


1/22

Item # 7.A +

Item # 7.B



City Council Meeting

Item # 7.A – Public Hearing: Adoption of the FY 2022/23 & FY 2023/24 Biennial Capital Improvement Program Budget and FY 2022/23 Operating Budget Changes

Item # 7.B – Resolution Establishing the FY 2022/23 Appropriations Limit

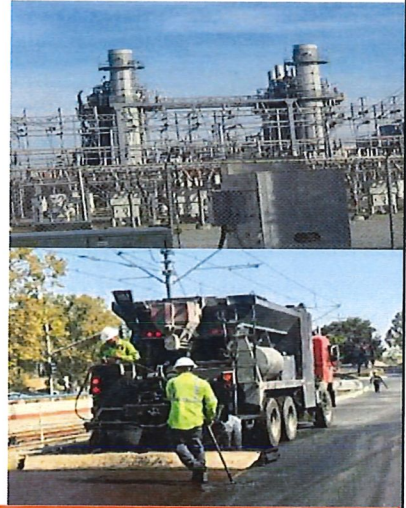
June 21, 2022

Agenda

- Budget Overview
- Library Community Room Rental Fees
- 2022/23 Appropriations Limit
- Recommendations

Budget Overview

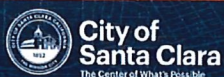
- FY 2022/23 Budget of \$1.3 B; increase of \$207 M from Proposed Budget due to capital (\$204.3 M) and operating (\$2.7 M) carryovers from FY 2021/22
- Five-Year CIP project funding of \$830 M: utility projects (\$627 M) and non-utility projects (\$203 M)
- CIP identifies significant unfunded needs totaling \$572 M
- Ongoing capital funding sources needed to address needs
- Limited Capital Projects Reserve (CPR) funds projects in CIP (\$7 M) and projects funding in last CIP (\$3 M)
- FY 2022/23 Operating Budget balancing strategy remains in place; \$20 M - \$27 M projected General Fund shortfall to be addressed in next Biennial Operating Budget



Budget Overview

City of Santa Clara Budget		
Fund Type	FY 2021/22 Budget	FY 2022/23 Budget
General Fund	\$ 286,025,931	\$271,155,355
Special Revenue Funds	28,214,477	28,469,289
Enterprise Funds	670,250,848	815,864,620
Internal Service Funds	41,211,645	42,429,153
Debt/Other*	39,291,994	19,846,647
Total Operating Funds	1,064,994,895	1,177,765,064
Less (Transfers, Contributions, and Reserves)*	(178,378,596)	(200,317,482)
Subtotal Operating Budget	\$ 886,616,299	977,447,582
Capital Funds	\$337,391,387	\$355,855,666
Less (Transfers, Contributions, and Reserves)*	(6,682,539)	(1,454,000)
Subtotal Capital Budget	\$ 330,708,848	\$354,401,666
Total Budget	\$ 1,217,325,147	\$1,331,849,248

* Adjusts for transfers, contributions and reserves to avoid double counting of the same funds (e.g., internal service funds are excluded)



CIP Projects by Theme

- The FY 2022/23 Budget reflects an increase of \$204.3 million to account for the recommended carryover of project funding from FY 2021/22 to FY 2022/23 to complete capital projects

Theme	2022/23 Budget	2023/24 Budget	Biennial Budget	Five-Year CIP
Administrative Facilities	\$4,195,595	\$1,551,000	\$5,746,595	\$5,746,595
Community Facilities	1,790,765	0	1,790,765	1,790,765
Convention Center	2,622,854	0	2,622,854	3,172,854
Electric Utility	188,712,882	184,175,278	372,888,160	484,649,777
Other Community Projects	9,470,611	6,453,710	15,924,321	34,893,488
Parks and Trails	23,661,252	278,000	23,939,252	28,439,252
Sewer Utility	42,362,258	17,797,655	60,159,913	115,534,612
Solid Waste	743,000	765,000	1,508,000	3,944,000
Storm Drain	4,655,889	714,000	5,369,889	5,369,889
Technology and Equipment	7,410,487	1,302,374	8,712,861	11,493,669
Transportation	63,515,073	13,790,232	77,305,305	112,370,751
Water and Recycled Water Utilities	6,715,000	5,215,000	11,930,000	22,835,000
TOTAL	\$355,855,666	\$232,042,249	\$587,897,915	\$830,240,652

Budget Study Session Feedback

June 7th Budget Study Session– Additional Clarification

- Lawn Bowl Clubhouse –**
 - In June 2018, \$175,000 was budgeted for the repair of the clubhouse
 - With recent escalation, the current approximate cost of a modular building is roughly estimated at \$750,000, resulting in a funding gap of \$575,000. If this request were to proceed, further refinement of the estimate would be necessary
- D.A.R.E. Program –**
 - Positions are unfilled due to recruitment and retention issues and other higher priority needs (e.g., patrol and mental health-related responses)
 - Police Department currently has eight Police Officer vacancies and three Police Officers in training that are anticipated to be street ready by September 2022
 - Dialogue with the School District regarding D.A.R.E. continues as the program was suspended during COVID. The future program may need to be restructured.
 - Plans are in place to conduct "Run, Hide, Fight" Active Shooter training in all SCUSD schools this upcoming year

Outstanding Council Funding Considerations

- **Downtown Study** - Add funding of \$325,000 in the General Fund to support a precise plan for the potential move of City Hall to Downtown offset by a reduction to the City Council Initiatives carryover in the General Fund (**Majority Affirmative Council Votes Required**)
- **TDM** - Add funding of \$200,000 in the General Fund to support the Transportation Demand Management program offset by a reduction to the General Fund Land Sale Reserve (**Five Affirmative Council Votes Required**)
- **ECR Specific Plan** - Add funding of \$1.0 million in the General Fund to support the El Camino Real Specific Plan, offset by a reduction to the General Fund Land Sale Reserve (**Five Affirmative Council Votes Required**)
- **Other items** - (e.g. Stadium Neighborhood Committee, Lawn Bowling, etc.) as determined by the City Council; any General Fund actions would be offset by a reduction to the General Fund Land Sale Reserve (**Five Affirmative Council Votes Required**)

FY 2022/23 Municipal Fee Schedule – Library Community Room Rental Fees

- April 5th Study Session on FY 2022/23 Municipal Fee Schedule and Parks & Recreation Cost Recovery Policy to provide feedback (fees adopted by the City Council on April 19th):
 - Align library community room rentals with Parks & Recreation
 - Lower technology fee
 - High value on Santa Clara residents and non-profit organizations
- Library community room rental fees have been suspended since 2019 out of concern that there was not customer service alignment with Parks & Recreation fee
- Board of Library Trustees (BOLT) Meeting on April 28th; BOLT approved proposed fee changes
 - \$20 per meeting – Non-Profit or Santa Clara Residents community events
 - \$90/hr. – Non-Resident Use
 - No processing/set up fee
 - \$30 hourly staff charges if groups require assistance throughout their reservation

FY 2022/23 Appropriations Limit

- The City is required to calculate the expenditure appropriation limit from tax proceeds to determine compliance with Propositions 4 (Gann Initiative) and 111 (Spending Limitation Act of 1990)
- The calculation limits the City from receiving more than \$592.6 million in tax-based revenues in FY 2022/23
- The revenue subject to the appropriation limit totals \$185.2 million or 31.26% of the limit

Recommendations

Recommendations – Agenda Items 7.A and 7.B

Agenda Item 7.A – Budget Adoption

1. Approve the Proposed FY 2022/23 and FY 2023/24 Biennial Capital Budget, including the recommended revisions detailed in Attachment 2 (**Majority Affirmative Council Votes Required**);
2. Approve the FY 2022/23 Operating Budget changes included in the recommended revisions detailed in Attachment 2 (**Five Affirmative Council Votes Required**);
3. Approve the Appropriation Schedule for capital funds totaling \$355,855,666 in FY 2022/23 and \$232,042,249 in FY 2023/24 and the FY 2022/23 Appropriation Schedule for operating funds totaling \$1,177,765,064 as detailed in Attachment 3 (**Majority Affirmative Council Votes Required**);
4. Approve the Housing Authority FY 2022/23 expenditure budget of \$380,363 as presented in the Operating Budget (**Majority Affirmative Council Votes Required**);

Recommendations – Agenda Items 7.A and 7.B

Agenda Item 7.A – Budget Adoption

5. Approve the Sports and Open Space Authority FY 2022/23 expenditure budget of \$5,420 as presented in the Operating Budget (**Majority Affirmative Council Votes Required**);
6. Adoption of a Resolution amending the library community room rental fees in FY 2022/23 Municipal Fee Schedule, including \$20 per meeting for non-profit or Santa Clara resident community events; \$90 per hour for non-resident use; and staff charges of \$30 per hour if groups require assistance throughout their reservation as shown on Attachment 4 (**Majority Affirmative Council Votes Required**); and
7. Approve the revised Budget and Fiscal Policies as described in Attachment 6 (**Majority Affirmative Council Votes Required**).

Agenda Item 7.B – Appropriations Limit

1. Adopt a Resolution establishing the City's FY 2022/23 appropriations limit of \$592,639,131.

Questions and Answers

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City Council Meeting

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Item # 7.B – Resolution Establishing the FY 2022/23 Appropriations Limit

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