


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

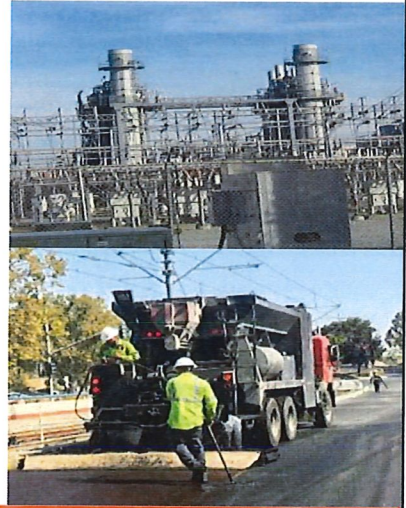
June 21, 2022

Agenda

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

Budget Overview

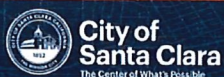
- FY 2022/23 Budget of \$1.3 B; increase of \$207 M from Proposed Budget due to capital (\$204.3 M) and operating (\$2.7 M) carryovers from FY 2021/22
- Five-Year CIP project funding of \$830 M: utility projects (\$627 M) and non-utility projects (\$203 M)
- CIP identifies significant unfunded needs 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

13



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

