

City of Santa Clara

Council Meeting

Item 11.D – Annual Budget Hearing

June 21, 2016



2016-17 Budget Study Sessions and Public Hearings

Dates Held	Joint Study Sessions and Public Hearing Dates
January 12, 2016:	Adoption of Budget Principles for 2016-17
February 16, 2016:	Joint study session to receive Council input on budget priorities
February 23, 2016:	Joint study session to receive Council input on budget priorities
March 22, 2016:	Joint study session to review Council and public input on budget priorities

2016-17 Budget Study Sessions and Public Hearings

Dates Held	Joint Study Sessions and Public Hearing Dates
May 10, 2016:	Joint study session to review significant proposed capital improvement projects and consider the approval of the Municipal Fee Schedule.
May 17, 2016:	Joint study session to review the proposed 2016-17 Capital Improvement Project Budget and proposed 2016-17 Operating Budget
May 23, 2016:	Citizen Advisory Committee Budget Review
May 24, 2016:	Joint study session to review the proposed 2016-17 Capital Improvement Project Budget, proposed 2016-17 Operating Budget, and Five-Year Financial Plan

2016-17 Budget Study Sessions and Public Hearings

Dates Held	Joint Study Sessions and Public Hearing Dates
June 7, 2016:	Joint study session to receive Council input on proposed budgets
June 21, 2016:	Public Hearing to consider the approval of the Fiscal Year 2016-17 Annual Operating and Capital Improvement Project Budgets, including Successor Agency to the Redevelopment Agency, Sports & Open Space Authority, Housing Authority, Community Development Block Grant, and Federal Home Program

2016-17 Proposed Budget Budget Hearing Agenda

- **Review 2016-17 Annual Budget**
 - **Changes since Initial Proposed**
 - **Operating Budgets**
 - **Authorized/Funded FTE**
 - **Capital Improvement Plan Budget**
- **Staff Recommendations**

City of Santa Clara

2016-17 Proposed Budget



Council Policy Guidance

Budget Study Sessions Operating Priorities

- ***Core Services – augment staff for basic City services and new development, augment communications staffing, and fully staff public safety departments***
- ***Continue to build reserves***

2016-17 Proposed Budget Introduction

- Balanced budget
- Maintains Working Capital Reserve at target
- Restores and adds new FTE positions
- Includes merit adjustments and cost of living for those bargaining units with current contracts
- Begins to address backlog of CIP projects

Council Policy Guidance

Budget Study Sessions – Core Services Priorities

- ✓ 20 FTEs in Public Safety (per staffing studies)
- ✓ 8 FTEs in Community Development (Planning/Building)
- ✓ 2 FTEs in City Manager (Communications)
- ✓ 1 FTE Staff Analyst in City Council Office
- ✓ 1 FTE Stadium Manager in City Manager Office
- ✓ 1 FTE Contract/Land/Sustainability Manager/DCM*
in City Manager Office

Council Policy Guidance

Budget Study Sessions – Reserves Priorities

- **Budget includes estimated \$18.0 million contribution to General Fund Reserves**
 - ✓ \$12.6 M Capital Projects Reserve
 - ✓ \$ 2.9 M Working Capital Reserve
 - ✓ \$ 2.5 M Building Inspection Reserve

City of Santa Clara

Changes to Initial 2016-17 Proposed Budget



2016-17 Initial Proposed Budget Recommended Changes

- **Increased Secured Property Taxes**
- **2.0 FTE Funding in Information Technology**
- **1.0 FTE Funding in Fire Department**
- **Adjustments for under budgeting of costs**
- **Adjustments to As-Needed Salary Schedule**
- **Adjustment for Healthier Kids Foundation**

2016-17 Proposed Budget

All Funds \$753.6 M

Fund (\$ millions)	2015-16 Adopted	2016-17 Proposed	Increase or (Decrease)	Percent Change
All Funds	\$720.2	\$753.6	\$33.4	4.6%
Operating Funds ¹	\$647.3	\$666.9	\$19.6	3.0%
General Fund	\$182.5	\$201.4	\$18.9	10.4%
Capital Improvement	\$72.9	\$86.6	\$13.7	18.8%

1. Includes General Fund, General Fund Debt Service, Enterprise Funds, Special Revenue Funds, and Internal Service Funds.



2016-17 Proposed Budget

Authorized/Funded 1,078.25 FTE

FTE (full-time equivalent)	2015-16 Authorized and Funded	Change in Authorized/Funded	2016-17 Authorized and Funded
General Fund	747.15	50.65 ¹	797.80 ¹
Special Revenue Funds	0.60	0.00	0.60
Internal Service Funds	14.00	1.75	15.75
Enterprise Funds	247.75	16.35	264.10
Operating Funds Total	1,009.50	68.75	1,078.25

14 1. Change from Initial Proposed includes 1 FTE in Fire Department and 2.0 FTE's in Information Technology.



2016-17 Proposed Budget

General Fund \$201.4 M

General Fund Departments	2015-16 Adopted ¹	2016-17 Proposed ¹	Increase or (Decrease)	Percent Change
General Government ¹	\$28.8	\$35.0	\$6.2	21.8%
Public Works Department	\$19.1	\$22.1	\$3.0	15.9%
Public Safety (Police/Fire)	\$101.7	\$106.8	\$5.2	5.1%
Parks & Recreation	\$15.0	\$16.6	\$1.6	10.5%
Library Department	\$8.9	\$9.9	\$1.0	11.2%
Community Development ¹	\$9.0	\$10.9	\$1.9	21.1%
General Fund Departments	\$182.5	\$201.4	\$18.9	10.4%

1. Reflects Housing Division move from City Manager to Comm. Devel.



Working Capital Reserve

Working Capital Reserve (WCR) has a target balance of 90 days or 25% of budgeted General Fund appropriations.

2015-16 Adopted Budget	\$182.4 million
Target at 25%	\$ 45.6 million
Current Balance (5/31/16)	\$ 47.5 million

2016-17 Proposed Budget	\$201.4 million
Target at 25%	\$ 50.4 million
Est. Difference Needed	(\$ 2.9) million

2016-17 Proposed Budget Contribution to WCR: \$2.9 million

City of Santa Clara

2016-17 Proposed Budget

HUD Summary Data and
Agency/Authority Funds



2016-17 Proposed Budget

H.U.D. Programs

Summary Data	2015-16 Adopted	2016-17 Proposed	Increase or (Decrease)	Percent Change
H.U.D. Programs	\$1.2	\$2.2	\$1.0	82.5%

- Administers the federal Community Development Block Grant (CDBG) and HOME Investment Partnerships Act Program (HOME) entitlement grant programs.

2016-17 Proposed Budget Successor Agency

Agency Fund	2015-16 Adopted	2016-17 Proposed	Increase or (Decrease)	Percent Change
Successor Agency	\$67.5	\$97.2	\$29.7	44.0%

- Anticipates full debt redemption/defeasance in the fourth quarter of the fiscal year based on timing of land sales and debt call date.

2016-17 Proposed Budget Sports and Open Space Authority

Authority Fund	2015-16 Adopted	2016-17 Proposed	Increase or (Decrease)	Percent Change
Sports and Open Space Authority	\$4.3	\$2.4	(\$1.9)	-44.6%

- The budget includes a transfer of \$556,809 from the General Fund to cover estimated operating deficit.

City of Santa Clara

2016-17 Proposed Budget

Capital Improvement Projects



2016-17 Proposed CIP Budget by Fund Types Overview

Fund Type (\$ millions)	2015-16 Adopted	2016-17 Proposed	Increase or (Decrease)	Percent Change
Streets & Highways	\$2.9	\$10.6	\$7.7	265.5%
General Government	\$18.5	\$22.7	\$4.2	22.9%
Enterprise	\$51.5	\$53.3	\$1.8	3.5%
<i>Subtotal City Funds</i>	\$72.9	\$86.6	\$13.7	18.9%
Authority Funds	\$3.5	\$0.0	(\$3.5)	(100.0%)
All Fund Types Total	\$76.4	\$86.6	\$10.2	13.4%

2016-17 Annual Budget

Staff Recommendations

- Approve the City of Santa Clara 2016-17 Annual Budget of \$753,569,565 including the Operating Budget of \$666,940,532, the General Fund Budget of \$201,408,081 and CIP Budget of \$86,629,033;
- Approve the Sports and Open Space Authority 2016-17 Annual Budget of \$2,355,484;
- Approve the Successor Agency to the Redevelopment Agency of the City of Santa Clara 2016-17 Annual Budget of \$97,180,561; and
- Approve the Housing Authority 2016-17 Annual Budget of \$279,052 (amount is included in the Operating Budget)

Questions/Public Hearing



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Santa Clara

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**City of
Santa Clara**
The Center of What's Possible