.25	0.25
Total	0.50	0.90	1.00	1.00

There are no changes to the current level of staffing.

Facilities

Budget Unit 100-61-630

General Fund - Business and Community Services - Facilities

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 162,000
Total Expenditures	\$ 278,602
Fund Balance	\$ -
General Fund Costs	\$ 116,602
% Funded by General Fund	41.9%
Total Staffing	1.3 FTE

Program Overview

The Quinlan Community Center houses the administrative office of the Parks and Recreation Department and serves as facility space for rentals and a variety of recreational, social, and community activities. The Creekside Park building provides community members with facility space which can be used for a variety of activities.

Service Objectives

Quinlan Community Center

- Provide a rental facility for community meetings, business functions, social events, and other similar activities.
- Offer in-person and online registration for recreation programs.
- Schedule facility space for contractual and staff-run classes and camps.
- House the Cupertino Historical Society.
- Serve as an Emergency Operations Shelter in case of disasters.

Creekside Park Building:

- Provide a park or picnic facility for nonprofit board meetings, birthday parties, school group picnics, and other similar activities.
- Schedule facility space for contractual and staff-run classes and camps.
- Provide space for a year-round farmers' market.

Proposed Budget

It is recommended that City Council approve a budget of \$278,602 for the Facilities program. This represents a decrease of \$111,609 (-28.6%) from the FY 2023-24 Adopted Budget.

The decrease is due to the reallocation of staffing to the Administration Program for the Senior Wellness Division.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Parks and Recreation Expenses	\$(543)	Removed budget for overtime

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 149,113	\$ 158,974	\$ 151,500	\$ 162,000
Charges for Services	\$ 54,060	\$ 59,962	\$ 39,492	\$ -
Total Revenues	\$ 203,173	\$ 218,936	\$ 190,992	\$ 162,000
Expenditures				
Employee Compensation	\$ 179,174	\$ 241,769	\$ 263,714	\$ 175,013
Employee Benefits	\$ 78,350	\$ 83,386	\$ 96,447	\$ 58,641
Materials	\$ 6,303	\$ 16,524	\$ 20,374	\$ 17,133
Contract Services	\$ 3,437	\$ 4,422	\$ 9,315	\$ 6,867
Cost Allocation	\$ -	\$ -	\$ -	\$ 20,648
Contingencies	\$ -	\$ -	\$ 361	\$ 300
Total Expenditures	\$ 267,264	\$ 346,101	\$ 390,211	\$ 278,602
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 64,089	\$ 127,164	\$ 199,219	\$ 116,602

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
FACILITY ATTENDANT	2.00	2.00	2.00	1.00
RECREATION MANAGER	0	0.25	0.25	0.25
RECREATION SUPERVISOR	0.20	0	0	0
Total	2.20	2.25	2.25	1.25

Staffing has decreased due to the reallocation of a Facility Attendant position to the Senior Wellness Division's Administration program. This was done based on the redistribution of duties and transfer of oversight responsibilities for the Community Hall to that program.

Administration

Budget Unit 100-62-608

General Fund - Recreation and Education - Administration

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 42,000
Total Expenditures	\$ 798,851
Fund Balance	\$ -
General Fund Costs	\$ 756,851
% Funded by General Fund	94.7%
Total Staffing	4.0 FTE

Program Overview

This program includes administrative support of senior programs offered at the Senior Center. Administrative duties support the facility and senior programs that focus on enhancing a healthy lifestyle through quality education, recreation, travel, socials, community resources, volunteer opportunities, and facility rentals. This program also manages Community Hall, which provides space for City Council meetings and various Commission meetings, as well as facility rental space available for a variety of activities including business meetings, community events, and Cupertino Library programs.

Service Objectives

- Provide management and supervision of all programs, activities, personnel, and facilities within the Senior Wellness division.
- Establish program goals and priorities.
- Ensure operational hours accommodate community desires.
- Provide first-rate customer service and manage customer registration, memberships, point-of-sale, and facility rentals at the Senior Center.

Community Hall

- Provide a rental facility for community meetings, business functions, social events, and other similar activities.
- Provide a facility for City Channel programming, and City Council, Planning Commission, and other City meetings.

Proposed Budget

It is recommended that City Council approve a budget of \$798,851 for the Administration program. This represents an increase of \$112,589 (16.4%) from the FY 2023-24 Adopted Budget.

The increase is due to the reallocation of staffing from the Facilities program.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Senior Center Part-Time Staffing and Supplies	\$(16,124)	Estimated longer wait times for the front desk, reduce rental support and amenities offered for Senior programs and events

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 3,620	\$ 28,954	\$ 28,000	\$ 42,000
Total Revenues	\$ 3,620	\$ 28,954	\$ 28,000	\$ 42,000
Expenditures				
Employee Compensation	\$ 214,498	\$ 320,436	\$ 368,351	\$ 449,389
Employee Benefits	\$ 98,575	\$ 113,189	\$ 140,653	\$ 194,902
Materials	\$ 3,238	\$ 8,961	\$ 12,707	\$ 7,337
Contract Services	\$ 154	\$ 501	\$ 5,990	\$ 4,990
Cost Allocation	\$ 192,579	\$ 169,903	\$ 158,361	\$ 142,079
Contingencies	\$ -	\$ -	\$ 200	\$ 154
Total Expenditures	\$ 509,044	\$ 612,990	\$ 686,262	\$ 798,851
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 505,425	\$ 584,036	\$ 658,262	\$ 756,851

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
FACILITY ATTENDANT	1.00	1.00	1.00	2.00
RECREATION COORDINATOR	0.30	0.30	0.20	0.20
RECREATION MANAGER	0	0	0.75	0.75
RECREATION SUPERVISOR	0.75	0.75	0	0
SR OFFICE ASSISTANT	1.00	1.00	1.00	1.00
Total	3.05	3.05	2.95	3.95

Staff is being reallocated to better reflect actual time spent in this program.

Youth Teen Recreation

Budget Unit 580-62-613

Recreation Program - Recreation and Education - Youth Teen Recreation

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 1,155,500
Total Expenditures	\$ 1,592,949
Fund Balance	\$ (437,449)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	1.7 FTE

Program Overview

This program encompasses fee-based youth and teen programs such as academic and enrichment classes, STEAM programming, recreational camps, preschool, special events such as Monster Mash, Breakfast with Santa, and Santa Visits, enrichment classes for adults, and special interest programming.

Service Objectives

- Provide a preschool program, summer camps, and an extensive variety of contract classes for youth, teens, and adults.
- Promote programs through social media to increase community awareness and interest in programs.
- Increase the number of youth and teen Science, Technology, Engineering, Art, and Math (STEAM) programs offered.
- Expand all-day summer camp offerings to meet daycare needs of working families.
- Provide family-oriented programs designed to increase community engagement.
- Provide safe, fun, life-long learning activities that promote the foundations of self-confidence, skill development, and personal growth.
- Provide programs that enhance cultural awareness to youth and teens.

Proposed Budget

It is recommended that City Council approve a budget of \$1,592,949 for the Youth Teen Recreation program. This represents a decrease of \$110,302 (-6.5%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Part-Time Staffing and Contract Services budgets, based on current year actuals.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Shift Credit Card Fees to Customers	\$(52,316)	Customers would pay credit card transaction fees
Operations and Maintenance	Reduce Parks and Recreation Expenses	\$(12,391)	Consolidated Preschool Program with a focus on the 3-year-old program and removed budgets for overtime
Total		\$(64,707)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ -	\$ 252	\$ -	\$ -
Charges for Services	\$ 854,411	\$ 1,155,760	\$ 1,258,800	\$ 1,155,500
Miscellaneous Revenue	\$ -	\$ 79	\$ -	\$ -
Total Revenues	\$ 854,411	\$ 1,156,091	\$ 1,258,800	\$ 1,155,500
Expenditures				
Employee Compensation	\$ 228,842	\$ 323,612	\$ 400,718	\$ 346,808
Employee Benefits	\$ 46,063	\$ (22,126)	\$ 99,475	\$ 115,052
Materials	\$ 8,431	\$ 22,818	\$ 25,547	\$ 20,818
Contract Services	\$ 504,134	\$ 640,163	\$ 943,555	\$ 761,226
Cost Allocation	\$ 176,360	\$ 111,417	\$ 168,316	\$ 315,740
Other Financing Uses	\$ 53,526	\$ 23,529	\$ 53,526	\$ 23,529
Contingencies	\$ -	\$ -	\$ 12,114	\$ 9,776
Total Expenditures	\$ 1,017,356	\$ 1,099,413	\$ 1,703,251	\$ 1,592,949
Fund Balance	\$ (162,944)	\$ 56,678	\$ (444,451)	\$ (437,449)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
RECREATION COORDINATOR	1.35	1.50	1.50	1.50
RECREATION MANAGER	0	0.20	0.20	0.20
RECREATION SUPERVISOR	0.35	0	0	0
Total	1.70	1.70	1.70	1.70

There are no changes to the current level of staffing.

Senior Center

Budget Unit 100-62-623

General Fund - Recreation and Education - Senior Center

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 220,000
Total Expenditures	\$ 686,501
Fund Balance	\$ -
General Fund Costs	\$ 466,501
% Funded by General Fund	68.0%
Total Staffing	1.9 FTE

Program Overview

This program includes the coordination and delivery of program services for seniors at the Senior Center. Staff coordinates a well-maintained Senior Center for adults age 50+ including senior adult recreation programs such as enrichment classes, educational presentations, group trips and tours, and social events. In addition, the Senior Center team leverages members to support programs and services through volunteer opportunities. Staff provides referrals for resources available to seniors.

Service Objectives

- Enhance partnerships with the Santa Clara County Library District and other local nonprofit agencies.
- Provide appreciation event for senior volunteers who support the Parks and Recreation Department throughout the year.
- Offer fitness and enrichment courses, educational presentations, group trips and tours, and socialization opportunities to adults age 50+.
- Provide volunteer service opportunities for adults age 50+.
- Provide a senior-focused annual health fair and senior resource referrals.

Proposed Budget

It is recommended that City Council approve a budget of \$686,501 for the Senior Center program. This represents a decrease of \$125,763 (-15.5%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses and the reallocation of some staff time based on current duties. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Senior Center Part-Time Staffing and Supplies	\$(5,311)	Estimated longer wait times for the front desk, reduced rental support and amenities offered for Senior programs and events
Operations and Maintenance	Reduce Parks and Recreation Expenses	\$(5,250)	Removed budget for overtime
Total		\$(10,651)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 68,829	\$ 186,720	\$ 240,000	\$ 220,000
Miscellaneous Revenue	\$ 1,300	\$ 85	\$ -	\$ -
Total Revenues	\$ 70,129	\$ 186,805	\$ 240,000	\$ 220,000
Expenditures				
Employee Compensation	\$ 127,258	\$ 303,157	\$ 302,172	\$ 261,929
Employee Benefits	\$ 125,249	\$ 111,075	\$ 98,029	\$ 92,343
Materials	\$ 32,840	\$ 103,320	\$ 97,324	\$ 88,554
Contract Services	\$ 27,134	\$ 61,048	\$ 128,190	\$ 118,104
Cost Allocation	\$ 294,244	\$ 228,854	\$ 183,730	\$ 122,988
Contingencies	\$ -	\$ -	\$ 2,819	\$ 2,583
Total Expenditures	\$ 606,725	\$ 807,454	\$ 812,264	\$ 686,501
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 536,596	\$ 620,649	\$ 572,264	\$ 466,501

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
RECREATION COORDINATOR	2.70	2.70	1.80	1.60
RECREATION MANAGER	0	0	0.25	0.25
RECREATION SUPERVISOR	0.25	0.25	0	0
Total	2.95	2.95	2.05	1.85

Staffing has been reallocated to better reflect actual time spent in this program.

Teen Programs

Budget Unit 100-62-639

General Fund - Recreation and Education - Teen Programs

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 8,670
Total Expenditures	\$ 263,802
Fund Balance	\$ -
General Fund Costs	\$ 255,132
% Funded by General Fund	96.7%
Total Staffing	0.8 FTE

Program Overview

This program supports teen programs and services for the Youth, Teens, Events, and Facilities Division. It provides for the supervision and support for the Youth Activity Board and the teen summer volunteer program and also produces teen events, such as the Cupertino Café, <hack> Cupertino, and the teen movie nights. This program also oversees the Monta Vista Recreation Center, which provides additional facility space for youth and teen programs and is home to a diverse array of recreation activities including gymnastics classes.

Service Objectives

- Empower youth by creating enriching and stress-free programs that foster physical, mental, and social development.
- Provide space for Cupertino Teens to de-stress, create, study, and to socially develop.
- Create opportunities for youth and teens to build their leadership abilities by creating activities, events, and programs by teens for teens.
- Create reciprocal engagement and outreach efforts between the City of Cupertino and Cupertino teens.
- Provide the opportunity for teens to gain applied skills and develop leadership abilities by participating in the teen summer volunteer program.
- Create programs that support mental health and wellness in youth and teens.

Monta Vista Recreation Center:

- Provide space to host gymnastics, class, and camps.
- Provide space to host additional youth and teen programs, classes, and camps.
- Make space available for co-sponsored clubs and rentals.

Proposed Budget

It is recommended that City Council approve a budget of \$263,802 for the Teen Programs program. This represents a decrease of \$15,093 (-5.4%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Commission Expenses	\$(373)	Removed budget for overtime

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ -	\$ -	\$ 14,000	\$ 8,000
Charges for Services	\$ -	\$ -	\$ -	\$ 670
Total Revenues	\$ -	\$ -	\$ 14,000	\$ 8,670
Expenditures				
Employee Compensation	\$ 61,336	\$ 92,087	\$ 145,290	\$ 147,034
Employee Benefits	\$ 24,010	\$ 29,995	\$ 38,355	\$ 44,710
Materials	\$ 11,978	\$ 25,752	\$ 16,715	\$ 16,185
Contract Services	\$ -	\$ 3,687	\$ 2,800	\$ 2,800
Cost Allocation	\$ 67,715	\$ 46,734	\$ 75,491	\$ 52,836
Contingencies	\$ -	\$ -	\$ 244	\$ 237
Total Expenditures	\$ 165,039	\$ 198,255	\$ 278,895	\$ 263,802
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 165,039	\$ 198,255	\$ 264,895	\$ 255,132

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
RECREATION COORDINATOR	0.35	0.50	0.50	0.50
RECREATION MANAGER	0	0.25	0.25	0.25
RECREATION SUPERVISOR	0.40	0	0	0
Total	0.75	0.75	0.75	0.75

There are no changes to the current level of staffing.

Neighborhood Events

Budget Unit 100-62-640

General Fund - Recreation and Education - Neighborhood Events

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 6,000
Total Expenditures	\$ 106,286
Fund Balance	\$ -
General Fund Costs	\$ 100,286
% Funded by General Fund	94.4%
Total Staffing	0.3 FTE

Program Overview

The Neighborhood Programs provide a varied schedule of summer events in neighborhood parks. Events include outdoor concerts, outdoor movies, the Cupertino Campout, and performances in the parks. These programs are designed to engage new customers and to promote current programs.

Service Objectives

- To provide outdoor summer concerts in neighborhood parks.
- To provide outdoor summer movies in neighborhood parks.
- To provide an array of outdoor cultural special events in neighborhood parks.
- To provide activities for kids and families of all ages.

Proposed Budget

It is recommended that City Council approve a budget of \$106,286 for the Neighborhood Events program. This represents an increase of \$13,414 (14.4%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Parks and Recreation Expenses	\$(161)	Removed budget for overtime

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 4,000	\$ 6,000
Total Revenues	\$ -	\$ -	\$ 4,000	\$ 6,000
Expenditures				
Employee Compensation	\$ -	\$ 18,422	\$ 46,606	\$ 45,194
Employee Benefits	\$ 176	\$ (517)	\$ 12,041	\$ 13,206
Materials	\$ 422	\$ 963	\$ 6,377	\$ 6,377
Contract Services	\$ -	\$ 2,577	\$ 12,237	\$ 12,000
Cost Allocation	\$ 27,411	\$ 15,579	\$ 15,441	\$ 29,279
Contingencies	\$ -	\$ -	\$ 170	\$ 230
Total Expenditures	\$ 28,009	\$ 37,024	\$ 92,872	\$ 106,286
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 28,009	\$ 37,023	\$ 88,872	\$ 100,286

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
RECREATION COORDINATOR	0	0	0.25	0.25
RECREATION SUPERVISOR	0.10	0	0	0
Total	0.10	0	0.25	0.25

There are no changes to the current level of staffing.

Park Facilities

Budget Unit 100-63-612

General Fund - Sports, Safety and Outdoor Recreation - Park Facilities

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 200,020
Total Expenditures	\$ 1,541,846
Fund Balance	\$ -
General Fund Costs	\$ 1,341,826
% Funded by General Fund	87.0%
Total Staffing	3.5 FTE

Program Overview

Blackberry Farm provides the community with recreational space to swim, picnic, participate in ranger-led activities, and walk the Stevens Creek Trail. McClellan Ranch Preserve offers environmental education classes, nature programs, including camps, and creek tours for school groups. It is also the location of the Community Garden program and non-profit operations such as Grassroots Ecology, Santa Clara Valley Audubon Society, UCCE Master Gardeners, and Rolling Hills 4-H Club.

Service Objectives

Blackberry Farm Picnic Grounds and Pools:

- Provide the community with two pools for recreational use, swim lessons, and lap swim.
- Engage and provide the community with annual Pooch Plunge event.
- Increase residential usage of the facility.
- Continue to offer Park Ranger-led activities such as interpretive walks, star-gazing events, and implement a Stevens Creek Corridor volunteer program.

McClellan Ranch Preserve:

- Continue to offer drop-in visitor hours at the Environmental Education Center and Blacksmith Shop.
- Partner with SCVAS, Grassroots Ecology, Watershed Stewardship Program Members, Santa Clara Valley Audubon Society, Rolling Hills 4H and UCCE Master Gardeners in providing public education programs.
- Expand programming opportunities for youth and families.
- Increase volunteer/docent opportunities at McClellan Ranch.
- Continue to develop the community garden programming.

Proposed Budget

It is recommended that City Council approve a budget of \$1,541,846 for the Park Facilities program. This represents an increase of \$271,482 (21.4%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Park Ranger Services	\$(31,155)	Reduced ranger presence at the Stevens Creek Corridor, Environmental Education Center, and some nature-based programs and events
Operations and Maintenance	Reduce Parks and Recreation Expenses	\$(5,473)	Elimination of Helping Hands program, removed budget for overtime, and realign with budget actuals
Fiscal Accountability	Consolidate Swim Lessons Program	\$(14,147)	Consolidate Swim Lessons into BBF Operations, reducing overall part-time costs and program supplies
Total		\$(51,045)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 66,690	\$ 44,273	\$ 51,257	\$ 56,420
Charges for Services	\$ 128,517	\$ 97,244	\$ 116,000	\$ 143,600
Total Revenues	\$ 195,207	\$ 141,517	\$ 167,257	\$ 200,020
Expenditures				
Employee Compensation	\$ 432,890	\$ 579,506	\$ 726,452	\$ 678,260
Employee Benefits	\$ 100,094	\$ 134,397	\$ 176,101	\$ 222,809
Materials	\$ 36,806	\$ 35,127	\$ 46,883	\$ 35,843
Contract Services	\$ 81,244	\$ 98,827	\$ 97,669	\$ 111,137
Cost Allocation	\$ 261,016	\$ 166,140	\$ 221,484	\$ 491,960
Contingencies	\$ -	\$ -	\$ 1,775	\$ 1,837
Total Expenditures	\$ 912,050	\$ 1,013,997	\$ 1,270,364	\$ 1,541,846
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 716,843	\$ 872,481	\$ 1,103,107	\$ 1,341,826

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
RECREATION COORDINATOR	2.18	1.98	1.98	2.13
RECREATION MANAGER	0	0.35	0.35	0.55
RECREATION SUPERVISOR	0.50	0	0	0
SR OFFICE ASSISTANT	0	0.85	0.85	0.85
Total	2.68	3.18	3.18	3.53

Staffing has been reallocated to better reflect actual time spent in this program.

Administration

Budget Unit 100-63-615

General Fund - Sports, Safety and Outdoor Recreation - Administration

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2022-2023, this program was divided and absorbed into the Sports, Safety, and Outdoor Recreation - Park Facilities and Outdoor Recreation programs. A complete discussion of the program can be found under Budget Unit 100-63-612 and 580-63-620. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 19,660	\$ -	\$ -	\$ -
Employee Benefits	\$ 8,547	\$ 734	\$ -	\$ -
Materials	\$ 145	\$ 145	\$ -	\$ -
Cost Allocation	\$ 37,070	\$ 23,654	\$ -	\$ -
Total Expenditures	\$ 65,422	\$ 24,533	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 65,423	\$ 24,533	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
RECREATION SUPERVISOR	0.45	0	0	0
Total	0.45	0	0	0

There is no staffing associated with this program.

Blackberry Farm Golf Course

Budget Unit 560-63-616

Blackberry Farm - Sports, Safety and Outdoor Recreation - Blackberry Farm Golf Course

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 688,000
Total Expenditures	\$ 566,423
Fund Balance	\$ 121,577
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	1.7 FTE

Program Overview

Blackberry Farm Golf Course provides a nine-hole golf facility to the community that serves all ages.

Service Objectives

- Increase the golfer base through leagues, high school golf partnerships, and Youth on Course participation.
- Continue to offer special events such as Glow Night Golf and the Spring Swing Scramble.
- Continue to provide exceptional customer service in the Golf Pro Shop where customers may rent golf clubs or purchase golfing accessories and concessions.

Proposed Budget

It is recommended that City Council approve a budget of \$566,423 for the Blackberry Farm Golf Course program. This represents a decrease of \$75,919 (-11.8%) from the FY 2023-24 Adopted Budget.

The decrease is due to the reallocation of the maintenance budget for the Blackberry Farm Golf Course to Public Works, under 560-84-268.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Shift Credit Card Fees to Customers	\$(11,791)	Customers would pay credit card transaction fees
Operations and Maintenance	Reduce Parks and Recreation Expenses	\$(401)	Removed budget for overtime
Total		\$(12,192)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 47,675	\$ 46,423	\$ 51,250	\$ 47,000
Charges for Services	\$ 555,104	\$ 570,038	\$ 469,000	\$ 641,000
Total Revenues	\$ 602,779	\$ 616,461	\$ 520,250	\$ 688,000
Expenditures				
Employee Compensation	\$ 139,339	\$ 193,073	\$ 224,345	\$ 255,334
Employee Benefits	\$ 6,297	\$ 46,104	\$ 64,171	\$ 101,702
Materials	\$ 116,539	\$ 21,470	\$ 17,952	\$ 17,634
Contract Services	\$ 281,992	\$ 296,986	\$ 247,111	\$ 10,320
Cost Allocation	\$ 47,903	\$ 87,601	\$ 85,430	\$ 178,258
Other Financing Uses	\$ 2,832	\$ 2,832	\$ 2,832	\$ 2,832
Contingencies	\$ -	\$ -	\$ 501	\$ 343
Total Expenditures	\$ 594,902	\$ 648,066	\$ 642,342	\$ 566,423
Fund Balance	\$ 87,870	\$ (31,604)	\$ (122,092)	\$ 121,577
General Fund Costs	\$ 79,992	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
OFFICE ASSISTANT	0	0	0	0.50
RECREATION COORDINATOR	1.00	0.65	0.65	0.65
RECREATION MANAGER	0	0.30	0.30	0.35
RECREATION SUPERVISOR	0.15	0	0	0
SR OFFICE ASSISTANT	0	0.15	0.15	0.15
Total	1.15	1.10	1.10	1.65

Staffing has been reallocated to better reflect actual time spent in this program.

Outdoor Recreation

Budget Unit 580-63-620

Recreation Program - Sports, Safety and Outdoor Recreation - Outdoor Recreation

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 886,000
Total Expenditures	\$ 965,666
Fund Balance	\$ (79,666)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	1.8 FTE

Program Overview

This program encompasses the coordination and delivery of a wide range of sports, fitness, and outdoor activities for youth and adults.

Service Objectives

- Coordinate spring, summer, and fall adult softball leagues.
- Increase adult sports league programming.
- Provide sports, dance, fitness, and wellness classes for youth, teens, and adults.
- Provide sports, fitness, and outdoor camps for youth and teens.
- Provide a summer nature and science program.
- Manage user group field rentals under the Cupertino Union School District/City Joint Use Agreement.
- Increase nature, blacksmithing, and environmental classes for parent/child, teens, and adults.
- Offer fee-based gardening programs for youth and adults.

Proposed Budget

It is recommended that City Council approve a budget of \$965,666 for the Outdoor Recreation program. This represents a decrease of \$121,327 (-11.2%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses and reallocation of staff time. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Parks and Recreation Expenses	\$(2,249)	Removed budget for overtime and reduction aligns budget with actuals
Fiscal Accountability	Consolidate Swim Lessons Program	\$(72,971)	Consolidate Swim Lessons into BBF Operations, reducing overall part-time costs and program supplies
Total		\$(75,220)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 145,878	\$ 151,060	\$ 150,000	\$ 150,000
Charges for Services	\$ 293,839	\$ 435,543	\$ 489,775	\$ 736,000
Total Revenues	\$ 439,717	\$ 586,603	\$ 639,775	\$ 886,000
Expenditures				
Employee Compensation	\$ 195,015	\$ 226,174	\$ 381,115	\$ 269,917
Employee Benefits	\$ 70,281	\$ (35,513)	\$ 112,225	\$ 128,420
Materials	\$ 4,746	\$ 10,072	\$ 15,158	\$ 12,459
Contract Services	\$ 123,485	\$ 230,331	\$ 375,123	\$ 420,800
Cost Allocation	\$ 170,677	\$ 115,554	\$ 144,967	\$ 105,143
Other Financing Uses	\$ 53,526	\$ 23,529	\$ 53,526	\$ 23,529
Contingencies	\$ -	\$ -	\$ 4,879	\$ 5,398
Total Expenditures	\$ 617,730	\$ 570,147	\$ 1,086,993	\$ 965,666
Fund Balance	\$ 628,795	\$ 392,455	\$ (447,218)	\$ (79,666)
General Fund Costs	\$ 806,809	\$ 376,000	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
RECREATION COORDINATOR	1.70	0.45	1.40	1.30
RECREATION MANAGER	0	0.30	0.70	0.45
RECREATION SUPERVISOR	0.15	0.30	0	0
Total	1.85	1.05	2.10	1.75

Staffing has been reallocated to better reflect actual time spent in this program.

Sports Center Operations

Budget Unit 570-63-621

Sports Center - Sports, Safety and Outdoor Recreation - Sports Center Operations

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 1,445,000
Total Expenditures	\$ 1,659,888
Fund Balance	\$ (214,888)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	2.1 FTE

Program Overview

The Cupertino Sports Center offers a variety of health and wellness activities including a full fitness center, assortment of fitness classes, youth sports classes, and variety of racquet sports, including tennis, table tennis, pickle ball, and badminton classes, camps, and programs.

Service Objectives

- Increase memberships, participation in fitness classes, and enrollment in contract camps and classes.
- Market programs through social media, the recreation schedule, electronic sign on Stevens Creek Blvd., and the City website.
- Collaborate with Public Works to ensure successful implementation of Capital Improvement Projects.
- Explore new program offerings.

Proposed Budget

It is recommended that City Council approve a budget of \$1,659,888 for the Sports Center Operations program. This represents a decrease of \$1,180,391 (-41.6%) from the FY 2023-24 Adopted Budget.

The decrease stems from adjustments made to the registration procedures for Lifetime Tennis, DBA Lifetime Activities programs, classes, camps, and private lessons, leading to reduced Contract Services expenditures. These adjustments lower direct costs for the City and enhance the efficiency of revenue collection and recording for these programs.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Shift Credit Card Fees to Customers	\$(95,513)	Customers would pay credit card transaction fees
Operations and Maintenance	Reduce Parks and Recreation Expenses	\$(1,355)	Removed budget for overtime
Total		\$(96,868)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 345,180	\$ 360,116	\$ 375,000	\$ 375,000
Charges for Services	\$ 2,451,149	\$ 2,756,264	\$ 2,250,000	\$ 1,070,000
Miscellaneous Revenue	\$ -	\$ 1,200	\$ -	\$ -
Total Revenues	\$ 2,796,329	\$ 3,117,580	\$ 2,625,000	\$ 1,445,000
Expenditures				
Employee Compensation	\$ 272,275	\$ 311,063	\$ 404,557	\$ 350,322
Employee Benefits	\$ 66,695	\$ (29,686)	\$ 124,854	\$ 136,895
Materials	\$ 24,295	\$ 54,932	\$ 38,144	\$ 36,970
Contract Services	\$ 2,194,486	\$ 2,321,162	\$ 2,039,983	\$ 677,150
Cost Allocation	\$ 229,894	\$ 171,128	\$ 192,546	\$ 435,164
Other Financing Uses	\$ 14,218	\$ 14,487	\$ 14,218	\$ 14,487
Contingencies	\$ -	\$ -	\$ 25,977	\$ 8,900
Total Expenditures	\$ 2,801,863	\$ 2,843,086	\$ 2,840,279	\$ 1,659,888
Fund Balance	\$ (5,533)	\$ 274,494	\$ (215,279)	\$ (214,888)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
OFFICE ASSISTANT	1.00	1.00	1.00	0.50
RECREATION COORDINATOR	1.00	0.80	0.85	1.00
RECREATION MANAGER	0	0	0.55	0.55
RECREATION SUPERVISOR	0.45	0.70	0	0
Total	2.45	2.50	2.40	2.05

Staffing has been reallocated to better reflect actual time spent in this program.

This page intentionally left blank.

Community Development

This page intentionally left blank.

Department Overview

Budget Units

Budget Unit	Program	2025 Proposed Budget
Community Development		\$ 413,577
100-70-700	Community Development Administration	\$ 413,577
Planning		\$ 4,561,755
100-71-701	Current Planning	\$ 3,334,528
100-71-702	Mid and Long Term Planning	\$ 1,227,227
Housing Services		\$ 1,554,193
260-72-707	CDBG General Admin	\$ 185,643
260-72-709	CDBG Capital/Housing Projects	\$ 460,487
260-72-710	CDBG Public Service Grants	\$ 55,028
265-72-711	BMR Affordable Housing Fund	\$ 722,539
100-72-712	Human Service Grants	\$ 130,496
Building		\$ 4,848,065
100-73-713	General Building	\$ 1,081,716
100-73-714	Building Plan Review	\$ 2,296,591
100-73-715	Building Code Enforcement	\$ 1,397,461
100-73-718	Muni Code Enforcement	\$ 72,297
Code Enforcement		\$ 1,507,061
100-74-202	Code Enforcement	\$ 1,507,061
Total		\$ 12,884,651

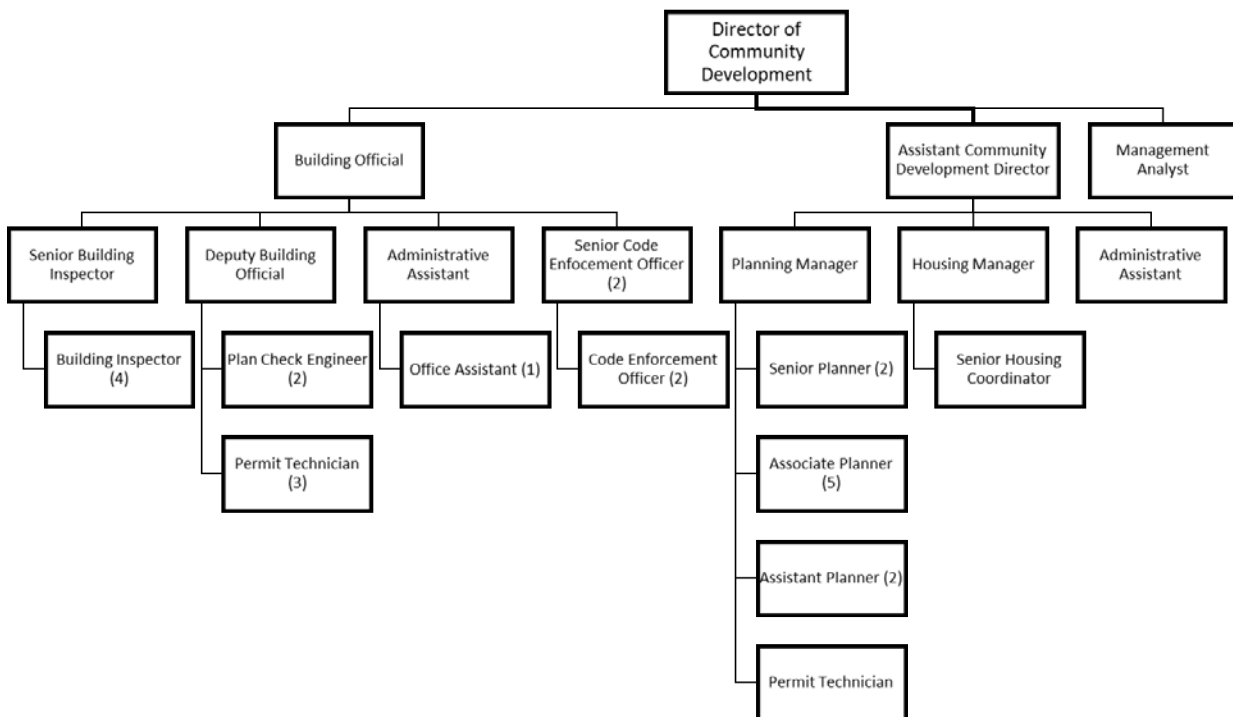
Budget at a Glance

2025 Proposed Budget

Total Revenues	\$ 10,030,988
Total Expenditures	\$ 12,884,651
Fund Balance	\$ 3,335,610
General Fund Costs	\$ 6,189,273
% Funded by General Fund	48.0%
Total Staffing	34.3 FTE

Organization

Benjamin Fu, Director of Community Development



As part of an expenditure reduction strategy, the following vacant positions are recommended to be eliminated from the budget:

- Planning Intern (PT)

Performance Measures

Goal: Review and guide development activity to ensure compliance with relevant codes and policies, and alignment with community values to promote and enhance Cupertino's community-wide quality of life.

Benefit: Cupertino is a thriving city to live, work, learn and play.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
Building permit applications shall be plan reviewed within 15 business days.	87%	80%	82%	80%
Customer/Applicants visiting the Building Permit Counter shall be assisted within 15 minutes	83%	90%	92%	80%
Applicants visiting the Planning Counter shall be assisted within 15 minutes	87%	98%	96%	50%
Building permit applications reviewed/issued over-the-counter (OTC)	60%	62%	61%	75%
Below market rate rental and purchase vacancies filled	24	20	8	15 per year
Average number of days to initiate investigation of code complaints	0.19	0.54	0.46	< 7
Code enforcement cases resolved without issuance of citations	91%	93%	92%	80%
Landlord-tenant counseling and dispute resolution cases provided	57	25	38	100 per year
Public Outreach Events	2	15	9	12 per year
Funds received from Community Block Grant (CDBG) federal entitlement program	\$412,800	\$388,459	\$358,910	Comply with HUD's annual timeliness test

Workload Indicators

Planning Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Number of preliminary reviews	142	127	21
Number of planning applications received	301	232	95
Number of planning counter inquiries	217*	1,223	644

Housing Services Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Number of BMR rental and ownership vacancies filled	24	20	8
Number of landlord tenant counseling and dispute cases received	57	25	38
Number of annual HUD documents (CAPER, Action Plan, Consolidated Plan) completed	2	2	1
Housing and Human Services Grant Funds inquiries	9	10	3*

*For FY 2024, the City only accepted applications for Capital Housing Projects. Public service funds operate on a multi-year cycle and will be made available during the FY 2025 funding cycle.

Building Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Number of permits received	2,380	2,618	1,324
Number of inspections requested	11,906	15,181	8,406
Number of building counter inquiries	406*	2,310	1,755

* In-person appointments started July 15, 2021, the counters were temporarily closed in January 10, 2022, due to the surge of the Omicron variant of Covid-19.

Proposed Budget

It is recommended that City Council approve a budget of \$12,884,651 for the Community Development department. This represents a decrease of \$385,986 (-2.9%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

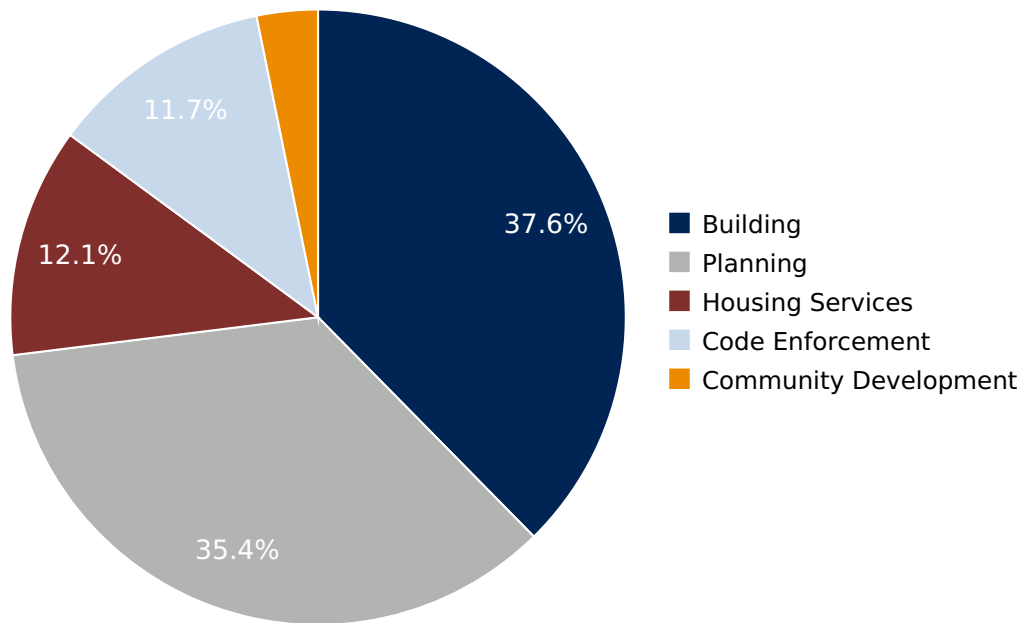
The following table illustrates the Service-Level Reductions for the department.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Part-Time Staffing, Reclassify Positions and Reduce Recruitment Advertising	\$(18,403)	Reduction of part-time positions in CDD. This could cause a delay and decrease in the operations of the permit counter and the ability to provide historic levels of customer service to resident and community members on all matters related to the Community Development Department.
Operations and Maintenance	Reduce Conferences and Training	\$(10,691)	The decrease in conference attendance and training opportunities for staff might result in staff being less updated on current changes, new developments, and best practices within their field. The reduction could potentially lead to higher staff turnover rates. The department is continuing to offer training by exploring and taking advantage of local and virtual opportunities.
Operations and Maintenance	Shift Credit Card Fees to Customers	\$(57,500)	Customers would pay a credit card transaction fee for any payments made using a credit card. currently, the City does not charge credit card fees to customers. Many jurisdictions charge customers a credit card transaction fee for any payments made using a credit card.
Total		\$(68,191)	

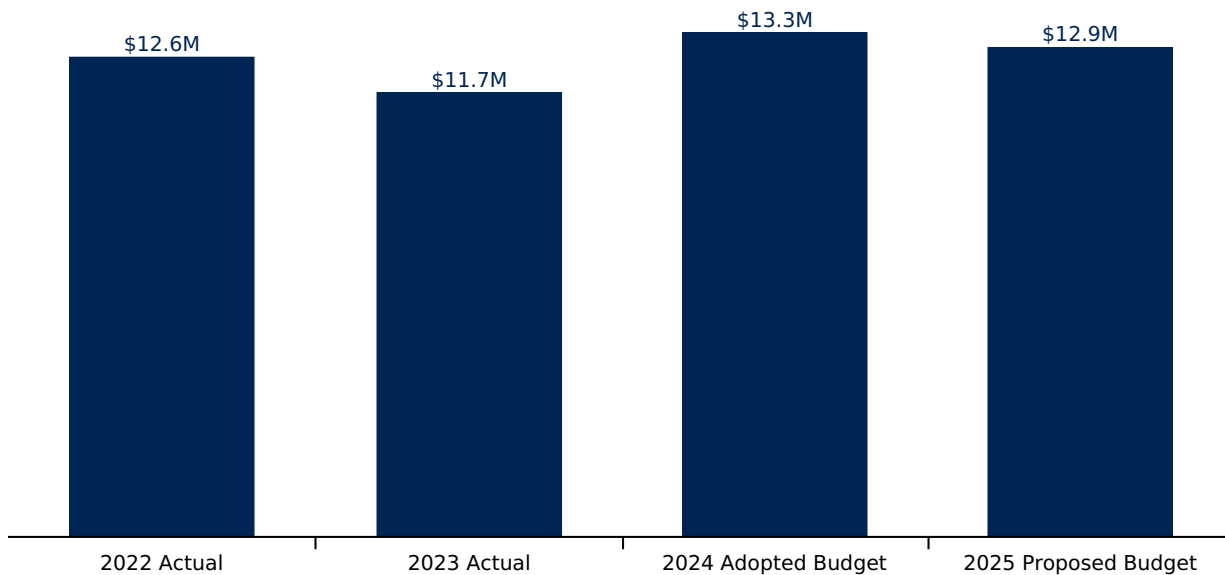
The following table shows the special project for the department.

Special Project	Appropriations	Revenue	Funding Source	Description	Strategic Goal
Sign Ordinance Update	\$200,000	\$200,000	General Fund	City Work Program Project. Update Sign Ordinance	Quality of Life

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Other Taxes	\$ 36,000	\$ 170,824	\$ 4,532,926	\$ 4,532,926
Licenses and Permits	\$ 4,111,278	\$ 4,064,397	\$ 4,235,000	\$ 3,635,000
Use of Money and Property	\$ 2,162	\$ 1,987	\$ 3,300	\$ 7,944
Intergovernmental Revenue	\$ 787,172	\$ 249,229	\$ 638,886	\$ 268,437
Charges for Services	\$ 1,302,314	\$ 1,003,806	\$ 935,000	\$ 949,631
Fines and Forfeitures	\$ 182,106	\$ 134,714	\$ 225,000	\$ 215,000
Miscellaneous Revenue	\$ 49,185	\$ 88,652	\$ 55,050	\$ 55,050
Other Financing Sources	\$ 293,116	\$ 272,396	\$ 367,000	\$ 367,000
Transfers In	\$ 790,000	\$ -	\$ -	\$ -
Total Revenues	\$ 7,553,333	\$ 5,986,005	\$ 10,992,162	\$ 10,030,988
Expenditures				
Employee Compensation	\$ 4,101,091	\$ 4,251,856	\$ 5,123,548	\$ 5,065,540
Employee Benefits	\$ 1,810,405	\$ 1,608,597	\$ 2,317,637	\$ 2,523,678
Materials	\$ 982,281	\$ 651,455	\$ 1,121,866	\$ 1,032,960
Contract Services	\$ 472,194	\$ 558,901	\$ 565,580	\$ 299,800
Cost Allocation	\$ 3,655,807	\$ 3,196,843	\$ 3,111,654	\$ 2,833,625
Special Projects	\$ 1,031,548	\$ 805,938	\$ 100,000	\$ 200,000
Other Financing Uses	\$ 569,977	\$ 619,687	\$ 925,000	\$ 925,000
Contingencies	\$ 4,990	\$ 277	\$ 5,352	\$ 4,048
Total Expenditures	\$ 12,628,293	\$ 11,693,554	\$ 13,270,637	\$ 12,884,651
Fund Balance	\$ (610,957)	\$ (602,571)	\$ 3,492,324	\$ 3,335,610
General Fund Costs	\$ 4,464,007	\$ 5,104,982	\$ 5,770,799	\$ 6,189,273

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	1.75	1.75	1.75	1.75
ASSISTANT PLANNER	2.00	2.00	3.00	2.00
ASSIST DIR OF COMMITY DEV	1.00	1.00	1.00	1.00
ASSOCIATE PLANNER	3.00	5.00	5.00	5.00
BUILDING INSPECTOR	3.92	3.92	3.92	3.92
BUILDING OFFICIAL	0	0	1.00	1.00
CODE ENFORCEMENT OFFICER	1.00	2.00	2.00	2.00
DEPUTY BUILDING OFFICIAL	1.00	1.00	1.00	1.00
DIRECTOR OF COMM DEVELOPMENT	0.94	0.94	0.94	0.94
MANAGEMENT ANALYST	1.00	1.00	1.00	1.00
OFFICE ASSISTANT	1.00	2.00	1.00	1.00
PERMIT CENTER MANAGER	1.00	1.00	0	0
PERMIT TECHNICIAN	4.00	4.00	4.00	4.00
PLAN CHECK ENGINEER	2.00	2.00	2.00	2.00
PLANNING MANAGER	1.90	1.90	1.90	2.00
SENIOR HOUSING COORDINATOR	0	0	0	0.80
SENIOR PLANNER	4.00	5.00	1.90	1.90
SR BUILDING INSPECTOR	0.98	0.98	0.98	0.98
SR CODE ENFORCEMENT OFFICER	2.00	2.00	2.00	2.00
Total	32.49	37.49	34.39	34.29

Community Development Administration

Budget Unit 100-70-700

General Fund - Community Development - Community Development Administration

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 413,577
Fund Balance	\$ -
General Fund Costs	\$ 413,577
% Funded by General Fund	100.0%
Total Staffing	0.5 FTE

Program Overview

The Community Development Administration program manages general office and oversight functions for the Community Development Department.

Service Objectives

- Coordinate and direct general office affairs related to community development functions.
- Manage professional and administrative staff.
- Prepare and implement the department budget.
- Coordinate as necessary with other departments in the City.
- Review and evaluate City and department goals and objectives.

Proposed Budget

It is recommended that City Council approve a budget of \$413,577 for the Community Development Administration program. This represents a decrease of \$157,307 (-27.6%) from the FY 2023-24 Adopted Budget.

The decrease is mainly due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Conferences and Training	\$(686)	Reduced conference attendance, trainings, and meeting expenses. Thus, resulting in reduced service level and response time. Reduction could potentially lead to higher staff turnover rates. The department is continuing to offer training by exploring and taking advantage of local and virtual opportunities.
Operations and Maintenance	Shift Credit Card Fees to Customer	\$(57,500)	Decrease bank charge contract services. Customers would pay a credit card transaction fee for any payments made using a credit card. Currently, the City does not charge credit card fees to customers. Many jurisdictions charge customers a credit card transaction fee for any payments made using a credit card.
Total		\$(58,186)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Transfers In	\$ 200,000	\$ -	\$ -	\$ -
Total Revenues	\$ 200,000	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 101,293	\$ 96,867	\$ 116,408	\$ 110,446
Employee Benefits	\$ 39,247	\$ 35,699	\$ 49,197	\$ 49,688
Materials	\$ 1,662	\$ 3,694	\$ 12,786	\$ 8,154
Contract Services	\$ 158,670	\$ 144,679	\$ 57,500	\$ -
Cost Allocation	\$ 652,087	\$ 572,700	\$ 334,114	\$ 245,187
Special Projects	\$ 97,016	\$ 126,047	\$ -	\$ -
Contingencies	\$ -	\$ 277	\$ 879	\$ 102
Total Expenditures	\$ 1,049,975	\$ 979,963	\$ 570,884	\$ 413,577
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 849,975	\$ 979,963	\$ 570,884	\$ 413,577

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
DIRECTOR OF COMM DEVELOPMENT	0.30	0.30	0.30	0.30
MANAGEMENT ANALYST	0.20	0.20	0.20	0.20
Total	0.50	0.50	0.50	0.50

There are no changes to the current level of staffing.

Current Planning

Budget Unit 100-71-701

General Fund - Planning - Current Planning

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 1,222,673
Total Expenditures	\$ 3,334,528
Fund Balance	\$ -
General Fund Costs	\$ 2,111,855
% Funded by General Fund	63.3%
Total Staffing	9.4 FTE

Program Overview

The Current Planning program serves to review projects and implement City ordinances, land use plans and the General Plan goals and objectives through the planning review and building plan check processes.

Service Objectives

- Maintain a high level of customer service.
- Provide assistance at the public counter, over the telephone, or via email.
- Implement the City's General Plan, land use plans and Zoning Ordinance.
- Evaluate Planning applications for consistency with City ordinance, General Plan goals, and applicable State and Federal regulations.
- Coordinate internal review of Planning applications with other City departments.
- Conduct environmental review of projects in compliance with California Environmental Quality Act (CEQA) and applicable regional, State and Federal regulations.
- Provide technical analysis and recommendations to the Council, Planning Commission and Design Review Committee.
- Review building permits to ensure implementation of zoning requirements, environmental mitigation measures and planning entitlement conditions of approval.

Proposed Budget

It is recommended that City Council approve a budget of \$3,334,528 for the Current Planning program. This represents a decrease of \$71,518 (-2.1%) from the FY 2023-24 Adopted Budget.

The decrease is due to a due a part time position proposed for elimination.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Conferences and Training	\$(3,010)	Reduced conference attendance, trainings, and meeting expenses. Thus, resulting in reduced service level and response time. Reduction could potentially lead to higher staff turnover rates. The department is continuing to offer training by exploring and taking advantage of local and virtual opportunities.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 1,281,589	\$ 934,481	\$ 825,000	\$ 829,373
Miscellaneous Revenue	\$ 43,924	\$ 40,570	\$ 51,300	\$ 51,300
Other Financing Sources	\$ 292,516	\$ 272,396	\$ 342,000	\$ 342,000
Total Revenues	\$ 1,618,029	\$ 1,247,447	\$ 1,218,300	\$ 1,222,673
Expenditures				
Employee Compensation	\$ 967,537	\$ 902,953	\$ 1,361,035	\$ 1,295,740
Employee Benefits	\$ 394,579	\$ 296,845	\$ 595,831	\$ 625,489
Materials	\$ 6,123	\$ 15,401	\$ 17,164	\$ 4,351
Contract Services	\$ 212	\$ 60,583	\$ 2,000	\$ 220
Cost Allocation	\$ 1,072,790	\$ 858,254	\$ 879,776	\$ 858,671
Special Projects	\$ 371,437	\$ 60,958	\$ -	\$ -
Other Financing Uses	\$ 301,508	\$ 243,267	\$ 550,000	\$ 550,000
Contingencies	\$ 200	\$ -	\$ 240	\$ 57
Total Expenditures	\$ 3,114,386	\$ 2,438,261	\$ 3,406,046	\$ 3,334,528
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,496,358	\$ 1,190,816	\$ 2,187,746	\$ 2,111,855

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.60	0.60	0.60	0.60
ASSISTANT PLANNER	2.00	2.00	2.10	2.00
ASSOCIATE PLANNER	2.40	3.25	3.25	3.25
DIRECTOR OF COMM DEVELOPMENT	0.28	0.28	0.28	0.28
MANAGEMENT ANALYST	0.40	0.40	0.40	0.40
OFFICE ASSISTANT	0	0.50	0	0
PERMIT TECHNICIAN	1.00	1.00	1.00	1.00
PLANNING MANAGER	0.50	0.50	0.50	0.40
SENIOR HOUSING COORDINATOR	0	0	0	0.10
SENIOR PLANNER	1.40	1.65	1.35	1.35
Total	8.58	10.18	9.48	9.38

As part of an expenditure reduction strategy, the following vacant positions are being removed from the budget:

- Planning Intern (PT)

Mid and Long Term Planning

Budget Unit 100-71-702

General Fund - Planning - Mid and Long Term Planning

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 138,750
Total Expenditures	\$ 1,227,227
Fund Balance	\$ -
General Fund Costs	\$ 1,088,477
% Funded by General Fund	88.7%
Total Staffing	3.5 FTE

Program Overview

The Mid-and Long-Term Planning program assists the community in preparing, reviewing and amending documents including the General Plan, Specific Plans, Conceptual Plans, and the Municipal Code, including the Zoning Ordinance. Additionally, the program anticipates and evaluates trends, and develops strategies and plans to help the City address change.

Service Objectives

- Review and amend the City's General Plan, Housing Element, and Municipal Code, including the Zoning Ordinance, Specific, Conceptual and Master Plans.
- Ensure City processes and regulations are in compliance with State and Federal regulations, including the California Environmental Quality Act (CEQA).
- Review and implement policies in the General Plan, Housing Element, Zoning Ordinance, Specific, Conceptual and Master Plans.
- Coordinate with various local, regional, State and Federal agencies on projects.
- Facilitate the planning and implementation of the City Council's annual community development goals and objectives.

Proposed Budget

It is recommended that City Council approve a budget of \$1,227,227 for the Mid and Long Term Planning program. This represents a decrease of \$3,379 (-0.3%) from the FY 2023-24 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description	Strategic Goal
Sign Ordinance Update	\$200,000	\$200,000	General Fund	City Work Program Project. Update Sign Ordinance	Quality of Life

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ 52,613	\$ -	\$ -
Charges for Services	\$ 9,387	\$ 58,913	\$ 110,000	\$ 110,000
Miscellaneous Revenue	\$ -	\$ -	\$ 3,750	\$ 3,750
Other Financing Sources	\$ -	\$ -	\$ 25,000	\$ 25,000
Transfers In	\$ 590,000	\$ -	\$ -	\$ -
Total Revenues	\$ 599,387	\$ 111,526	\$ 138,750	\$ 138,750
Expenditures				
Employee Compensation	\$ 455,871	\$ 530,985	\$ 564,634	\$ 560,593
Employee Benefits	\$ 182,470	\$ 179,264	\$ 245,448	\$ 255,942
Materials	\$ 3,834	\$ 4,270	\$ 12,587	\$ 3,214
Contract Services	\$ -	\$ (4,345)	\$ 7,500	\$ 7,500
Cost Allocation	\$ 317,062	\$ 316,560	\$ 350,186	\$ 199,844
Special Projects	\$ 299,121	\$ 466,756	\$ 50,000	\$ 200,000
Contingencies	\$ -	\$ -	\$ 251	\$ 134
Total Expenditures	\$ 1,258,358	\$ 1,493,490	\$ 1,230,606	\$ 1,227,227
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 658,972	\$ 1,381,965	\$ 1,091,856	\$ 1,088,477

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.15	0.15	0.15	0.15
ASSOCIATE PLANNER	0.60	1.75	1.75	1.75
DIRECTOR OF COMM DEVELOPMENT	0.24	0.24	0.24	0.24
MANAGEMENT ANALYST	0.20	0.20	0.20	0.20
PLANNING MANAGER	0.60	0.60	0.60	0.60
SENIOR PLANNER	1.70	1.55	0.55	0.55
Total	3.49	4.49	3.49	3.49

There are no changes to the current level of staffing.

CDBG General Admin

Budget Unit 260-72-707

CDBG - Housing Services - CDBG General Admin

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 38,131
Total Expenditures	\$ 185,643
Fund Balance	\$ (147,512)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.7 FTE

Program Overview

The General Administration of the Community Development Block Grant (CDBG) federal entitlement program is reserved for program administration costs to cover salary and benefits of staff who operate the CDBG program. The CDBG program is a federal entitlement program which serves low- and moderate- income Cupertino residents. CDBG program administration costs represent 20% of the City's annual federal CDBG allocation plus prior year program income.

Service Objectives

- Prepare and submit an Annual Plan to the US Department of Housing and Urban Development (HUD).
- Prepare and submit annual Consolidated Annual Performance and Evaluation Report (CAPER) to HUD.
- Prepare and submit a five-year Consolidated Plan to HUD.
- Meet quarterly with Santa Clara County CDBG Coordinators.
- Conduct four-eight public hearings per year to allocate CDBG funding, review Annual Plan, CAPER, and Consolidated Plan.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance with federal regulations.

Proposed Budget

It is recommended that City Council approve a budget of \$185,643 for the CDBG General Admin program. This represents an increase of \$53,573 (40.6%) from the FY 2023-24 Adopted Budget.

The increase is due to salary and benefits increase from a reallocation of staff.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 414,065	\$ 71,338	\$ 73,371	\$ 38,131
Total Revenues	\$ 414,065	\$ 71,338	\$ 73,371	\$ 38,131
Expenditures				
Employee Compensation	\$ 148,863	\$ 80,482	\$ 91,674	\$ 127,825
Employee Benefits	\$ 38,568	\$ 29,409	\$ 40,396	\$ 57,818
Materials	\$ 124,306	\$ 37,593	\$ -	\$ -
Total Expenditures	\$ 311,737	\$ 147,484	\$ 132,070	\$ 185,643
Fund Balance	\$ 102,328	\$ (76,146)	\$ (58,699)	\$ (147,512)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ASSISTANT PLANNER	0	0	0.10	0
PLANNING MANAGER	0.39	0.39	0.39	0.50
SENIOR HOUSING COORDINATOR	0	0	0	0.20
SENIOR PLANNER	0.10	0.20	0	0
Total	0.49	0.59	0.49	0.70

There are no changes to the current level of staffing.

CDBG Capital/Housing Projects

Budget Unit 260-72-709

CDBG - Housing Services - CDBG Capital/Housing Projects

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 159,650
Total Expenditures	\$ 460,487
Fund Balance	\$ (300,837)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

This portion of the Community Development Block Grant (CDBG) federal entitlement program is reserved for grants and loans to non-profit developers and agencies for eligible activities such as public improvements, property acquisition for affordable housing, rehabilitation of affordable units, and development of affordable housing. CDBG Capital/Housing costs represent 65% of the City's annual federal CDBG allocation plus prior year program income.

Service Objectives

- Issue Requests for Proposals (RFPs) on an annual basis for Capital/Housing Projects.
- Review applications and make funding recommendations to Housing Commission and City Council.
- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each grantee.
- Review quarterly reports and reimbursements requests from agencies and enter data into HUD IDIS program.
- Coordinate entitlement process with the Planning Division for affordable development projects.
- Monitor project progress of grantees through the construction phase.
- Coordinate CEQA/NEPA environmental review processes for all affordable developments.
- Coordinate preparation of all grant and loan agreements, Deeds of Trust, Promissory Notes, and Regulatory Agreements.
- On an annual basis, prepare grant agreements or amendments for each grantee.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance with federal regulations.

Proposed Budget

It is recommended that City Council approve a budget of \$460,487 for the CDBG Capital/Housing Projects program. This budget is unchanged from the prior year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 2,162	\$ 1,987	\$ 3,300	\$ 7,944
Intergovernmental Revenue	\$ 309,995	\$ 65,818	\$ 460,487	\$ 151,706
Total Revenues	\$ 312,157	\$ 67,805	\$ 463,787	\$ 159,650
Expenditures				
Materials	\$ 309,995	\$ 65,818	\$ 460,487	\$ 460,487
Total Expenditures	\$ 309,995	\$ 65,818	\$ 460,487	\$ 460,487
Fund Balance	\$ 2,162	\$ 1,987	\$ 3,300	\$ (300,837)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

CDBG Public Service Grants

Budget Unit 260-72-710

CDBG - Housing Services - CDBG Public Service Grants

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 28,600
Total Expenditures	\$ 55,028
Fund Balance	\$ (26,428)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

This portion of the Community Development Block Grant (CDBG) federal entitlement program is reserved for grants to nonprofit agencies serving low- and moderate-income Cupertino residents. The agencies provide services such as food assistance, job training, emergency housing, legal assistance, etc. CDBG Public Services costs represent 15% of the City's annual federal CDBG allocation plus prior year program income.

Service Objectives

- Issue Requests for Proposals (RFPs) on a bi- or tri-annual basis for public services programs.
- Review applications and make funding recommendations to Housing Commission and City Council.
- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each grantee.
- Review quarterly reports and reimbursements requests from agencies and enter data into HUD IDIS program.
- On an annual basis, prepare grant agreements or amendments for each grantee.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance with federal regulations.

Proposed Budget

It is recommended that City Council approve a budget of \$55,028 for the CDBG Public Service Grants program. This budget is unchanged from the prior year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 63,112	\$ 59,460	\$ 55,028	\$ 28,600
Total Revenues	\$ 63,112	\$ 59,460	\$ 55,028	\$ 28,600
Expenditures				
Materials	\$ 63,078	\$ 59,460	\$ 55,028	\$ 55,028
Total Expenditures	\$ 63,078	\$ 59,460	\$ 55,028	\$ 55,028
Fund Balance	\$ 34	\$ -	\$ -	\$ (26,428)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

BMR Affordable Housing Fund

Budget Unit 265-72-711

BMR Housing - Housing Services - BMR Affordable Housing Fund

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 4,532,926
Total Expenditures	\$ 722,539
Fund Balance	\$ 3,810,387
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	1.0 FTE

Program Overview

This program covers administration of the Below Market Rate (BMR) Housing program.

Service Objectives

- Contract with BMR Program Administrator annually for services relating to rental and ownership units.
- Prepare and monitor agreement, process monthly reimbursement requests, and provide technical assistance to BMR Program Administrator.
- Review and maintain the Policy and Procedures Manual for Administering Deed Restricted Affordable Housing Units (BMR Manual).
- Review and maintain the BMR Housing Mitigation Program Procedural Manual (Housing Mitigation Manual)

Proposed Budget

It is recommended that City Council approve a budget of \$722,539 for the BMR Affordable Housing Fund program. This represents a decrease of \$262,664 (-26.7%) from the FY 2023-24 Adopted Budget.

The decrease is primarily due to decreases in contracts and special projects. The decrease in revenues is due to the amount of CDBG funds that the City receives which fluctuates each year. The amount is dependent on the City's CDBG allocation from HUD, and that is dependent on a number of other factors such as the budget approved by Congress, etc. To date, HUD has not yet released the CDBG entitlement allocations, exact numbers are unknown.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Other Taxes	\$ 36,000	\$ 170,824	\$ 4,532,926	\$ 4,532,926
Charges for Services	\$ 3,040	\$ 1,640	\$ -	\$ -
Miscellaneous Revenue	\$ 171	\$ 28,082	\$ -	\$ -
Total Revenues	\$ 39,211	\$ 200,546	\$ 4,532,926	\$ 4,532,926
Expenditures				
Employee Compensation	\$ 150,537	\$ 156,825	\$ 187,923	\$ 172,795
Employee Benefits	\$ 72,585	\$ 58,574	\$ 82,517	\$ 79,149
Materials	\$ 315,309	\$ 319,360	\$ 341,655	\$ 347,713
Contract Services	\$ 29,367	\$ 57,477	\$ 227,200	\$ 20,700
Cost Allocation	\$ 100,482	\$ 144,366	\$ 95,908	\$ 102,182
Special Projects	\$ 86,412	\$ 17,357	\$ 50,000	\$ -
Total Expenditures	\$ 754,692	\$ 753,959	\$ 985,203	\$ 722,539
Fund Balance	\$ (715,481)	\$ (528,412)	\$ 3,547,723	\$ 3,810,387
General Fund Costs	\$ -	\$ 25,000	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ASSISTANT PLANNER	0	0	0.80	0
OFFICE ASSISTANT	0	0.50	0	0
PLANNING MANAGER	0.41	0.41	0.41	0.50
SENIOR HOUSING COORDINATOR	0	0	0	0.50
SENIOR PLANNER	0.80	1.60	0	0
Total	1.21	2.51	1.21	1.00

Staff is being reallocated to better reflect actual time spent in this program.

Human Service Grants

Budget Unit 100-72-712

General Fund - Housing Services - Human Service Grants

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 50,000
Total Expenditures	\$ 130,496
Fund Balance	\$ -
General Fund Costs	\$ 80,496
% Funded by General Fund	61.7%
Total Staffing	FTE

Program Overview

The City of Cupertino sets aside \$125,000 from its General Fund for non-profit agencies providing services to low- and moderate-income Cupertino residents. Eligible programs include senior services, homeless services, and others that serve low- and moderate-income residents.

Service Objectives

- Issue Requests for Proposals (RFPs) on a bi- or tri-annual basis for public services programs.
- Review applications and make funding recommendations to Housing Commission and City Council.
- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each grantee.
- Review quarterly reports and reimbursements requests from agencies.
- On an annual basis, prepare grant agreements or amendments for each grantee.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance.

Proposed Budget

It is recommended that City Council approve a budget of \$130,496 for the Human Service Grants program. This represents a decrease of \$49,644 (-27.6%) from the FY 2023-24 Adopted Budget.

The decrease is due to decreases in materials.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ -	\$ 50,000	\$ 50,000
Total Revenues	\$ -	\$ -	\$ 50,000	\$ 50,000
Expenditures				
Materials	\$ 115,741	\$ 112,671	\$ 175,000	\$ 125,000
Cost Allocation	\$ 5,387	\$ 5,290	\$ 5,140	\$ 5,496
Total Expenditures	\$ 121,128	\$ 117,961	\$ 180,140	\$ 130,496
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 121,128	\$ 117,961	\$ 130,140	\$ 80,496

Staffing

There is no staffing associated with this program.

General Building

Budget Unit 100-73-713

General Fund - Building - General Building

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 315,000
Total Expenditures	\$ 1,081,716
Fund Balance	\$ -
General Fund Costs	\$ 766,716
% Funded by General Fund	70.9%
Total Staffing	3.1 FTE

Program Overview

The General Building program establishes the minimum requirements to safeguard the public health, safety and general welfare through structural strength, means of egress facilities, stability, accessibility, sanitation, adequate lighting and ventilation and energy conservation; safety to life and property from fire and other hazards attributed to the built environment; and to provide safety to fire fighters and emergency responders during emergency operations.

Service Objectives

- Provide efficient and friendly service that will assist customers with their building permit goals and objectives.
- Continue to streamline the workflow process to provide efficient and friendly customer service.
- Work proactively to enhance the public interface and information systems.
- Continue efforts to create a more effective records management system and land use data system using Geographic Information System (GIS).
- Increase staff knowledge through in-house training, meetings, and seminars

Proposed Budget

It is recommended that City Council approve a budget of \$1,081,716 for the General Building program. This represents an increase of \$136,383 (14.4%) from the FY 2023-24 Adopted Budget.

The increase is due to increase in cost allocation. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Conferences and Training	\$(4,019)	Reduced conference attendance, trainings, and meeting expenses. Thus, resulting in reduced service level and response time. Reduction could potentially lead to higher staff turnover rates. The department is continuing to offer training by exploring and taking advantage of local and virtual opportunities.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Licenses and Permits	\$ 295,341	\$ 269,509	\$ 315,000	\$ 315,000
Total Revenues	\$ 295,341	\$ 269,509	\$ 315,000	\$ 315,000
Expenditures				
Employee Compensation	\$ 462,806	\$ 440,485	\$ 458,679	\$ 462,726
Employee Benefits	\$ 200,639	\$ 153,510	\$ 205,826	\$ 235,381
Materials	\$ 7,426	\$ 7,355	\$ 11,587	\$ 7,865
Contract Services	\$ 384	\$ 420	\$ -	\$ -
Cost Allocation	\$ 326,332	\$ 274,264	\$ 269,096	\$ 375,646
Contingencies	\$ 462	\$ -	\$ 145	\$ 98
Total Expenditures	\$ 998,049	\$ 876,034	\$ 945,333	\$ 1,081,716
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 702,709	\$ 606,525	\$ 630,333	\$ 766,716

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.50	0.50	0.50	0.50
ASSIST DIR OF COMMITY DEV	0.60	0.60	0.60	0.60
BUILDING OFFICIAL	0	0	0.20	0.20
DEPUTY BUILDING OFFICIAL	0.20	0.20	0.20	0.20
DIRECTOR OF COMM DEVELOPMENT	0.12	0.12	0.12	0.12
MANAGEMENT ANALYST	0.20	0.20	0.20	0.20
OFFICE ASSISTANT	0.50	0.50	0.50	0.50
PERMIT CENTER MANAGER	0.20	0.20	0	0
PERMIT TECHNICIAN	0.60	0.60	0.60	0.60
SR BUILDING INSPECTOR	0.20	0.20	0.20	0.20
Total	3.12	3.12	3.12	3.12

There are no changes to the current level of staffing.

Building Plan Review

Budget Unit 100-73-714

General Fund - Building - Building Plan Review

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 1,200,000
Total Expenditures	\$ 2,296,591
Fund Balance	\$ -
General Fund Costs	\$ 1,096,591
% Funded by General Fund	47.7%
Total Staffing	6.7 FTE

Program Overview

The Building Plan Review program is responsible for the timely and accurate review and approval of construction drawings for all residential, commercial and industrial permit applications for buildings and structures to ensure the proposed design meets or exceeds the minimum life safety, plumbing, mechanical, electrical, accessibility, energy and structural safety standards of the California Building Code and all governing local amendments.

Service Objectives

- Provide a streamlined building plan review system that will ensure plans comply with all applicable state and local codes and ordinances.
- Continue to streamline the internal application processing system and permit review process.
- Confer with design professionals on project application and pre-application meetings.
- Provide general code information for property owners, design professionals, developers, contractors and the general public.
- Assist building inspectors in difficult or unusual code interpretation as it applies to various buildings and structures.
- Assist in training of building inspectors and permit technicians in conducting residential and minor commercial plan review.

Proposed Budget

It is recommended that City Council approve a budget of \$2,296,591 for the Building Plan Review program. This represents a decrease of \$436 (-0.0%) from the FY 2023-24 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Conferences and Training	\$(2,518)	Reduced conference attendance, trainings, and meeting expenses. Thus, resulting in reduced service level and response time. Reduction could potentially lead to higher staff turnover rates. The department is continuing to offer training by exploring and taking advantage of local and virtual opportunities.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Licenses and Permits	\$ 1,645,117	\$ 1,575,817	\$ 1,800,000	\$ 1,200,000
Miscellaneous Revenue	\$ 5,090	\$ 20,000	\$ -	\$ -
Other Financing Sources	\$ 600	\$ -	\$ -	\$ -
Total Revenues	\$ 1,650,807	\$ 1,595,817	\$ 1,800,000	\$ 1,200,000
Expenditures				
Employee Compensation	\$ 778,747	\$ 930,184	\$ 1,029,511	\$ 1,042,991
Employee Benefits	\$ 381,057	\$ 388,761	\$ 483,572	\$ 527,699
Materials	\$ 9,455	\$ 6,404	\$ 11,660	\$ 4,522
Cost Allocation	\$ 434,911	\$ 384,759	\$ 422,138	\$ 371,322
Special Projects	\$ 177,562	\$ 134,820	\$ -	\$ -
Other Financing Uses	\$ 268,469	\$ 376,420	\$ 350,000	\$ 350,000
Contingencies	\$ 436	\$ -	\$ 146	\$ 57
Total Expenditures	\$ 2,050,637	\$ 2,221,348	\$ 2,297,027	\$ 2,296,591
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 399,830	\$ 625,532	\$ 497,027	\$ 1,096,591

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.25	0.25	0.25	0.25
ASSIST DIR OF COMMITY DEV	0.20	0.20	0.20	0.20
BUILDING OFFICIAL	0	0	0.80	0.80
DEPUTY BUILDING OFFICIAL	0.80	0.80	0.80	0.80
OFFICE ASSISTANT	0.25	0.25	0.25	0.25
PERMIT CENTER MANAGER	0.80	0.80	0	0
PERMIT TECHNICIAN	2.40	2.40	2.40	2.40
PLAN CHECK ENGINEER	2.00	2.00	2.00	2.00
Total	6.70	6.70	6.70	6.70

There are no changes to the current level of staffing.

Building Code Enforcement

Budget Unit 100-73-715

General Fund - Building - Building Code Enforcement

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 2,120,000
Total Expenditures	\$ 1,397,461
Fund Balance	\$ -
General Fund Costs	\$ (722,539)
% Funded by General Fund	-51.7%
Total Staffing	5.2 FTE

Program Overview

The Building Inspection program is established to enforce certain minimum standards pursuant to the California Building Code and all local amendments for all new and existing buildings and structures within the City of Cupertino jurisdiction. These minimum standards include public safety, health and general welfare through structural strength, stability, sanitation, adequate light and ventilation, and safety to life and property from fire, hurricane, and other hazards attributed to the built environment. These include alteration, repair, removal, demolition, use, and occupancy of buildings, structures or premises. The Building Inspections Division also regulates the installation and maintenance of all electrical, gas, mechanical and plumbing systems, which may be referred to as service systems. The program also responds to stormwater pollution protection, emergency situations and complaints of unsafe structures, work without permits, and prepares Notices of Violation as necessary. Unabated cases are referred to the Code Enforcement Division for further action.

Service Objectives

- Build and maintain a positive working relationship with co-workers, other city employees and the general public using principles of quality customer service.
- Build and maintain a partnership with property owners, developers, and contractors to help our customers meet their building occupancy goals.
- Perform building inspections within 48 hours of receiving the request.
- Consistently and accurately document non-complying code issues to ensure proper and safe installation of routine and complex building systems.
- Ensure that minimum building code safety requirements are met in all phases of construction for structural, electrical, plumbing, mechanical and accessibility installations.
- Educate community members about life and safety inspection issues as they occur before and during the construction process.
- Work with owners, developers, and contractors to implement principles of green building as required in the CALGreen Building Code and Cupertino green building requirements.

Proposed Budget

It is recommended that City Council approve a budget of \$1,397,461 for the Building Code Enforcement program. This represents a decrease of \$121,888 (-8.0%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in cost allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Reduce Conferences and Training	\$(229)	Reduced conference attendance, trainings, and meeting expenses. Thus, resulting in reduced service level and response time. Reduction could potentially lead to higher staff turnover rates. The department is continuing to offer training by exploring and taking advantage of local and virtual opportunities.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Licenses and Permits	\$ 2,170,820	\$ 2,219,071	\$ 2,120,000	\$ 2,120,000
Total Revenues	\$ 2,170,820	\$ 2,219,071	\$ 2,120,000	\$ 2,120,000
Expenditures				
Employee Compensation	\$ 645,793	\$ 707,048	\$ 737,452	\$ 718,711
Employee Benefits	\$ 316,975	\$ 290,199	\$ 343,298	\$ 384,182
Materials	\$ 15,292	\$ 13,069	\$ 11,862	\$ 9,550
Cost Allocation	\$ 430,997	\$ 368,088	\$ 401,589	\$ 259,899
Other Financing Uses	\$ -	\$ -	\$ 25,000	\$ 25,000
Contingencies	\$ 534	\$ -	\$ 148	\$ 119
Total Expenditures	\$ 1,409,591	\$ 1,378,404	\$ 1,519,349	\$ 1,397,461
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (761,229)	\$ (840,667)	\$ (600,651)	\$ (722,539)

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.25	0.25	0.25	0.25
ASSIST DIR OF COMMITY DEV	0.20	0.20	0.20	0.20
BUILDING INSPECTOR	3.72	3.72	3.72	3.72
OFFICE ASSISTANT	0.25	0.25	0.25	0.25
SR BUILDING INSPECTOR	0.73	0.73	0.73	0.73
Total	5.15	5.15	5.15	5.15

There are no changes to the current level of staffing.

Muni Code Enforcement

Budget Unit 100-73-718

General Fund - Building - Muni Code Enforcement

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 72,297
Fund Balance	\$ -
General Fund Costs	\$ 72,297
% Funded by General Fund	100.0%
Total Staffing	0.3 FTE

Program Overview

The Community Development Code Enforcement program provides enforcement of various provisions of the municipal code relating to nonconforming land use and building code compliance. These activities include building without permits, unpermitted removal of protected trees, nonconforming accessory structures, various use permit violations, private residential fence height/setback violations, and nonconforming signs. Assistance is provided to Planning and Building Division staff in the resolution of different code violations and land use concerns, which are contrary to the municipal code.

Service Objectives

- Respond to citizen, City department, or outside agency referrals within 48 hours.
- Provide services with an emphasis on community education and customer service.
- Enforce the codes in a fair, equitable, and objective manner.

Proposed Budget

It is recommended that City Council approve a budget of \$72,297 for the Muni Code Enforcement program. This represents a decrease of \$16,314 (-18.4%) from the FY 2023-24 Adopted Budget.

The decrease is due to decreases in cost allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 31,750	\$ 35,581	\$ 36,225	\$ 34,870
Employee Benefits	\$ 15,396	\$ 14,608	\$ 16,965	\$ 18,797
Materials	\$ -	\$ (199)	\$ -	\$ -
Cost Allocation	\$ 37,973	\$ 34,805	\$ 35,421	\$ 18,630
Total Expenditures	\$ 85,119	\$ 84,795	\$ 88,611	\$ 72,297
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 85,120	\$ 84,795	\$ 88,611	\$ 72,297

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
BUILDING INSPECTOR	0.20	0.20	0.20	0.20
SR BUILDING INSPECTOR	0.05	0.05	0.05	0.05
Total	0.25	0.25	0.25	0.25

There are no changes to the current level of staffing.

Code Enforcement

Budget Unit 100-74-202

General Fund - Code Enforcement - Code Enforcement

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 225,258
Total Expenditures	\$ 1,507,061
Fund Balance	\$ -
General Fund Costs	\$ 1,281,803
% Funded by General Fund	85.1%
Total Staffing	4.0 FTE

Program Overview

The Code Enforcement program provides enforcement of various provisions of the municipal code relating to parking citations, noise, animal control, zoning and building, and other compliance areas. Assistance is provided to the Sheriff Department in the areas of traffic control and other complaint responses.

Service Objectives

- Respond to resident, City department, or outside agency referrals within 48 hours.
- Provide services with an emphasis on community education and customer service.
- Enforce the codes in a fair, equitable, and objective manner.
- Manage the animal control services contract with the City of San José.

Proposed Budget

It is recommended that City Council approve a budget of \$1,507,061 for the Code Enforcement program. This represents an increase of \$107,208 (7.7%) from the FY 2023-24 Adopted Budget.

The increase is due to health costs related to negotiated increases and increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Materials	Reduce Conferences and Training	\$229	Reduced conference attendance, trainings, and meeting expenses. Thus, resulting in reduced service level and response time. Reduction could potentially lead to higher staff turnover rates. The department is continuing to offer training by exploring and taking advantage of local and virtual opportunities.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 8,298	\$ 8,772	\$ -	\$ 10,258
Fines and Forfeitures	\$ 182,106	\$ 134,714	\$ 225,000	\$ 215,000
Total Revenues	\$ 190,404	\$ 143,486	\$ 225,000	\$ 225,258
Expenditures				
Employee Compensation	\$ 357,894	\$ 370,446	\$ 540,007	\$ 538,843
Employee Benefits	\$ 168,889	\$ 161,728	\$ 254,587	\$ 289,533
Materials	\$ 10,060	\$ 6,559	\$ 12,050	\$ 7,076
Contract Services	\$ 283,561	\$ 300,087	\$ 271,380	\$ 271,380
Cost Allocation	\$ 277,786	\$ 237,757	\$ 318,286	\$ 396,748
Contingencies	\$ 3,358	\$ -	\$ 3,543	\$ 3,481
Total Expenditures	\$ 1,101,548	\$ 1,076,577	\$ 1,399,853	\$ 1,507,061
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 911,144	\$ 933,092	\$ 1,174,853	\$ 1,281,803

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
CODE ENFORCEMENT OFFICER	1.00	2.00	2.00	2.00
SR CODE ENFORCEMENT OFFICER	2.00	2.00	2.00	2.00
Total	3.00	4.00	4.00	4.00

There are no changes to the current level of staffing.

This page intentionally left blank.

Public Works

This page intentionally left blank.

Department Overview

Budget Units

Budget Unit	Program	2025 Proposed Budget
Public Works Administration		\$ 1,311,650
100-80-800	Public Works Administration	\$ 1,311,650
Environmental Programs		\$ 5,534,726
100-81-122	Sustainability	\$ 399,263
520-81-801	Resource Recovery	\$ 3,222,990
230-81-802	Non-Point Source	\$ 1,482,747
230-81-853	Storm Drain Fee	\$ -
230-81-854	General Fund Subsidy	\$ -
230-81-855	Storm Drain Maintenance	\$ 429,726
Developmental Services		\$ 2,445,321
100-82-804	Plan Review	\$ 1,377,257
100-82-806	CIP Administration	\$ 1,068,064
Service Center		\$ 1,059,147
100-83-807	Service Center Administration	\$ 1,059,147
Grounds		\$ 6,043,984
560-84-268	Golf Grounds Maintenance	\$ 355,187
100-84-808	McClellan Ranch Park	\$ 159,471
100-84-809	Memorial Park	\$ 796,286
100-84-811	BBF Ground Maintenance	\$ 284,818
100-84-812	School Site Maintenance	\$ 1,373,426
100-84-813	Neighborhood Parks	\$ 2,110,853
100-84-814	Sport Fields Jollyman, Creekside	\$ 745,000
100-84-815	Civic Center Maintenance	\$ 218,943
Streets		\$ 9,204,591
270-85-820	Sidewalk Curb and Gutter	\$ 1,323,980
270-85-821	Street Pavement Maintenance	\$ 4,465,079
270-85-822	Street Sign Marking	\$ 722,319
100-85-848	Street Lighting	\$ 939,273
Total		\$ 42,974,939

Budget Unit	Program	2025 Proposed Budget
630-85-849	Equipment Maintenance	\$ 1,565,283
100-85-850	Environmental Materials	\$ 188,657
Trees and Right of Way		\$ 4,412,119
100-86-261	Trail Maintenance	\$ 263,167
100-86-824	Overpasses and Medians	\$ 1,665,540
100-86-825	Street Tree Maintenance	\$ 1,945,921
100-86-826	Sheriff Work Program	\$ 537,491
Facilities and Fleet		\$ 5,543,743
560-87-260	BBF Golf Maintenance	\$ 121,007
100-87-827	City Hall Maintenance	\$ 510,637
100-87-828	Library Maintenance	\$ 1,338,128
100-87-829	Service Center Maintenance	\$ 341,264
100-87-830	Quinlan Community Center Maintenance	\$ 526,991
100-87-831	Senior Center Maintenance	\$ 336,976
100-87-832	McClellan Ranch Maintenance	\$ 235,801
100-87-833	Monta Vista Community Center Maintenance	\$ 185,905
100-87-834	Wilson Park Maintenance	\$ 102,304
100-87-835	Portal Park Maintenance	\$ 31,899
570-87-836	Sports Center Maintenance	\$ 787,112
100-87-837	Creekside Park Maintenance	\$ 110,478
100-87-838	Community Hall Maintenance	\$ 245,470
100-87-839	Teen Center Maintenance	\$ -
100-87-840	Park Bathrooms Maintenance	\$ 158,061
100-87-841	Blackberry Farm Maintenance	\$ 464,367
100-87-852	Franco Traffic Operations Center	\$ 43,742
100-87-857	City Hall Annex	\$ 3,601
Transportation		\$ 6,960,547
100-88-265	Community Shuttle	\$ 3,853,958
100-88-844	Traffic Engineering	\$ 1,539,854
100-88-845	Traffic Signal Maintenance	\$ 697,556
100-88-846	Safe Routes 2 School	\$ 869,179
Total		\$ 42,974,939

Budget Unit	Program	2025 Proposed Budget
Non-Departmental		\$ 459,111
630-90-985	Fixed Assets Acquisition	\$ 459,111
Total		\$ 42,974,939

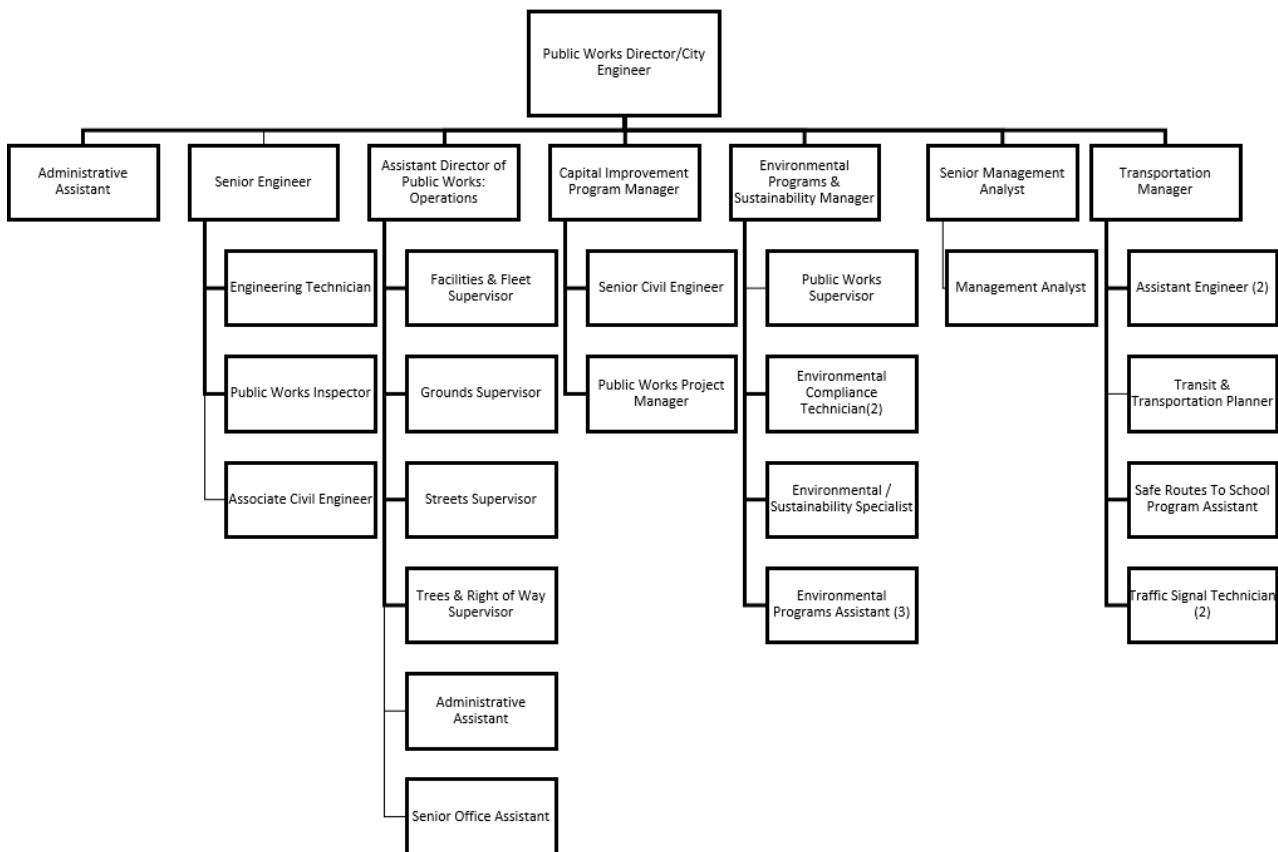
Budget at a Glance

2025 Proposed Budget

Total Revenues	\$ 14,371,154
Total Expenditures	\$ 42,974,939
Fund Balance	\$ (6,838,488)
General Fund Costs	\$ 21,765,297
% Funded by General Fund	50.6%
Total Staffing	87.0 FTE

Organization

Chad Mosley, Director of Public Works



As part of an expenditure reduction strategy, two Part Time Maintenance Worker positions were eliminated, and the following vacant positions are being removed from the budget: Maintenance Worker I/II, Public Works Project Manager, and Public Works Project Manager. In addition, vacant Sustainability Manager and Analyst were transferred into Public Works after the final budget. Those position have been reclassified and resulted in additional salary savings.

Performance Measures

Capital Project Delivery

Goal: Develop and deliver projects on time and within budget that serve the resident's needs and supports the City's stability and growth.

Benefit: Residents and businesses are assured their community is being improved by insightful, targeted and efficient use of taxes and fees towards maintaining and improving the City's facilities and assets.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
Percentage of projects completed on budget	90%	100%	100%	95%
Percentage of construction projects completed on time	90%	100%	100%	95%

Environment

Goal: Protect our natural environment for current and future generations.

Benefit: Current and future residents enjoy a healthy, sustainable environment.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
Percent of businesses in compliance during annual proactive stormwater pollution prevention inspections	88%	95%	76%	75%
Percent of non-exempt businesses and multi-family accounts separating organics	86%	87%	97%	100% (SB1383)
Percent trash/litter reduction achieved to meet Stormwater Permit requirements	95%	94%	N/A	100% by 7/1/2025
Diversion rate from all single-family, multi-family, and commercial accounts as reported by Recology tonnage reports	53%	53%	50% (July-October 2023; Nov-Dec not available yet)	55%
Respond to reports of actual or potential discharge the same business day	93%	86%	67%	95%
% of plan reviews completed in required number of days	93%	93%	89%	100%
Cubic yards of compost distributed via compost site	440 CY	Quarry: 600CY SMaRT Station: 789CY Compost; 239CY Mulch	Quarry: 160 CY SMaRT Station Data: 71.40 CY Compost; 3.21 CY Mulch	1,000 CY
% of vegetation obstructions resolved within 15 days from time of report*	32%	37%	68%	100%

*Inspections occur in the spring only

Development Services

Goal: Provide timely review and permitting of privately completed improvements within the public right of way.

Benefit: Customers can expect quality reviews and permitting on a defined schedule, and the community can expect quality public facilities.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
Respond to complete plan submittals or applications within two (2) weeks	94%	94%	99%	90%
Respond to complete encroachment permit applications within two (2) weeks	93%	94%	94%	90%
Respond to public inquiries at the Public Works counter in City Hall within 15 minutes	91%	95%	95%	95%

Grounds Division

Goal: Provide well maintained, clean, and safe areas for the community's recreational use and enjoyment at optimal life cycle costs.

Benefit: Cupertino has a well maintained public park system that meets the needs of the community and is beneficial to personal wellness.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
Percentage of 311 requests that are responded to and closed within 3 business days	82%	62%	67%	80%
Percentage of the 1,872 park inspections, including play grounds, performed weekly	79%	31%	29%	100%
Percentage of Backflow Prevention Devices inspected, tested and repaired annually	100%	100%	50%	100%

Streets Division

Goal: Timely maintenance of public sidewalks, streets, streetlights and storm drain system in good condition to ensure safe, environmentally compliant, and accessible infrastructure that minimizes liability and has an optimal life cycle cost.

Benefit: Cupertino has well maintained street and storm drain systems that meet the needs of the community.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
Pavement condition index (PCI) > or equal to 82	83	81	81	82
Percent of the 2087 storm drain inlets inspected and cleaned in fiscal year	80%	53%	2%	100%
Percent of Inlets with Trash Capture Screens inspected and cleaned twice yearly	100%	100%	50%	100%
Percentage of roadway regulatory & street name signs repaired or replaced	3.5%	2.0%	2.0%	7%
Percentage of trip and fall complaints investigated and mitigated within 2 business days	72%	73%	73%	98%
Percentage of reported streetlight outages investigated and repaired in 3 business days	90%	90%	90%	90%

Trees and Right of Way Division

Goal: Maintain and enhance the City's street trees and medians to ensure a safe, healthy and environmentally conscious Urban Forest.

Benefit: Cupertino has a healthy and safe urban forest and medians provide good aesthetic and environmental value.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
Percentage of 311 requests that are responded to and closed within 3 business days	95%	90%	93%	95%
Percentage of trees inspected and maintained in the yearly maintenance zone (8 year maintenance cycle)	100%	22%	7%	100%
Percentage of trees planted versus trees removed # planted/# removed	113% 211/187	146% 153/105	61% 40/65	101%

Facilities and Fleet Division

Goal: Timely maintain City Facilities and City Fleet to meet staff, community and environmental requirements at an optimal life cycle cost.

Benefit: Cupertino has well-maintained, usable, and safe facilities and fleet in order to meet the needs of staff and the community.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
Percentage of preventative maintenance work orders completed for Fleet assets within 14 days of the due date.	87%	54%	61%	85%
Percentage of facilities maintenance requests closed within 30 days.	69%	35%	51%	90%

Sustainability Division

Goal: Implement Cupertino's Climate Action Plan and General Plan Sustainability Element to achieve quantifiable emissions reductions, conserve finite resources, and achieve utility cost avoidance and savings across municipal operations and community partners.

Benefit: Cupertino is a healthy, resilient, environmentally-vibrant city for current and future residents to live, work, learn and play.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
% community-wide emissions reduced from baseline of 307,288 MT CO2e/yr	2018 inventory: 24% decrease in emissions from baseline (258,659 MT CO2e/yr)			15% reduction by 2020 (261,195 MT CO2e/yr)
Initiate, develop, and complete actions from the Climate Action Plan 2.0				
% initiated	100%	100%	6%	23%
% complete or ongoing	79%	79%	4%	5%
% municipal operations emissions reduced from baseline of 1,865 MT CO2e/yr	2018 inventory: 66% reduction in emissions from baseline: 642 MT CO2e			15% reduction by 2020

Transportation Division

Goal: Ensure the efficiency and safety of the transportation system for all modes of travel.

Benefit: Having a safe and efficient transportation system that is inviting for all modes of travel.

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec	Ongoing Target
Percentage of non-emergency traffic signal requests addressed within 72 hours.	90%	95%	90%	100%
Percentage of emergency traffic signal requests addressed within 2 hours.	100%	100%	100%	100%
Percentage of traffic engineering requests responded to within 72 hours	95%	85%	90%	95%
Annual mileage increase of separated bicycle lanes and pedestrian paths.	2.20	0.82	0	1 mile

Workload Indicators

Capital Improvement Program

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Number of projects started in the first year funded	14/15	2/2	2/2
Number of active projects versus total number of projects	50/52	29/30	29/30

Environmental Programs Division

Performance Measure	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Number of actual versus potential discharges	91 actual 7 potential	93 actual 27 potential	65 actual 12 potential
Number of stormwater pollution prevention industrial commercial inspections	109	136	28 so far
Number of building and demolition permits reviewed	693	754	321
Number of non-exempt businesses and multi-family accounts required to separate organics	382	272	311
Tons of waste entering landfill from single-family, multi-family, and commercial accounts as reported by Recology	11,980.24	July 1,2022- June 30,2023: 11,879.39	July-October 2023: 4,163.73 (Nov-Dec 2023 not available)
Number of visitors to compost site	1,230	(FY22-23) Quarry: 910; SMaRT Station: Compost (397) Mulch (103)	(July-Dec 2023) Quarry: 556 SMaRT Station: 147
Number of vegetation obstructions reported	101	95	25

Developmental Services Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Number of development applications received	128	127	55
Number of encroachment permit applications received	426	449	254
Number of customer service visits	76	358	206

Grounds Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Maintain city grounds (#) with total acreage (SF)	29 sites/149 AC	29 sites/149AC	29 sites/149AC
Maintain school sites (#)with total acreage (SF)	9 sites/46AC	9 sites/46AC	9 sites/46AC
Total Number of 311 Requests	55	45	42
Total number of play grounds maintained	37	37	37
Total number of irrigation controllers maintained	74	74	74
Total number of park trees maintained	4,179	5,223	5,223
Total number of park furniture maintained (tables and benches)	431	431	431
Total number of city trash receptacles maintained	420	420	420
Total number of backflow preventers maintained	174	174	174

Streets Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Total roadway miles	138	138	138
Total concrete sidewalk miles	196	196	196
Total number of unique sidewalk repair sites addressed	936	730	180
Total square footage of sidewalk, curb and gutter repaired/replaced	44,816	46,466	20,892
Total number of storm drain inlets	2,087	2,094	2,094
Total number of drain inlets with trash capture devices	175	179	182
Total number of streetlights	3,408	3,413	3,413
Total number of roadway signs	10,186	10,394	10,464
Total miles of storm drain pipe maintained	104.7	104.7	104.7
Total number of crosswalks maintained	723	723	723
Total miles of pavement striping maintained	162	162	162
Total number of street miles swept monthly	696	696	696

Trees and Right of Way Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Total number of street trees	3,406 Trees Maintained	1,922 Trees Maintained	939 Trees Maintained
Total acreage of medians maintained	40 AC	40 AC	40 AC
Total number of median islands maintained	185	185	185
Total square feet of median landscape converted or installed to water efficient landscaping	30,477	16,873	0 (Defunded)
Total number of irrigation controllers maintained	45	45	45
Total number of 311 Requests for tree maintenance	465	386	282
Miles of pedestrian and bicycle trails maintained	0.85	0.85	0.85

Facilities and Fleet Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Total number of city facilities maintained	51/221,500 SF	51/221,500 SF	51/221,500 SF
Total number of Fleet vehicles maintained	105	105	108
Total number of special equipment maintained (tractors, trailers, chippers, riding mowers, club car, forklift, generator)	329	329	360
Total number of small equipment maintained	292	278	278
Total number of work orders completed	1,966 Facilities 835 Fleet	1,836 Facilities 553 Fleet	1,199 Facilities 277 Fleet
Fleet vehicles replaced with hybrid and/or electric models	0	1	2
Annual number of sitevisits to ensure janitorial compliance	1,628	1,628	814

Sustainability Division

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Climate Action Plan 2.0 Actions initiated or in Progress	3	8	22
Climate Action Plan 2.0 Actions Completed	2	5	7
Community Education and Outreach Activities Held	26	5	5
Cross-Departmental Projects Supporting	6	9	5
Number of municipal and community programs leading or supporting	8	8	8

Transportation

Workload Indicator	FY 2022 July-June	FY 2023 July-June	FY 2024 July-Dec
Number of signalized intersections	60	60	60

Proposed Budget

It is recommended that City Council approve a budget of \$42,974,939 for the Public Works department. This represents an increase of \$4,554,761 (11.9%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. In addition to increases in contracts due to the Via Community Shuttle contract, and increased Capital Outlays.

The following table illustrates the Service-Level Reductions for the department.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Utility True-up	\$(564,278)	Reduction aligns with budget actuals
Infrastructure	Contract Services	\$(810,764)	Tree maintenance moved in-house/Reduction in tree maintenance
Infrastructure	Defer vehicle and equipment replacements, increasing the replacement cycle from approximately 7 years to 10 years on average.	\$(137,000)	May increase cost and staff time to repair assets that were deferred for replacement.
Operations and Maintenance	Contract Services	\$(659,534)	Reduction in contract services for fence repairs, graffiti mitigation, bee removal, gas emission inventory, paid advertising, etc.
Operations and Maintenance	Materials	\$(145,794)	Reduction in printing, ergonomics, memberships, office supplies, conference and meetings, etc.
Operations and Maintenance	Salary and Benefits	\$(386,406)	Reduction in part-time staff
Operations and Maintenance	Special Project	\$(55,000)	Reduction of replaced fluted street light poles
Operations and Maintenance	Staffing	\$(463,716)	Eliminate two vacant Public Works Project Managers
Total		\$(3,222,492)	

The following table shows unfunded needs for the department.

Service	Description	Estimated Cost	Funding Status
Operations and Maintenance	Tree maintenance contract services	\$204,544	Unfunded
Operations and Maintenance	Maintenance of Sidewalk, Curb and Gutter Service Level Reductions	\$600,000	Unfunded
Operations and Maintenance	Weed mowing contract services	\$2,000	Unfunded
Infrastructure	Senior Center ADA Push Button Installation	\$15,000	Unfunded
Infrastructure	Senior Center Locking Cabinets	\$15,000	Unfunded
Infrastructure	EEC Door Repair	\$40,000	Unfunded
Infrastructure	Golf Course Pro Shop Counter Replacement	\$10,000	Unfunded
Infrastructure	Golf Course Men's Restroom Partition Replacement	\$12,000	Unfunded
Infrastructure	Sports Center Awning Replacement	\$20,000	Unfunded
Infrastructure	Sports Center Breakroom Reconfiguration	\$30,000	Unfunded
Infrastructure	Sports Center Lobby Wall Extension	\$6,000	Unfunded
Total		\$836,544	

The following table shows the special projects for the department.

Special Project	Appropriation	Revenue	Funding Source	Description	Strategic Goal
CWP Recycled Water Feasibility	\$200,000	\$200,000	General Fund	Develop Recycled Water Feasibility Study. Include Blackberry Farm focus and extension of recycled water from SCVWD.	Sustainability and Fiscal Strategy

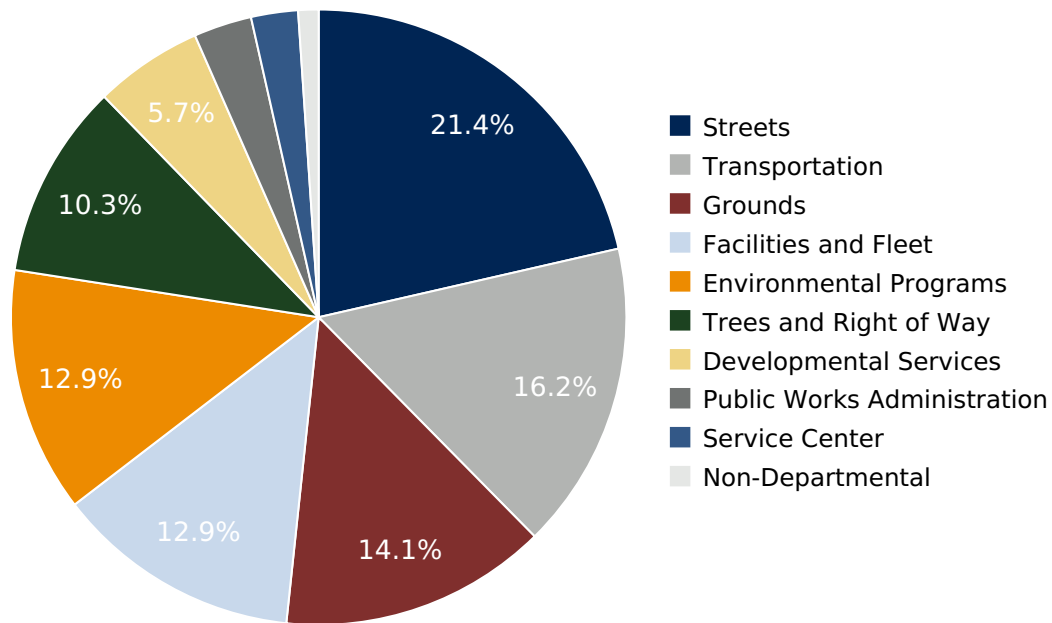
CWP Electrification Study	\$50,000	\$50,000	General Fund	Conduct public outreach, policy research, and coordinate with regional efforts to develop policy options for electrification of Cupertino's buildings in light of recent legal rulings inhibiting certain electrification efforts.	Sustainability and Fiscal Strategy
CWP Active Transportation Plan	\$330,000	\$330,000	General Fund	This item is a consolidation of existing and new transportation efforts aiming to further goals outlined in the City's Vision Zero Initiative, including: 1) Review and update the bike plan 2) Review and update the pedestrian plan 3) Review current Complete Streets Policy and propose adjustments to create a better interface between all modes of transportation	Transportation
Special Maintenance	\$10,000	\$10,000	General Fund	Climate AP Vision Summary Doc	
Office Reconfiguration	\$50,000	\$50,000	General Fund	Citywide office reconfiguration	
Special Maintenance	\$10,500	\$10,500	General Fund	Baseball field dugout roof replacements	
Special Maintenance	\$10,500	\$10,500	General Fund	Baseball field dugout roof replacements	

Special Projects - PW	\$175,000	\$175,000	General Fund	Street light pole replacement	
Trees and Badges	\$15,000	\$15,000	General Fund	New street tree planting	
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades	
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades	
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades	
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades	
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades	
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades	
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades	
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades	
Low Income Cost Share	\$2,000	\$2,000	Env Mgmt Cln Crk Strm Drain	Refund for stormwater APN fee cost-share applications	
CUSD Joint Use Cost Share	\$8,707	\$8,707	Env Mgmt Cln Crk Strm Drain	Refunds a portion of the stormwater APN fee paid by CUSD	
Annual Sidewalk Curb & Gutter	\$632,313	\$632,313	Transportation Fund	Annual street pavement maintenance	
SB1 roads	\$880,224	\$880,224	Transportation Fund	Annual street pavement maintenance	

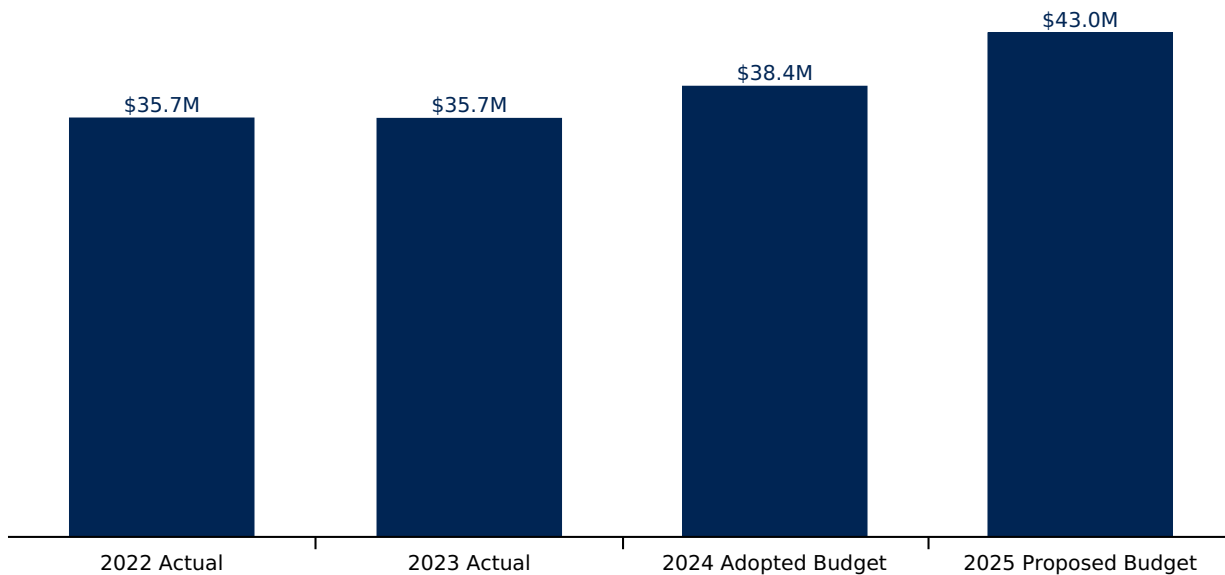
Annual Asphalt Project	\$1,943,667	\$1,943,667	Transportation Fund	Annual street pavement maintenance	
Special Maintenance	\$20,000	\$20,000	Resource Recovery	Climate Action Plan Dashboard Reporting Tool	
HHW and PaintCare	\$115,733	\$115,733	Resource Recovery	Cleanup of hazardous spills	
Single Use Plastics Ordinance	\$75,000	\$75,000	Resource Recovery	Continuation of the Single Use Plastics ordinance implementation	
Special Maintenance	\$2,000	\$2,000	Sports Center	Sports Center energy management system upgrade	
Fixed Asset Acquisition	\$90,000	\$90,000	Vehicle/Equip Replacement	Grounds vehicle #31 2008 Ford F350. Replacement vehicle Ford F350 Truck	
Fixed Asset Acquisition	\$70,000	\$70,000	Vehicle/Equip Replacement	Building vehicle #452 2011 Escape Replacement vehicle Ford Lightning EV Truck	
Fixed Asset Acquisition	\$70,000	\$70,000	Vehicle/Equip Replacement	Fleet vehicle #448 2012 F150 Replacement vehicle Ford Lightning EV Truck	
Fixed Asset Acquisition	\$130,000	\$130,000	Vehicle/Equip Replacement	Streets vehicle #6 2008 GMC 500 Replacement vehicle Ford F550 Truck	
Fixed Asset Acquisition	\$50,000	\$50,000	Vehicle/Equip Replacement	Equipment #203 Turf Tiger Top Dresser Replacement equipment Turf Tiger Top Dresser	

Fixed Asset Acquisition	\$30,000	\$30,000	Vehicle/Equip Replacement	Grounds purchase of Flail mower. A flail mower is a type of powered garden/agricultural equipment which is used to deal with heavier grass/scrub which a normal lawn mower could not cope with.	
Total	\$5,134,644	\$5,134,644			

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 417,793	\$ 476,593	\$ 457,579	\$ 404,702
Intergovernmental Revenue	\$ 1,870,797	\$ 2,046,373	\$ 2,174,842	\$ 5,355,413
Charges for Services	\$ 8,043,886	\$ 7,033,258	\$ 7,319,476	\$ 8,496,750
Fines and Forfeitures	\$ 3,563	\$ 23,371	\$ 3,563	\$ 20,000
Miscellaneous Revenue	\$ 29,297	\$ 83,004	\$ 50,734	\$ 79,289
Transfers In	\$ 275,000	\$ 861,140	\$ 15,000	\$ 15,000
Total Revenues	\$ 10,640,336	\$ 10,523,739	\$ 10,021,194	\$ 14,371,154
Expenditures				
Employee Compensation	\$ 9,591,985	\$ 10,431,662	\$ 10,905,416	\$ 10,518,310
Employee Benefits	\$ 4,662,698	\$ 4,259,660	\$ 5,209,222	\$ 5,551,949
Materials	\$ 3,776,852	\$ 4,294,618	\$ 4,852,658	\$ 4,975,752
Contract Services	\$ 3,745,851	\$ 4,223,613	\$ 4,781,474	\$ 8,457,958
Cost Allocation	\$ 7,396,343	\$ 6,429,988	\$ 6,436,300	\$ 7,493,827
Capital Outlays	\$ 1,817,829	\$ 1,042,673	\$ 880,224	\$ 1,030,224
Special Projects	\$ 3,980,418	\$ 4,323,798	\$ 4,496,264	\$ 4,104,420
Other Financing Uses	\$ 738,957	\$ 674,604	\$ 738,957	\$ 674,604
Contingencies	\$ -	\$ -	\$ 119,663	\$ 167,895
Total Expenditures	\$ 35,710,933	\$ 35,680,616	\$ 38,420,178	\$ 42,974,939
Fund Balance	\$ (5,116,866)	\$ (4,957,370)	\$ (7,622,699)	\$ (6,838,488)
General Fund Costs	\$ 19,953,734	\$ 20,199,507	\$ 20,776,285	\$ 21,765,297

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	1.95	1.95	1.95	1.95
ASSISTANT ENGINEER	2.00	2.00	2.00	1.90

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ASSIST DIR OF PW ENGINEER	1.00	1.00	0	0
ASSIST DIR PUBLIC WORKS OPS	1.00	1.00	1.00	1.00
ASSOCIATE CIVIL ENGINEER	0	0	0	1.00
BUILDING INSPECTOR	0.08	0.08	0.08	0.08
CIP MANAGER	1.00	1.00	1.00	1.00
DIRECTOR OF PUBLIC WORKS	1.00	1.00	1.00	1.00
ENGINEERING TECHNICIAN	1.00	1.00	1.00	1.00
ENVIRONMENTAL COMPLIANCE TECH	0	0	0	1.00
ENVIRONMENTAL PROGRAM MGR	1.00	1.00	1.00	1.00
ENVIRONMENTAL PROGRAMS ASSISTANT	3.65	3.65	3.65	4.00
ENV. PROG. COMPLIANCE TECHNICIAN	1.00	1.00	1.00	1.00
ENV. PROGRAMS SPECIALIST	1.00	1.00	1.00	0.95
EQUIPMENT MECHANIC	1.00	1.00	1.00	1.00
LEAD EQUIPMENT MECHANIC	1.00	1.00	1.00	1.00
MAINTENANCE WORKER I/II	45.00	45.00	43.00	41.00
MAINTENANCE WORKER III	7.00	8.00	7.00	8.00
MANAGEMENT ANALYST	0.20	1.20	1.20	1.00
PUBLIC WORKS INSPECTOR	2.00	2.00	2.00	2.00
PUBLIC WORKS PROJECT MANAGER	5.00	6.00	4.00	2.00
PUBLIC WORKS PROJECT MANAGER LT	2.00	1.00	0	0
PUBLIC WORKS SUPERVISOR	4.00	4.00	4.00	5.00
RECREATION COORDINATOR	0.12	0.12	0.12	0.12
SENIOR CIVIL ENGINEER	2.00	2.00	2.00	2.00
SENIOR MANAGEMENT ANALYST	1.00	1.00	1.00	1.00
SR BUILDING INSPECTOR	0.02	0.02	0.02	0.02
SR OFFICE ASSISTANT	1.00	1.00	1.00	1.00
SR. PUBLIC WORKS PROJECT MANAGER	0	0	1.00	0
STREET LIGHTING WORKER	1.00	1.00	1.00	1.00

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
SUSTAINABILITY MANAGER	0.20	0.20	0.20	0
TRAFFIC SIGNAL TECHNICIAN	1.00	2.00	2.00	2.00
TRAFFIC SIGTECH APRNTICE	1.00	0	0	0
TRANSIT & TRANSPORTATION PLANNER	1.00	1.00	1.00	1.00
TRANSPORTATION MANAGER	0.90	0.90	0.90	1.00
Total	92.12	94.12	88.12	87.02

Public Works Administration

Budget Unit 100-80-800

General Fund - Public Works Administration - Public Works Administration

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 80,580
Total Expenditures	\$ 1,311,650
Fund Balance	\$ -
General Fund Costs	\$ 1,231,070
% Funded by General Fund	93.9%
Total Staffing	4.0 FTE

Program Overview

The Public Works Department is comprised of the following eight divisions:

- Capital Improvement Program Administration
- Development Services (including inspection services)
- Environmental Programs & Sustainability
- Facilities and Fleet
- Grounds
- Streets
- Transportation
- Trees and Right-of-Way

Service Objectives

- Provide capital project delivery, development plan check, permitting and inspection, solid waste and recycling services, stormwater quality compliance, and public works maintenance services in a responsive and efficient manner by continuously adapting programs and resources to meet the community's expectations.
- Provide a response to the community on complaints and requests for services. Plan and program maintenance of the City's public facilities and infrastructure.
- Program and deliver Capital Improvement Projects in a timely and cost-efficient manner. Work with operating departments and the community to ensure projects meet expectations.
- Collaborate with Community Development to efficiently deliver predictable, responsive and efficient development services.
- Represent the City on county and regional issues such as congestion management, and mobility and transit planning.
- Manage and adapt traffic operations to efficiently move traffic and protect neighborhoods.
- Oversee and manage stormwater, solid waste, sustainability efforts and recycling programs.

Proposed Budget

It is recommended that City Council approve a budget of \$1,311,650 for the Public Works Administration program. This represents an increase of \$268,508 (25.7%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. The increase is also due to the special project listed below.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(3,256)	Reduction aligns budget with actuals and includes decrease of office supplies, printing, meetings, ergonomics, and conferences

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description	Strategic Goal
Recycled Water Feasibility Study	\$200,000	\$200,000	General Fund	City Work Program project. Develop Recycled Water Feasibility Study. Include Blackberry Farm focus and extension of recycled water from SCVWD.	Sustainability and Fiscal Strategy

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 54,375	\$ 88,625	\$ 54,375	\$ 80,580
Transfers In	\$ 10,000	\$ -	\$ -	\$ -
Total Revenues	\$ 64,375	\$ 88,625	\$ 54,375	\$ 80,580
Expenditures				
Employee Compensation	\$ 513,911	\$ 638,605	\$ 741,466	\$ 748,080
Employee Benefits	\$ 208,886	\$ 210,435	\$ 289,786	\$ 286,549
Materials	\$ 9,268	\$ 8,195	\$ 11,461	\$ 10,837
Contract Services	\$ 24,540	\$ 792	\$ 282	\$ 792
Cost Allocation	\$ -	\$ -	\$ -	\$ 65,247
Special Projects	\$ 130,564	\$ -	\$ -	\$ 200,000
Contingencies	\$ -	\$ -	\$ 147	\$ 145
Total Expenditures	\$ 887,169	\$ 858,027	\$ 1,043,142	\$ 1,311,650
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 822,794	\$ 769,401	\$ 988,767	\$ 1,231,070

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.95	0.95	0.95	0.95
ASSIST DIR OF PW ENGINEER	0.10	0.50	0	0
DIRECTOR OF PUBLIC WORKS	1.00	1.00	1.00	1.00
MANAGEMENT ANALYST	0	1.00	1.00	1.00
SENIOR MANAGEMENT ANALYST	1.00	1.00	1.00	1.00
Total	3.05	4.45	3.95	3.95

There are no changes to the current level of staffing.

Sustainability

Budget Unit 100-81-122

General Fund - Environmental Programs - Sustainability

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 399,263
Fund Balance	\$ -
General Fund Costs	\$ 399,263
% Funded by General Fund	100.0%
Total Staffing	1.1 FTE

Program Overview

The Sustainability Division works to implement the City's Climate Action Plan, provides subject matter expertise and coordinates across departments in building public good through activities that reduce greenhouse gas emissions, conserves scarce resources, prioritize public health and prepare for the impacts of climate change. In this capacity, the program teams with regional partners and adjacent jurisdictions, and seeks grant funding to develop collective approaches to implement the City's ambitious Climate Action Plan.

Service Objectives

- Collect and analyze relevant data to demonstrate municipal compliance with current and increasing state and federal regulations.
- Support the City's Sustainability Commission, a citizen advisory body that helps the City Council to implement effective climate actions.
- Serve as a technical resource on sustainability initiatives by preparing staff reports, developing local policies and ordinances, coordinating educational events, and making presentations to Council, City departments, and applicable outside organizations.
- Coordinate municipal and community-wide greenhouse gas emissions inventories, develop emissions targets, execute a community-wide climate action plan, and track progress to achieve emissions reductions over time.
- Expand existing compliance-focused environmental services to offer innovative energy, water, and resource conservation programs that effectively engage employees and community members.
- Evaluate existing departmental programs and benchmark environmental achievements on an ongoing basis.
- Research tools and best practices for efficient utility management and conservation and adapt these to the City's organizational culture, operations, and budgets.
- Manage or perform resource audits, identify energy conservation and renewable energy generation opportunities, calculate feasibility and develop projects that are cost-effective and conserve resources.
- Develop effective partnerships that empower students and community members as environmental leaders.

Proposed Budget

It is recommended that City Council approve a budget of \$399,263 for the Sustainability program.

The Sustainability Division was transfer to Public Works from the City Manager's office after the final adopted budget. By reclassifying vacant positions to better align with updated responsibilities as a result of the transfer the department was able to materialize salary savings. implementing cost-saving measures such as reductions in staffing, Public Works achieved an approximate reduction of 43% in the Sustainability program budget compared to last fiscal year's adopted budget of \$704,037.

The following table illustrates the Service-Level Reductions for the department.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(6,617)	Reduction of office supplies, general supplies, printing, meetings, and conferences
Fiscal Accountability	Contract Services	\$(20,700)	Reduction in contract services of ergonomics and gas emission inventory
Total		\$(27,317)	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description	Strategic Goal
Electrification Study	\$50,000	\$50,000	General Fund	City Work Program Project. Conduct public outreach, policy research, and coordinate with regional efforts to develop policy options for electrification of Cupertino's buildings in light of recent legal rulings inhibiting certain electrification efforts.	Sustainability and Fiscal Strategy
Special Maintenance	\$10,000	\$10,000	General Fund	Climate AP Vision Summary Doc	
Total	\$60,000	\$60,000			

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ -	\$ 133,784
Employee Benefits	\$ -	\$ -	\$ -	\$ 68,839
Materials	\$ -	\$ -	\$ -	\$ 13,881
Contract Services	\$ -	\$ -	\$ -	\$ 32,150
Cost Allocation	\$ -	\$ -	\$ -	\$ 90,034
Special Projects	\$ -	\$ -	\$ -	\$ 60,000
Contingencies	\$ -	\$ -	\$ -	\$ 575
Total Expenditures	\$ -	\$ -	\$ -	\$ 399,263
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ 399,263

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ENVIRONMENTAL PROGRAM MGR	0	0	0	0.10
ENVIRONMENTAL PROGRAMS ASSISTANT	0	0	0	0.50
ENV. PROGRAMS SPECIALIST	0	0	0	0.45
Total	0	0	0	1.05

The Sustainability Division was transfer to Public Works from the City Manager's office after the final adopted budget. By reclassifying vacant positions to better align with updated responsibilities as a result of the transfer the department was able to materialize salary savings. Both positions are being replaced with one new position in Environmental Programs. This reduction strategy has resulted in approximately \$250,000 in savings.

Resource Recovery

Budget Unit 520-81-801

Resource Recovery - Environmental Programs - Resource Recovery

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 1,659,000
Total Expenditures	\$ 3,222,990
Fund Balance	\$ (1,563,990)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	4.8 FTE

Program Overview

The Resource Recovery program manages the City's garbage and recycling franchised hauler contract and provides garbage and recycling customer service for residents and business owners; manages the City's garbage disposal contract; develops and implements programs and policy to comply with State source reduction and recycling mandates; oversees the free compost giveaway at the compost site; and represents the City on countywide committees. The public education and outreach programs led by this division include visits to businesses and apartment complexes to provide recycling instruction, kitchen containers, and visual materials; presentations at events and schools and employee training for businesses on-site as needed. The program coordinates many complimentary activities with the Sustainability program in the Office of the City Manager.

Service Objectives

- Meet State requirements to divert recyclables and organics from landfill. Help businesses implement the City's Mandatory Organics Recycling ordinance (6.24.037) which ensures compliance with SB 1383, California's Short-Lived Climate Pollutant Reduction Strategy. Provide landlords and property owners with support and educational materials for their tenants. Conduct waste characterization studies to determine future services.
- Provide contract oversight and customer service for garbage and recycling collection, garbage disposal, yard waste processing, composting and household hazardous waste. Manage community events such as the citywide Garage Sale and free compost giveaway for residents. Assist CUSD and high school teachers and students with student recycling and composting projects related to teachers' curriculum and the City's environmental initiatives.

Proposed Budget

It is recommended that City Council approve a budget of \$3,222,990 for the Resource Recovery program. This represents an increase of \$586,648 (22.3%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. This budget increase is also due to an increase in materials for the Cal recycle program, staffing reallocation and health care costs due to negotiated increased. This program is 100% cost-recovered.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(1,528)	Reduction aligns budget with actuals
Operations and Maintenance	Contract Services	\$(10,911)	Reduction in contract services at events
Operations and Maintenance	Salary and Benefits	\$(23,770)	Reduction in part-time staff
Total		\$(36,209)	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Special Maintenance	\$20,000	\$20,000	Resource Recovery	SB1383 Procurement Requirements
HHW and PaintCare	\$115,733	\$115,733	Resource Recovery	SCC Household Hazardous Waste program. Annual on-going program to cover residential drop off of items that cannot be accepted by Recology.
Single Use Plastics Ordinance	\$75,000	\$75,000	Resource Recovery	Ordinance implementation still in progress and on schedule
Total	\$210,733	\$210,733		

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 70,995	\$ 55,692	\$ 74,000	\$ -
Intergovernmental Revenue	\$ 14,812	\$ 98,851	\$ 14,812	\$ 14,000
Charges for Services	\$ 1,530,871	\$ 1,673,401	\$ 1,529,152	\$ 1,645,000
Total Revenues	\$ 1,616,678	\$ 1,827,944	\$ 1,617,964	\$ 1,659,000
Expenditures				
Employee Compensation	\$ 376,254	\$ 486,869	\$ 528,715	\$ 627,624
Employee Benefits	\$ 110,806	\$ 768	\$ 226,866	\$ 310,226
Materials	\$ 40,337	\$ 53,654	\$ 87,305	\$ 233,125
Contract Services	\$ 939,153	\$ 1,052,344	\$ 1,388,927	\$ 1,380,016
Cost Allocation	\$ 334,160	\$ 231,017	\$ 267,029	\$ 440,614
Special Projects	\$ 33,755	\$ 213,765	\$ 115,733	\$ 210,733
Other Financing Uses	\$ 3,314	\$ 513	\$ 3,314	\$ 513
Contingencies	\$ -	\$ -	\$ 18,453	\$ 20,139
Total Expenditures	\$ 1,837,779	\$ 2,038,930	\$ 2,636,342	\$ 3,222,990
Fund Balance	\$ (221,101)	\$ (210,986)	\$ (1,018,378)	\$ (1,563,990)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ENVIRONMENTAL COMPLIANCE TECH	0	0	0	0.50
ENVIRONMENTAL PROGRAM MGR	0.50	0.50	0.50	0.50
ENVIRONMENTAL PROGRAMS ASSISTANT	2.30	2.30	2.30	2.15
ENV. PROG. COMPLIANCE TECHNICIAN	0.05	0.05	0.05	0.50
ENV. PROGRAMS SPECIALIST	0.40	0.40	0.40	0.40
MANAGEMENT ANALYST	0.05	0.05	0.15	0
PUBLIC WORKS SUPERVISOR	0	0	0	0.70
SUSTAINABILITY MANAGER	0.20	0.20	0.20	0
Total	3.50	3.50	3.60	4.75

Staff time is being reallocated to better reflect actual time spent in this program.

Non-Point Source

Budget Unit 230-81-802

Env Mgmt Cln Creek Storm Drain - Environmental Programs - Non-Point Source

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 1,885,000
Total Expenditures	\$ 1,482,747
Fund Balance	\$ 402,253
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	2.5 FTE

Program Overview

The Non-Point Source program manages the City’s compliance with its State-mandated Municipal Regional Stormwater NPDES Permit. Compliance activities include program and policy development and implementation of state-mandated complaint response and enforcement programs as well as annual interdepartmental staff training; and scheduled business and construction site inspections. The program reviews development plans to ensure compliance with low impact development (LID); and new Green Infrastructure Plan development requirements. The program is responsible for calculating storm drain fees annually to submit to the County for collection on property tax bills, writing an annual report to the Regional Water Quality Control Board to verify and document the City’s compliance with Clean Water Act mandates, and engaging and educating the public via City communication channels, visits to businesses and presentations at local schools, De Anza College and community events. Public participation events in a typical year include two or more annual volunteer creek cleanup days, an interactive water quality monitoring day, Earth Day and various countywide collaborative events. Implementation and annual progress assessment of the City’s eight-year litter reduction plan are among the requirements of the City’s Non-Point Source program. Collection and management of storm water for the City is regulated under the terms of a Bay Area-wide State-mandated National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit.

Service Objectives

- Oversee the City’s compliance with the Municipal Regional Stormwater Permit (MRP 2.0) with regard to water pollution prevention, erosion control, conserving water as a resource (e.g. infiltration rather than runoff), and low impact development (LID) via the City’s permit application process and conditions of approval.
- Coordinate urban runoff pollution and erosion prevention activities with other departments, divisions, and private businesses. Mandated activities include: catch basin cleaning; post-construction oversight of permanent stormwater treatment measures installed at private new and redeveloped sites; implementation of, and annual progress assessments for the eight-year litter reduction plan; oversight of construction best management practices during private and public construction; inspection of grease-

generating and wet-waste food facilities and other businesses to prevent water-polluting discharges; complaint response and investigation to protect water quality; and education of staff and local businesses on best management practices for outdoor storage and activities.

- Represent the City on county and regional committees to prevent creek and San Francisco Bay pollution, erosion, and illegal dumping.

Proposed Budget

It is recommended that City Council approve a budget of \$1,482,747 for the Non-Point Source program. This represents an increase of \$305,252 (25.9%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(687)	Reduction in mailed notices
Operations and Maintenance	Contract Services	\$(5,000)	Reduction in contract services
Operations and Maintenance	Part-Time Staff	\$(13,240)	Reduction of part-time staff
Total		\$(18,927)	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Low Income Cost Share	\$2,000	\$2,000	Environmental Programs	Refund for the stormwater APN fee cost-share applications
CUSD Joint Use Cost Share	\$8,707	\$8,707	Environmental Programs	Refunds a portion of the stormwater APN fee paid by CUSD
Total	\$10,707	\$10,707		

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 938	\$ 864	\$ -	\$ -
Charges for Services	\$ 1,477,784	\$ 1,497,204	\$ 1,498,201	\$ 1,865,000
Fines and Forfeitures	\$ 3,563	\$ 23,371	\$ 3,563	\$ 20,000
Total Revenues	\$ 1,482,285	\$ 1,521,439	\$ 1,501,764	\$ 1,885,000
Expenditures				
Employee Compensation	\$ 355,712	\$ 393,277	\$ 383,161	\$ 326,870
Employee Benefits	\$ 170,372	\$ 157,891	\$ 181,026	\$ 168,021
Materials	\$ 33,321	\$ 34,765	\$ 38,784	\$ 38,097
Contract Services	\$ 292,621	\$ 291,791	\$ 370,570	\$ 365,570
Cost Allocation	\$ 255,923	\$ 195,816	\$ 200,578	\$ 568,436
Special Projects	\$ -	\$ 12,161	\$ -	\$ 10,707
Contingencies	\$ -	\$ -	\$ 3,376	\$ 5,046
Total Expenditures	\$ 1,107,949	\$ 1,085,701	\$ 1,177,495	\$ 1,482,747
Fund Balance	\$ 374,335	\$ 435,739	\$ 324,269	\$ 402,253
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
BUILDING INSPECTOR	0.08	0.08	0.08	0.08
ENVIRONMENTAL COMPLIANCE TECH	0	0	0	0.50
ENVIRONMENTAL PROGRAM MGR	0.50	0.50	0.50	0.40
ENVIRONMENTAL PROGRAMS ASSISTANT	0.35	0.35	0.35	0.35
ENV. PROG. COMPLIANCE TECHNICIAN	0.95	0.95	0.95	0.50
ENV. PROGRAMS SPECIALIST	0.60	0.60	0.60	0.10
MAINTENANCE WORKER III	0.10	0.10	0	0
PUBLIC WORKS INSPECTOR	0.10	0.10	0.10	0.10
PUBLIC WORKS SUPERVISOR	0	0	0	0.30
RECREATION COORDINATOR	0.12	0.12	0.12	0.12
SR BUILDING INSPECTOR	0.02	0.02	0.02	0.02
Total	2.82	2.82	2.72	2.47

Staff time is being reallocated to better reflect actual time spent in this program.

Storm Drain Fee

Budget Unit 230-81-853

Env Mgmt Cln Creek Storm Drain - Environmental Programs - Storm Drain Fee

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

A portion of the collected Clean Water and Storm Protection Fee is allocated for rebates on activities that reduce stormwater runoff and pollution. Currently, these are split between offering matching Valley Water rebates on rainwater gardens, rainwater collection, and turf replacement installations and offering City-managed rebates for residential pervious pavement installations. Collection and management of storm water for the City is regulated under the terms of a Bay Area-wide State-mandated National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit.

Proposed Budget

There is no budget requested for this program.

There is no budget this year as all costs associated with this item have been defunded. However, rainwater capture rebate agreement where we match rebates provided by Valley Water are still in effect, and because of how long it takes for valley water to invoice and for how long it takes to do yard conversion projects, we agreed to extend the term of the agreement without adding funds, and any projects that get notice to proceed from Valley Water by 6/30/2024 will get the matching rebate from Cupertino.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 196	\$ 528	\$ 924	\$ -
Special Projects	\$ 3,540	\$ 175	\$ 25,000	\$ -
Total Expenditures	\$ 3,736	\$ 703	\$ 25,924	\$ -
Fund Balance	\$ (3,736)	\$ (703)	\$ (25,924)	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

General Fund Subsidy

Budget Unit 230-81-854

Env Mgmt Cln Creek Storm Drain - Environmental Programs - General Fund Subsidy

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

The City has a joint use agreement for playing fields at schools in CUSD, and part of that agreement requires a refund to CUSD of half of the fees they pay each year for the Clean Water and Storm Protection Fee, which is based on parcel size and use category. The details of the fee prohibit using collected funds for providing discounts or refunds, so funding for that purpose must come from the General Fund.

In addition, the City has a Clean Water Cost-Share Program allowing low-income property owners to receive a discounted rate on the Clean Water and Storm Protection Fee that is charged on property tax bills. The details of the fee prohibit using collected taxes for providing discounts or refunds, so funding for this purpose must come from the General Fund.

Proposed Budget

There is no budget requested for this program.

The budget decrease is to better reflect the actual expenses in this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 401	\$ 347	\$ 1,296	\$ -
Special Projects	\$ 9,833	\$ 8,984	\$ 21,868	\$ -
Total Expenditures	\$ 10,234	\$ 9,331	\$ 23,164	\$ -
Fund Balance	\$ (10,234)	\$ (9,331)	\$ (23,164)	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Storm Drain Maintenance

Budget Unit 230-81-855

Env Mgmt Cln Creek Storm Drain - Environmental Programs - Storm Drain Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 429,726
Fund Balance	\$ (429,726)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	1.9 FTE

Program Overview

The Storm Drain Maintenance program manages the City's storm drainage collection system, which is comprised of approximately 90 miles of pipe, 2,215 drain inlets, and storm outfalls to local waterways. An inspector and on-call staff provide emergency response to pollutant discharges, and crews perform general system maintenance including annual cleanout of drain inlets and trash capture devices. Collection and management of storm water for the City is regulated under the terms of a Bay Area-wide State-mandated National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit.

Service Objectives

- Provide effective and timely inspection and maintenance of the storm drain system including inlet and outfall structures and collection system.
- Provide annual cleaning and inspection of all inlets and full trash capture devices.

Proposed Budget

It is recommended that City Council approve a budget of \$429,726 for the Storm Drain Maintenance program. This represents a decrease of \$577,281 (-57.3%) from the FY 2023-24 Adopted Budget.

The decrease in budget is due to the elimination of one part-time position, one full-time position, and a reduction in contract services due to the purchase of a vacuum truck. In addition, to the elimination of special projects.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(54)	Reduction aligns budget with actuals
Operations and Maintenance	Contract Services	\$(263,350)	Reduction in contract services
Operations and Maintenance	Salary and Benefits	\$(36,866)	Reduction in part-time staff
Total		\$(300,270)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 813	\$ -	\$ -
Total Revenues	\$ -	\$ 813	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 217,280	\$ 233,198	\$ 263,453	\$ 197,556
Employee Benefits	\$ 100,968	\$ 95,921	\$ 116,544	\$ 112,588
Materials	\$ 28,471	\$ 32,796	\$ 34,962	\$ 37,924
Contract Services	\$ 27,541	\$ 21,556	\$ 313,350	\$ 50,000
Cost Allocation	\$ 149,749	\$ 136,173	\$ 143,344	\$ 30,559
Special Projects	\$ 2,600	\$ -	\$ 131,000	\$ -
Contingencies	\$ -	\$ -	\$ 4,354	\$ 1,099
Total Expenditures	\$ 526,609	\$ 519,644	\$ 1,007,007	\$ 429,726
Fund Balance	\$ (526,609)	\$ (518,831)	\$ (1,007,007)	\$ (429,726)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	1.75	1.80	1.75	1.00
MAINTENANCE WORKER III	0.20	0.20	0.20	0.60
PUBLIC WORKS SUPERVISOR	0.25	0.25	0.25	0.25
Total	2.20	2.25	2.20	1.85

As part of an expenditure reduction strategy, one Part Time Maintenance Worker I/II position was eliminated, and the following vacant positions are being removed from the budget: Maintenance Worker I/II.

Plan Review

Budget Unit 100-82-804

General Fund - Developmental Services - Plan Review

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 1,510,666
Total Expenditures	\$ 1,377,257
Fund Balance	\$ -
General Fund Costs	\$ (133,409)
% Funded by General Fund	-9.7%
Total Staffing	3.9 FTE

Program Overview

The Development Services Division is comprised of two areas:

- Development Services - reviews plans for private developments and utility encroachments to ensure conformance with City standards and policies.
- Inspection Services - ensures compliance with City standards and approved plans on all public and private developments and utility projects.

Service Objectives

- Ensure that private development projects provide necessary supporting infrastructure and potential impacts on the community are mitigated.
- Place safety of the general public, City employees and construction workers as the highest priority on construction sites.
- Inspect utility encroachment permits for work within the City right-of-way and return streets and sidewalks to City standards.
- Ensure compliance with stormwater permits and prevent runoff from polluting nearby watersheds. Work closely with the Environmental Programs Division to continue inspecting job sites before, during and after each rain event and conduct annual inspections of all Post Construction Treatments and Stormwater Pollution Prevention Plan (SWPPP) compliance.
- Respond to public inquiries or complaints in a timely manner.
- Provide aid and information to other City Divisions and Departments, including Community Development, Building, Capital Improvements, City Attorney's Office, Public Works Maintenance and Operations and Parks and Recreation as needed to facilitate private developments and public infrastructure projects.

Proposed Budget

It is recommended that City Council approve a budget of \$1,377,257 for the Plan Review program. This represents a decrease of \$54,039 (-3.8%) from the FY 2023-24 Adopted Budget.

The decrease is due to service level reduction, offset by increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(3,155)	Reduction of general supplies, printing, safety gear, ergonomics, tools, shipping
Fiscal Accountability	Contract Services	\$(38,600)	Reduction in professional and consulting services
Operations and Maintenance	Part-Time Salaries	\$(98,795)	Reduction in part-time position
Total		\$(140,550)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 232,373	\$ 186,315	\$ 232,374	\$ 186,315
Charges for Services	\$ 1,140,550	\$ 824,123	\$ 1,140,550	\$ 1,324,123
Miscellaneous Revenue	\$ 1,354	\$ 228	\$ 1,354	\$ 228
Transfers In	\$ 250,000	\$ -	\$ -	\$ -
Total Revenues	\$ 1,624,277	\$ 1,010,666	\$ 1,374,278	\$ 1,510,666
Expenditures				
Employee Compensation	\$ 788,217	\$ 808,538	\$ 735,052	\$ 589,108
Employee Benefits	\$ 347,199	\$ 312,429	\$ 329,943	\$ 286,348
Materials	\$ 6,494	\$ 4,374	\$ 9,506	\$ 6,389
Contract Services	\$ 31,917	\$ 55,124	\$ 81,019	\$ 88,268
Cost Allocation	\$ 398,005	\$ 278,699	\$ 274,644	\$ 405,961
Special Projects	\$ 74,840	\$ 31,649	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 1,132	\$ 1,183
Total Expenditures	\$ 1,646,672	\$ 1,490,813	\$ 1,431,296	\$ 1,377,257
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 22,396	\$ 480,147	\$ 57,018	\$ (133,409)

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ASSIST DIR OF PW ENGINEER	0.35	0.20	0	0
ASSOCIATE CIVIL ENGINEER	0	0	0	1.00
ENGINEERING TECHNICIAN	1.00	1.00	1.00	1.00
PUBLIC WORKS INSPECTOR	0.90	0.90	0.90	0.90
SENIOR CIVIL ENGINEER	2.00	2.00	2.00	1.00
Total	4.25	4.10	3.90	3.90

There are no changes to the current level of staffing.

CIP Administration

Budget Unit 100-82-806

General Fund - Developmental Services - CIP Administration

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 1,068,064
Fund Balance	\$ -
General Fund Costs	\$ 1,068,064
% Funded by General Fund	100.0%
Total Staffing	3.8 FTE

Program Overview

The Capital Improvement Program (CIP) Division plans, manages, and implements improvements to city land, parks, building and infrastructure. These projects are derived from resident input, master plans, needs assessments, interdepartmental requirements, maintenance of the City’s facilities, and innovations in our understandings of how the facilities can best serve our population. The division undertakes all aspects of project implementation, including contract administration for design, construction, and overall project management. Project types include, but are not limited to streets, sidewalks, storm drainage, buildings, parks, bicycle and pedestrian improvements and other public facilities. Responsibilities also include claims avoidance, environmental and regulatory compliance and monitoring, and the development of the annual budget and program scope.

Service Objectives

- Ensure that all public improvements are designed and constructed in accordance with community expectations and City standards.
- Place safety of the general public, City employees and workers as the highest priority in the delivery of capital projects.
- Respond to public inquiries or complaints in a timely manner.

Proposed Budget

It is recommended that City Council approve a budget of \$1,068,064 for the CIP Administration program. This represents a decrease of \$417,973 (-28.1%) from the FY 2023-24 Adopted Budget.

This decrease is due to the elimination of two Public Works Project Manager positions in this program.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(2,791)	Reduction of general supplies, printing, advertising, ergonomics
Operations and Maintenance	Staffing	\$(463,716)	Eliminate two vacant Public Works Project Managers
Total		\$(466,507)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 1,036,970	\$ 1,029,501	\$ 1,020,704	\$ 689,299
Employee Benefits	\$ 460,163	\$ 393,281	\$ 448,297	\$ 298,259
Materials	\$ 17,990	\$ 9,869	\$ 16,826	\$ 12,823
Contract Services	\$ 437	\$ -	\$ -	\$ -
Cost Allocation	\$ -	\$ -	\$ -	\$ 67,523
Contingencies	\$ -	\$ -	\$ 210	\$ 160
Total Expenditures	\$ 1,515,560	\$ 1,432,651	\$ 1,486,037	\$ 1,068,064
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,515,560	\$ 1,432,651	\$ 1,486,037	\$ 1,068,064

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ASSISTANT ENGINEER	0.50	0.50	0.50	0.50
ASSIST DIR OF PW ENGINEER	0.20	0.20	0	0
CIP MANAGER	1.00	1.00	1.00	1.00
PUBLIC WORKS PROJECT MANAGER	4.25	5.25	3.25	1.25
PUBLIC WORKS PROJECT MANAGER LT	1.50	0.50	0	0
SENIOR CIVIL ENGINEER	0	0	0	1.00
SR. PUBLIC WORKS PROJECT MANAGER	0	0	1.00	0
Total	7.45	7.45	5.75	3.75

As part of an expenditure reduction strategy, the following vacant positions are being removed from the budget: Public Works Project Manager (2 positions). Additionally, the vacant Senior Public Works Project Manager position has been reclassified to a Senior Civil Engineer position.

Service Center Administration

Budget Unit 100-83-807

General Fund - Service Center - Service Center Administration

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 111,874
Total Expenditures	\$ 1,059,147
Fund Balance	\$ -
General Fund Costs	\$ 947,273
% Funded by General Fund	89.4%
Total Staffing	3.0 FTE

Program Overview

The Service Center Administration program manages Public Works maintenance operations that include the major divisions of streets, grounds, trees and medians, facilities and fleet, as well as the minor divisions of signs/markings, storm drain, sidewalk, curb and gutter, trails, overpasses and storm water; provides customer service to the general public; provides administrative support for maintenance staff, supervisors, and management; general training prioritization; assignment of service calls; provides oversight of various contracted services including street sweeping, janitorial and a wide variety of maintenance and minor public works contracts; manages the sheriff's work furlough program 7 days per week; and collaborates with Public Works Engineering for asset improvements beyond routine maintenance.

Service Objectives

- Create a positive environment that fosters efficiency and innovation for service center employees.
- Ensure proper documentation and inventory of trees, sidewalk repair, striping and legends, street signs, vehicle and equipment, streetlights and stormwater pollution.
- Maintain records of all complaints and requests for services by tracking responses through computer programs and written service request forms.
- Process the payments for all services and materials generated through the Service Center.
- Maintain productivity units of measure for key tasks performed.
- Support Public Works Engineering in the collection of field data, review of improvement drawings and development of capital improvement projects.
- Maintain, lead and implement all elements of the Injury and Illness Prevention Program.
- Maintain positive, accountable relations with employee bargaining groups.

Proposed Budget

It is recommended that City Council approve a budget of \$1,059,147 for the Service Center Administration program. This represents a decrease of \$42,894 (-3.9%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses and special projects. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(3,840)	Reduction in general supplies, tools, ergonomics, safety publications, membership dues

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Expenditure	Revenue	Funding Source	Description
Office Reconfiguration	\$50,000	\$50,000	General Fund	Citywide office reconfigurations

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 35,326	\$ 111,719	\$ 71,359	\$ 111,719
Miscellaneous Revenue	\$ 508	\$ 155	\$ 508	\$ 155
Total Revenues	\$ 35,834	\$ 111,874	\$ 71,867	\$ 111,874
Expenditures				
Employee Compensation	\$ 513,485	\$ 469,977	\$ 451,585	\$ 449,862
Employee Benefits	\$ 243,689	\$ 197,212	\$ 222,997	\$ 229,031
Materials	\$ 263,361	\$ 200,772	\$ 160,591	\$ 154,202
Contract Services	\$ 8,745	\$ 31,508	\$ 17,682	\$ 17,682
Cost Allocation	\$ 328,477	\$ 294,735	\$ 229,276	\$ 156,221
Special Projects	\$ -	\$ 38,152	\$ 17,682	\$ 50,000
Contingencies	\$ -	\$ -	\$ 2,228	\$ 2,149
Total Expenditures	\$ 1,357,757	\$ 1,232,356	\$ 1,102,041	\$ 1,059,147
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,321,923	\$ 1,120,481	\$ 1,030,174	\$ 947,273

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ADMINISTRATIVE ASSISTANT	1.00	1.00	1.00	1.00
ASSIST DIR OF PW ENGINEER	0.35	0.10	0	0
ASSIST DIR PUBLIC WORKS OPS	1.00	1.00	1.00	1.00
MANAGEMENT ANALYST	0.15	0.15	0.05	0
SR OFFICE ASSISTANT	1.00	1.00	1.00	1.00
Total	3.50	3.25	3.05	3.00

Staff is being reallocated to better reflect actual time spent in this program.

Golf Grounds Maintenance

Budget Unit 560-84-268

Blackberry Farm - Grounds - Golf Grounds Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 355,187
Fund Balance	\$ (355,187)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

This program maintains the grounds at the Blackberry Farm Golf Course.

Service Objectives

- Provide citizens with the cleanest and safest recreational area to enjoy.
- Provide daily general clean up and trash removal at the golf course.
- Provide maintenance of tee boxes, fairways and greens areas that includes mowing, fertilization and aerification.
- Provide maintenance of irrigation system in good operation and program irrigation controllers to maintain golf course appearance and health of vegetation while maximizing water conservation.
- Provide tree maintenance by keeping trees trimmed.
- Provide maintenance of perimeter fencing and safety netting.

Proposed Budget

It is recommended that City Council approve a budget of \$355,187 for the Golf Grounds Maintenance program.

The Blackberry Farm Gold Course maintenance budget (560-63-616) was transferred from Parks and Recreation to Public Works.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Tree maintenance contract services	\$(50,000)	Tree maintenance moved in-house

The table below shows unfunded needs for this program.

Service	Description	Estimated Cost	Funding Status
Operations and Maintenance	Tree maintenance contract services	\$50,000	Unfunded

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Materials	\$ -	\$ -	\$ -	\$ 120,802
Contract Services	\$ -	\$ -	\$ -	\$ 230,000
Contingencies	\$ -	\$ -	\$ -	\$ 4,385
Total Expenditures	\$ -	\$ -	\$ -	\$ 355,187
Fund Balance	\$ -	\$ -	\$ -	\$ (355,187)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

McClellan Ranch Park

Budget Unit 100-84-808

General Fund - Grounds - McClellan Ranch Park

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 159,471
Fund Balance	\$ -
General Fund Costs	\$ 159,471
% Funded by General Fund	100.0%
Total Staffing	0.4 FTE

Program Overview

McClellan Ranch Park is one of 19 parks and open space areas managed by the Grounds Division of the Public Works Department.

Service Objectives

- The main objective of the Grounds Division is to provide the residents of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.
- Provide daily general clean up, trash removal, and graffiti removal.
- Provide twice annually the mowing of fire breaks per Fire Marshal request in a manner in which wildlife is least impacted.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all of the City’s special events.

Proposed Budget

It is recommended that City Council approve a budget of \$159,471 for the McClellan Ranch Park program. This represents a decrease of \$16,846 (-9.6%) from the FY 2023-24 Adopted Budget.

This decrease is mainly due to a reduction in contract services and Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(11)	Reduction aligns budget with actuals
Operations and Maintenance	Contract Services	\$(11,811)	Reduction in mowing and bee removal contract services
Total		\$(11,822)	

The following table shows unfunded need for this program.

Service	Description	Estimated Cost	Funding Status
Operations and Maintenance	Contract Service - Weed Mowing twice per FY	\$2,000	Unfunded
Infrastructure	EEC Door Repair	\$40,000	Unfunded
Total		\$24,000	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 39,251	\$ 40,638	\$ 47,334	\$ 44,708
Employee Benefits	\$ 21,340	\$ 19,155	\$ 23,757	\$ 25,920
Materials	\$ 20,341	\$ 41,393	\$ 39,050	\$ 40,511
Contract Services	\$ 11,731	\$ 65,728	\$ 11,811	\$ 2,000
Cost Allocation	\$ 55,724	\$ 60,685	\$ 53,729	\$ 45,801
Contingencies	\$ -	\$ -	\$ 636	\$ 531
Total Expenditures	\$ 148,387	\$ 227,599	\$ 176,317	\$ 159,471
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 148,387	\$ 227,599	\$ 176,317	\$ 159,471

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.20	0.20	0.20	0.20
MAINTENANCE WORKER III	0.10	0.10	0.10	0.10
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.40	0.40	0.40	0.40

There are no changes to the current level of staffing.

Memorial Park

Budget Unit 100-84-809

General Fund - Grounds - Memorial Park

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 796,286
Fund Balance	\$ -
General Fund Costs	\$ 796,286
% Funded by General Fund	100.0%
Total Staffing	2.5 FTE

Program Overview

Memorial Park is one of 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Memorial Park is the largest and most utilized park in Cupertino.

Service Objectives

- The main objective of the Grounds Division is to provide the citizens of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.
- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and basic play structure inspections and maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas, tennis court cleaning and general maintenance, basketball court maintenance and programmed play structure inspections and maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications, playground woodchip replenishing and preparation of athletic fields for seasonal use.
- Maintain all playgrounds in accordance with California playground safety requirements.
- Minimize the negative effects of waterfowl to park patrons.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$796,286 for the Memorial Park program. This represents a decrease of \$22,715 (-2.8%) from the FY 2023-24 Adopted Budget.

This reduction is mainly due to a reduction in contract services and salary and benefits due to a reallocation of staff in this program.

The following table shows the Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(10,638)	Reduction in ergonomics and maintenance supplies
Infrastructure	Contract Services	\$(21,200)	Reduction in tree maintenance contracts (moving in-house)
Operations and Maintenance	Contract Services	\$(894)	bee removal contract services
Fiscal Accountability	Utility True-up	\$(112,000)	Reduction aligns with budget actuals
Total		\$(134,094)	

The following table shows unfunded items in this program.

Service	Description	Estimated Cost	Funding Status
Infrastructure	Tree maintenance contract services	\$21,200	Unfunded

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 215,005	\$ 202,135	\$ 166,719	\$ 239,020
Employee Benefits	\$ 120,367	\$ 103,883	\$ 84,473	\$ 142,892
Materials	\$ 139,529	\$ 137,505	\$ 328,717	\$ 214,825
Contract Services	\$ 99,340	\$ 66,417	\$ 28,986	\$ 6,892
Cost Allocation	\$ 293,608	\$ 247,980	\$ 205,635	\$ 189,886
Capital Outlays	\$ 31,950	\$ 5,250	\$ -	\$ -
Special Projects	\$ -	\$ 15,400	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 4,471	\$ 2,771
Total Expenditures	\$ 899,799	\$ 778,570	\$ 819,001	\$ 796,286
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 899,799	\$ 778,570	\$ 819,001	\$ 796,286

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	2.20	2.20	1.20	2.20
MAINTENANCE WORKER III	0.20	0.20	0.20	0.20
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	2.50	2.50	1.50	2.50

Staff time is being reallocated to better reflect actual time spent in this program.

BBF Ground Maintenance

Budget Unit 100-84-811

General Fund - Grounds - BBF Ground Maintenance

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 284,818
Fund Balance	\$ -
General Fund Costs	\$ 284,818
% Funded by General Fund	100.0%
Total Staffing	1.0 FTE

Program Overview

Blackberry Farm is managed by the Grounds Division of the Public Works Department.

Service Objectives

- The main objective of the Grounds Division is to provide the residents of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.
- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and basic play structure inspections and maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas and programmed play structure inspections and maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications, playground woodchip replenishing and preparation of athletic fields for seasonal use.
- Maintain all playgrounds in accordance with California playground safety requirements.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$284,818 for the BBF Ground Maintenance program. This represents a decrease of \$82,633 (-22.5%) from the FY 2023-24 Adopted Budget.

This reduction is mainly due to a reduction in contract services, cost allocation and part-time staff. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. This is offset by an increase in materials for water services.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(176)	Reduction aligns budget with actuals
Infrastructure	Contract Services	\$(21,200)	Reduction in tree maintenance contracts (moving in-house), and bee removal contract services
Operations and Maintenance	Contract Services	\$(14,042)	Reduces various other contract services
Operation and Maintenance	Part-Time Staff	\$(36,866)	Reduction of part-time staff
Total		\$(72,284)	

The following table shows unfunded items in this program.

Service	Description	Estimated Cost	Funding Status
Infrastructure	Tree maintenance contract services	\$21,200	Unfunded

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 79,844	\$ 78,797	\$ 138,741	\$ 101,380
Employee Benefits	\$ 48,016	\$ 42,340	\$ 57,274	\$ 62,258
Materials	\$ 5,126	\$ 6,774	\$ 18,944	\$ 23,345
Contract Services	\$ 40,506	\$ 26,542	\$ 85,167	\$ 49,925
Cost Allocation	\$ 46,025	\$ 66,296	\$ 65,044	\$ 46,994
Special Projects	\$ 12,960	\$ 17,900	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 2,281	\$ 916
Total Expenditures	\$ 232,477	\$ 238,649	\$ 367,451	\$ 284,818
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 232,477	\$ 238,649	\$ 367,451	\$ 284,818

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.80	0.80	0.80	0.80
MAINTENANCE WORKER III	0.10	0.10	0.10	0.10
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	1.00	1.00	1.00	1.00

There are no changes to the current level of staffing.

School Site Maintenance

Budget Unit 100-84-812

General Fund - Grounds - School Site Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 196,469
Total Expenditures	\$ 1,373,426
Fund Balance	\$ -
General Fund Costs	\$ 1,176,957
% Funded by General Fund	85.7%
Total Staffing	4.2 FTE

Program Overview

Under a joint use agreement with Cupertino Union School District, nine athletic fields and landscape areas, constituting approximately 52 acres, are managed by the Grounds Division of the Public Works Department. These sites include Hyde and Kennedy Middle Schools, Collins, Eaton, Lincoln, Regnart, Faria, Stevens Creek and Garden Gate Elementary Schools.

Service Objectives

- The main objective of the Grounds Division is to provide the residents of Cupertino with the cleanest and safest recreational areas/athletic fields in the Bay Area.
- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and other maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas and other maintenance.
- Provide quarterly maintenance that may include fertilization, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications and preparing athletic fields for seasonal use.
- Maintain school sites for recreational activities including soccer, baseball, cricket, track and field, softball and a variety of other sports.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Park and Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$1,373,426 for the School Site Maintenance program. This represents a decrease of \$10,160 (-0.7%) from the FY 2023-24 Adopted Budget.

This decrease is due to a reduction in contract services and Cost Allocation expenses offset by increase in materials.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(433)	Reduction in ergonomics
Infrastructure	Contract Services	\$(6,144)	Tree maintenance moved in-house
Total		\$(6,577)	

The table below shows unfunded needs for this program.

Service	Description	Estimated Cost	Funding Status
Infrastructure	Tree maintenance contract services	\$6,144	Unfunded

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Special Maintenance	\$10,500	\$10,500	General Fund	Baseball field dugout roof replacement

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 145,823	\$ 170,843	\$ 145,823	\$ 196,469
Total Revenues	\$ 145,823	\$ 170,843	\$ 145,823	\$ 196,469
Expenditures				
Employee Compensation	\$ 349,033	\$ 377,171	\$ 405,493	\$ 402,854
Employee Benefits	\$ 205,892	\$ 184,391	\$ 228,901	\$ 258,057
Materials	\$ 331,997	\$ 309,621	\$ 304,115	\$ 392,319
Contract Services	\$ 14,587	\$ 82,055	\$ 26,302	\$ 25,980
Cost Allocation	\$ 421,419	\$ 390,409	\$ 394,645	\$ 278,487
Special Projects	\$ 28,970	\$ 40,289	\$ 20,000	\$ 10,500
Contingencies	\$ -	\$ -	\$ 4,130	\$ 5,229
Total Expenditures	\$ 1,351,898	\$ 1,383,936	\$ 1,383,586	\$ 1,373,426
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,206,075	\$ 1,213,094	\$ 1,237,763	\$ 1,176,957

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	3.40	3.40	3.40	3.40
MAINTENANCE WORKER III	0.60	0.60	0.60	0.60
PUBLIC WORKS SUPERVISOR	0.20	0.20	0.20	0.20
Total	4.20	4.20	4.20	4.20

There are no changes to the current level of staffing.

Neighborhood Parks

Budget Unit 100-84-813

General Fund - Grounds - Neighborhood Parks

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 2,110,853
Fund Balance	\$ -
General Fund Costs	\$ 2,110,853
% Funded by General Fund	100.0%
Total Staffing	7.1 FTE

Program Overview

Neighborhood Parks include 13 of the 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Neighborhood park sites include Linda Vista, Mary Avenue Dog Park, Monta Vista, Portal, Somerset, Varian, Wilson, Three Oaks, Hoover, Canyon Oak (Little Rancho), Franco Park, Sterling/Barnhart, and Oak Valley.

Service Objectives

- The main objective of the Grounds Division is to provide the residents of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.
- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and basic play structure inspections and maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas, tennis court cleaning and general maintenance, basketball court maintenance and programmed play structure inspections and maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications, playground woodchip replenishing and prepare athletic fields for seasonal use.
- Maintain all playgrounds in accordance with California playground safety requirements.
- Reduce water consumption wherever practicable.
- Utilize Weekend Work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$2,110,853 for the Neighborhood Parks program. This represents a decrease of \$482,248 (-18.6%) from the FY 2023-24 Adopted Budget.

This decrease is due to a reduction in contract services and cost allocation. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(3,491)	Reduction in printing, ergonomics, memberships
Fiscal Accountability	Utility True-up	\$(119,981)	Reduction aligns budget with actuals
Infrastructure	Contract Services	\$(84,800)	Tree maintenance moved in-house
Operations and Maintenance	Salary and Benefits	\$(70,000)	Reduction in full time staff
Total		\$(278,272)	

The table shows unfunded needs for this program.

Service	Description	Estimated Cost	Funding Status
Infrastructure	Tree maintenance contract services	\$84,800	Unfunded

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 674,039	\$ 751,121	\$ 775,220	\$ 645,367
Employee Benefits	\$ 363,812	\$ 340,267	\$ 402,682	\$ 403,127
Materials	\$ 320,555	\$ 381,433	\$ 591,618	\$ 481,183
Contract Services	\$ 144,049	\$ 166,011	\$ 119,038	\$ 39,238
Cost Allocation	\$ 820,200	\$ 687,393	\$ 695,660	\$ 535,433
Special Projects	\$ 45,917	\$ 80,207	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 8,883	\$ 6,505
Total Expenditures	\$ 2,368,572	\$ 2,406,432	\$ 2,593,101	\$ 2,110,853
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 2,368,573	\$ 2,406,432	\$ 2,593,101	\$ 2,110,853

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	7.80	7.80	7.80	6.30
MAINTENANCE WORKER III	0.60	0.60	0.60	0.60
PUBLIC WORKS SUPERVISOR	0.20	0.20	0.20	0.20
Total	8.60	8.60	8.60	7.10

As part of an expenditure reduction strategy, the vacant Maintenance Worker I/II position is being removed from the budget.

Sport Fields Jollyman, Creekside

Budget Unit 100-84-814

General Fund - Grounds - Sport Fields Jollyman, Creekside

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 745,000
Fund Balance	\$ -
General Fund Costs	\$ 745,000
% Funded by General Fund	100.0%
Total Staffing	2.0 FTE

Program Overview

The sports fields at Jollyman and Creekside parks are among the 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Sports fields at these two parks are heavily used and enjoyed by the community.

Service Objectives

- The main objective of the Grounds Division is to provide the citizens of Cupertino with the cleanest and safest recreational areas and sports fields in the Bay Area.
- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and other maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas, programmed play structure inspections, and other maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications and preparing sports fields for seasonal use.
- Maintain sports fields for recreational activities including soccer, baseball, cricket, track and field, softball and a variety of other sports.
- Maintain all playgrounds in accordance with California playground safety requirements.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$745,000 for the Sport Fields Jollyman, Creekside program. This represents a decrease of \$194,889 (-20.7%) from the FY 2023-24 Adopted Budget.

This decrease is due to a reduction in contract services, the elimination of one part-time position, and a utility true-up.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(257)	Reduction in ergonomics
Fiscal Accountability	Utility True-up	\$(85,000)	Reduction aligns budget with actuals
Infrastructure	Contract Services	\$(21,200)	Tree maintenance moved in-house
Operations and Maintenance	Salary and Benefits	\$(70,000)	Reduction in Full Time Staff
Total		\$(176,457)	

The table shows unfunded needs for this program.

Service	Description	Estimated Cost	Funding Status
Infrastructure	Tree maintenance contract services	\$21,200	Unfunded

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Special Maintenance	\$10,500	\$10,500	General Fund	Baseball field dugout roof replacement

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 188,041	\$ 215,980	\$ 234,037	\$ 191,568
Employee Benefits	\$ 101,602	\$ 104,306	\$ 118,099	\$ 116,530
Materials	\$ 179,437	\$ 170,391	\$ 314,346	\$ 236,052
Contract Services	\$ 225	\$ 18,402	\$ 29,824	\$ 9,598
Cost Allocation	\$ 295,678	\$ 232,990	\$ 239,281	\$ 177,681
Special Projects	\$ -	\$ -	\$ -	\$ 10,500
Contingencies	\$ -	\$ -	\$ 4,302	\$ 3,071
Total Expenditures	\$ 764,983	\$ 742,069	\$ 939,889	\$ 745,000
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 764,982	\$ 742,068	\$ 939,889	\$ 745,000

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	2.00	2.00	2.00	1.50
MAINTENANCE WORKER III	0.30	0.30	0.30	0.30
PUBLIC WORKS SUPERVISOR	0.20	0.20	0.20	0.20
Total	2.50	2.50	2.50	2.00

As part of an expenditure reduction strategy, one Part Time Maintenance Worker I/II position was eliminated.

Civic Center Maintenance

Budget Unit 100-84-815

General Fund - Grounds - Civic Center Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 174,161
Total Expenditures	\$ 218,943
Fund Balance	\$ -
General Fund Costs	\$ 44,782
% Funded by General Fund	20.5%
Total Staffing	0.8 FTE

Program Overview

The Civic Center grounds are one of 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Due to the close proximity to City Hall, Community Hall, and the Library, the Civic Center grounds are well utilized. Civic Center maintenance includes the adjacent Library Field.

Service Objectives

- The main objective of the Grounds Division is to provide the residents of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.
- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and other maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas and general maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material and pre-emergent applications.
- Maintain Library Field for recreational activities including soccer, cricket and a variety of other sports.
- Reduce water consumption wherever practicable.
- Provide logistical support to all City Departments for special events.

Proposed Budget

It is recommended that City Council approve a budget of \$218,943 for the Civic Center Maintenance program. This represents an increase of \$36,723 (20.2%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Utility True-up	\$(3,000)	Reduction aligns budget with actuals

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 297,077	\$ 238,705	\$ 220,710	\$ 174,161
Total Revenues	\$ 297,077	\$ 238,705	\$ 220,710	\$ 174,161
Expenditures				
Employee Compensation	\$ 79,707	\$ 81,561	\$ 84,246	\$ 82,967
Employee Benefits	\$ 44,008	\$ 39,525	\$ 48,368	\$ 53,884
Materials	\$ 43,488	\$ 52,514	\$ 48,994	\$ 47,824
Contract Services	\$ -	\$ 4,572	\$ -	\$ -
Cost Allocation	\$ -	\$ -	\$ -	\$ 33,670
Contingencies	\$ -	\$ -	\$ 612	\$ 598
Total Expenditures	\$ 167,203	\$ 178,172	\$ 182,220	\$ 218,943
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (129,875)	\$ (60,534)	\$ (38,490)	\$ 44,782

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.60	0.60	0.60	0.60
MAINTENANCE WORKER III	0.10	0.10	0.10	0.10
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.80	0.80	0.80	0.80

There are no changes to the current level of staffing.

Sidewalk Curb and Gutter

Budget Unit 270-85-820

Transportation Fund - Streets - Sidewalk Curb and Gutter

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 15,000
Total Expenditures	\$ 1,323,980
Fund Balance	\$ (1,308,980)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	2.0 FTE

Program Overview

Maintain sidewalks, curb and gutter to a standard that is functional and improves accessibility and minimizes liability. Optimize the use of available funds by coordinating with other improvement projects.

Service Objectives

Timely maintain concrete improvements in response to citizen complaints and coordinate with programmed asphalt improvements.

Proposed Budget

It is recommended that City Council approve a budget of \$1,323,980 for the Sidewalk Curb and Gutter program. This represents a decrease of \$471,434 (-26.3%) from the FY 2023-24 Adopted Budget.

This reduction is due to a program change that will shift the sidewalk maintenance focus from removal and replacement to grinding of tripping hazards, except in extreme situations. This decrease is offset by an increase in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Operations and Maintenance	Contract Services	\$(600,000)	Reduction of annual sidewalk, curb, and gutter contract services

The table below shows unfunded needs in this program.

Service	Description	Estimated Cost	Funding Status
Operations and Maintenance	Maintenance of Sidewalk, Curb and Gutter Service Level Reductions	\$600,000	Unfunded

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Annual Sidewalk Curb & Gutter	\$632,313	\$632,313	Transportation Fund	Annual street pavement maintenance

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 23,710	\$ 14,985	\$ -	\$ 15,000
Total Revenues	\$ 23,710	\$ 14,985	\$ -	\$ 15,000
Expenditures				
Employee Compensation	\$ 169,564	\$ 215,283	\$ 219,175	\$ 235,242
Employee Benefits	\$ 82,438	\$ 94,332	\$ 105,692	\$ 141,140
Materials	\$ 14,186	\$ 9,773	\$ 10,019	\$ 10,019
Contract Services	\$ -	\$ 200	\$ 27,198	\$ 27,198
Cost Allocation	\$ 159,648	\$ 154,905	\$ 200,552	\$ 277,603
Special Projects	\$ 1,314,836	\$ 177,576	\$ 1,232,313	\$ 632,313
Contingencies	\$ -	\$ -	\$ 465	\$ 465
Total Expenditures	\$ 1,740,672	\$ 652,069	\$ 1,795,414	\$ 1,323,980
Fund Balance	\$ (1,716,962)	\$ (637,085)	\$ (1,795,414)	\$ (1,308,980)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.30	0.70	0.75	0.75
MAINTENANCE WORKER III	0	0	0	0.15
PUBLIC WORKS INSPECTOR	1.00	1.00	1.00	1.00
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.15	0.10
Total	1.40	1.80	1.90	2.00

Staff time is being reallocated to better reflect actual time spent in this program.

Street Pavement Maintenance

Budget Unit 270-85-821

Transportation Fund - Streets - Street Pavement Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 3,180,917
Total Expenditures	\$ 4,465,079
Fund Balance	\$ (1,284,162)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	3.6 FTE

Program Overview

This program maintains streets to a standard that balances preventative maintenance with stop-gap measures while minimizing liability.

Service Objectives

- Perform preventative maintenance activities of fog seal and crack fill.
- Perform stop-gap maintenance of arterial, collector and residential streets.
- Oversee and manage contracted pavement maintenance projects.

Proposed Budget

It is recommended that City Council approve a budget of \$4,465,079 for the Street Pavement Maintenance program. This represents an increase of \$519,629 (13.2%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(949)	Reduction in ergonomics, memberships
Operations and Maintenance	Salary and Benefits	\$(36,866)	Reduction in part-time staff
Total		\$(37,815)	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Annual Asphalt Project	\$1,943,667	\$1,943,667	Transportation Fund	Annual street pavement maintenance
SB1 roads	\$880,224	\$880,224	Transportation Fund	Annual street pavement maintenance
Total	\$2,823,891	\$2,823,891		

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 1,631,881	\$ 1,680,917	\$ 1,855,516	\$ 3,180,917
Charges for Services	\$ 827	\$ 287	\$ -	\$ -
Miscellaneous Revenue	\$ 126	\$ 680	\$ -	\$ -
Total Revenues	\$ 1,632,834	\$ 1,681,884	\$ 1,855,516	\$ 3,180,917
Expenditures				
Employee Compensation	\$ 402,327	\$ 433,990	\$ 448,174	\$ 416,814
Employee Benefits	\$ 188,278	\$ 182,380	\$ 206,622	\$ 220,949
Materials	\$ 38,240	\$ 18,820	\$ 22,737	\$ 21,788
Contract Services	\$ -	\$ 296,130	\$ 81,536	\$ 81,536
Cost Allocation	\$ 417,002	\$ 351,039	\$ 361,186	\$ 898,809
Capital Outlays	\$ 1,773,050	\$ 1,023,661	\$ 880,224	\$ 880,224
Special Projects	\$ 1,089,622	\$ 1,901,218	\$ 1,943,668	\$ 1,943,667
Contingencies	\$ -	\$ -	\$ 1,303	\$ 1,292
Total Expenditures	\$ 3,908,519	\$ 4,207,238	\$ 3,945,450	\$ 4,465,079
Fund Balance	\$ (2,275,686)	\$ (2,525,354)	\$ (2,089,934)	\$ (1,284,162)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	2.65	2.40	2.35	2.20
MAINTENANCE WORKER III	0.25	1.25	0.25	0.40
PUBLIC WORKS PROJECT MANAGER	0.75	0.75	0.75	0.75
PUBLIC WORKS SUPERVISOR	0.30	0.30	0.25	0.25
Total	3.95	4.70	3.60	3.60

There are no changes to the current level of staffing.

Street Sign Marking

Budget Unit 270-85-822

Transportation Fund - Streets - Street Sign Marking

Budget at a Glance

2025 Proposed Budget

Total Revenues	\$ -
Total Expenditures	\$ 722,319
Fund Balance	\$ (722,319)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	3.1 FTE

Program Overview

This program maintains street regulatory and informational signs, street striping, markings, and legends, as well as removes graffiti within street right-of-way in a timely manner.

Service Objectives

- Respond to regulatory and informational sign issues in a timely manner.
- Coordinate and respond to work orders from the Traffic Engineer.
- Maintain street sign and traffic marking assets in compliance with the Manual of Uniform Traffic Control Devices.
- Remove graffiti in a timely manner.

Proposed Budget

It is recommended that City Council approve a budget of \$722,319 for the Street Sign Marking program. This represents a decrease of \$56,611 (-7.3%) from the FY 2023-24 Adopted Budget.

The decrease is mainly due to a reduction in contract services and Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(1,593)	Reduction in printing, ergonomics, memberships
Operations and Maintenance	Contract Services	\$(7,993)	Reduction in contract services
Total		\$(9,586)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 673	\$ 680	\$ -	\$ -
Miscellaneous Revenue	\$ 3,119	\$ 1,321	\$ -	\$ -
Total Revenues	\$ 3,792	\$ 2,001	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 272,394	\$ 301,242	\$ 308,235	\$ 308,373
Employee Benefits	\$ 143,453	\$ 137,367	\$ 158,204	\$ 173,741
Materials	\$ 121,779	\$ 134,852	\$ 76,491	\$ 76,657
Contract Services	\$ -	\$ -	\$ 17,993	\$ 10,000
Cost Allocation	\$ 242,544	\$ 208,393	\$ 216,826	\$ 152,465
Special Projects	\$ -	\$ 16,118	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 1,181	\$ 1,083
Total Expenditures	\$ 780,170	\$ 797,972	\$ 778,930	\$ 722,319
Fund Balance	\$ (776,378)	\$ (795,972)	\$ (778,930)	\$ (722,319)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	3.00	2.75	2.50	2.30
MAINTENANCE WORKER III	0.20	0.20	0.35	0.55
PUBLIC WORKS SUPERVISOR	0.20	0.20	0.20	0.20
Total	3.40	3.15	3.05	3.05

There are no changes to the current level of staffing.

Street Lighting

Budget Unit 100-85-848

General Fund - Streets - Street Lighting

Budget at a Glance

2025 Proposed Budget

Total Revenues	\$ 38,906
Total Expenditures	\$ 939,273
Fund Balance	\$ -
General Fund Costs	\$ 900,367
% Funded by General Fund	95.9%
Total Staffing	1.6 FTE

Program Overview

Maintain city-owned streetlights (3,049), parking lot lights (90) and park lighting (282).

Service Objectives

- Respond to outages in a timely manner.
- Conserve electricity through the conversion of older less efficient light technology to current and tested technologies.
- Replace direct buried wiring with wiring in conduits as failures occur.

Proposed Budget

It is recommended that City Council approve a budget of \$939,273 for the Street Lighting program. This represents a decrease of \$72,648 (-7.2%) from the FY 2023-24 Adopted Budget.

This decrease is mainly due to reductions in special projects.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(369)	Reduction in supplies, ergonomics
Fiscal Accountability	Utility True-up	\$(76,348)	Reduction aligns budget with actuals
Operations and Maintenance	Special Project	\$(55,000)	Reduction of replaced fluted street light poles
Total		\$(131,717)	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Special Projects - PW	\$175,000	\$175,000	General Fund	Street Light Pole Replacement

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 4,410	\$ 38,906	\$ -	\$ 38,906
Total Revenues	\$ 4,410	\$ 38,906	\$ -	\$ 38,906
Expenditures				
Employee Compensation	\$ 121,274	\$ 134,510	\$ 162,947	\$ 192,600
Employee Benefits	\$ 58,566	\$ 55,227	\$ 73,586	\$ 101,110
Materials	\$ 347,699	\$ 396,161	\$ 359,665	\$ 311,755
Contract Services	\$ 43,232	\$ 4,405	\$ 49,152	\$ 49,152
Cost Allocation	\$ 136,287	\$ 182,467	\$ 131,461	\$ 105,145
Special Projects	\$ 304,059	\$ 226,823	\$ 230,000	\$ 175,000
Contingencies	\$ -	\$ -	\$ 5,110	\$ 4,511
Total Expenditures	\$ 1,011,117	\$ 999,593	\$ 1,011,921	\$ 939,273
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,006,708	\$ 960,686	\$ 1,011,921	\$ 900,367

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0	0	0.10	0.30
MAINTENANCE WORKER III	0	0	0.05	0.10
PUBLIC WORKS SUPERVISOR	0.05	0.05	0.10	0.15
STREET LIGHTING WORKER	1.00	1.00	1.00	1.00
Total	1.05	1.05	1.25	1.55

Staff time is being reallocated to better reflect actual time spent in this program.

Equipment Maintenance

Budget Unit 630-85-849

Vehicle/Equip Replacement - Streets - Equipment Maintenance

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 1,356,136
Total Expenditures	\$ 1,565,283
Fund Balance	\$ (209,147)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	3.0 FTE

Program Overview

The Fleet Division maintains all fleet equipment, including small power equipment. Equipment includes vehicles (103) and all power equipment (689). Equipment includes trailers, mowers and other equipment required to maintain the City's infrastructure. The division also manages above ground fuel storage tank at Service Center.

Service Objectives

- Maintain all city vehicles and equipment to reduce operating costs and increase safety.
- Fabricate, weld and repair equipment that includes vehicles, apparatus, structures, facilities for function and safety.
- Develop specifications and bid per City policy the purchases of trucks, tractors and other significant equipment.
- Maintain surplus vehicles and other equipment per City policy.
- Ensure all vehicles conform to State of California emission regulations.
- Maintain/inspect above ground fuel tanks as required.
- Maintain accurate inventory of fleet/equipment assets.
- Maintain a safe and clean working environment be approved for the equipment mechanics and welding.

Proposed Budget

It is recommended that City Council approve a budget of \$1,565,283 for the Equipment Maintenance program. This represents an increase of \$64,236 (4.3%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(1,987)	Reduction in conferences, ergonomics
Fiscal Accountability	Contract Services	\$(15,000)	Reduction of equipment maintenance contracts
Total		\$(16,987)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 1,718,598	\$ 1,568,633	\$ 1,523,066	\$ 1,356,136
Miscellaneous Revenue	\$ 2,818	\$ -	\$ -	\$ -
Total Revenues	\$ 1,721,416	\$ 1,568,633	\$ 1,523,066	\$ 1,356,136
Expenditures				
Employee Compensation	\$ 284,430	\$ 328,949	\$ 332,325	\$ 327,448
Employee Benefits	\$ 103,761	\$ 198,048	\$ 167,502	\$ 178,732
Materials	\$ 334,113	\$ 344,802	\$ 253,684	\$ 309,131
Contract Services	\$ 52,177	\$ 37,260	\$ 102,591	\$ 90,389
Cost Allocation	\$ -	\$ -	\$ -	\$ 77,449
Special Projects	\$ -	\$ 49,615	\$ -	\$ -
Other Financing Uses	\$ 640,492	\$ 577,140	\$ 640,492	\$ 577,140
Contingencies	\$ -	\$ -	\$ 4,453	\$ 4,994
Total Expenditures	\$ 1,414,973	\$ 1,535,814	\$ 1,501,047	\$ 1,565,283
Fund Balance	\$ 672,442	\$ 32,818	\$ 22,019	\$ (209,147)
General Fund Costs	\$ 366,000	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
EQUIPMENT MECHANIC	1.00	1.00	1.00	1.00
LEAD EQUIPMENT MECHANIC	1.00	1.00	1.00	1.00
MAINTENANCE WORKER I/II	1.00	1.00	1.00	1.00
Total	3.00	3.00	3.00	3.00

There are no changes to the current level of staffing.

Environmental Materials

Budget Unit 100-85-850

General Fund - Streets - Environmental Materials

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 188,657
Fund Balance	\$ -
General Fund Costs	\$ 188,657
% Funded by General Fund	100.0%
Total Staffing	0.7 FTE

Program Overview

This program manages Service Center solid waste disposal, Service Center safety inspections, handling/disposal/reporting of City generated hazardous waste and materials – including waste that may be illegally deposited upon the right-of-way. Provide street cleaning for unforeseen events such as debris from trucks or other sources.

Service Objectives

- Coordinate disposal of solid waste.
- Adhere to the requirements of hazardous waste/materials storage, handling and reporting.
- Comply with Fire Marshal safety inspection requirements for Service Center facilities.
- Inspect and maintain below ground fuel tanks as required.
- Clean up traffic debris that may become deposited on streets while reducing traffic hazards.

Proposed Budget

It is recommended that City Council approve a budget of \$188,657 for the Environmental Materials program. This represents a decrease of \$30,196 (-13.8%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(8,549)	Reduction in supplies, hazardous materials management

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ -	\$ 1,209	\$ -	\$ -
Total Revenues	\$ -	\$ 1,209	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 63,810	\$ 76,101	\$ 76,706	\$ 72,894
Employee Benefits	\$ 30,605	\$ 31,238	\$ 37,057	\$ 37,291
Materials	\$ 28,969	\$ 27,098	\$ 39,288	\$ 30,739
Cost Allocation	\$ 66,520	\$ 61,314	\$ 65,311	\$ 47,349
Contingencies	\$ -	\$ -	\$ 491	\$ 384
Total Expenditures	\$ 189,904	\$ 195,751	\$ 218,853	\$ 188,657
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 189,905	\$ 194,543	\$ 218,853	\$ 188,657

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.30	0.35	0.55	0.45
MAINTENANCE WORKER III	0.25	0.25	0.15	0.20
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.05	0.05
Total	0.65	0.70	0.75	0.70

Staff time is being reallocated to better reflect actual time spent in this program.

Trail Maintenance

Budget Unit 100-86-261

General Fund - Trees and Right of Way - Trail Maintenance

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 263,167
Fund Balance	\$ -
General Fund Costs	\$ 263,167
% Funded by General Fund	100.0%
Total Staffing	1.2 FTE

Program Overview

The Trails Maintenance Program maintains about 3 linear miles of trails including the adjacent landscape at the Don Burnett Bridge and the Lawrence Trail. Historically the maintenance of this program has been funded out of Medians and Overpasses Program (824) Expansion of trails in the city has made it necessary to separate out trail's maintenance.

Service Objectives

- Maintain and improve trails in the public right-of- ways including the landscaped areas on the approach to the Don Burnett Bridge and the Lawrence Trail.
- Maintain clean and safe ingress and egress on all city-maintained trails.
- Meet all Department of Pesticide Regulation requirements for weed and pest control.
- Timely pruning of trees and plants to promote healthy landscapes, maximize aesthetics and to reduce future maintenance requirements.
- Timely removal of trash and graffiti.

Proposed Budget

It is recommended that City Council approve a budget of \$263,167 for the Trail Maintenance program. This represents an increase of \$63,709 (31.9%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. In addition, to the reallocation of staff to this program.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(64)	Reduction in memberships
Operations and Maintenance	Contract Services	\$(13,705)	Reduction in fence repairs and graffiti mitigation contract services
Total		\$(13,769)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ 90,095	\$ 121,150	\$ 153,802
Employee Benefits	\$ -	\$ 43,734	\$ 50,862	\$ 76,864
Materials	\$ -	\$ 3,517	\$ 4,981	\$ 4,917
Contract Services	\$ -	\$ 12,045	\$ 22,126	\$ 8,421
Cost Allocation	\$ -	\$ -	\$ -	\$ 18,996
Contingencies	\$ -	\$ -	\$ 339	\$ 167
Total Expenditures	\$ -	\$ 149,391	\$ 199,458	\$ 263,167
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 149,391	\$ 199,458	\$ 263,167

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0	0.90	0.75	0.90
MAINTENANCE WORKER III	0	0.15	0	0.15
PUBLIC WORKS SUPERVISOR	0	0.10	0.10	0.10
Total	0	1.15	0.85	1.15

Staff time is being reallocated to better reflect actual time spent in this program.

Overpasses and Medians

Budget Unit 100-86-824

General Fund - Trees and Right of Way - Overpasses and Medians

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 1,665,540
Fund Balance	\$ -
General Fund Costs	\$ 1,665,540
% Funded by General Fund	100.0%
Total Staffing	6.3 FTE

Program Overview

The Overpasses and Medians program maintains 31.67 developed acres of median island hardscapes and softscapes as well as 21.69 undeveloped acres of city right-of-way, the landscaped area of the Lawrence trail, and the landscaped area of the Don Burnett Bridge.

Service Objectives

- Maintain and improve median islands, landscape strips, trails, landscaped roadsides and public right-of-ways.
- Maintain and improve water efficient programming of irrigation systems.
- Meet all Department of Pesticide Regulation requirements for weed and pest control.
- Timely pruning of plant material to promote plant health, maximize aesthetics and to reduce future maintenance requirements.
- Plant and care for new plant stock to help ensure future plant health and reduce future maintenance requirements.
- Conserve water through the planting of appropriate plant stock.

Proposed Budget

It is recommended that City Council approve a budget of \$1,665,540 for the Overpasses and Medians program. This represents a decrease of \$5,052 (-0.3%) from the FY 2023-24 Adopted Budget.

The decrease is due to service level reductions offset by increased water costs.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(17,127)	Reduction aligns budget with actuals
Fiscal Accountability	Utility True-up	\$(5,832)	Reduction aligns budget with actuals
Operations and Maintenance	Contract Services	\$(1,400)	Reduction in rental contracts
Total		\$(24,359)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ -	\$ -	\$ 4,410	\$ -
Total Revenues	\$ -	\$ -	\$ 4,410	\$ -
Expenditures				
Employee Compensation	\$ 514,643	\$ 563,194	\$ 631,983	\$ 632,666
Employee Benefits	\$ 285,806	\$ 271,883	\$ 350,050	\$ 409,621
Materials	\$ 200,312	\$ 173,831	\$ 184,191	\$ 183,928
Contract Services	\$ 63,494	\$ 43,823	\$ 26,467	\$ 31,000
Cost Allocation	\$ 542,062	\$ 456,324	\$ 475,268	\$ 405,638
Special Projects	\$ 39,200	\$ 89,029	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 2,633	\$ 2,687
Total Expenditures	\$ 1,645,517	\$ 1,598,084	\$ 1,670,592	\$ 1,665,540
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,645,516	\$ 1,598,084	\$ 1,666,182	\$ 1,665,540

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	5.00	5.10	5.25	5.10
MAINTENANCE WORKER III	1.00	0.85	1.00	0.85
PUBLIC WORKS SUPERVISOR	0.30	0.30	0.30	0.30
Total	6.30	6.25	6.55	6.25

Staff time is being reallocated to Tree Maintenance as a result defunding tree contracts and moving the work in-house.

Street Tree Maintenance

Budget Unit 100-86-825

General Fund - Trees and Right of Way - Street Tree Maintenance

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 50,251
Total Expenditures	\$ 1,945,921
Fund Balance	\$ -
General Fund Costs	\$ 1,895,670
% Funded by General Fund	97.4%
Total Staffing	7.4 FTE

Program Overview

The Trees Division maintains the safety, health and appearance of approximately 23,300 Street and Right-of-Way trees, as well as promotes disease-free trees to enhance the City’s urban forest.

Service Objectives

- Proactively perform the activities of trimming, staking, pest management and other tree health-related functions.
- Respond to citizen requests to perform the trimming or other tree health-related services in a timely manner.
- Remove diseased and damaged trees as needed.
- Plant replacement trees for trees removed due to disease and damage.
- Continue activities to maintain standing as a Tree City USA program.
- Update the forestry work plan as needed to establish goals and objectives of the tree maintenance program for the City.
- Oversee street tree maintenance and removal contracts.

Proposed Budget

It is recommended that City Council approve a budget of \$1,945,921 for the Street Tree Maintenance program. This represents an increase of \$157,099 (8.8%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses and materials. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. Increased materials are due to these services now being completed city staff.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(1,627)	Reduction in data services
Fiscal Accountability	Utility True-up	\$(1,043)	Reduction aligns budget with actuals
Operations and Maintenance	Contract Services	\$(5,324)	Reduction in bee removal, and subscription contract services
Total		\$(7,994)	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Trees and Badges	\$15,000	\$15,000	General Fund	This is annual tree badges program and was added in special projects for visibility.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 41,337	\$ 35,251	\$ 41,337	\$ 35,251
Transfers In	\$ 15,000	\$ 61,140	\$ 15,000	\$ 15,000
Total Revenues	\$ 56,337	\$ 96,391	\$ 56,337	\$ 50,251
Expenditures				
Employee Compensation	\$ 628,011	\$ 652,329	\$ 689,114	\$ 711,621
Employee Benefits	\$ 367,549	\$ 329,223	\$ 393,778	\$ 446,908
Materials	\$ 96,056	\$ 106,240	\$ 67,560	\$ 96,316
Contract Services	\$ 5,472	\$ 8,290	\$ 12,962	\$ 10,398
Cost Allocation	\$ 625,568	\$ 533,396	\$ 549,401	\$ 664,344
Special Projects	\$ 38,724	\$ 13,737	\$ 75,000	\$ 15,000
Contingencies	\$ -	\$ -	\$ 1,007	\$ 1,334
Total Expenditures	\$ 1,761,380	\$ 1,643,215	\$ 1,788,822	\$ 1,945,921
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,705,043	\$ 1,546,823	\$ 1,732,485	\$ 1,895,670

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	7.00	6.00	6.00	6.00
MAINTENANCE WORKER III	1.00	1.00	1.00	1.00
PUBLIC WORKS SUPERVISOR	0.40	0.40	0.40	0.40
Total	8.40	7.40	7.40	7.40

There are no changes to the current level of staffing.

Sheriff Work Program

Budget Unit 100-86-826

General Fund - Trees and Right of Way - Sheriff Work Program

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 537,491
Fund Balance	\$ -
General Fund Costs	\$ 537,491
% Funded by General Fund	100.0%
Total Staffing	2.2 FTE

Program Overview

The Sheriff Work Program supplements existing Service Center staffing with individuals in a sentencing alternative program. Participants of the program perform manual labor type duties. The work performed by this program reduces the number of full-time maintenance workers required.

Service Objectives

- Efficiently administer and schedule the Sheriff Work Program for a variety of non-skilled activities, including trash pick-up, weed control, right-of-way maintenance and sandbag filling.
- Offset manual work currently performed by skilled labor so as to increase overall productivity at the Service Center.

Proposed Budget

It is recommended that City Council approve a budget of \$537,491 for the Sheriff Work Program program. This represents a decrease of \$54,860 (-9.3%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 183,903	\$ 224,703	\$ 244,742	\$ 272,793
Employee Benefits	\$ 110,249	\$ 116,970	\$ 101,753	\$ 114,351
Materials	\$ 9,229	\$ 7,153	\$ 5,182	\$ 5,182
Contract Services	\$ 4,977	\$ 6,489	\$ 5,913	\$ 5,913
Cost Allocation	\$ 200,818	\$ 187,481	\$ 234,622	\$ 139,113
Contingencies	\$ -	\$ -	\$ 139	\$ 139
Total Expenditures	\$ 509,176	\$ 542,796	\$ 592,351	\$ 537,491
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 509,175	\$ 542,796	\$ 592,351	\$ 537,491

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	2.00	2.00	2.00	2.00
PUBLIC WORKS SUPERVISOR	0.30	0.20	0.20	0.20
Total	2.30	2.20	2.20	2.20

BBF Golf Maintenance

Budget Unit 560-87-260

Blackberry Farm - Facilities and Fleet - BBF Golf Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 121,007
Fund Balance	\$ (121,007)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.1 FTE

Program Overview

Maintain the Blackberry Farm Golf Course buildings to ensure efficient operations, property management and community pride.

Service Objectives

- Provide a safe, clean and productive environment for the public and employees.
- Respond to requests made by the Parks & Recreation Department staff.
- Assist with the pending improvement projects.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$121,007 for the BBF Golf Maintenance program. This represents an increase of \$17,763 (17.2%) from the FY 2023-24 Adopted Budget.

The increase is due to staff allocation into this program.

The table below shows unfunded needs for this program.

Service	Description	Estimated Cost	Funding Status
Infrastructure	Golf Course Pro Shop Counter Replacement	\$10,000	Unfunded
Infrastructure	Golf Course Men's Restroom Partition Replacement	\$12,000	Unfunded

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ -	\$ 8,167
Employee Benefits	\$ -	\$ -	\$ -	\$ 4,420
Materials	\$ -	\$ 98,672	\$ 68,957	\$ 72,363
Contract Services	\$ -	\$ 23,459	\$ 33,012	\$ 33,087
Cost Allocation	\$ -	\$ -	\$ -	\$ 1,652
Contingencies	\$ -	\$ -	\$ 1,275	\$ 1,318
Total Expenditures	\$ -	\$ 122,131	\$ 103,244	\$ 121,007
Fund Balance	\$ -	\$ (122,131)	\$ (103,244)	\$ (121,007)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0	0	0	0.10
Total	0	0	0	0.10

Staff time is being reallocated to better reflect actual time spent in this program.

City Hall Maintenance

Budget Unit 100-87-827

General Fund - Facilities and Fleet - City Hall Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 265,226
Total Expenditures	\$ 510,637
Fund Balance	\$ -
General Fund Costs	\$ 245,411
% Funded by General Fund	48.1%
Total Staffing	0.6 FTE

Program Overview

Maintain City Hall building to ensure efficient operations, employee satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and city employees.
- Respond to requests made by City Hall staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$510,637 for the City Hall Maintenance program. This represents an increase of \$9,948 (2.0%) from the FY 2023-24 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year. Decreases in materials and contracts are offset by increases in cost allocation, salary and benefits due to position reallocations, and special projects. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(379)	Reduction in Christmas trees
Fiscal Accountability	Utility True-up	\$(55,000)	Reduction aligns budget with actuals
Total		\$(55,779)	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ 452,294	\$ 379,605	\$ 468,887	\$ 265,226
Total Revenues	\$ 452,294	\$ 379,605	\$ 468,887	\$ 265,226
Expenditures				
Employee Compensation	\$ 99,965	\$ 101,665	\$ 78,914	\$ 74,462
Employee Benefits	\$ 51,476	\$ 49,316	\$ 37,402	\$ 40,192
Materials	\$ 148,726	\$ 186,644	\$ 269,946	\$ 233,279
Contract Services	\$ 279,411	\$ 94,918	\$ 109,682	\$ 111,156
Cost Allocation	\$ -	\$ -	\$ -	\$ 45,243
Special Projects	\$ 6,856	\$ 103,867	\$ -	\$ 2,000
Contingencies	\$ -	\$ -	\$ 4,745	\$ 4,305
Total Expenditures	\$ 586,434	\$ 536,410	\$ 500,689	\$ 510,637
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 134,140	\$ 156,805	\$ 31,802	\$ 245,411

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.10	0.10	0.10	0
MAINTENANCE WORKER III	0.70	0.70	0.40	0.40
PUBLIC WORKS SUPERVISOR	0.20	0.20	0.20	0.20
Total	1.00	1.00	0.70	0.60

Staff time is being reallocated to better reflect actual time spent in this program.

Library Maintenance

Budget Unit 100-87-828

General Fund - Facilities and Fleet - Library Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 1,032,625
Total Expenditures	\$ 1,338,128
Fund Balance	\$ -
General Fund Costs	\$ 305,503
% Funded by General Fund	22.8%
Total Staffing	0.8 FTE

Program Overview

Maintain Library building to ensure public and employee satisfaction and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and County employees.
- Respond to requests made by County staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$1,338,128 for the Library Maintenance program. This represents an increase of \$330,635 (32.8%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(138)	Reduction in ergonomics
Fiscal Accountability	Utility True-up	\$(8,612)	Reduction aligns budget with actuals
Total		\$(8,750)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 15,911	\$ 24,627	\$ 25,471	\$ 24,627
Charges for Services	\$ 1,356,115	\$ 799,066	\$ 893,642	\$ 1,007,998
Total Revenues	\$ 1,372,026	\$ 823,693	\$ 919,113	\$ 1,032,625
Expenditures				
Employee Compensation	\$ 55,974	\$ 53,709	\$ 64,752	\$ 83,054
Employee Benefits	\$ 31,944	\$ 23,541	\$ 30,904	\$ 45,626
Materials	\$ 127,359	\$ 350,698	\$ 362,849	\$ 534,043
Contract Services	\$ 410,691	\$ 391,010	\$ 454,486	\$ 461,171
Cost Allocation	\$ 91,770	\$ 78,451	\$ 84,287	\$ 201,794
Special Projects	\$ 24,357	\$ 3,209	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 10,215	\$ 12,440
Total Expenditures	\$ 742,095	\$ 900,618	\$ 1,007,493	\$ 1,338,128
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (629,932)	\$ 76,926	\$ 88,380	\$ 305,503

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.60	0.40	0.20	0.40
MAINTENANCE WORKER III	0.10	0.10	0.30	0.30
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.80	0.60	0.60	0.80

Staff time is being reallocated to better reflect actual time spent in this program.

Service Center Maintenance

Budget Unit 100-87-829

General Fund - Facilities and Fleet - Service Center Maintenance

Budget at a Glance

2025 Proposed Budget

Total Revenues	\$ -
Total Expenditures	\$ 341,264
Fund Balance	\$ -
General Fund Costs	\$ 341,264
% Funded by General Fund	100.0%
Total Staffing	0.7 FTE

Program Overview

This program maintains the Service Center buildings to ensure employee satisfaction and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Service Center staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$341,264 for the Service Center Maintenance program. This represents an increase of \$30,378 (9.8%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in costs allocation and increased health costs for negotiated increases. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(3,138)	Reduction in data services and ergonomics
Fiscal Accountability	Utility True-up	\$(10,494)	Reduction aligns budget with actuals
Total		\$(13,632)	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 53,818	\$ 63,778	\$ 55,949	\$ 86,709
Employee Benefits	\$ 29,452	\$ 30,039	\$ 26,950	\$ 41,581
Materials	\$ 52,270	\$ 88,374	\$ 65,296	\$ 53,482
Contract Services	\$ 77,766	\$ 57,550	\$ 60,937	\$ 60,937
Cost Allocation	\$ 88,518	\$ 84,790	\$ 85,176	\$ 95,125
Capital Outlays	\$ 12,829	\$ 13,186	\$ -	\$ -
Special Projects	\$ 43,721	\$ 17,424	\$ 15,000	\$ 2,000
Contingencies	\$ -	\$ -	\$ 1,578	\$ 1,430
Total Expenditures	\$ 358,374	\$ 355,141	\$ 310,886	\$ 341,264
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 358,374	\$ 355,141	\$ 310,886	\$ 341,264

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.40	0.40	0.20	0.30
MAINTENANCE WORKER III	0.20	0.20	0.20	0.20
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.20
Total	0.70	0.70	0.50	0.70

Staff time is being reallocated to better reflect actual time spent in this program.

Quinlan Community Center Maintenance

Budget Unit 100-87-830

General Fund - Facilities and Fleet - Quinlan Community Center Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 526,991
Fund Balance	\$ -
General Fund Costs	\$ 526,991
% Funded by General Fund	100.0%
Total Staffing	0.6 FTE

Program Overview

This program maintains Quinlan Community Center building to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Maintain an attractive appearance in spaces available as rentals.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$526,991 for the Quinlan Community Center Maintenance program. This represents a decrease of \$47,668 (-8.3%) from the FY 2023-24 Adopted Budget.

The decrease is due to reduced special projects.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(83)	Reduction in ergonomics
Fiscal Accountability	Utility True-up	\$(10,000)	Reduction aligns budget with actuals
Total		\$(10,083)	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 59,179	\$ 75,991	\$ 62,294	\$ 60,890
Employee Benefits	\$ 29,198	\$ 32,306	\$ 27,863	\$ 30,939
Materials	\$ 128,224	\$ 179,883	\$ 175,895	\$ 175,588
Contract Services	\$ 160,826	\$ 153,184	\$ 117,294	\$ 122,294
Cost Allocation	\$ 110,437	\$ 106,204	\$ 102,648	\$ 131,556
Special Projects	\$ -	\$ 22,020	\$ 85,000	\$ 2,000
Contingencies	\$ -	\$ -	\$ 3,665	\$ 3,724
Total Expenditures	\$ 487,864	\$ 569,588	\$ 574,659	\$ 526,991
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 487,864	\$ 569,587	\$ 574,659	\$ 526,991

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.70	0.70	0.50	0.50
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.80	0.80	0.60	0.60

There are no changes to the current level of staffing.

Senior Center Maintenance

Budget Unit 100-87-831

General Fund - Facilities and Fleet - Senior Center Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 336,976
Fund Balance	\$ -
General Fund Costs	\$ 336,976
% Funded by General Fund	100.0%
Total Staffing	0.6 FTE

Program Overview

Maintain Senior Center building to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$336,976 for the Senior Center Maintenance program. This represents an increase of \$12,687 (3.9%) from the FY 2023-24 Adopted Budget.

The increase is due to increased healthcare costs for negotiated increases and special projects.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(100)	Reduction in data services
Fiscal Accountability	Utility True-up	\$(5,500)	Reduction aligns budget with actuals
Total		\$(5,600)	

The table shows unfunded needs for this program.

Service	Description	Estimated Cost	Funding Status
Infrastructure	Senior Center ADA Push Button Installation	\$15,000	Unfunded
Infrastructure	Senior Center Locking Cabinets	\$15,000	Unfunded
Total		\$30,000	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 20,750	\$ 61,951	\$ 54,313	\$ 56,117
Employee Benefits	\$ 12,840	\$ 27,754	\$ 25,450	\$ 35,662
Materials	\$ 56,284	\$ 73,196	\$ 69,641	\$ 70,419
Contract Services	\$ 65,824	\$ 132,243	\$ 88,223	\$ 88,236
Cost Allocation	\$ 84,539	\$ 78,035	\$ 84,689	\$ 82,559
Capital Outlays	\$ -	\$ 576	\$ -	\$ -
Special Projects	\$ -	\$ 23,247	\$ -	\$ 2,000
Contingencies	\$ -	\$ -	\$ 1,973	\$ 1,983
Total Expenditures	\$ 240,237	\$ 397,002	\$ 324,289	\$ 336,976
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 240,237	\$ 397,003	\$ 324,289	\$ 336,976

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.70	0.70	0.50	0.50
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.80	0.80	0.60	0.60

There are no changes to the current level of staffing.

McClellan Ranch Maintenance

Budget Unit 100-87-832

General Fund - Facilities and Fleet - McClellan Ranch Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 1,461
Total Expenditures	\$ 235,801
Fund Balance	\$ -
General Fund Costs	\$ 234,340
% Funded by General Fund	99.4%
Total Staffing	0.6 FTE

Program Overview

This program maintains McClellan Ranch buildings to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$235,801 for the McClellan Ranch Maintenance program. This represents a decrease of \$57,949 (-19.7%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in special projects.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(91)	Reduction in meetings and ergonomics

The table below shows unfunded needs in this program.

Service	Description	Estimated Cost	Funding Status
Infrastructure	Senior Center ADA Push Button Installation	\$15,000	Unfunded
Infrastructure	Senior Center Locking Cabinets	\$15,000	Unfunded
Total		\$30,000	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ -	\$ 1,461	\$ -	\$ 1,461
Miscellaneous Revenue	\$ 891	\$ 505	\$ 4,462	\$ -
Total Revenues	\$ 891	\$ 1,966	\$ 4,462	\$ 1,461
Expenditures				
Employee Compensation	\$ 36,238	\$ 40,141	\$ 57,296	\$ 62,481
Employee Benefits	\$ 19,122	\$ 14,410	\$ 28,128	\$ 31,661
Materials	\$ 32,167	\$ 40,131	\$ 43,571	\$ 46,043
Contract Services	\$ 23,856	\$ 52,986	\$ 37,486	\$ 37,486
Cost Allocation	\$ 63,811	\$ 51,328	\$ 61,256	\$ 55,086
Special Projects	\$ 19,839	\$ 18,653	\$ 65,000	\$ 2,000
Contingencies	\$ -	\$ -	\$ 1,013	\$ 1,044
Total Expenditures	\$ 195,033	\$ 217,649	\$ 293,750	\$ 235,801
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 194,142	\$ 215,683	\$ 289,288	\$ 234,340

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.50	0.30	0.40	0.40
MAINTENANCE WORKER III	0	0	0.10	0.10
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.60	0.40	0.60	0.60

There are no changes to the current level of staffing.

Monta Vista Community Center Maintenance

Budget Unit 100-87-833

General Fund - Facilities and Fleet - Monta Vista Community Center Maintenance

Budget at a Glance

2025 Proposed Budget

Total Revenues	\$ -
Total Expenditures	\$ 185,905
Fund Balance	\$ -
General Fund Costs	\$ 185,905
% Funded by General Fund	100.0%
Total Staffing	0.3 FTE

Program Overview

This program maintains Monta Vista Community Center and adjacent buildings to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees. Respond to requests made by the Parks & Recreation staff.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$185,905 for the Monta Vista Community Center Maintenance program. This represents a decrease of \$512 (-0.3%) from the FY 2023-24 Adopted Budget.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(41)	Reduction in ergonomics
Fiscal Accountability	Utility True-up	\$(8,000)	Reduction aligns budget with actuals
Total		\$(8,041)	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 24,550	\$ 33,061	\$ 33,242	\$ 35,562
Employee Benefits	\$ 13,354	\$ 14,071	\$ 15,830	\$ 17,721
Materials	\$ 24,163	\$ 37,871	\$ 48,635	\$ 43,782
Contract Services	\$ 36,348	\$ 54,555	\$ 33,251	\$ 33,250
Cost Allocation	\$ 55,247	\$ 51,535	\$ 54,435	\$ 52,627
Special Projects	\$ -	\$ -	\$ -	\$ 2,000
Contingencies	\$ -	\$ -	\$ 1,024	\$ 963
Total Expenditures	\$ 153,662	\$ 191,093	\$ 186,417	\$ 185,905
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 153,662	\$ 191,093	\$ 186,417	\$ 185,905

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.30	0.30	0.10	0.10
MAINTENANCE WORKER III	0	0	0.10	0.10
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.40	0.40	0.30	0.30

There are no changes to the current level of staffing.

Wilson Park Maintenance

Budget Unit 100-87-834

General Fund - Facilities and Fleet - Wilson Park Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 102,304
Fund Balance	\$ -
General Fund Costs	\$ 102,304
% Funded by General Fund	100.0%
Total Staffing	0.3 FTE

Program Overview

This program maintains Wilson Park Ceramics Center to ensure efficient operations, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$102,304 for the Wilson Park Maintenance program. This represents an increase of \$6,582 (6.9%) from the FY 2023-24 Adopted Budget.

The increase is due to staff reallocations to this program.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(1,240)	Reduction in data services
Fiscal Accountability	Utility True-up	\$(1,000)	Reduction aligns budget with actuals
Total		\$(2,240)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 20,840	\$ 20,072	\$ 7,595	\$ 26,348
Employee Benefits	\$ 12,590	\$ 12,237	\$ 3,844	\$ 13,801
Materials	\$ 21,964	\$ 26,862	\$ 27,878	\$ 27,773
Contract Services	\$ 13,209	\$ 19,789	\$ 15,472	\$ 15,631
Cost Allocation	\$ 38,598	\$ 36,714	\$ 33,391	\$ 18,208
Special Projects	\$ -	\$ -	\$ 7,000	\$ -
Contingencies	\$ -	\$ -	\$ 542	\$ 543
Total Expenditures	\$ 107,201	\$ 115,674	\$ 95,722	\$ 102,304
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 107,201	\$ 115,674	\$ 95,722	\$ 102,304

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0	0	0.10	0.30
MAINTENANCE WORKER III	0.20	0.20	0	0
Total	0.20	0.20	0.10	0.30

Staff time is being reallocated to better reflect actual time spent in this program.

Portal Park Maintenance

Budget Unit 100-87-835

General Fund - Facilities and Fleet - Portal Park Maintenance

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 31,899
Fund Balance	\$ -
General Fund Costs	\$ 31,899
% Funded by General Fund	100.0%
Total Staffing	0.0 FTE

Program Overview

This program maintains Portal Park building to ensure user efficient operations, satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$31,899 for the Portal Park Maintenance program. This represents a decrease of \$14,329 (-31.0%) from the FY 2023-24 Adopted Budget.

The decrease is mainly due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 10,298	\$ 9,487	\$ 63	\$ -
Employee Benefits	\$ 6,266	\$ 6,254	\$ -	\$ -
Materials	\$ 6,458	\$ 7,741	\$ 10,976	\$ 11,598
Contract Services	\$ 7,122	\$ 12,969	\$ 10,519	\$ 10,519
Cost Allocation	\$ 29,259	\$ 29,828	\$ 24,401	\$ 9,506
Contingencies	\$ -	\$ -	\$ 269	\$ 276
Total Expenditures	\$ 59,403	\$ 66,279	\$ 46,228	\$ 31,899
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 59,402	\$ 66,279	\$ 46,228	\$ 31,899

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER III	0.10	0.10	0	0
Total	0.10	0.10	0	0

There are no changes to the current level of staffing.

Sports Center Maintenance

Budget Unit 570-87-836

Sports Center - Facilities and Fleet - Sports Center Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 787,112
Fund Balance	\$ (787,112)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.6 FTE

Program Overview

This program maintains Sport Center facilities to ensure efficient operations, employee satisfaction, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$787,112 for the Sports Center Maintenance program. This represents an increase of \$127,988 (19.4%) from the FY 2023-24 Adopted Budget.

The increase is due to increases in Cost Allocation and special project expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. Increase in funding of Capital Outlay improvements.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(72)	Reduction in printing, ergonomics, memberships
Fiscal Accountability	Utility True-up	\$(26,268)	Reduction aligns budget with actuals
Total		\$(26,340)	

The table below shows unfunded needs for the program.

Service	Description	Estimated Cost	Funding Status
Infrastructure	Sports Center Breakroom Reconfiguration	\$30,000	Unfunded
Infrastructure	Sports Center Lobby Wall Extension	\$6,000	Unfunded
Total		\$36,000	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar alarm upgrade
Facility Improvements	\$150,000	\$150,000	Capital Outlay	Sports Center energy management system upgrade
Total	\$152,000	\$152,000		

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 59,319	\$ 67,928	\$ 77,239	\$ 64,176
Employee Benefits	\$ 24,326	\$ (12,686)	\$ 40,966	\$ 42,632
Materials	\$ 132,315	\$ 146,551	\$ 191,195	\$ 177,167
Contract Services	\$ 145,548	\$ 137,318	\$ 149,247	\$ 149,247
Cost Allocation	\$ 75,113	\$ 73,222	\$ 81,070	\$ 100,859
Capital Outlays	\$ -	\$ -	\$ -	\$ 150,000
Special Projects	\$ 49,127	\$ 83,250	\$ 20,000	\$ 2,000
Other Financing Uses	\$ 95,151	\$ 96,951	\$ 95,151	\$ 96,951
Contingencies	\$ -	\$ -	\$ 4,256	\$ 4,080
Total Expenditures	\$ 580,899	\$ 592,534	\$ 659,124	\$ 787,112
Fund Balance	\$ (580,899)	\$ (592,533)	\$ (659,124)	\$ (787,112)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.10	0.10	0.10	0.10
MAINTENANCE WORKER III	0.50	0.50	0.50	0.50
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0
Total	0.70	0.70	0.70	0.60

Staff time is being reallocated to better reflect actual time spent in this program.

Creekside Park Maintenance

Budget Unit 100-87-837

General Fund - Facilities and Fleet - Creekside Park Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 110,478
Fund Balance	\$ -
General Fund Costs	\$ 110,478
% Funded by General Fund	100.0%
Total Staffing	0.3 FTE

Program Overview

This program maintains Creekside Park building to ensure efficient operations, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$110,478 for the Creekside Park Maintenance program. This represents a decrease of \$25,598 (-18.8%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses and special projects. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023. Decrease also due to completion of special project last FY.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Utility True-up	\$(3,400)	Reduction aligns budget with actuals

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 20,919	\$ 19,697	\$ 29,208	\$ 33,161
Employee Benefits	\$ 10,642	\$ 7,028	\$ 13,165	\$ 14,867
Materials	\$ 8,596	\$ 14,207	\$ 20,326	\$ 18,089
Contract Services	\$ 9,821	\$ 21,200	\$ 19,434	\$ 19,984
Cost Allocation	\$ 40,576	\$ 37,854	\$ 41,446	\$ 23,901
Special Projects	\$ -	\$ -	\$ 12,000	\$ -
Contingencies	\$ -	\$ -	\$ 497	\$ 476
Total Expenditures	\$ 90,554	\$ 99,986	\$ 136,076	\$ 110,478
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 90,554	\$ 99,987	\$ 136,076	\$ 110,478

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.10	0.10	0.20	0.20
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.20	0.20	0.30	0.30

There are no changes to the current level of staffing.

Community Hall Maintenance

Budget Unit 100-87-838

General Fund - Facilities and Fleet - Community Hall Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 245,470
Fund Balance	\$ -
General Fund Costs	\$ 245,470
% Funded by General Fund	100.0%
Total Staffing	0.7 FTE

Program Overview

This program maintains Community Hall and interactive fountain to ensure efficient operations, employee satisfaction, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Community Hall users.
- Manage and responsibly coordinate work completed by contractors.
- Ensure water quality and functionality of interactive fountain.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.
- Comply with mandated water restrictions.

Proposed Budget

It is recommended that City Council approve a budget of \$245,470 for the Community Hall Maintenance program. This represents an increase of \$19,926 (8.8%) from the FY 2023-24 Adopted Budget.

The increase is due to the reallocation of staff.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(52)	Reduction in materials
Fiscal Accountability	Utility True-up	\$(20,000)	Reduction aligns budget with actuals
Operations and Maintenance	Contract Services	\$(5,312)	Reduction of fountain contract services
Total		\$(25,364)	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Special Maintenance	\$2,000	\$2,000	General Fund	Burglar Alarm Upgrades

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 505	\$ -	\$ -
Total Revenues	\$ -	\$ 505	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 23,927	\$ 38,000	\$ 28,357	\$ 64,407
Employee Benefits	\$ 14,985	\$ 19,649	\$ 14,125	\$ 40,816
Materials	\$ 38,244	\$ 48,547	\$ 66,768	\$ 51,661
Contract Services	\$ 30,953	\$ 40,875	\$ 55,231	\$ 32,920
Cost Allocation	\$ 63,493	\$ 61,230	\$ 59,538	\$ 52,609
Special Projects	\$ 8,245	\$ -	\$ -	\$ 2,000
Contingencies	\$ -	\$ -	\$ 1,525	\$ 1,057
Total Expenditures	\$ 179,847	\$ 208,301	\$ 225,544	\$ 245,470
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 179,848	\$ 207,797	\$ 225,544	\$ 245,470

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.40	0.40	0.20	0.50
MAINTENANCE WORKER III	0.10	0.10	0.10	0.20
Total	0.50	0.50	0.30	0.70

Staff time is being reallocated to better reflect actual time spent in this program.

Teen Center Maintenance

Budget Unit 100-87-839

General Fund - Facilities and Fleet - Teen Center Maintenance

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

This program maintains the Teen Center area below the Sports Center to ensure efficient operations, employee satisfaction, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

There is no budget requested for this program.

As part of an expenditure reduction strategy, the Teen Center has been defunded and utility costs have been moved to the Sports Center budget.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 11,081	\$ 10,100	\$ 11,473	\$ -
Employee Benefits	\$ 6,457	\$ 5,488	\$ 6,497	\$ -
Materials	\$ 3,118	\$ 664	\$ 10,621	\$ -
Cost Allocation	\$ 25,468	\$ 24,764	\$ 24,165	\$ -
Contingencies	\$ -	\$ -	\$ 133	\$ -
Total Expenditures	\$ 46,124	\$ 41,016	\$ 52,889	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 46,124	\$ 41,015	\$ 52,889	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER III	0.10	0.10	0.10	0
Total	0.10	0.10	0.10	0

Staff is being reallocated to better reflect actual time spent in this program.

Park Bathrooms Maintenance

Budget Unit 100-87-840

General Fund - Facilities and Fleet - Park Bathrooms Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 158,061
Fund Balance	\$ -
General Fund Costs	\$ 158,061
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

This program maintains park restrooms to ensure efficient operations, user satisfaction, and community pride.

Service Objectives

- Provide clean and functioning restrooms at various park locations.
- Respond to requests made by the users of the park.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$158,061 for the Park Bathrooms Maintenance program. This represents a decrease of \$22,219 (-12.3%) from the FY 2023-24 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Utility True-up	\$(1,000)	Reduction aligns budget with actuals

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 17,818	\$ 15,891	\$ 10,124	\$ 10,362
Employee Benefits	\$ 10,163	\$ 8,164	\$ 4,636	\$ 4,831
Materials	\$ 18,745	\$ 16,978	\$ 15,431	\$ 14,562
Contract Services	\$ 87,155	\$ 122,907	\$ 112,659	\$ 112,659
Cost Allocation	\$ 39,086	\$ 40,754	\$ 35,829	\$ 14,057
Contingencies	\$ -	\$ -	\$ 1,601	\$ 1,590
Total Expenditures	\$ 172,967	\$ 204,694	\$ 180,280	\$ 158,061
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 172,966	\$ 204,694	\$ 180,280	\$ 158,061

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.20	0.20	0.10	0.10
Total	0.20	0.20	0.10	0.10

There are no changes to the current level of staffing.

Blackberry Farm Maintenance

Budget Unit 100-87-841

General Fund - Facilities and Fleet - Blackberry Farm Maintenance

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 464,367
Fund Balance	\$ -
General Fund Costs	\$ 464,367
% Funded by General Fund	100.0%
Total Staffing	0.5 FTE

Program Overview

This program maintains Blackberry Farm buildings and facilities to ensure efficient operations, employee satisfaction, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Timely response to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$464,367 for the Blackberry Farm Maintenance program. This represents a decrease of \$61,275 (-11.7%) from the FY 2023-24 Adopted Budget.

The decrease is due to defunding one vacant position.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(92)	Reduction aligns budget with actuals
Fiscal Accountability	Utility True-up	\$(1,831)	Reduction aligns budget with actuals
Total		\$(1,923)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 3,571	\$ -	\$ -	\$ -
Total Revenues	\$ 3,571	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 49,130	\$ 21,755	\$ 108,854	\$ 47,461
Employee Benefits	\$ 29,917	\$ 6,991	\$ 64,998	\$ 29,822
Materials	\$ 123,674	\$ 92,041	\$ 114,962	\$ 128,418
Contract Services	\$ 75,420	\$ 56,167	\$ 72,783	\$ 73,799
Cost Allocation	\$ 193,129	\$ 194,564	\$ 161,698	\$ 182,339
Special Projects	\$ 26,295	\$ 5,000	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 2,347	\$ 2,528
Total Expenditures	\$ 497,565	\$ 376,518	\$ 525,642	\$ 464,367
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 493,995	\$ 376,518	\$ 525,642	\$ 464,367

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0.90	1.30	1.30	0.30
MAINTENANCE WORKER III	0	0	0.10	0.20
Total	0.90	1.30	1.40	0.50

As part of an expenditure reduction strategy, the following vacant positions are being removed from the budget: Maintenance Worker I/II

Franco Traffic Operations Center

Budget Unit 100-87-852

General Fund - Facilities and Fleet - Franco Traffic Operations Center

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 43,742
Fund Balance	\$ -
General Fund Costs	\$ 43,742
% Funded by General Fund	100.0%
Total Staffing	0.2 FTE

Program Overview

This program maintains the Traffic Operations Center on Franco Court to ensure efficient operations, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for city employees.
- Respond to requests made by Traffic Operations Center staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$43,742 for the Franco Traffic Operations Center program. This represents an increase of \$28,485 (186.7%) from the FY 2023-24 Adopted Budget.

This increase correlates with the position allocation changes that will increase the current level of staffing for this facility.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ -	\$ 18,446
Employee Benefits	\$ -	\$ -	\$ -	\$ 9,520
Materials	\$ 132	\$ 1,568	\$ 229	\$ 229
Contract Services	\$ 6,443	\$ 15,431	\$ 9,996	\$ 9,996
Cost Allocation	\$ 4,541	\$ 4,410	\$ 4,904	\$ 5,423
Contingencies	\$ -	\$ -	\$ 128	\$ 128
Total Expenditures	\$ 11,116	\$ 21,409	\$ 15,257	\$ 43,742
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 11,116	\$ 21,410	\$ 15,257	\$ 43,742

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER I/II	0	0	0	0.20
Total	0	0	0	0.20

Staff time is being reallocated to better reflect actual time spent in this program.

City Hall Annex

Budget Unit 100-87-857

General Fund - Facilities and Fleet - City Hall Annex

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 3,601
Fund Balance	\$ -
General Fund Costs	\$ 3,601
% Funded by General Fund	100.0%
Total Staffing	0.0 FTE

Program Overview

Maintain City Hall Annex building to ensure efficient operations, property management and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for building occupants.
- Assist with the pending improvement projects.
- Feasibly conserve resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$3,601 for the City Hall Annex program. This represents a decrease of \$21,291 (-85.5%) from the FY 2023-24 Adopted Budget.

The decrease is due to removal of staffing hourly allocation.

The table below shows Service-Level Reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Utility True-up	\$(5,518)	Reduction aligns with budget actuals

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ 7,875	\$ 7,290	\$ -	\$ -
Total Revenues	\$ 7,875	\$ 7,290	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ 10,255	\$ -
Employee Benefits	\$ -	\$ (828)	\$ 5,645	\$ -
Materials	\$ 3,482	\$ 1,808	\$ 8,881	\$ 3,557
Contract Services	\$ 17,885	\$ 9,208	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 111	\$ 44
Total Expenditures	\$ 21,367	\$ 10,188	\$ 24,892	\$ 3,601
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 13,493	\$ 2,898	\$ 24,892	\$ 3,601

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
MAINTENANCE WORKER III	0	0	0.10	0
Total	0	0	0.10	0

Staff time is being reallocated to better reflect actual time spent in this program.

Community Shuttle

Budget Unit 100-88-265

General Fund - Transportation - Community Shuttle

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 2,711,855
Total Expenditures	\$ 3,853,958
Fund Balance	\$ -
General Fund Costs	\$ 1,142,103
% Funded by General Fund	29.6%
Total Staffing	FTE

Program Overview

The Silicon Valley (SV) Hopper, formerly Via-Cupertino, is an on-demand ride-share community shuttle. The app-based service, initiated as a pilot in 2019 serving only Cupertino, has been expanded to provide transportation to anywhere in Cupertino, a portion of Santa Clara, and El Camino Hospital and Caltrain in Mountain View as a result of State TIRCP grant funding the expansion and a conversion to an EV-only fleet.

Service Objectives

- Provide safe, affordable and convenient transportation alternative to the single-occupancy vehicle
- Reduce greenhouse gas emissions and congestion by providing first- and last-mile connections to regional transit systems such as Caltrain, VTA, Amtrak and BART
- Support climate change goals through deployment of a completely electrified vehicle fleet
- Augment transportation alternatives for disadvantaged communities in Silicon Valley

Proposed Budget

It is recommended that City Council approve a budget of \$3,853,958 for the Community Shuttle program.

CalTrans grant funds and a cost-sharing agreement with the City of Santa Clara will partially off-set this expense.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ 1,903,000
Charges for Services	\$ -	\$ -	\$ -	\$ 808,855
Total Revenues	\$ -	\$ -	\$ -	\$ 2,711,855
Expenditures				
Contract Services	\$ -	\$ -	\$ -	\$ 3,806,378
Contingencies	\$ -	\$ -	\$ -	\$ 47,580
Total Expenditures	\$ -	\$ -	\$ -	\$ 3,853,958
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ 1,142,103

Staffing

There is no staffing associated with this program.

Traffic Engineering

Budget Unit 100-88-844

General Fund - Transportation - Traffic Engineering

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 1,539,854
Fund Balance	\$ -
General Fund Costs	\$ 1,539,854
% Funded by General Fund	100.0%
Total Staffing	3.4 FTE

Program Overview

The Transportation Division oversees traffic operations, traffic studies, transportation planning, and transportation capital improvements to safely and efficiently manage all modes of travel within the City's street and trail network. This includes responding to citizen requests and concerns regarding traffic issues, developing plans for the installation of traffic signals, traffic signs, and pavement markings, and developing design standards. The Division assists in the preparation of the General Plan, street plan lines and the capital improvement program related to street improvements. Division staff are active on Santa Clara Valley Transportation Authority (VTA) subcommittees and working groups and keeps abreast regarding current developments in the field as well as grant funding opportunities for large projects.

The Transportation Division also participates in the review of private development proposals to identify potential traffic impacts and to require necessary mitigations to maintain levels of service and safe and efficient traffic operations.

Service Objectives

- Ensure the efficiency and safety of the street system for all modes of travel through continual observation of traffic patterns, traffic signals and other traffic control devices.
- Review traffic collision reports, traffic flow patterns, and neighborhood traffic issues and respond as needed.
- Cooperate with neighboring jurisdictions on regional issues that affect both traffic safety and traffic efficiency at City boundaries.
- Continue training personnel in traffic engineering by encouraging attendance at classes and seminars.
- Encourage the use of alternate modes of transportation to the single occupancy vehicle through the implementation of recommendations from the Bicycle and Pedestrian Transportation Plans.
- Supports transit initiatives, ride-share programs, carpool programs, and transportation planning work for all modes of transportation.

Proposed Budget

It is recommended that City Council approve a budget of \$1,539,854 for the Traffic Engineering program. This represents an increase of \$299,783 (24.2%) from the FY 2023-24 Adopted Budget.

The increase is due to the addition of a requested special project.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(7,025)	Reduction in supplies, ergonomics, memberships, advertising, and data services
Fiscal Accountability	Contract Services	\$(616)	Elimination of Bike to Work Day contract services
Total		\$(7,641)	

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Active Transportation Plan	\$330,000	\$330,000	Transportation Development Act (TDA) Funds	Citywide Work Program project. This item is a consolidation of existing and new transportation efforts aiming to further goals outlined in the City's Vision Zero Initiative, including: 1) Review and update the bike plan 2) Review and update the pedestrian plan 3) Review current Complete Streets Policy and propose adjustments to create a better interface between all modes of transportation

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 33,949	\$ 37,936	\$ 33,949	\$ -
Charges for Services	\$ 931	\$ -	\$ 931	\$ -
Transfers In	\$ -	\$ 800,000	\$ -	\$ -
Total Revenues	\$ 34,880	\$ 837,936	\$ 34,880	\$ -
Expenditures				
Employee Compensation	\$ 587,704	\$ 544,285	\$ 565,260	\$ 556,714
Employee Benefits	\$ 274,850	\$ 197,816	\$ 255,799	\$ 257,150
Materials	\$ 15,527	\$ 21,202	\$ 20,381	\$ 13,937
Contract Services	\$ 144,831	\$ 155,535	\$ 157,730	\$ 157,114
Cost Allocation	\$ 275,796	\$ 259,181	\$ 218,675	\$ 222,801
Special Projects	\$ 561,778	\$ 1,051,444	\$ 20,000	\$ 330,000
Contingencies	\$ -	\$ -	\$ 2,226	\$ 2,138
Total Expenditures	\$ 1,860,486	\$ 2,229,463	\$ 1,240,071	\$ 1,539,854
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,825,606	\$ 1,391,527	\$ 1,205,191	\$ 1,539,854

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ASSISTANT ENGINEER	1.50	1.50	1.50	1.40
PUBLIC WORKS PROJECT MANAGER LT	0.50	0.50	0	0
TRANSIT & TRANSPORTATION PLANNER	1.00	1.00	1.00	1.00
TRANSPORTATION MANAGER	0.90	0.90	0.90	1.00
Total	3.90	3.90	3.40	3.40

There are no changes to the current level of staffing.

Traffic Signal Maintenance

Budget Unit 100-88-845

General Fund - Transportation - Traffic Signal Maintenance

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 11,027
Total Expenditures	\$ 697,556
Fund Balance	\$ -
General Fund Costs	\$ 686,529
% Funded by General Fund	98.4%
Total Staffing	2.0 FTE

Program Overview

The Traffic Signal Maintenance Division oversees the operation and maintenance of the City’s 60 traffic signals, including eight traffic signals owned by the State of California. The Division also maintains the traffic signal communication infrastructure, such as the fiber optic network and the traffic operation center hub.

Service Objectives

- Ensure the continuous and safe operation of the City’s traffic signal system on a continuous 24-hour basis with full-time and on-call staff, which is accomplished by regularly performing preventative maintenance, diagnosing malfunctions and repairs, investigating citizen complaints, replacing or upgrading obsolete hardware, inspecting the work of contractors, responding to knockdowns and power outages, and adjusting signal timing parameters.
- Continue training, maintaining proficiency of traffic signal technicians and on-call staff by encouraging attendance at classes and seminars.

Proposed Budget

It is recommended that City Council approve a budget of \$697,556 for the Traffic Signal Maintenance program. This represents a decrease of \$122,473 (-14.9%) from the FY 2023-24 Adopted Budget.

The decrease is mainly due to reductions in Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Infrastructure	Materials	\$(43,006)	Defunding of video upgrades
Fiscal Accountability	Materials	\$(2,200)	Reduction in PPE, ergonomics, memberships
Fiscal Accountability	Utility True-up	\$(4,451)	Reduction aligns with budget actuals
Total		\$(49,657)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 10,742	\$ 11,027	\$ 10,742	\$ 11,027
Charges for Services	\$ 3,000	\$ -	\$ 3,000	\$ -
Total Revenues	\$ 13,742	\$ 11,027	\$ 13,742	\$ 11,027
Expenditures				
Employee Compensation	\$ 243,464	\$ 273,059	\$ 280,570	\$ 282,130
Employee Benefits	\$ 116,292	\$ 108,997	\$ 128,380	\$ 111,275
Materials	\$ 173,890	\$ 161,470	\$ 176,434	\$ 138,360
Contract Services	\$ 59,860	\$ 44,182	\$ 44,674	\$ 48,174
Cost Allocation	\$ 234,449	\$ 182,220	\$ 187,207	\$ 115,285
Special Projects	\$ 46,477	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 2,764	\$ 2,332
Total Expenditures	\$ 874,432	\$ 769,928	\$ 820,029	\$ 697,556
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 860,690	\$ 758,901	\$ 806,287	\$ 686,529

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
TRAFFIC SIGNAL TECHNICIAN	1.00	2.00	2.00	2.00
TRAFFIC SIGTECH APRNTICE	1.00	0	0	0
Total	2.00	2.00	2.00	2.00

There are no changes to the current level of staffing.

Safe Routes 2 School

Budget Unit 100-88-846

General Fund - Transportation - Safe Routes 2 School

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 90,000
Total Expenditures	\$ 869,179
Fund Balance	\$ -
General Fund Costs	\$ 779,179
% Funded by General Fund	89.6%
Total Staffing	1.0 FTE

Program Overview

Safe Routes to School seeks to engage local schools, school districts, parent organizations, community groups, and the Santa Clara County Sheriff's Office in the mission of reducing Singular Occupancy Vehicle (SOV) travel to and from school in order to reduce carbon emission and car traffic and increase student safety. The program seeks to achieve these objectives through education, encouragement, enforcement, and engineering infrastructure changes in and around Cupertino schools.

Service Objectives

- Help to improve the health and well-being of students by increasing the number of students who walk or bike to school.
- Develop partnerships with school administrators, staff, parents, and students.
- Encourage and empower more students and families to walk, bike, carpool, and take alternative transit to school.
- Adjust signage and infrastructure surrounding Cupertino schools to facilitate a safer environment for bicycle and pedestrian travel.
- Educate students and families about the benefits of walking and bicycling to school; health, environmental protection, academic improvements, community building and more.
- Minimize gaps in communication between City, School Districts, and Schools and collaborate on efforts to increase student safety.
- Enhance bicyclist and pedestrian student safety through coordination of skills classes and distribution of educational material.

Proposed Budget

It is recommended that City Council approve a budget of \$869,179 for the Safe Routes 2 School program. This represents an increase of \$136,901 (18.7%) from the FY 2023-24 Adopted Budget.

This increase is due to a cost increase in contract services. Program expenses are cost-recovered through Measure B grant funding.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Fiscal Accountability	Materials	\$(18,938)	Reduction in Bike Fest materials, printing, meetings, ergonomics, promotional materials, and supplies
Fiscal Accountability	Contract Services	\$(250)	Reduction in paid advertising
Total		\$(19,188)	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 33,590	\$ 46,799	\$ 114,000	\$ 50,000
Charges for Services	\$ 119	\$ -	\$ -	\$ -
Miscellaneous Revenue	\$ 12,500	\$ 40,000	\$ 40,000	\$ 40,000
Total Revenues	\$ 46,209	\$ 86,799	\$ 154,000	\$ 90,000
Expenditures				
Employee Compensation	\$ 129,906	\$ 153,328	\$ 159,181	\$ 153,363
Employee Benefits	\$ 50,999	\$ 46,907	\$ 54,521	\$ 56,197
Materials	\$ 31,216	\$ 33,207	\$ 54,769	\$ 46,831
Contract Services	\$ 288,138	\$ 336,643	\$ 380,462	\$ 461,802
Cost Allocation	\$ 83,682	\$ 68,673	\$ 77,905	\$ 144,628
Special Projects	\$ 21,082	\$ 57,729	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 5,440	\$ 6,358
Total Expenditures	\$ 605,023	\$ 696,487	\$ 732,278	\$ 869,179
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 558,814	\$ 609,688	\$ 578,278	\$ 779,179

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
ENVIRONMENTAL PROGRAMS ASSISTANT	1.00	1.00	1.00	1.00
Total	1.00	1.00	1.00	1.00

There are no changes to the current level of staffing.

Fixed Assets Acquisition

Budget Unit 630-90-985

Vehicle/Equip Replacement - Non-Departmental - Fixed Assets Acquisition

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 459,111
Fund Balance	\$ (459,111)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

This program purchases vehicles and equipment having a value greater than \$5,000 and expected life of more than one year. Equipment users are charged for the use of these assets through a depreciation schedule. Equipment used by Special Revenue and Enterprise funds are charged to the respective funds.

Service Objectives

- Obtain quality equipment through competitive bidding.
- Purchase energy efficient vehicles whenever practical.
- Purchase quiet, ergonomic and environmentally friendly equipment whenever practical.

Proposed Budget

It is recommended that City Council approve a budget of \$459,111 for the Fixed Assets Acquisition program. This represents a decrease of \$8,757 (-1.9%) from the FY 2023-24 Adopted Budget.

The decrease is due to a reduction in costs for equipment and vehicles recommended for replacement.

The table below shows the service-level reductions for this program.

Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Infrastructure	Defer vehicle and equipment replacements, increasing the replacement cycle from approximately 7 years to 10 years on average.	\$(137,000)	May increase cost and staff time to repair assets that were deferred for replacement

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Fixed Assets Acquisition	\$90,000	\$90,000	Vehicle/Equipment Replacement Fund	Grounds vehicle #31 2008 Ford F350. Replacement vehicle Ford F350 Truck
Fixed Assets Acquisition	\$70,000	\$70,000	Vehicle/Equipment Replacement Fund	Building vehicle #452 2011 Escape Replacement vehicle Ford Lightning EV Truck
Fixed Assets Acquisition	\$70,000	\$70,000	Vehicle/Equipment Replacement Fund	Fleet vehicle #448 2012 F150 Replacement vehicle Ford Lightning EV Truck
Fixed Assets Acquisition	\$130,000	\$130,000	Vehicle/Equipment Replacement Fund	Streets vehicle #6 2008 GMC 500 Replacement vehicle Ford F550 Truck
Fixed Assets Acquisition	\$50,000	\$50,000	Vehicle/Equipment Replacement Fund	Equipment #203 Turf Tiger Top Dresser Replacement equipment Turf Tiger Top Dresser
Fixed Assets Acquisition	\$30,000	\$30,000	Vehicle/Equipment Replacement Fund	Grounds purchase of Flail mower
Total	\$440,000	\$440,000		

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 8,817	\$ 7,844	\$ 7,868	\$ 19,111
Special Projects	\$ 43,221	\$ 5,157	\$ 460,000	\$ 440,000
Total Expenditures	\$ 52,038	\$ 13,001	\$ 467,868	\$ 459,111
Fund Balance	\$ (52,038)	\$ (13,001)	\$ (467,868)	\$ (459,111)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Non-Departmental

This page intentionally left blank.

Department Overview

Budget Units

Budget Unit	Program	2025 Proposed Budget
Non-Departmental		\$ 18,311,642
100-90-001	General Fund Non-Departmental	\$ 7,372,862
281-90-001	Tree Fund Non-Departmental	\$ 15,000
365-90-001	Debt Service Non-Departmental	\$ -
429-90-001	Capital Reserve Non-Departmental	\$ 8,247,580
365-90-500	Facility Lease Debt Service	\$ 2,676,200
Total		\$ 18,311,642

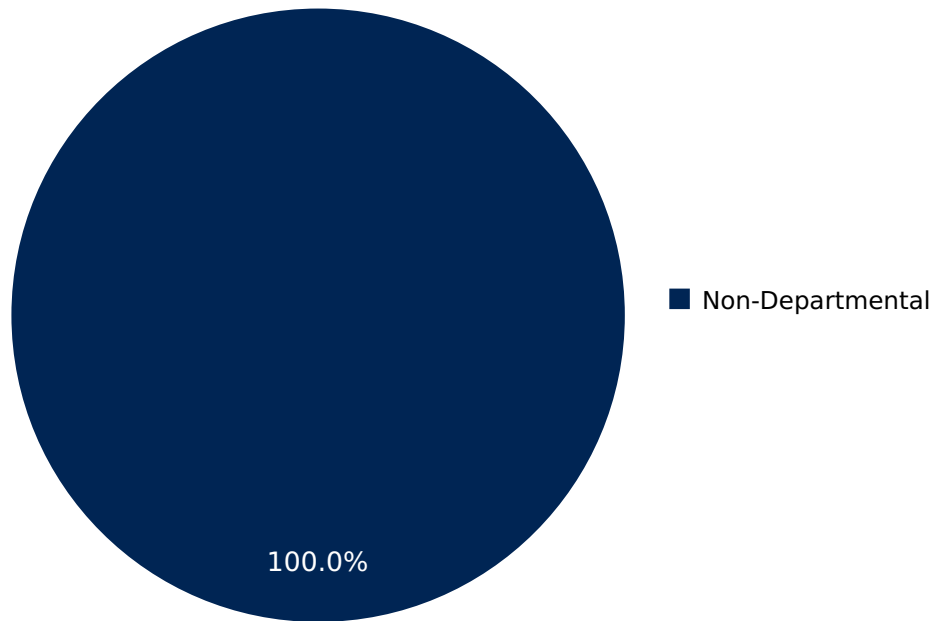
Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ 66,036,967
Total Expenditures	\$ 18,311,642
Fund Balance	\$ (8,260,580)
General Fund Costs	\$ (55,985,905)
% Funded by General Fund	-305.7%
Total Staffing	FTE

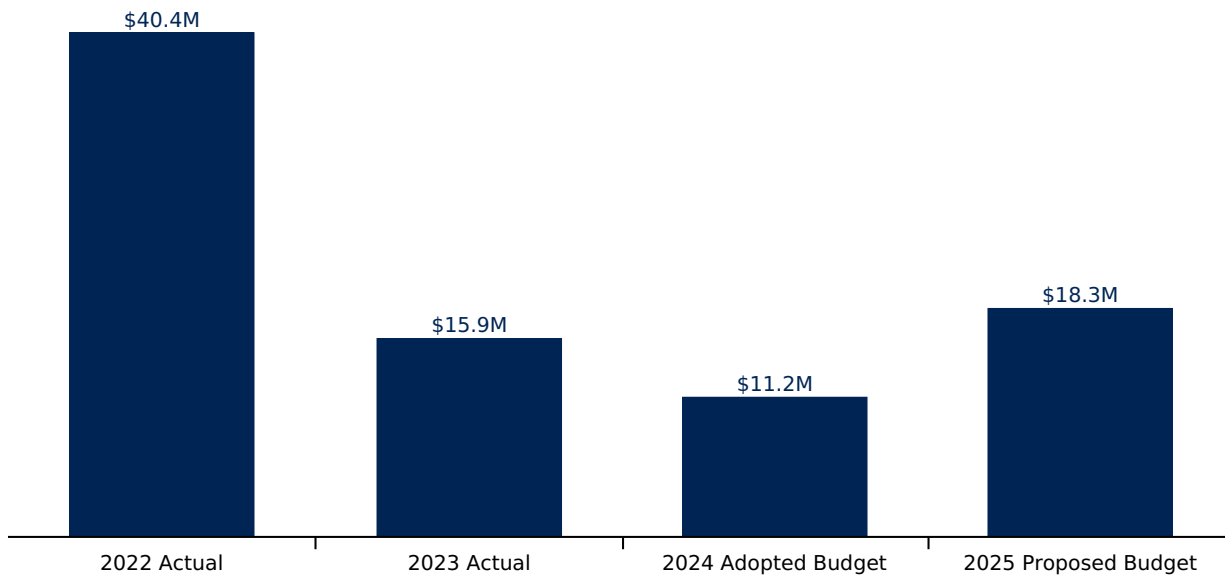
Proposed Budget

It is recommended that City Council approve a budget of \$18,311,642 for the Non-Departmental department. This represents an increase of \$7,116,939 (63.6%) from the FY 2023-24 Adopted Budget.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Sales Tax	\$ 42,175,218	\$ 34,819,341	\$ 11,428,930	\$ 11,648,962
Property Tax	\$ 29,724,411	\$ 31,889,638	\$ 31,736,834	\$ 33,174,977
Transient Occupancy Tax	\$ 4,404,958	\$ 7,062,150	\$ 7,500,000	\$ 7,731,947
Utility Tax	\$ 3,356,389	\$ 4,103,906	\$ 3,304,742	\$ 4,130,140
Franchise Fees	\$ 3,479,555	\$ 3,995,018	\$ 3,443,574	\$ 3,509,346
Other Taxes	\$ 1,905,393	\$ 1,471,789	\$ 1,641,486	\$ 1,684,329
Licenses and Permits	\$ 30,624	\$ 29,235	\$ 30,081	\$ 30,866
Use of Money and Property	\$ (6,551,013)	\$ 2,141,810	\$ 1,701,000	\$ 4,026,000
Intergovernmental Revenue	\$ 3,783,539	\$ 6,261,952	\$ 120,516	\$ 100,400
Charges for Services	\$ 6,264	\$ 10,639	\$ -	\$ -
Miscellaneous Revenue	\$ 922,328	\$ 141,840	\$ -	\$ -
Transfers In	\$ 1,333,773	\$ -	\$ -	\$ -
Total Revenues	\$ 84,571,439	\$ 91,927,318	\$ 60,907,163	\$ 66,036,967
Expenditures				
Materials	\$ 17,511	\$ 26,036	\$ 17,503	\$ 23,264
Contract Services	\$ -	\$ 1,500	\$ -	\$ -
Capital Outlays	\$ 750	\$ 675	\$ -	\$ -
Debt Service	\$ 2,676,000	\$ 2,675,800	\$ 2,677,600	\$ 2,676,200
Transfers Out	\$ 37,709,912	\$ 13,195,587	\$ 8,499,600	\$ 15,612,178
Total Expenditures	\$ 40,404,173	\$ 15,899,598	\$ 11,194,703	\$ 18,311,642
Fund Balance	\$ (1,905,941)	\$ 4,546,486	\$ (2,041,000)	\$ (8,260,580)
General Fund Costs	\$ (46,073,207)	\$ (71,481,233)	\$ (51,753,460)	\$ (55,985,905)

Staffing

There is no staffing associated with this department.

General Fund Non-Departmental

Budget Unit 100-90-001

General Fund - Non-Departmental - General Fund Non-Departmental

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 66,034,967
Total Expenditures	\$ 7,372,862
Fund Balance	\$ -
General Fund Costs	\$ (58,662,105)
% Funded by General Fund	-795.6%
Total Staffing	FTE

Program Overview

Non-Departmental programs encompass a variety of revenues that are not directly tied to any specific department or program. These revenues include sales tax, property tax, and transient occupancy tax revenues, which are then allocated to various departments as required.

Additionally, Non-Departmental programs also account for the transfers of monies between various funds, which provide subsidies and resources to the receiving fund to support operating, debt service, and capital project costs. General Fund subsidies are included in these transfers, which are evaluated annually to ensure that funds outside of the General Fund end the year with sufficient fund balance. Typically, transfers are made to Special Revenue and Enterprise Funds that require subsidies due to their revenues falling short of full program costs. Furthermore, the City has recurring transfers to fund the costs associated with Annual Debt Payment and Compensated Absences.

For more detailed information on General Fund revenues, please refer to the Financial Schedules: General Fund Revenues.

Proposed Budget

It is recommended that City Council approve a budget of \$7,372,862 for the General Fund Non-Departmental program. This represents an increase of \$897,759 (13.9%) from the FY 2023-24 Adopted Budget.

Transfers from the General Fund are as follows:

Receiving Fund	Description	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget
Transportation Fund	Sidewalk, Curb, and Gutter Maintenance	2,500,000	1,500,000
Debt Service Fund	Annual Debt Payment	2,677,600	2,676,200
Blackberry Farm Fund	Blackberry Farm Golf		55,000
Sports Center Fund	Sports Center		434,000
Innovation & Technology Fund	IT Infrastructure	900,000	200,000
Compensated Absences/LTD Fund	Compensated Absences	380,000	591,000
Retiree Medical Fund	Retiree Medical		1,609,045
Total		\$6,457,600	\$7,749,245

Department	Budget Unit	Grouping	Service-Level Reduction	Fiscal Impact	Service-Level Impact Narrative
Non-Departmental	Non-Departmental (Transfers Out)	Infrastructure	Transfers Out	\$(2,000,000)	City will initiate and complete CIP projects with the current Capital Reserve fund. A reduction in capital renewal will lead to a long-term aging of infrastructure impacting the attractiveness of this infrastructure to the public.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Sales Tax	\$ 42,175,218	\$ 34,819,341	\$ 11,428,930	\$ 11,648,962
Property Tax	\$ 29,724,411	\$ 31,889,638	\$ 31,736,834	\$ 33,174,977
Transient Occupancy Tax	\$ 4,404,958	\$ 7,062,150	\$ 7,500,000	\$ 7,731,947
Utility Tax	\$ 3,356,389	\$ 4,103,906	\$ 3,304,742	\$ 4,130,140
Franchise Fees	\$ 3,479,555	\$ 3,995,018	\$ 3,443,574	\$ 3,509,346
Other Taxes	\$ 1,905,393	\$ 1,471,789	\$ 1,641,486	\$ 1,684,329
Licenses and Permits	\$ 30,624	\$ 29,235	\$ 30,081	\$ 30,866
Use of Money and Property	\$ (6,137,120)	\$ 2,353,658	\$ 1,700,000	\$ 4,024,000
Intergovernmental Revenue	\$ 3,783,539	\$ 6,261,952	\$ 120,516	\$ 100,400
Charges for Services	\$ 6,264	\$ 5,829	\$ -	\$ -
Miscellaneous Revenue	\$ 922,328	\$ 141,840	\$ -	\$ -
Transfers In	\$ 1,333,773	\$ -	\$ -	\$ -
Total Revenues	\$ 84,985,332	\$ 92,134,356	\$ 60,906,163	\$ 66,034,967
Expenditures				
Materials	\$ 17,511	\$ 26,036	\$ 17,503	\$ 23,264
Capital Outlays	\$ 750	\$ 675	\$ -	\$ -
Transfers Out	\$ 26,272,864	\$ 12,334,447	\$ 6,457,600	\$ 7,349,598
Total Expenditures	\$ 26,291,125	\$ 12,361,158	\$ 6,475,103	\$ 7,372,862
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (58,694,207)	\$ (79,773,197)	\$ (54,431,060)	\$ (58,662,105)

Staffing

There is no staffing associated with this program.

Tree Fund Non-Departmental

Budget Unit 281-90-001

Tree Fund - Non-Departmental - Tree Fund Non-Departmental

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ 2,000
Total Expenditures	\$ 15,000
Fund Balance	\$ (13,000)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

Transfers represent transfers of monies between various funds. Tree Fund revenues are from in-lieu tree replacement fees and tree damage and removal fees. The revenues are transferred to the Street Tree Maintenance program to pay for new and replacement trees.

Proposed Budget

It is recommended that City Council approve a budget of \$15,000 for the Tree Fund Non-Departmental program. This budget is unchanged from the prior year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ (4,370)	\$ 1,823	\$ 1,000	\$ 2,000
Charges for Services	\$ -	\$ 4,810	\$ -	\$ -
Total Revenues	\$ (4,370)	\$ 6,633	\$ 1,000	\$ 2,000
Expenditures				
Transfers Out	\$ 15,000	\$ 61,140	\$ 15,000	\$ 15,000
Total Expenditures	\$ 15,000	\$ 61,140	\$ 15,000	\$ 15,000
Fund Balance	\$ (19,370)	\$ (54,507)	\$ (14,000)	\$ (13,000)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Debt Service Non-Departmental

Budget Unit 365-90-001

Public Facilities Corp - Non-Departmental - Debt Service Non-Departmental

Budget at a Glance

	2025 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ 2,676,200
General Fund Costs	\$ 2,676,200
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

The Debt Service Non-Departmental Program accounts for the refinancing of debt instruments for the City's Public Facilities Corporation.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ -	\$ (5,099)	\$ -	\$ -
Total Revenues	\$ -	\$ (5,099)	\$ -	\$ -
Expenditures				
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Fund Balance	\$ 2,621,000	\$ 2,670,701	\$ 2,677,600	\$ 2,676,200
General Fund Costs	\$ 2,621,000	\$ 2,675,800	\$ 2,677,600	\$ 2,676,200

Staffing

There is no staffing associated with this program.

Capital Reserve Non-Departmental

Budget Unit 429-90-001

Capital Reserve - Non-Departmental - Capital Reserve Non-Departmental

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 8,247,580
Fund Balance	\$ (8,247,580)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

Transfers represent transfers of monies between various funds. These transfers provide subsidies and resources to the receiving fund to support operating, debt service, and capital project costs. General Fund subsidies to other funds and funding of capital projects are included in transfers.

Transfers out from the Capital Reserve vary from year to year depending on the projects selected in the Capital Improvement Program. In addition, funding sources for each project are reviewed and then allocated appropriately. After this review, the remaining balance of the project left to fund is then transferred from the Capital Reserve Fund.

Proposed Budget

It is recommended that City Council approve a budget of \$8,247,580 for the Capital Reserve Non-Departmental program. This represents an increase of \$6,220,580 (306.9%) from the FY 2023-24 Adopted Budget.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Use of Money and Property	\$ (409,523)	\$ (208,572)	\$ -	\$ -
Total Revenues	\$ (409,523)	\$ (208,572)	\$ -	\$ -
Expenditures				
Transfers Out	\$ 11,422,048	\$ 800,000	\$ 2,027,000	\$ 8,247,580
Total Expenditures	\$ 11,422,048	\$ 800,000	\$ 2,027,000	\$ 8,247,580
Fund Balance	\$ (1,831,571)	\$ 4,607,592	\$ (2,027,000)	\$ (8,247,580)
General Fund Costs	\$ 10,000,000	\$ 5,616,164	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Facility Lease Debt Service

Budget Unit 365-90-500

Public Facilities Corp - Non-Departmental - Facility Lease Debt Service

Budget at a Glance

2025 Proposed Budget	
Total Revenues	\$ -
Total Expenditures	\$ 2,676,200
Fund Balance	\$ (2,676,200)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

The Debt Service Program accounts for the payment of principal and interest and associated administrative costs incurred with the issuance of debt instruments for the City's Public Facilities Corporation. The budget funds the Corporation's annual payment of principal and interest on the City Hall/Library, Wilson/Memorial Open Space, and Library Certificates of Participation (COP) that will be paid off by the year 2030.

The majority of the borrowings occurred in early 1990 to acquire additional park real estate and expand community facilities. A breakdown of the capital acquisitions follows:

- Increased 90 acres of park real estate to 190 acres, a 111% increase
- Increased 26,031 sq ft of recreation building space to 84,460 sq ft, a 224% increase

Specific purchases included:

- Blackberry Farm - \$18 million, voter-approved debt
- Creekside Park - \$12 million, voter-approved debt
- Sports Center - \$8 million
- Quinlan Community Center, including park real estate - \$6.1 million
- Wilson Park and improvements - \$5.6 million
- Jollyman Park development - \$1 million
- City Hall renovation/improvements - \$1.7 million
- Library renovation/improvements - \$1.7 million
- New Library and Community Hall - \$10 million

Most recently, the City added debt to fund the new Library and Community Hall in 2004.

In May 2012, the Corporation refinanced its \$44 million in outstanding debt to lower the interest rate and save approximately \$350,000 per year in debt payments. On September 29, 2020, the City's 2020A Certificates of Participation (2020 COPs) were successfully sold to refund the City's 2012 Certificates of Participation for debt service savings. The refunding generated net present value savings of approximately \$3.14 million, 11.61% of refunded par, and a True Interest Cost of 0.72%. Savings to the City's General Fund amounts to approximately \$494,000 per year for the next ten years or almost \$5 million in total savings.

Schedule of Lease Payments

Bond Year (Ending June 1)	Principal	Interest	Annual Lease Payment
2024	2,035,000	642,600	2,677,600
2025	2,115,000	561,200	2,676,200
2026	2,200,000	476,600	2,676,600
2027	2,285,000	388,600	2,673,600
2028	2,380,000	297,200	2,677,200
2029	2,475,000	202,000	2,677,000
2030	2,575,000	103,000	2,678,000
Total	\$16,065,000	\$2,671,200	\$18,736,200

Proposed Budget

It is recommended that City Council approve a budget of \$2,676,200 for the Facility Lease Debt Service program. This represents a decrease of \$1,400 (-0.1%) from the FY 2023-24 Adopted Budget.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ -	\$ 1,500	\$ -	\$ -
Debt Service	\$ 2,676,000	\$ 2,675,800	\$ 2,677,600	\$ 2,676,200
Total Expenditures	\$ 2,676,000	\$ 2,677,300	\$ 2,677,600	\$ 2,676,200
Fund Balance	\$ (2,676,000)	\$ (2,677,300)	\$ (2,677,600)	\$ (2,676,200)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Appendix

This page intentionally left blank.

Unfunded Needs

Departments have identified the following projects as unfunded needs, which refer to priority projects that lack sufficient funding to be implemented at this time.

Project	Description	Estimated Cost	One-time or Ongoing	Funding Status
ADMINISTRATIVE SERVICES				
Training Investment	California Association of Public Procurement Officials (CAPPO) 2025 Conference - in Person	\$ 1,500	One-time	Unfunded
Training Investment	Successful Scope of Work Development (5 @ \$195/ea) National Institute of Governmental Purchasing, Inc (NIGP)	\$ 1,000	One-time	Unfunded
Analytic Support	Student Intern for support with Presentation Development, Handout Materials, Policy comparison	\$ 5,000	One-time	Unfunded
Professional Purchasing Support	Professional Consultant to Research and develop bid and quote documents	\$ 15,000	One-time	Unfunded
Professional Purchasing Support	Consultant to draft training presentations for citywide staff including contract development, contract negotiations, Request For Proposal use	\$ 20,000	Ongoing	Unfunded
Professional Purchasing Support	Consultant to develop template for documenting and achieving the Achievement of Excellence in Procurement (AEP) Award	\$ 15,000	One-time	Unfunded
Citywide Analyst Classification Study	Consultant study of citywide analyst classifications	\$ 10,000	One-time	Unfunded
Succession Planning	Hire consultant to assist with developing a succession plan for the city	\$ 20,000	One-time	Unfunded
Human Resources Support	Part-time staff support for recommended centralized citywide training model	\$ 52,360	Ongoing	Unfunded
TOTAL ADMINISTRATIVE SERVICES		\$ 139,860		
INNOVATION & TECHNOLOGY				
Data Warehouse	Central Repository for all enterprise application data.	\$ 200,000	One-time	Unfunded
LMS Expansion - Training Certification	Add training certification module to HUB Learning Management System	\$ 30,000	One-time	Unfunded
New World Enhancements	Address the deficiencies identified in the Needs Analysis of New World ERP	\$ 75,000	One-time	Unfunded
Enhanced Email Threat Detection/Response	Five year contract for enhanced email threat detection and response.	\$ 50,000	One-time	Unfunded
Senior Center Pojection System	Procurement and Installation of a ceiling mount laser projector and a projection screen.	\$ 45,000	One-time	Unfunded
Expansion of FHDA Internship Program	Expand FHDA Internship Program to all students, irrespective of income level	\$ 160,000	One-time	Unfunded
TOTAL INNOVATION & TECHNOLOGY		\$ 560,000		
PUBLIC WORKS				
Facilities: Senior Center Maintenance	Senior Center ADA Push Button Installation	\$ 15,000	One-time	Unfunded
Facilities: Senior Center Maintenance	Senior Center Locking Cabinets	\$ 15,000	One-time	Unfunded
Facilities: McClellan Ranch Maintenance	EEC Door Repair	\$ 40,000	One-time	Unfunded
Facilities: Golf Course Maintenance	Golf Course Pro Shop Counter Replacement	\$ 10,000	One-time	Unfunded
Facilities: Golf Course Maintenance	Golf Course Men's Restroom Partition Replacement	\$ 12,000	One-time	Unfunded
Facilities: Sports Center Maintenance	Sports Center Awning Replacement	\$ 20,000	One-time	Unfunded
Facilities: Sports Center Maintenance	Sports Center Breakroom Reconfig	\$ 30,000	One-time	Unfunded
Facilities: Sports Center Maintenance	Sports Center Lobby Wall Extension	\$ 6,000	One-time	Unfunded
TOTAL PUBLIC WORKS		\$ 148,000		

CIP Schedule

Project	Program	External Funding	City Funding	Total Proposed Budget
Bollinger Road Corridor	270-99-270	425,600	106,400	532,000
Roadway Safety Improvements - High Friction Pavement & Speed Feedback Signage	270-99-271	3,205,620	356,180	3,561,800
ADA Improvements	420-99-007	-	100,000	100,000
CIP Preliminary Planning & Design	420-99-047	-	125,000	125,000
Capital Project Support	420-99-048	-	50,000	50,000
Street Light Installation - Annual Infill	420-99-056	-	35,000	35,000
Annual Playground Replacement	420-99-085	-	300,000	300,000
Electric Vehicle Charging Station (EVCS) Expansion - Service Center	420-99-272	-	560,000	560,000
McClellan Road Bridge Replacement	420-99-273	5,850,000	-	5,850,000
Photovoltaic Systems Design & Installation	420-99-274	-	6,300,000	6,300,000
Vai Avenue Outfall	420-99-275	-	490,000	490,000
TOTAL		\$ 9,481,220	\$ 8,422,580	\$ 17,903,800

The City's Capital Improvement Programs (CIP) details will be included in the City's CIP book that is produced by the CIP division of the Public Works department. Additional details on these and other CIP projects can be found there.

Budgeted appropriations for CIP Preliminary Planning & Design and Capital Project Support are part of the CIP base budget. As these are not projects they were not presented to the Council at the CIP study session, but are being included here to show the total CIP budget.

All Funds Forecast Schedule

General Fund Revenues

Classification	2022-23 Actual	2023-24 Adopted	2023-24 Estimate	2024-25 Proposed	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
Sales Tax	34,819,341	11,428,930	11,428,930	11,648,962	12,025,954	12,408,850	12,408,850	12,803,551
Property Tax	31,889,638	31,736,834	31,736,834	33,174,977	34,262,861	35,349,411	36,422,106	37,506,807
Transient Occupancy Tax	7,062,150	7,500,000	7,500,000	7,731,947	7,957,139	8,176,133	8,176,133	8,378,839
Utility Tax	4,103,906	3,304,742	4,100,000	4,130,140	4,160,411	4,190,815	4,190,815	4,221,265
Franchise Fees	3,995,018	3,443,574	3,443,574	3,509,346	3,575,156	3,640,967	3,640,967	3,705,608
Other Taxes	1,471,789	1,641,486	1,641,486	1,684,329	1,728,964	1,768,384	1,768,384	1,808,880
Licenses and Permits	4,093,631	4,265,081	34,012,361	3,665,866	3,684,195	3,702,616	3,702,616	3,721,129
Use of Money and Property	3,005,895	2,328,336	2,328,336	4,697,122	4,868,409	4,963,466	4,963,466	5,163,938
Intergovernmental	7,771,411	807,624	1,571,820	2,471,990	2,484,350	2,496,772	2,496,772	2,509,256
Charges for Services	11,639,763	11,894,786	14,207,507	15,123,336	15,749,558	16,336,114	16,336,114	16,867,851
Fines and Forfeitures	303,573	405,000	405,000	395,000	395,000	395,000	395,000	395,000
Miscellaneous	1,306,454	1,142,836	1,160,642	1,210,653	1,266,420	1,320,940	1,320,940	1,320,940
Transfers In	861,140	15,000	111,000	15,000	15,000	15,000	15,000	15,000
Other Financing Sources	272,396	367,000	483,779	367,000	-	-	-	-
TOTAL REVENUES	112,596,103	80,281,229	114,131,269	89,825,668	92,173,417	94,764,468	95,837,163	98,418,064

General Fund Expenditures

Classification	2022-23 Actual	2023-24 Adopted	2023-24 Estimate	2024-25 Proposed	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
Employee Compensation and Benefits	30,224,422	35,786,222	35,557,953	34,717,693	34,798,917	36,345,385	37,108,271	38,672,280
Personnel Costs	30,224,422	35,786,222	35,557,953	34,717,693	34,798,917	36,345,385	37,108,271	38,672,280
Materials	5,507,090	6,395,466	7,460,462	5,773,144	5,926,132	6,061,248	6,198,838	6,340,792
Contract Services	21,845,913	24,813,166	30,547,145	29,115,394	30,255,380	31,344,118	32,474,061	33,650,459
Cost Allocation	10,385,961	10,257,656	10,257,656	10,638,580	10,931,141	11,231,747	11,540,620	11,857,987
Capital Outlays	19,686	-	453,536	-	211,356	216,175	221,082	226,145
Special Projects	3,000,429	1,211,157	29,714,690	1,165,000	528,391	540,438	552,706	565,363
Contingencies	277	216,731	216,731	254,580	217,059	222,008	227,048	232,247
Other Financing Uses	619,687	925,000	1,481,153	925,000	-	-	-	-
Non-Personnel Costs	41,379,044	43,819,176	80,131,373	47,871,698	48,069,459	49,615,735	51,214,357	52,872,994
Transfers	12,334,447	6,457,600	6,595,284	7,349,598	8,449,600	7,555,258	7,079,200	7,079,000
TOTAL EXPENDITURES	83,937,913	86,062,998	122,284,610	89,938,989	91,317,977	93,516,378	95,401,828	98,624,274

General Fund Fund Balance

Classification	2022-23 Actual	2023-24 Adopted	2023-24 Estimate	2024-25 Proposed	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
Beginning Balance	110,169,541	113,496,269	138,827,732	150,056,723	149,943,402	150,798,843	152,046,933	152,482,269
Unassigned	73,864,369	47,146,398	26,593,360	22,830,029	23,763,967	20,871,494	17,432,865	12,952,949
All Other Classifications	64,963,363	60,319,373	123,463,363	127,113,373	127,034,876	131,175,439	135,049,404	139,323,110
Ending Balance	138,827,732	107,465,771	150,056,723	149,943,402	150,798,843	152,046,933	152,482,269	152,276,059

Special Revenue Fund Revenues

Classification	2022-23 Actual	2023-24 Adopted	2023-24 Estimate	2024-25 Proposed	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
STORM DRAIN IMPROVEMENT (FUNDS 210, 215)								
406-Taxes	73,912	131,135	131,135	95,604	95,604	95,604	95,604	95,604
420-Use of Money	21,801	51,000	51,000	59,000	-	-	-	-
TOTAL	95,713	182,135	182,135	154,604	95,604	95,604	95,604	95,604
ENVIRON. MGMT./CLEAN CREEKS/STORM DRAIN (FUND 230)								
420-Use of Money	4,476	9,000	9,000	10,000	-	-	-	-
421-Transfer In	-	-	-	279,000	500,000	500,000	500,000	500,000
430-Fines and Forfeitures	23,371	3,563	3,563	20,000	20,000	20,000	20,000	20,000
450-Charges for Services	1,498,017	1,498,201	1,498,201	1,865,000	1,865,000	1,865,000	1,865,000	1,865,000
TOTAL	1,525,864	1,510,764	1,510,764	2,174,000	2,385,000	2,385,000	2,385,000	2,385,000
HOUSING & COMMUNITY DEVELOPMENT (FUNDS 260, 261, 265)								
406-Taxes	170,824	4,532,926	4,532,926	4,532,926	4,532,926	4,532,926	4,532,926	4,532,926
420-Use of Money	40,212	86,300	86,300	145,944	145,944	145,944	145,944	145,944
421-Transfer In	25,000	-	-	-	-	-	-	-
440-Intergovernmental	196,616	588,886	588,886	218,437	218,437	218,437	218,437	218,437
450-Charges for Services	1,640	-	-	-	-	-	-	-
480-Miscellaneous Revenue	28,082	-	-	-	-	-	-	-
TOTAL	462,374	5,208,112	5,208,112	4,897,307	4,897,307	4,897,307	4,897,307	4,897,307
TRANSPORTATION (FUNDS 270, 271)								
420-Use of Money	222,981	169,000	169,000	368,000	368,000	368,000	368,000	368,000
421-Transfer In	3,000,000	2,500,000	3,449,019	1,962,580	1,000,000	1,000,000	1,000,000	1,000,000
440-Intergovernmental	3,385,823	3,164,952	3,164,952	4,934,170	3,165,000	3,165,000	3,165,000	3,165,000
450-Charges for Services	72,211	-	-	15,000	-	-	-	-
480-Miscellaneous Revenue	2,000	-	-	-	-	-	-	-
TOTAL	6,683,015	5,833,952	6,782,971	7,279,750	4,533,000	4,533,000	4,533,000	4,533,000
PARK DEDICATION (FUND 280)								
406-Taxes	646,767	-	-	-	-	-	-	-
420-Use of Money	275,840	256,000	256,000	478,000	-	-	-	-
TOTAL	922,607	256,000	256,000	478,000	-	-	-	-
TREE (FUND 281)								
420-Use of Money	1,823	1,000	1,000	2,000	-	-	-	-
450-Charges for Services	4,810	-	-	-	-	-	-	-
TOTAL	6,633	1,000	1,000	2,000	-	-	-	-
TOTAL SPECIAL REVENUE FUNDS	9,696,206	12,991,963	13,940,982	14,985,661	11,910,911	11,910,911	11,910,911	11,910,911

Special Revenue Fund Expenditures

Program	2022-23 Actual	2023-24 Adopted	2023-24 Estimate	2024-25 Proposed	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
STORM DRAIN IMPROVEMENT (FUND 210, 215)								
210-99-256 Pumpkin/Fiesta Storm Drain Ph1	135,840	-	1,816,039	-	-	-	-	-
TOTAL	135,840	-	1,816,039	-	-	-	-	-
ENVIRON. MGMT./CLEAN CREEKS/STORM DRAIN (FUND 230)								
230-81-802 Non Point Source	1,085,700	1,177,495	1,339,795	1,482,352	1,482,352	1,482,352	1,482,352	1,482,352
230-81-853 Storm Drain Fee	703	25,924	48,643	-	-	-	-	-
230-81-854 General Fund Subsidy	9,331	23,164	23,164	11,102	-	-	-	-
230-81-855 Storm Drain Maintenance	519,644	1,007,007	1,281,737	429,726	429,726	429,726	429,726	429,726
TOTAL	1,615,378	2,233,590	2,693,339	1,923,180	1,912,078	1,912,078	1,912,078	1,912,078
HOUSING & COMMUNITY DEVELOPMENT (FUND 260, 261, 265)								
260-72-707 CDBG General Admin	147,484	132,070	138,707	185,643	185,643	185,643	185,643	185,643
260-72-709 CDBG Capital/Housing Projects	65,818	460,487	460,487	460,487	460,487	460,487	460,487	460,487
260-72-710 CDBG Public Service Grants	59,460	55,028	55,028	55,028	55,028	55,028	55,028	55,028
260-90-001 No Department	-	-	367,951	-	-	-	-	-
265-72-711 BMR Affordable Housing Fund	753,958	985,203	1,273,591	722,539	722,539	722,539	722,539	722,539
TOTAL	1,026,720	1,632,788	2,295,764	1,423,697	1,423,697	1,423,697	1,423,697	1,423,697
TRANSPORTATION (FUNDS 270, 271)								
270-85-820 Sidewalk Curb and Gutter	652,070	1,795,414	3,494,275	1,323,980	1,323,980	1,323,980	1,323,980	1,323,980
270-85-821 Street Pavement Maintenance	4,207,238	3,945,450	8,506,272	4,465,079	4,465,079	4,465,079	4,465,079	4,465,079
270-85-822 Street Sign Marking	797,972	778,930	854,769	722,319	722,319	722,319	722,319	722,319
270-90-954 Monument Gateway Sign	-	-	25,859	-	-	-	-	-
270-90-958 Orange and Byrne Sidewalk Impv	1,683,609	-	399,990	-	-	-	-	-
270-90-960 Bridge Rehab Minor	16,865	-	497,082	-	-	-	-	-
270-99-087 Traffic Calming	197,741	-	-	-	-	-	-	-
270-99-269 McClellan Rd Separated Bike Ph3	-	-	1,923,552	-	-	-	-	-
270-99-270 Bollinger Rd Corridor Design	-	-	-	106,400	-	-	-	-
270-99-271 Rdway Safety Improvements - HSIP	-	-	-	356,180	-	-	-	-
270-99-856 Homestead/DeAnza Signal Upgrade	319,332	-	98,132	-	-	-	-	-
TOTAL	7,874,827	6,519,794	15,799,931	6,973,958	6,511,378	6,511,378	6,511,378	6,511,378
PARK DEDICATION (FUND 280)								
280-99-009 Lawrence-Mitty Park	103,342	-	6,009,469	-	-	-	-	-
280-99-066 MRP Community Grdn Improv-Const	-	-	32,900	-	-	-	-	-
280-99-253 Memorial Park-Amphitheater Imprv	1,150,000	-	-	-	-	-	-	-
280-99-254 Memorial Park-Pond Repurposing	1,653,913	-	1,226,560	-	-	-	-	-
280-99-255 Memorial Park-Specific Plan Des	500,000	-	-	-	-	-	-	-
TOTAL	3,407,255	-	7,268,929	-	-	-	-	-
TREE FUND (FUND 281)								
281-90-001 No Department	61,140	15,000	15,000	15,000	15,000	15,000	15,000	15,000
TOTAL	61,140	15,000	15,000	15,000	15,000	15,000	15,000	15,000
TOTAL SPECIAL REVENUE FUNDS	14,121,160	10,401,172	29,889,002	10,335,835	9,862,153	9,862,153	9,862,153	9,862,153

Debt Service Fund Revenues

Classification	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Adopted	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
PUBLIC FACILITIES CORPORATION (FUND 365)								
420-Use of Money	(5,099)	-	-	-	-	-	-	-
421-Transfer In	2,675,800	2,677,600	2,677,600	2,676,200	2,676,600	2,673,600	2,677,200	2,677,000
TOTAL	2,670,701	2,677,600	2,677,600	2,676,200	2,676,600	2,673,600	2,677,200	2,677,000
TOTAL DEBT SERVICE FUNDS	2,670,701	2,677,600	2,677,600	2,676,200	2,676,600	2,673,600	2,677,200	2,677,000

Debt Service Fund Expenditures

Program	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Adopted	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
PUBLIC FACILITIES CORPORATION (FUND 365)								
365-90-500 Facility Lease	2,677,300	2,677,600	2,677,600	2,676,200	2,676,200	2,676,600	2,673,600	2,677,200
TOTAL	2,677,300	2,677,600	2,677,600	2,676,200	2,676,200	2,676,600	2,673,600	2,677,200
TOTAL DEBT SERVICE FUNDS	2,677,300	2,677,600	2,677,600	2,676,200	2,676,200	2,676,600	2,673,600	2,677,200

Capital Project Fund Revenues

Classification	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Adopted	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
CAPITAL IMPROVEMENT PROJECTS (FUND 420)								
420-Use of Money	(118,119)	-	-	-	-	-	-	-
421-Transfer In	838,147	2,027,000	3,746,717	7,785,000	-	-	-	-
440-Intergovernmental	536,911	-	3,192,974	-	-	-	-	-
450-Charges for Services	51,675	-	15,000	-	-	-	-	-
480-Miscellaneous Revenue	109,855	-	-	-	-	-	-	-
TOTAL	1,418,469	2,027,000	6,954,691	7,785,000	-	-	-	-
CAPITAL RESERVE (FUND 429)								
420-Use of Money	(803)	-	-	-	-	-	-	-
TOTAL	(803)	-	-	-	-	-	-	-
CAPITAL RESERVE (FUND 429)								
420-Use of Money	(208,572)	-	-	-	-	-	-	-
421-Transfer In	5,616,164	-	-	-	-	-	-	-
TOTAL	5,407,592	-	-	-	-	-	-	-
TOTAL CAPITAL PROJECT FUNDS	6,825,258	2,027,000	6,954,691	7,785,000	-	-	-	-

Capital Project Fund Expenditures

Program	2022-23 Actual	2023-24 Adopted	2023-24 Estimate	2024-25 Proposed	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
CAPITAL IMPROVEMENT PROJECTS (FUND 420)								
420-90-001 No Department	23,600	-	948,552	-	-	-	-	-
420-90-898 SSCP Chain MP-MCLN TO SCB	203,322	-	-	-	-	-	-	-
420-90-938 Pub Bldg Solar Service Center	-	-	18,571	-	-	-	-	-
420-90-971 STLG/280 Ped Bridge Lighting	-	-	46,449	-	-	-	-	-
420-99-004 MR Community Garden Improvements	-	-	1,099	-	-	-	-	-
420-99-007 ADA Improvements	17,518	100,000	298,683	100,000	-	-	-	-
420-99-014 Stevens Crk Bank Repair Concept	-	-	30,216	-	-	-	-	-
420-99-030 MCClellan West-Parking Lot Impro	44,698	-	59,037	-	-	-	-	-
420-99-036 2016 Bike Plan Implementation	1,668,707	-	8,065,047	-	-	-	-	-
420-99-040 Retaining Wall Repair-Cordova Rd	8	-	-	-	-	-	-	-
420-99-047 CIP Prelim Planning & Design	1,519	125,000	125,506	125,000	125,000	125,000	125,000	125,000
420-99-048 Capital Project Support	8,450	50,000	60,650	50,000	50,000	50,000	50,000	50,000
420-99-051 Inclusive Play Area - Planning	196,735	-	4,443,152	-	-	-	-	-
420-99-056 St Light Install - Annual Infill	90,084	35,000	193,732	35,000	-	-	-	-
420-99-063 CW Bldg Condition Assess Impl	111,164	1,000,000	1,901,632	-	-	-	-	-
420-99-068 Regnart Road Improvements	29,002	-	1,790,073	-	-	-	-	-
420-99-069 School Walk Audit Implementation	136,467	-	939,405	-	-	-	-	-
420-99-070 SCB/Bandley Signal & Median Imps	-	-	142,208	-	-	-	-	-
420-99-072 St Light Replacement CW (labor)	-	-	99,330	-	-	-	-	-
420-99-073 BBF Park Pool Improvements	36,355	-	710,704	-	-	-	-	-
420-99-074 Interim City Hall	465,012	-	-	-	-	-	-	-
420-99-077 Library Expansion	157,879	-	422,755	-	-	-	-	-
420-99-078 Civic Center Parking Analysis	851,277	-	-	-	-	-	-	-
420-99-079 Mary Ave Protected Bikeway	29,687	-	49,000	-	-	-	-	-
420-99-083 Citywide Community Garden	275,478	-	52,672	-	-	-	-	-
420-99-085 Playground EQ (Creekside&Varian)	286,856	300,000	900,082	300,000	-	-	-	-
420-99-086 Various Park Amenities	99,775	-	471,221	-	-	-	-	-
420-99-248 10455 Torre Ave Improvements	364,772	-	2,595,211	-	-	-	-	-
420-99-249 Carmen Road Bridge Right-of-Way	-	-	72,700	-	-	-	-	-
420-99-250 City Hall & Community Hall Imprv	(155)	-	454,037	-	-	-	-	-
420-99-251 EV Parking Expansion	200,000	-	208,000	-	-	-	-	-
420-99-252 Full-Sized Outdoor Basketball Ct	471,339	-	9,917	-	-	-	-	-
420-99-255 Memorial Park-Specific Plan Des	270,516	-	379,483	-	-	-	-	-
420-99-257 Stelling/Alves Crosswalk Install	3,184	-	54,227	-	-	-	-	-
420-99-258 City Lighting LED Transition Ass	9,190	-	1,334,310	-	-	-	-	-
420-99-259 Tree Inventory-Stevens Creek Cor	54,160	-	10,840	-	-	-	-	-
420-99-262 De Anza Blvd Buffered Bike Lanes	53	-	524,947	-	-	-	-	-
420-99-266 SCB/Calabazas Creek SD Repair	-	420,000	880,000	-	-	-	-	-
420-99-267 Stevens Creek Bridge Repair	-	172,000	172,000	-	-	-	-	-
420-99-272 EVCS Expansion - Service Center	-	-	-	560,000	-	-	-	-
420-99-274 PV Systems Design & Installation	-	-	-	6,300,000	-	-	-	-
420-99-275 Vai Avenue Outfall	-	-	-	490,000	-	-	-	-
TOTAL	6,106,652	2,202,000	28,465,448	7,960,000	175,000	175,000	175,000	175,000
STEVENS CREEK CORRIDOR PARK (FUND 427)								
427-90-881 Phs II SC Corridor Park	8,432	-	7,848	-	-	-	-	-
TOTAL	8,432	-	7,848	-	-	-	-	-
CAPITAL RESERVE (FUND 429)								
429-90-001 No Department	800,000	2,027,000	3,378,766	8,247,580	-	-	-	-
TOTAL	800,000	2,027,000	3,378,766	8,247,580	-	-	-	-
TOTAL CAPITAL PROJECT FUNDS	6,915,084	4,229,000	31,852,062	16,207,580	175,000	175,000	175,000	175,000

Enterprise Fund Revenues

Classification	2022-23 Actual	2023-24 Adopted	2023-24 Estimate	2024-25 Proposed	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
RESOURCE RECOVERY (FUND 520)								
420-Use of Money	58,933	74,000	74,000	125,000	125,000	125,000	125,000	125,000
421-Transfer In	-	-	-	-	500,000	500,000	500,000	500,000
440-Intergovernmental	98,851	14,812	14,812	14,000	14,000	14,000	14,000	14,000
450-Charges for Services	1,673,401	1,529,152	1,529,152	1,645,000	1,645,000	1,645,000	1,645,000	1,645,000
TOTAL	1,831,185	1,617,964	1,617,964	1,784,000	2,284,000	2,284,000	2,284,000	2,284,000
BLACKBERRY FARM GOLF COURSE (FUND 560)								
420-Use of Money	83,708	66,250	66,250	70,000	70,000	70,000	70,000	70,000
421-Transfer In	23,600	-	-	113,000	300,000	300,000	300,000	300,000
450-Charges for Services	570,038	469,000	469,000	641,000	641,000	641,000	641,000	641,000
TOTAL	677,346	535,250	535,250	824,000	1,011,000	1,011,000	1,011,000	1,011,000
SPORTS CENTER (FUND 570)								
420-Use of Money	374,472	399,000	399,000	406,000	406,000	406,000	406,000	406,000
421-Transfer In	-	-	-	401,000	1,000,000	1,000,000	1,000,000	1,000,000
450-Charges for Services	2,756,264	2,250,000	2,250,000	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000
480-Miscellaneous Revenue	1,200	-	-	-	-	-	-	-
TOTAL	3,131,936	2,649,000	2,649,000	1,877,000	2,476,000	2,476,000	2,476,000	2,476,000
RECREATION PROGRAMS (FUND 580)								
420-Use of Money	196,406	194,000	194,000	232,000	232,000	232,000	232,000	232,000
421-Transfer In	376,000	-	-	-	-	-	-	-
450-Charges for Services	1,591,303	1,748,575	1,748,575	1,891,500	1,891,500	1,891,500	1,891,500	1,891,500
480-Miscellaneous Revenue	79	-	-	-	-	-	-	-
TOTAL	2,163,788	1,942,575	1,942,575	2,123,500	2,123,500	2,123,500	2,123,500	2,123,500
TOTAL ENTERPRISE FUNDS	7,804,255	6,744,789	6,744,789	6,608,500	7,894,500	7,894,500	7,894,500	7,894,500

Enterprise Fund Expenditures

Program	2022-23 Actual	2023-24 Adopted	2023-24 Estimate	2024-25 Proposed	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
RESOURCE RECOVERY (FUND 520)								
520-81-801 Resources Recovery	2,038,929	2,636,342	3,208,583	3,222,990	3,222,990	3,222,990	3,222,990	3,222,990
TOTAL	2,038,929	2,636,342	3,208,583	3,222,990	3,222,990	3,222,990	3,222,990	3,222,990
BLACKBERRY FARM GOLF COURSE (FUND 560)								
560-63-616 BBF Golf Course	648,065	642,342	648,222	565,885	565,885	565,885	565,885	565,885
560-84-268 Golf Grounds Maintenance	-	-	171,289	355,187	355,187	355,187	355,187	355,187
560-87-260 BBF Golf Maintenance	122,131	103,244	63,955	121,007	121,007	121,007	121,007	121,007
560-90-001 No Department	606	-	-	538	-	-	-	-
560-99-088 BBF Golf Renovation/Alt use	34,529	-	5,248	-	-	-	-	-
TOTAL	805,331	745,586	888,714	1,042,617	1,042,079	1,042,079	1,042,079	1,042,079
SPORTS CENTER (FUND 570)								
570-63-621 Sports Center Operation	2,843,086	2,840,279	2,914,832	1,657,728	1,657,728	1,657,728	1,657,728	1,657,728
570-87-836 Bldg Maint Sports Center	592,533	659,124	701,529	787,112	787,112	787,112	787,112	787,112
570-90-001 No Department	2,430	-	-	2,160	-	-	-	-
570-99-089 Spt Ctr Community Needs Analysis	-	-	25,000	-	-	-	-	-
TOTAL	3,438,049	3,499,403	3,641,361	2,447,000	2,444,840	2,444,840	2,444,840	2,444,840
RECREATION PROGRAMS (FUND 580)								
580-62-613 Youth Teen Recreation	1,099,414	1,703,251	1,703,251	1,592,949	1,592,949	1,592,949	1,592,949	1,592,949
580-63-620 Outdoor Recreation	570,148	1,086,993	1,086,993	964,224	964,224	964,224	964,224	964,224
580-90-001 No Department	1,622	-	-	1,442	-	-	-	-
580-99-090 QCC Sustainable Infrastructure	103,119	-	181,329	-	-	-	-	-
TOTAL	1,774,303	2,790,244	2,971,573	2,558,615	2,557,173	2,557,173	2,557,173	2,557,173
TOTAL ENTERPRISE FUNDS	8,056,612	9,671,575	10,710,231	9,271,222	9,267,082	9,267,082	9,267,082	9,267,082

Internal Service Fund Revenues

Classification	2022-23 Actual	2023-24 Adopted	2023-24 Estimate	2024-25 Proposed	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
INFORMATION TECHNOLOGY (FUND 610)								
420-Use of Money	(30,819)	51,000	51,000	77,000	77,000	77,000	77,000	77,000
421-Transfer In	2,537,500	900,000	1,037,684	197,000	200,000	200,000	200,000	200,000
450-Charges for Services	2,485,218	2,546,858	2,546,858	3,361,178	3,361,178	3,361,178	3,361,178	3,361,178
TOTAL	4,991,899	3,497,858	3,635,542	3,635,178	3,638,178	3,638,178	3,638,178	3,638,178
WORKERS' COMPENSATION (FUND 620)								
420-Use of Money	18,646	47,000	47,000	90,000	90,000	90,000	90,000	90,000
490-Other Sources	436,462	-	-	468,984	-	-	-	-
TOTAL	455,108	47,000	47,000	558,984	90,000	90,000	90,000	90,000
VEHICLE/EQUIPMENT REPLACEMENT (FUND 630)								
420-Use of Money	12,099	12,000	12,000	29,000	29,000	29,000	29,000	29,000
450-Charges for Services	1,568,633	1,523,066	1,523,066	1,356,136	1,356,136	1,356,136	1,356,136	1,356,136
490-Other Sources	30,158	-	-	-	-	-	-	-
TOTAL	1,610,890	1,535,066	1,535,066	1,385,136	1,385,136	1,385,136	1,385,136	1,385,136
COMPENSATED ABSENCE & LONG-TERM DISABILITY (FUND 641)								
420-Use of Money	4,435	19,000	19,000	22,000	22,000	22,000	22,000	22,000
421-Transfer In	882,000	380,000	380,000	591,000	800,000	800,000	800,000	800,000
450-Charges for Services	115,970	-	-	-	-	-	-	-
TOTAL	1,002,405	399,000	399,000	613,000	822,000	822,000	822,000	822,000
RETIREE MEDICAL (FUND 642)								
420-Use of Money	(26,554)	-	-	-	-	-	-	-
421-Transfer In	-	-	-	1,609,045	1,473,000	581,658	102,000	102,000
480-Miscellaneous Revenue	-	-	2,715,652	-	-	-	-	-
TOTAL	(26,554)	-	2,715,652	1,609,045	1,473,000	581,658	102,000	102,000
TOTAL INTERNAL SERVICE FUNDS	8,033,748	5,478,924	8,332,260	7,801,343	7,408,314	6,516,972	6,037,314	6,037,314

Internal Service Fund Expenditures

Program	2022-23 Actual	2023-24 Adopted	2023-24 Estimate	2024-25 Proposed	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
INFORMATION TECHNOLOGY (FUND 610)								
610	106,011	-	-	-	-	-	-	-
610-30-300 Administration	231,613	189,715	323,215	77,806	77,806	77,806	77,806	77,806
610-34-310 Infrastructure	2,169,727	2,245,117	2,824,744	2,079,379	2,079,379	2,079,379	2,079,379	2,079,379
610-35-986 GIS	1,471,586	1,489,528	1,871,422	1,443,249	1,443,249	1,443,249	1,443,249	1,443,249
TOTAL	3,978,937	3,924,360	5,019,381	3,600,434	3,600,434	3,600,434	3,600,434	3,600,434
WORKERS' COMPENSATION (FUND 620)								
620-44-418 Workers Compensation Insurance	539,995	582,778	582,778	571,410	571,410	571,410	571,410	571,410
TOTAL	539,995	582,778	582,778	571,410	571,410	571,410	571,410	571,410
VEHICLE/EQUIPMENT REPLACEMENT (FUND 630)								
630-85-849 Equipment Maintenance	1,535,815	1,501,047	1,580,509	1,565,283	1,565,283	1,565,283	1,565,283	1,565,283
630-90-985 Fixed Assets Acquisition	13,001	467,868	1,272,336	459,111	-	-	-	-
TOTAL	1,548,816	1,968,915	2,852,845	2,024,394	1,565,283	1,565,283	1,565,283	1,565,283
COMPENSATED ABSENCE & LONG-TERM DISABILITY (FUND 641)								
641-44-419 Long Term Disability	100,743	102,381	102,381	110,329	110,329	110,329	110,329	110,329
641-44-420 Compensated Absence	526,673	658,090	658,090	727,737	727,737	727,737	727,737	727,737
TOTAL	627,416	760,471	760,471	838,066	838,066	838,066	838,066	838,066
RETIREE MEDICAL (FUND 642)								
642-44-414 HR Retiree Benefits	1,395,657	1,486,988	1,486,988	1,609,045	1,609,045	1,609,045	1,609,045	1,609,045
TOTAL	1,395,657	1,486,988	1,486,988	1,609,045	1,609,045	1,609,045	1,609,045	1,609,045
TOTAL INTERNAL SERVICE FUNDS	8,090,821	8,723,512	10,702,463	8,643,349	8,184,238	8,184,238	8,184,238	8,184,238

All Funds Fund Balance

Fund Type		2022-23 Actual	2023-24 Adopted	2023-24 Estimate	2024-25 Proposed	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
GENERAL FUNDS									
	Beginning Balance	110,169,541	113,496,269	138,827,732	150,056,723	149,943,402	150,798,843	152,046,933	152,482,269
Assigned		73,864,369	47,146,398	26,593,360	22,830,029	23,763,967	20,871,494	17,432,865	12,952,949
Unassigned		64,963,363	60,319,373	123,463,363	127,113,373	127,034,876	131,175,439	135,049,404	139,323,110
	Ending Balance	138,827,732	107,465,771	150,056,723	149,943,402	150,798,843	152,046,933	152,482,269	152,276,059
SPECIAL REVENUE FUNDS									
	Beginning Balance	46,372,537	28,888,315	41,947,584	25,999,564	30,649,390	32,698,148	34,746,906	36,795,664
Assigned		41,947,584	32,221,580	25,999,564	30,649,390	32,698,148	34,746,906	36,795,664	38,844,422
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	41,947,584	32,221,580	25,999,564	30,649,390	32,698,148	34,746,906	36,795,664	38,844,422
DEBT SERVICE FUNDS									
	Beginning Balance	8,350	55,016	1,750	1,750	1,750	2,150	(850)	2,750
Assigned		1,750	54,816	1,750	1,750	2,150	(850)	2,750	2,550
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	1,750	54,816	1,750	1,750	2,150	(850)	2,750	2,550
CAPITAL PROJECT FUNDS									
	Beginning Balance	35,088,791	39,384,351	34,998,968	10,101,597	1,679,017	1,504,017	1,329,017	1,154,017
Assigned		34,998,968	39,209,351	10,101,597	1,679,017	1,504,017	1,329,017	1,154,017	979,017
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	34,998,968	39,209,351	10,101,597	1,679,017	1,504,017	1,329,017	1,154,017	979,017
ENTERPRISE FUNDS									
	Beginning Balance	10,679,106	6,935,949	10,426,749	6,461,307	3,798,585	2,426,003	1,053,421	(319,161)
Assigned		10,426,749	4,410,211	6,461,307	3,798,585	2,426,003	1,053,421	(319,161)	(1,691,743)
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	10,426,749	4,410,211	6,461,307	3,798,585	2,426,003	1,053,421	(319,161)	(1,691,743)
INTERNAL SERVICE FUNDS									
	Beginning Balance	5,916,994	6,313,071	5,859,921	3,489,718	2,647,712	1,871,788	204,522	(1,942,402)
Assigned		5,859,921	3,051,606	3,489,718	2,647,712	1,871,788	204,522	(1,942,402)	(4,089,326)
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	5,859,921	3,051,606	3,489,718	2,647,712	1,871,788	204,522	(1,942,402)	(4,089,326)
TOTAL ALL FUNDS		232,062,703	186,413,334	196,110,658	188,719,856	189,300,949	189,379,949	188,173,136	186,320,979

Personnel Schedule

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Change
COUNCIL AND COMMISSIONS								
City Council	1.05	0.85	0.85	0.85	0.85	0.85	0.90	0.05
Sister Cities	0.10	0.40	0.10	0.10	0.10	0.10	0.05	-0.05
Technology, Information & Communications Commission	0.00	0.05	0.07	0.07	0.07	0.07	0.07	0.00
Library Commission	0.05	0.03	0.10	0.15	0.10	0.10	0.10	0.00
Fine Arts Commission	0.15	0.15	0.15	0.15	0.15	0.10	0.10	0.00
Public Safety Commission	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.00
Bicycle and Pedestrian Commission	0.00	0.00	0.15	0.15	0.15	0.15	0.15	0.00
Parks and Recreation Commission	0.10	0.12	0.10	0.10	0.10	0.10	0.10	0.00
Teen Commission	0.30	0.30	0.30	0.30	0.05	0.05	0.05	0.00
Planning Commission	0.30	0.31	0.26	0.26	0.26	0.26	0.26	0.00
Housing Commission	0.15	0.15	0.15	0.15	0.15	0.15	0.25	0.10
Sustainability Commission	0.10	0.10	0.15	0.15	0.15	0.15	0.05	-0.10
Audit Committee	0.00	0.00	0.10	0.10	0.10	0.10	0.10	0.00
TOTAL COUNCIL AND COMMISSIONS	2.35	2.51	2.53	2.58	2.28	2.23	2.23	0.00
ADMINISTRATION								
City Manager	3.62	4.90	3.90	4.90	6.90	6.90	6.60	-0.30
Sustainability	1.80	1.40	1.80	1.80	1.80	1.80	0.00	-1.80
Office of Communications	2.15	2.65	2.95	2.95	3.65	2.65	1.95	-0.70
Video	0.00	0.00	3.00	3.00	1.50	0.00	0.00	0.00
Community Outreach & Neighborhood Watch	0.00	0.75	0.75	0.75	1.00	1.00	1.00	0.00
Office of Emergency Management	0.00	0.95	0.95	1.95	1.95	1.95	1.95	0.00
Economic Development	0.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
City Clerk	2.90	2.50	2.50	2.50	3.50	3.50	3.50	0.00
City Attorney	5.00	1.00	1.00	1.00	3.00	3.00	3.00	0.00
TOTAL ADMINISTRATION	15.47	15.15	17.85	19.85	24.30	21.80	19.00	-2.80
INNOVATION AND TECHNOLOGY								
Administration	0.70	0.55	0.53	0.53	0.53	0.53	0.25	-0.28
Video	3.20	3.25	0.00	0.00	1.50	3.00	3.13	0.13
Applications	3.45	3.45	3.50	3.50	3.50	3.50	3.05	-0.45
Infrastructure	4.50	4.50	4.50	4.50	4.50	4.50	4.30	-0.20
GIS	3.20	3.20	3.40	3.40	3.40	3.40	3.20	-0.20
TOTAL INNOVATION AND TECHNOLOGY	15.05	14.95	11.93	11.93	13.43	14.93	13.93	-1.00
ADMINISTRATIVE SERVICES								
Administration	3.80	3.80	3.75	3.75	3.75	1.40	1.40	0.00
Finance	7.00	8.00	7.95	7.95	9.95	11.30	11.30	0.00
Human Resources	3.20	4.20	4.20	5.20	5.20	5.20	5.20	0.00
TOTAL ADMINISTRATIVE SERVICES	14.00	16.00	15.90	16.90	18.90	17.90	17.90	0.00
PARKS AND RECREATION								
Administration	3.85	4.55	4.55	4.50	6.70	4.90	4.90	0.00
Business and Community Services	10.30	8.00	7.45	6.25	6.50	6.25	5.25	-1.00
Recreation and Education	10.00	10.05	10.55	8.55	6.75	7.70	8.50	0.80
Sports, Safety and Outdoor Recreation	10.65	9.50	9.35	8.58	9.53	8.78	8.98	0.20
TOTAL PARKS AND RECREATION	34.80	32.10	31.90	27.88	29.48	27.63	27.63	0.00

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Change
COMMUNITY DEVELOPMENT								
Administration	0.55	0.60	0.50	0.50	0.50	0.50	0.50	0.00
Planning	10.58	9.67	9.97	12.07	14.67	12.97	12.87	-0.10
Housing Services	0.80	0.80	0.80	1.70	3.10	1.70	1.70	0.00
Building	13.95	13.97	14.22	15.22	15.22	15.22	15.22	0.00
Economic Development	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Muni/Building Code Enforcement	1.25	0.25	0.00	0.00	0.00	0.00	0.00	0.00
Code Enforcement	0.00	3.00	3.00	3.00	4.00	4.00	4.00	0.00
TOTAL COMMUNITY DEVELOPMENT	28.13	28.29	28.49	32.49	37.49	34.39	34.29	-0.10
PUBLIC WORKS								
Administration	3.25	2.05	3.05	3.05	3.45	3.95	3.95	0.00
Environmental Programs	6.20	6.10	7.55	8.52	8.57	8.52	10.12	1.60
Development Services	8.50	11.50	11.20	11.70	12.55	9.65	7.65	-2.00
Service Center	2.55	3.65	3.50	3.50	3.25	3.05	3.00	-0.05
Grounds	20.00	20.00	20.00	20.00	20.00	19.00	18.00	-1.00
Streets	13.95	13.95	13.45	13.45	14.40	13.55	13.90	0.35
Trees and Right of Way	16.00	17.00	17.00	17.00	17.00	17.00	17.00	0.00
Facilities and Fleet	8.00	8.00	8.00	8.00	8.00	7.00	7.00	0.00
Transportation	6.50	6.50	6.40	6.90	6.90	6.40	6.40	0.00
TOTAL PUBLIC WORKS	84.95	88.75	90.15	92.12	94.12	88.12	87.02	-1.10
LAW ENFORCEMENT								
Code Enforcement	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LAW ENFORCEMENT	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL BENEFITTED POSITIONS	196.75	197.75	198.75	203.75	220.00	207.00	202.00	-5.00
TOTAL BENEFITTED POSITIONS & COUNCILMEMBERS	201.75	202.75	203.75	208.75	225.00	212.00	207.00	-5.00