



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

Adopted Biennial Operating Budget-in-Brief



2019-2020
2020-2021

City of Santa Clara Budget-in-Brief

FY 2019/20 and 2020/21 Adopted Biennial Operating Budget



To our Santa Clara Residents:

I am pleased to present the Adopted Biennial Operating Budget for fiscal years (FY) 2019/20 and 2020/21. The FY 2019/20 and 2020/21 Biennial Operating Budget is a carefully balanced budget that reflects the City Council priorities and continues to build on the foundation of financial sustainability. The recommendations included in this budget enhance delivery of public service, expand our capital assets and invest in the development of our talented employees. Last year, the City Council authorized a change to our budgeting practices from adopting a one-year budget to adopting a two-year budget, a process that alternates between an operating and capital budget. This year's budget focuses on our day-to-day operations, continuing to support highly-rated City services enjoyed by our residents.

The City of Santa Clara has been known as innovative and forward-thinking with a tradition of effectiveness and providing excellent services to the community. Through hard work and fiscal discipline, this budget builds on the financial foundation we set by building up reserves and refining our Ten-Year Financial Forecast. Our services to the community remain high, but there is more work to accomplish. The City is challenged with growing its revenue streams to support on-going public services and service areas that the community and City Council have expressed as priorities. The next 18 months is critical for the City to establish a revenue growth strategy, while also controlling expenditure levels. One-time resources are dedicated in this budget for turnaround initiatives that touch almost every department in the City in order to update outdated policies and procedures. Departments took a collaborative approach to bring forward creative solutions such as centralizing administrative functions among the Mayor and Council, City Clerk, and City Manager offices. The City Council provided feedback on numerous referrals through the City Council Operational and Strategic Priority Setting Sessions; many of these referrals are funded, meeting the highest needs of our City and enhancing crucial city services within limited additional resources. We took a fresh look at the budget, increasing transparency, allocating budget proposals by Council pillars, reviewing and including funds previously unbudgeted, recommending budget and fiscal policies that establish key reserve targets, and developing a strategy to fund our long-term pension obligation on an ongoing basis.

City departments worked together as a team with my Office and the Finance Department to prepare this fiscally responsible, balanced budget. The budget maintains the level of funding needed to continue the City's goal of excellent service to the Santa Clara community. The hard work and dedication of City's Department Heads and employees is greatly appreciated, along with the community participation and policy leadership of the City Council. The Adopted Fiscal Year 2019/20 and 2020/21 Biennial Operating Budget is consistent with the City's mission and appropriates the resources necessary to facilitate meeting the goals of the City Council.

Deanna J. Santana
City Manager

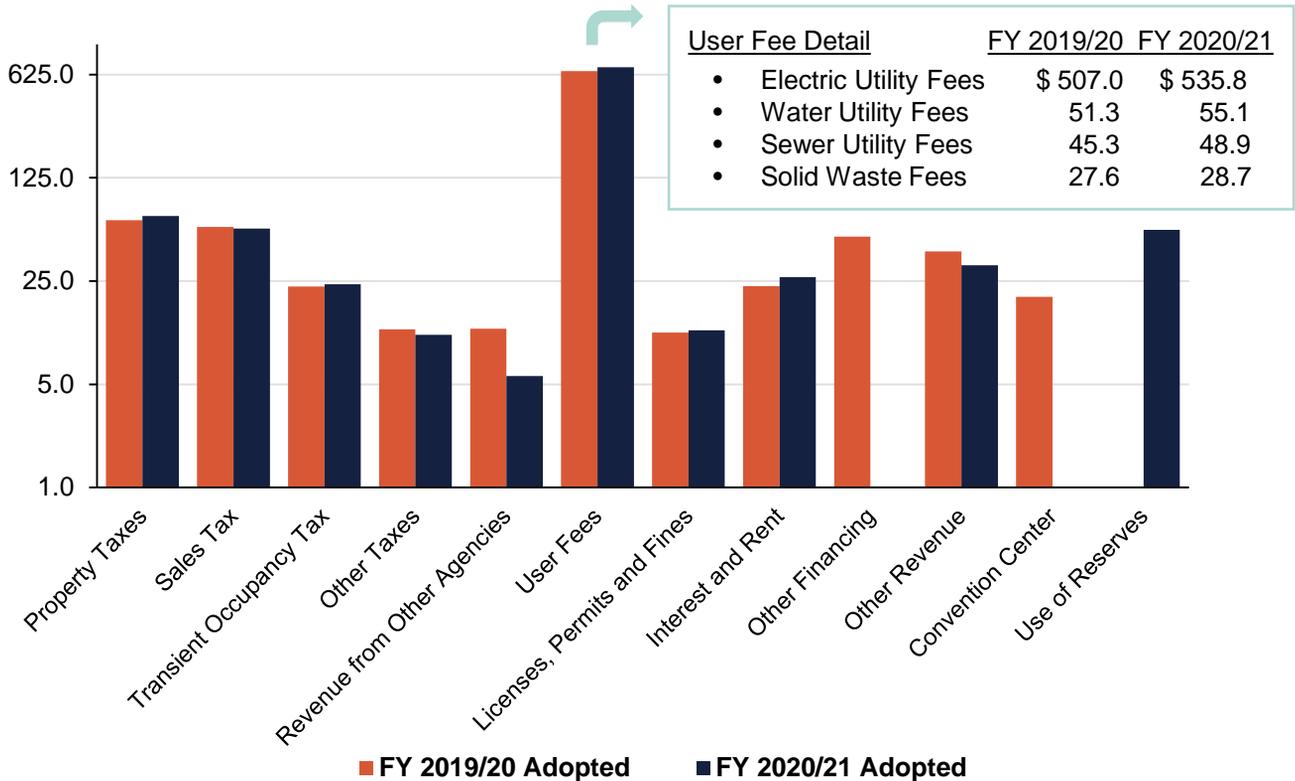
City of Santa Clara Budget-in-Brief

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Where the City Gets Its Money

Revenue and Other Financing Resources (in millions)



Adopted City Budget Comparison

Fund Type	FY 2018/19 Adopted Budget	FY 2019/20 Adopted Budget	% Change	FY 2020/21 Adopted Budget	% Change
General Fund	\$ 250,102,186	\$ 262,904,910	5.1%	\$ 269,399,009	2.5%
Special Revenue*	13,578,142	29,248,422	115.4%	13,773,302	(52.9%)
Enterprise	578,291,115	652,028,906	12.8%	740,171,587	13.5%
Internal Service	17,492,612	35,767,831	104.5%	35,264,608	(1.4%)
Debt/Other**	-	74,536,674	100.0%	26,857,773	(64.0%)
Less (Contributions, Transfers and Reserves)***	-	(209,783,877)	(100.0%)	(238,995,086)	13.9%
Subtotal Operating Budget	\$ 859,464,055	\$ 844,702,866	(1.7%)	\$ 846,471,193	0.2%
Capital Improvement Program****	83,992,645	339,560,757	53.1%	145,841,775	(57.0%)
Total Adopted Budget	\$ 943,456,700	\$ 1,184,263,623	25.5%	\$ 992,312,968	(16.2%)

*FY 2019/20 includes the City's loan of \$11,650,000 to a developer to fund the construction of an affordable housing project.

**To increase transparency, debt/other figures are detailed out starting in FY 2019/20. In FY 2018/19, these were combined in the fund totals.

***Excludes contributions, reserves, and transfers to avoid double counting.

****Capital Improvement Program budget includes CIP carryover.

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Property Tax

When you pay your property tax bill to the County, the City of Santa Clara General Fund receives \$10.24 for every \$100 collected. This year the City anticipates receiving \$60.3 million.

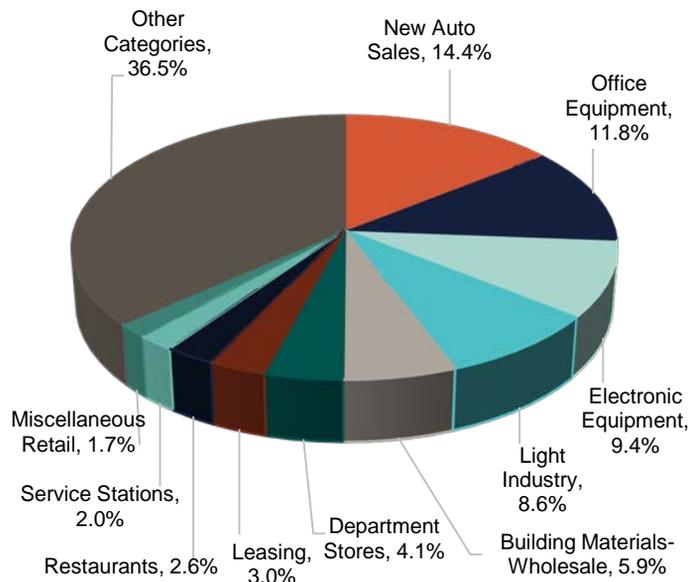
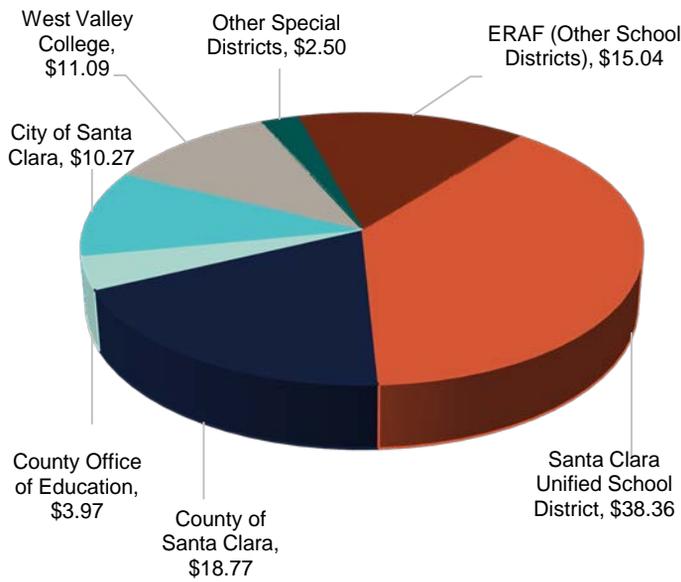


Sales Tax

Sales tax revenue in the City of Santa Clara comes from a wide range of sources. New auto, office equipment, electronic equipment and light industry sales were the City's leading economic sales categories last year, making up 44.2% of sales tax collections.

Per \$100 Collected

Top 10 Sales Tax Generators



Where Your Sales Tax Goes

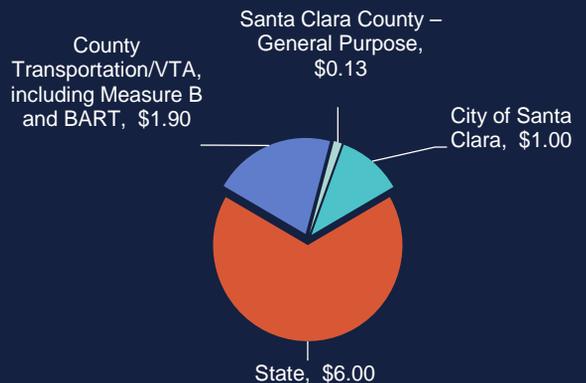
For every dollar you spend in Santa Clara on taxable purchases, you pay **9.00%** in sales tax or **\$9.00** for each **\$100** purchased.

Based on Purchase of \$100
Sales Tax Paid is \$9.00

Cities throughout the State receive a portion of the sales tax collected based on sales made within their respective city. For every \$100 purchase you make within the City of Santa Clara which is subject to sales tax, the City receives \$1.00. This year the City anticipates receiving \$56.5 million.

California statewide sales tax rate is 7.25%, of which the City of Santa Clara receives 1.00%. The total countywide sales tax rate 9.00%. Santa Clara County has the following five voter approved add-on tax measures:

- 0.125% for County Retail Sales Transactions and Use
- 0.125% for VTA BART
- 0.500% for Silicon Valley Transportation Solutions Tax
- 0.500% for Santa Clara County Transit District (SCCT)
- 0.500% for Santa Clara County Valley Transportation Authority (SCVT)



City of Santa Clara Budget-in-Brief

FY 2019/20 and 2020/21 Adopted Biennial Operating Budget



Operating Budget Expenditures by Department

Department	FY 2019/20 Adopted	FY 2020/21 Adopted	% Change
General Government Departments			
Mayor and City Council Offices	\$ 894,953	\$ 950,157	6.2%
City Attorney's Office	2,260,512	2,604,084	15.2%
City Clerk's Office	1,389,880	1,691,450	21.7%
City Auditor's Office	1,237,543	1,268,234	2.5%
City Manager's Office	6,554,276	6,449,482	(1.6%)
Finance Department	14,482,188	15,115,629	4.4%
Human Resources Department	4,409,195	4,475,581	1.5%
Information Technology Department	13,514,370	13,252,509	(1.9%)
Non-Departmental	29,437,068	30,728,620	4.4%
General Government Departments Subtotal	74,179,985	76,535,746	3.2%
Public Safety Departments			
Fire Department	52,783,063	55,017,314	4.2%
Police Department	73,890,599	77,593,819	5.0%
Public Safety Departments Subtotal	126,673,662	132,611,133	4.7%
Utilities Departments			
Electric Utility Department	513,072,053	575,405,417	12.1%
Water and Sewer Utilities Department	91,181,939	132,797,346	45.6%
Utilities Departments Subtotal	604,253,992	708,202,763	17.2%
Community Development Department	20,826,195	20,141,067	(3.3%)
Library Department	11,338,291	11,817,396	4.2%
Parks and Recreation Department	25,181,643	24,796,218	(1.5%)
Public Works Department	74,823,593	74,954,231	0.2%
Convention Center	17,700,842	0	(100.0%)
Total Adopted Budget*	\$ 954,978,203	\$ 1,049,058,554	9.9%

*Excludes transfers out and interfund expenses.

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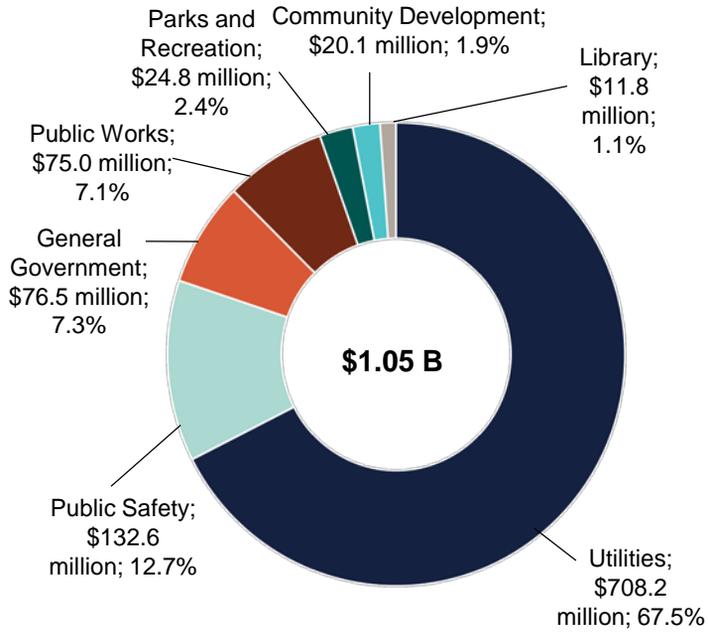
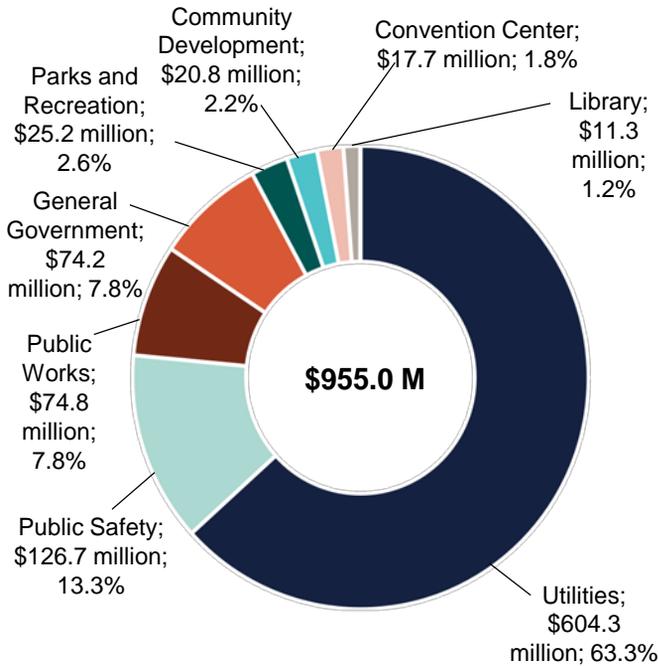
FY 2019/20 and 2020/21 Adopted Biennial Operating Budget



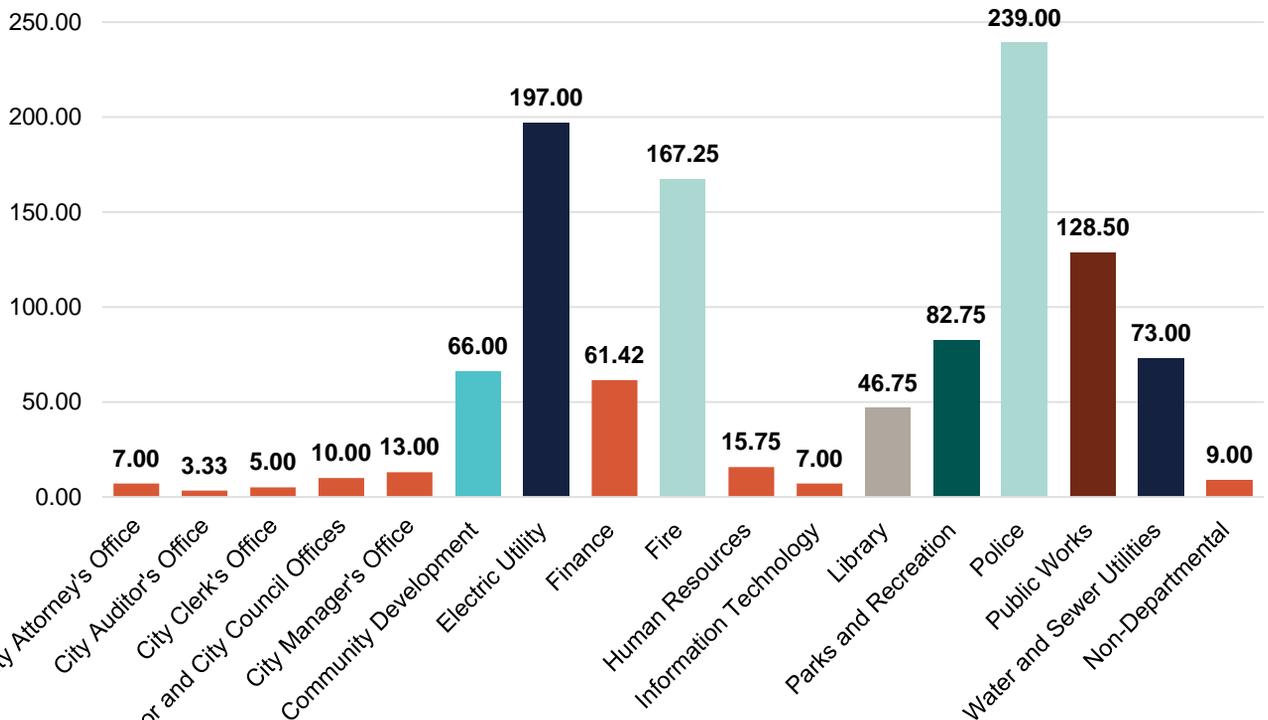
Operating Budget Expenditures by Department

2019/20 Adopted

2020/21 Adopted



FY 2019/20 Full-Time Equivalent by Department



Total FTE: 1,131.75

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FY 2019/20 and 2020/21 Adopted Biennial Operating Budget



The City of Santa Clara's FY 2019/20 and 2020/21 Adopted Budgets total \$955.0 million and \$1.05 million, respectively. The FY 2019/20 Budget represents a net increase of \$11.5 million or 1.2% from the FY 2018/19 Adopted Budget of \$943.5 million. This budget includes a net addition of 15.50 positions, across various City funds, and one-time dollars to address critical needs including filling administrative gaps, gaining efficiencies through technology and consultant support services. With this budget, the City continues to invest in City Council priorities, with all service level changes in the budget aligned to City Council Strategic Pillars. Detailed below are some of the major changes that have been approved with this budget.

Strategic Pillar	Service Level Changes \$
 <p><i>Deliver and Enhance High Quality Efficient Services and Infrastructure</i></p> <ul style="list-style-type: none"> • Capital Improvement Program amendments including corporation yard renovations, advanced metering infrastructure, water tank rehabilitation, civic center campus renovations and restroom installation at Fairway Glen Park and dog park improvements • Silicon Valley Power consultant services, advancing metering infrastructure and remote property maintenance • Elimination of subsidy for Santa Clara Convention Center as a result of transition to a new convention center operator • Information Technology services to enhance cybersecurity, provide audio/visual support and Office 365 workforce transformation • Fire engine replacement • Public Works consultant services for fleet replacement and management policies • City Auditor's resources, including addition of 1.0 Senior Performance Auditor and deletion of 1.0 Office Records Specialist • Resources for purchasing policies and procedures and administrative policies updates • Revenue strategies consultant to identify potential revenue sources, develop revenue options for City Council consideration and legal analysis • Census 2020 outreach to promote community participation to maximize federal funding allocations to the City • Northside Library Branch Hours, including addition of 1.0 Librarian and deletion of 1.0 Business Analyst 	<p>\$ 7.9 million</p>
 <p><i>Manage Strategically Our Workforce Capacity and Resources</i></p> <ul style="list-style-type: none"> • Addition of 2.0 Electric Program Managers and 1.0 Electric Utility Engineer • Information Technology Cost Benefit Analysis Consultant • Addition of 1.0 Communications and Outreach Manager to oversee the Love Santa Clara Program and Inside Santa Clara newspaper and support departments citywide in communications planning and media outreach • Public Records Act and Risk Management resources • Addition of 1.0 Office Specialist IV in the Human Resources Department to provide administrative support • Tuition reimbursement and professional development resources • Marketing and outreach resources to promote recruitment for the upcoming firefighter academy 	<p>\$ 2.4 million</p>

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	Strategic Pillar	Service Level Changes \$
	<p>Promote and Enhance Economic and Housing Development</p> <ul style="list-style-type: none"> • Addition of 1.0 Assistant to the City Manager and 1.0 Management Analyst; deletion of 1.0 Housing Division Manager to centralize the real estate functions and develop a more robust real estate management function • Pilot Accessory Dwelling Unit Incentive Program funding to support development of Accessory Dwelling Units for qualified teachers and public service employees • Resources for the administration of low- and moderate-income rental housing program • Addition of 1.0 Staff Aide to assist with monitoring new and current housing programs for the City 	<p>\$ 754,000</p>
	<p>Enhance Community Sports and Recreational Assets</p> <ul style="list-style-type: none"> • Addition of 1.0 Recreation Coordinator and 1.0 Grounds Maintenance Worker to support the opening of Reed and Grant Sports Park • Resources to provide additional outreach for special events marketing to increase participation in City events 	<p>\$ 718,000</p>
	<p>Sustainability</p> <ul style="list-style-type: none"> • Addition of 1.0 Sustainability Program Manager to oversee Climate Action Plan strategies and promote more sustainable, healthy communities • Addition of 1.0 Electric Program Manager to support the Silicon Valley Power's electric vehicle program • Multi-Family Energy Rehabilitation Program – for multi-family housing projects achieving 15% energy savings 	<p>\$ 670,000</p>
	<p>Ensure Compliance with Measure J and Manage Levi's Stadium</p> <ul style="list-style-type: none"> • Addition of 1.0 Deputy City Manager for Stadium oversight; 75% of this position will be reimbursed by the Stadium Authority; while 25% will be funded through the General Fund to support the City Manager's Office in day-to-day operations • Public Safety Stadium Training for specialized training related to events at Levi's Stadium including sniper training, crowd control and firearms qualifications 	<p>\$ 580,000</p>
	<p>Enhance Community Engagement and Transparency</p> <ul style="list-style-type: none"> • Document and content management software and records retention policies updates • City Clerk initiatives and voter outreach to encourage voter participation • Measure N outreach and engagement for potential upcoming district elections • Addition of 1.0 Police Records Specialist and deletion of 1.0 Staff Aide to address recent State legislation requirements 	<p>\$ 452,000</p>
<p>Total Service Level Changes \$</p>		<p>\$ 13,424,000</p>

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Roster of City Council and Commission Members

City Council

Mayor	Lisa M. Gillmor
Councilmember District 1	Kathy Watanabe
Councilmember District 2	Raj Chahal
Councilmember District 3	Karen Hardy
Councilmember District 4	Teresa O'Neill
Councilmember District 5	Patricia M. Mahan
Councilmember District 6	Debi Davis

Board of Library Trustees

Leonne Broughman, Jan Hintermeister, David Kyo, Stephen Ricossa, Debbie Tryforos

Civil Service Commission

Mario Bouza, Willie D. Brown Jr., John Casey, Franklin J. Felizardo, Carolyn McAllister

Cultural Commission

Loretta Beavers, Harbir K. Bhatia, Candida Diaz, Debra von Huene, Jonathan Marinaro, Niha Mathur, Louis Samara

Historical and Landmarks Commission

Nancy A. Biagini, Michael Celso, Priya Cherukuru, Stephen Estes, Patricia Leung, J.L. Standifer, Ana Vargas-Smith

Housing Rehabilitation Loan

Committee

Michael Louis Ferrito, Councilmember Teresa O'Neill, Carmen Pascual, Bianca Wilczoch

Parks and Recreation Commission

Burt Field, George Guerra, Andrew Knaack, Roseann Alderete LaCoursiere, Joe Martinez, Tino Silva, Kevan Michael Walke

Planning Commission

Anthony Becker, Nancy A. Biagini, Yuki Ikezi, Sudhanshu Jain, Steve Kelly, Lance Saleme, Shawn Williams

Salary Setting Commission

Pilar Arquero, Marjorie Banko, MV Kumar, John Sontag, David B. Stealey

Senior Advisory Commission

Deena Brockett, Wanda Buck, Barbara A. Estrada, Grant L. McCauley, Carolyn Seeger, Nancy Toledo

Youth Commission

Yusra Arub, Antonio Davila, Ria Grewal, Bella Jimenez, Jasmine Kelly-Tanti, Caroline Kloes, Vincent Kloes, Adrienne Krivokapic-Zhou, Damarah Madriaga, Kayla Phan, Siya Sharma, Meera Suresh, Smrithi Suresh, Natasha Yen, Sanjana Yerramaneni



The Budget-in-Brief is intended to provide an overview of the City of Santa Clara's FY 2019/20 and 2020/21 Adopted Biennial Operating Budget. Please use the following link to access the complete budget document: [Adopted Biennial Operating Budget](#).

Questions about this report should be directed to:

City of Santa Clara - Finance Department
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