



City Council Agenda

City of Campbell, 70 N. First St., Campbell, California

NOTE: To protect our constituents, City officials, and City staff, the City requests all members of the public follow the guidance of the California Department of Health Services', and the County of Santa Clara Health Officer Order, to help control the spread of COVID-19. Additional information regarding COVID-19 is available on the City's website at www.campbellca.gov.

This Study Session City Council meeting will be conducted via telecommunication and is compliant with provisions of the Brown Act and Executive Order N-29-20 issued by the Governor.

The following Councilmembers of the Campbell City Council are listed to permit them to appear electronically or telephonically at the Study Session City Council meeting on May 22, 2020: Councilmember Rich Waterman, Councilmember Anne Bybee, Councilmember Paul Resnikoff, Vice Mayor Elizabeth "Liz" Gibbons, and Mayor Susan M. Landry.

Members of the public will not be able to attend meetings at the Campbell City Council Chamber physically. The City Council meeting will be live-streamed on YouTube at (<https://www.youtube.com/user/CityofCampbell>).

Public comment for the City Council meetings will be accepted via email at ClerksOffice@campbellca.gov during the meeting, prior to the close of public comment on an item. Please note that the City cannot guarantee that any emails sent during the meeting will be received by the close of the public comment, so to ensure Council's consideration, it is recommended that all comments be submitted prior to the meeting. If you choose to email your comments during the meeting, please indicate in the subject line "FOR PUBLIC COMMENT" Comments will be read during the comment period for the item and will be subject to the two-minute time limitation (approximately 250 words). Written comments received by 8:00 a.m. the day of the meeting will be posted on the website and distributed to the Council before the meeting.

STUDY SESSION MEETING OF THE CAMPBELL CITY COUNCIL

Friday, May 22, 2020 10:00 a.m.
City Hall – 70 N. First Street

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

NEW BUSINESS

1. **Update on Fiscal Year (FY) 2019-20 Year-End Projections for General Fund Revenues and Expenditures and Discussion of FY 2020-21 Strategic Priorities and Work Plans**

Recommended Action: Receive a status update of FY 2019-20 year-end projections for General Fund revenues and expenditure and provide direction to regarding FY 2020-21 strategic priorities and work plans.

ADJOURN

IMPORTANT NOTICE: Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet will be available on the City website at <https://www.ci.campbell.ca.us/agendacenter> with the agenda packet following the last item of the agenda, subject to staff's ability to post the documents prior to the meeting. All documents not posted prior to the meeting will be posted the next business day.

In compliance with the Americans with Disabilities Act, listening assistive devices are available for all meetings held in the City Council Chambers. If you require accommodation, please contact the City Clerk's Office, (408) 866-2117, at 48 hours in advance of the meeting.

MEMORANDUM



City of Campbell
City Clerk's Office

To: Honorable Mayor and City Council

Date: May 21, 2020

From: Andrea Sanders, Deputy City Clerk

Via: Brian Loventhal, City Manager

Subject: Desk Item 1 – Budget Memo

Attached is a Budget Study Session Memo for the May 22, 2020 City Council Agenda.

MEMORANDUM



City of Campbell

Finance Department

To: City Council

Date: May 22, 2020

From: Brian Loventhal, City Manager
Will Fuentes, Finance Director

Subject: **Update on Fiscal Year (FY) 2019-20 Year-End Projections for General Fund Revenues and Expenditures and Discussion of FY 2020-21 Strategic Priorities and Work Plans**

This information is being distributed for the City Council budget and strategic plan study session scheduled for **10:00 a.m. on May 22, 2020** via a virtual meeting; available for public viewing and participation. The study session is intended to cover the following two areas of discussion.

1. **FY 2019-20 Financial Update:** Will Fuentes, Finance Director for the City of Campbell, will provide a current update on Fiscal Year (FY) 2019-20 year-end projections for General Fund revenues and expenditures in light of the ongoing economic impacts of COVID-19. The City Council is requested to review the update.
2. **Continue Review and Provide Direction on Strategic Priorities and Work Plans for FY 2020-21:** At the April 28 budget Study Session, staff reviewed with the City Council the strategic plan, priorities and staff workplans for FY 2019-20. At that meeting, Councilmembers provided comments, reflected below, for follow-up discussion:
 - Legislative policy efforts should continue
 - C-3 Zoning completion
 - RHNA Follow-up
 - General Plan update completion/integration with Housing Element update
 - Payroll processing system implementation
 - Video conference tech at Community Center
 - Address building maintenance issues at Community Center

At this meeting staff is requesting City Council direction regarding the strategic priorities for FY 2020-21. Staff is also requesting input on the development of staff workplans for FY 2020-21. Included with this memo is the adopted priorities for FY 2019-20, a status update on significant work plan items and a listing of workplan items by department. Staff also sent Council a survey relating to these items and will discuss the results of that survey if available. Other documents relating to strategic priorities and workplans were sent to the Council and posted for the public separately with the meeting agenda.

#1 – FY 2019-20 Financial Update

BACKGROUND

On April 21, 2020, staff provided City Council with an update on the initial fiscal and budgetary impacts due COVID-19 in FY 2019-20 and FY 2020-21. At the time of that update, the City was under a shelter in place order from the County of Santa Clara Public Health Department through May 3, 2020. That order has since been extended through at least May 31, 2020; with some easing of restrictions relating to construction, recreation camps, retail businesses, and manufacturing, logistics, and warehouses that support retail businesses taking effect.

During its April 21 update, staff analyzed major revenue sources and advised the Council that the City could experience \$5.75 million in revenue losses due to COVID-19 in FY 2019-20; offset by \$633,000 in salary savings and associated costs for released temporary personnel in fee-based Recreation programs as well as \$150,000 in salary savings for vacant Public Works positions that would normally charge their time to capital projects. This resulted in a potential net negative impact to the General Fund of **\$5.0 million** in FY 2019-20. These estimates were based on best assumptions at the time using limited data available and assumed that shelter in place orders would remain in effect for 3.5 months through June 30, 2020. As previously discussed, shelter in place orders have since been modified and some sectors of the local economy are beginning to reopen in a phased manner as allowed by the County of Santa Clara and the State of California. Thus, the update provided in this memo factors in revised shelter in place orders, how those orders impact ongoing City operations, revenues, and expenditures, and the most current actual revenue and expenditure data available through late April and early May.

DISCUSSION

Attached to this memo as **Table A**, Council will find a FY 2019-20 General Fund Financial Status update through April 30, 2020. In summary, factoring in revised shelter in place orders, the most current actual revenue and expenditure data available through late April and early May, and cost containment measures taken by staff to date, staff projects that General Fund revenues could be less than FY 2019-20 Budget estimates by \$5.9 million; offset by a potential \$1.7 million in General Fund expenditure savings when compared to the FY 2019-20 Budget appropriations. When projected year-end revenues are compared against projected year-end expenditures, this could result in a decreased potential net negative impact to the General Fund of **\$4.0 million** in FY 2019-20. This is a \$1.0 million improvement from the April 21 update and there are several factors that contribute to this change which will be discussed below.

In regard to General Fund revenues, staff has revised its FY 2019-20 year-end projection downward by a total of **\$185,000** spread across all revenue categories. Revenue projections for some categories have increased while other categories have decreased, and this is further detailed below:

- **Property Tax** (increased projections by **\$246,000**) – On May 8, 2020, the County of Santa Clara Assessor's Office provided the City with its final update of expected property

tax collections for FY 2019-20¹. In total, property tax revenues for Campbell were raised to \$17.2 million and reflect growth of \$1.6 million or 10.0% over year-end actuals for FY 2018-19. This is positive news for the City in regard to its largest revenue source. And as discussed with Council on April 21, staff does not expect property taxes to be negatively impacted by COVID-19 in either FY 2019-20 or FY 2020-21; even if there are delinquencies or delays in individual taxpayer payments. The City is on a Teeter Plan for property taxes in which it receives 100% of what is supposed to be collected every fiscal year by Santa Clara County. The County is able to offer this guarantee in exchange for keeping 100% of any penalty and interest charges on delinquent property tax payments that would have been owed to the City. It is again possible the State could suspend Teeter Plans in the wake of COVID-19, but staff does not expect that to occur at this time and expects Campbell to receive its full estimated share of property taxes in FY 2019-20. Additionally, the assessment roll for FY 2020-21 is nearing completion by the County, and staff does not expect that COVID-19 will have a negative impact on assessed valuations yet. As of May 8, the County Assessor's Office is projecting 4.6% property tax growth for Campbell in FY 2020-21². If the economic impacts of COVID-19 are prolonged, property taxes could be negatively impacted starting FY 2021-22. However, staff must also caution the Council that the County has a disagreement with the State of California as to how Educational Revenue Augmentation Fund (ERAF) payments (a component of total property tax revenues) have been calculated by the County in FY 2019-20. These payments for Campbell are expected to be \$1.2 million in FY 2019-20 and the County has advised all cities within Santa Clara County to set aside at least 40% of that in case the State prevails and ERAF funds need to be returned back to the State in the future. That could mean a loss of approx. \$482,000 for the City of Campbell and it would be taken as a reduction in future fiscal-year property tax payments owed to the City; possibly in FY 2020-21 or FY 2021-22.

- ***Transient Occupancy Taxes*** (decreased projections by **\$142,000**) – Transient Occupancy Taxes (TOT) are collected by Campbell hotels on behalf of the City and must be reported on and remitted within 30 days of the close of the month being reported. Since staff's April 21 update, the City has received returns and payments for the months of February and March 2020. And these returns and payments show a decline in occupancy rates that was larger than originally expected. Across all Campbell hotels, occupancy rates in March 2020 ranged from 14% to 49%. However, staff expects them to be much worse in April 2020 given a full month of shelter in place orders as opposed to a half month in March 2020. As a whole, staff continues to expect that occupancy rates for all hotels will average 15% and room rates will decrease by 10% at least from April through June 2020. This could result in year-end TOT revenues of \$3.1 million in FY 2019-20; a decrease of \$1.6 million or 34.0% when compared to year-end actuals for FY 2018-19.

- ***License & Permits and Other Taxes*** – (increased projections by **\$98,000**) – With the easing of restrictions on construction, the Community Development Department's Building Division resumed processing building and related permits in early May 2020.

¹ County of Santa Clara – Revenue Update (May 8, 2020) - <https://www.sccgov.org/sites/controller/property-tax-apportionment/Documents/cities-meeting-revenue-update-20200508.pdf>

² County of Santa Clara – Assessor's Report (May 8, 2020) - <https://www.sccgov.org/sites/controller/property-tax-apportionment/Documents/cities-meeting-assessor-050820-report.pdf>

And based on actual permits processed thus far, staff has been able to raise its year-end estimates for Construction Tax, Construction Permits, and Plan Check Fees. In its April 21 update, staff had assumed that the City would not be able to process these items until at least early July 2020. Thus, the City is now able to collect for two months that it was not expecting in April.

- **Recreation Charges for Services** – (increased projections by **\$42,000**) – With the easing of restrictions on recreation camps, the Recreation and Community Services Department is planning to resume minimal programming at the Campbell Community Center the weeks of June 15 and June 22; subject to clarification on County guidelines. Currently, Day Camp and swim participants are already enrolled, and the revenue has been accounted for in staff's revised revenue estimates. If for some reason, County guidelines change significantly and the City is unable to provide these programs, the City will experience a reduction in these revenue estimates; offset by program cost savings.
- **Recreation Other Rental Income** – (decreased projections by **\$55,000**) – While revised shelter in place orders have eased some restrictions, the City is still unable to hold large events at the Campbell Community Center and has limited ability to rent to groups in the future. This has caused a large number of refunds for planned March through June 2020 events. Thus, based on actual refunds to date, staff is further reducing its year-end revenue estimates for Other Rental Income in FY 2019-20.
- **Other Funding Sources** – (decreased projections by **\$374,000**) – Within the FY 2019-20 Adopted Budget was the expectation that the City would receive and administer special assessment revenue for the West Valley Solid Waste Management Authority (WVSWMA) and then disburse it out to member entities through payments from the General Fund. Through a complex past practice, special assessments have been received in the Environmental Services Fund (209), transferred to the General Fund (101), and then paid out to member entities from the General Fund. This has largely been standard practice since the WVSWMA was formed in 1997. However, the practice changed after the FY 2019-20 Budget was adopted and special assessment payments are now being received, administered, and disbursed directly by the WVSWMA. Thus, anticipated revenue coming into the General Fund as a transfer from the Environmental Services Fund will cease; offset fully by reduced expenditures to pay member entities. The reduction of expenditures is reflected in the next section of this memo which discusses expenditure savings.

While staff was able to revise revenue estimates for the above items with a high degree of confidence using more current information, staff does not have any additional information which would allow it to revise estimates for other major revenue sources, namely Sales Tax. Sales Tax payments are made to the City by the California Department of Tax and Fee Administration (CDTFA) over the course a fiscal year through various monthly advances and quarterly cleanup payments. For example, Sales Tax payments owed to the City for Quarter 1 (Q1) of calendar year (CY) 2020 (January through March 2020 sales activity) won't be fully remitted to the City until end of May 2020. And detailed business by business information won't be available for the City to review until July 2020. As another example, Sales Tax payments owed to the City for Q2 of CY 2020 (April through June 2020 sales activity) won't be fully remitted to the City until end of August 2020. And detailed business by business information won't be available for the City

review until October 2020. These examples are further displayed in Table B below:

Table B – Example Timing of Sales Tax Activity and Payments

Quarter	Sales Activity	Final Cleanup Payment	Business Level Details Avail.
Q1 – CY 2020	Jan – Mar 2020	Late May 2020	Jul 2020
Q2 – CY 2020	Apr – Jun 2020	Late Aug 2020	Oct 2020

As shown, actual detailed and even summary level Sales Tax data always lags behind the sales activity which generated it. Therefore, the City will only be able to start verifying COVID-19 related losses in FY 2019-20 Sales Tax revenues late May 2020 (for Q1 CY 2020); with final confirmation late August 2020 (for Q2 CY 2020). And detailed business by business information again won't be known until July 2020 and October 2020, respectively. Thus, while staff has used educated assumptions to forecast Sales Tax, these estimates could change upward or downward in the future based on actual results.

In regard to General Fund expenditures, staff again expects the City to save approximately \$1.7 million when compared to FY 2019-20 Budget appropriations. Anticipated savings are due entirely to a review of Supplies and Services accounts by staff and an identification of only those expenditures which are critical and/or necessary to operate under current shelter in place orders through the end of FY 2019-20. Within this savings is also the reduction in WVSWMA member entity payments of \$374,000 as previously discussed. As also previously discussed, building permitting and associated operations resumed again in early May 2020 and staff plans to resume minimal programming at the Campbell Community Center the weeks of June 15 and June 22. Additionally, permanent staff who have been unable to work at all due to the nature of their positions or who have been teleworking since shelter in place went into effect mid-March 2020 are being gradually brought back to their regular job sites when it can be done safely. As the County and State move to the next phase of their shelter in place orders, staff anticipates that additional City operations will resume at regular job sites in early June 2020. Nevertheless, based on reduced activity the last two months as well as a review and identification of only critical expenditures, staff again expects significant supplies and services savings in FY 2019-20.

When reviewing **Table A** of this memo as it relates to expenditures, there are several important items which require further information:

- **Vacancy Savings** – As detailed in the April 21 update, there are several positions across City departments which are currently vacant. And there are also other positions which have been vacant for a period of time in FY 2019-20, but are now filled. When preparing the FY 2019-20 Budget, staff assumed a 2% or \$757,200 Vacancy Savings factor due to normal turnover and the average time necessary to recruit and fill positions. However, rather than apply this factor to the budgets of individual departments, it was placed into a Non-Departmental budget account to be applied citywide. Thus, while these vacancy savings are actually occurring within each department, they are not tracked separately in the same account that citywide vacancy savings are budgeted in. Thus, the Vacancy Savings account will equal \$0 by the end of the fiscal year, with actual vacancy savings spread across each department. In the future, staff will explore whether it is feasible and would make more sense to track *and* budget actual vacancy savings in one account outside of departmental accounts. As a whole, the City is

projected to realize \$450,000 in Vacancy and other Employee Services savings within the General Fund across all departments in FY 2019-20. This is less than the assumed Vacancy Savings factor and all savings are directly reflected within each department's year-to-date and projected year-end expenditures. This practice was also explained in the FY 2019-20 Mid-Year Update provided to Council on March 3, 2020.

- **COVID-19** – Since the proclamation of a local emergency in the City of Campbell on March 12, 2020, staff has set up a separate budget unit to record and track COVID-19 related expenses with the hope of future State or Federal reimbursement. Thus, under Expenditures Category J, Council will see COVID-19 related expenses of \$981,000 through April 30, 2020 as well as a year-end projection of \$2.1 million through June 30, 2020. There are several important things to note though.

First, the new COVID-19 budget unit captures anything and everything that might be a COVID-19 related expense such as regular time working in the City's Emergency Operations Center (EOC), regular time devoted to COVID-19 activities, overtime due to COVID-19, authorized paid leave for those employees that are unable to perform their job duties due to COVID-19, personnel protective equipment (PPE), laptop computers to allow staff in certain appropriate and necessary positions to telework during shelter in place orders, and any other items necessary to allow the City to safely serve the community during the COVID-19 pandemic. Most of these expenditures, including all staff regular and leave time, would have normally been captured within the City's operating departments and already have assigned budget appropriations to them. Thus, the City is not incurring any additional cost for them over what was expected in the FY 2019-20 Adopted Budget. As it relates to costs which the City did not budget for within the City's operating departments, these include \$20,000 spent through April 30, 2020 for laptop computers to allow telework, PPE, a sanitizing machine for Police vehicles, and other related COVID-19 supplies and equipment. And based on a review of anticipated COVID-19 supply and equipment needs, staff expects to spend \$88,000 in total on similar items through June 30, 2020. Additionally, \$55,000 has been spent on COVID-19 related overtime through April 30, 2020 and \$152,000 is expected to be spent through June 30, 2020. However, staff has a moderate degree of confidence that that these items will be reimbursed in the future. Other items are being tracked, but may not all be eligible for reimbursement. As a note, the HEROS Act, which is currently being debated in the US Congress, includes \$1 trillion to state, local, territorial and tribal government for fiscal relief. This is a contentious bill and if it passes there will likely be a number of modifications, but it does offer some hope that a broader base of COVID-19 related expenditures as well as COVID-19 related revenue losses may be reimbursed in the future. Staff will continue to keep Council updated on this important piece of legislation and related legislation.

Second, the year-end COVID-19 expenditure projection includes a trend analysis of Employees Services costs using the pay period starting April 20 and ending May 3, 2020. Within this pay period, some essential staff in the Public Works and Police Departments were on authorized paid leave. However, since April 8, 2020, most City staff though have been required to use their own accrued leave banks to augment their paychecks if they have been unable to telework or remain fully productive during shelter in place orders. Through May 3, \$602,000 has been charged to authorized paid leave. And in the interest of time, staff has projected that the trend of authorized paid leave as

well as all Employee Services costs charged to the COVID-19 budget unit for the April 20 through May 3 pay period would continue through June 30, 2020. However, in reality, as more staff return to their regular job sites and other staff shift away from COVID-19 related duties, Employee Services costs within the COVID-19 budget unit will shift back to their normal home departments, which again have necessary budget appropriations. Once the City's financial books are closed in late August 2020, staff will return to Council to provide a more accurate accounting of actual COVID-19 related expenditures. And again, staff will continue to track any and every COVID-19 related expenditure that it can in hopes of future State or Federal reimbursement.

In conclusion, while cost containment measures identified above as well as improvement to some revenue sources have closed the gap, staff is still projecting an operating deficit of **\$4.0 million** in FY 2019-20. Thus, absent a significant and immediate recovery to the economy or a further drastic and immediate reduction to current fiscal year expenditures, staff expects that the City will need to draw upon its reserve funds to cover any gap in FY 2019-20. At fiscal year-end, actual General Fund revenues minus expenditures must always be greater than zero. And any time that there is an imbalance, the gap must be filled by reserves or other outside sources. However, as detailed in the April 21 update, for the fiscal year ending June 30, 2019, the City had \$5.6 million in its General Fund Emergency Reserve. Per Section 20.V.A. of the Council Financial Policies, this reserve is based on 10% of General Fund revenue and it will only be used in the case of dire need as a result of physical or financial emergency as determined by the City Council. This can be thought of as one of the City's "rainy day" funds and the entire purpose for its establishment was to protect the City against fiscal storms. Mitigation of unexpected and significant revenue losses due to a global pandemic and COVID-19 would certainly be an appropriate use of this reserve account, and staff encourages Council to consider its use to balance the General Fund in FY 2019-20. As such, staff will return to Council after the City's financial books are closed in last August 2020 to provide an update on the final General Fund operating gap in FY 2020-21. The gap may be more or less than what is currently estimated at \$4.0 million. The final gap will be based on actual results and the ever changing landscape of COVID-19 and staff will provide Council a resolution for consideration should the use of the Emergency Reserve or other allowable City reserves be necessary. As a note, for the fiscal year ending June 30, 2020, the City also had an Economic Fluctuations Reserve of \$9.2 million and an Undesignated, Unassigned reserve of \$1.0 million. Both of these reserves could also be utilized to bridge the potential gap between revenues and expenditures in FY 2019-20 and FY 2020-21. In total, as of the end of the fiscal year ending June 30, 2019, the City had \$15.8 million in General Fund reserves that could be used to mitigate the anticipated negative economic impacts of COVID-19 in FY 2019-20, FY 2020-21, and beyond. But staff will continue to take any and all measures to ensure that their use is limited so as to preserve future fiscal stability and flexibility. However, at this time, absent a significant cash flow issue, staff is not recommending the use of any available external loan programs to offset revenue losses. The City has over \$30 million in liquid assets in its pooled investment portfolio (which includes all funds) and this is sufficient to meeting operating requirements over the next several months. Short-term internal interfund loans may be needed for accounting purposes and to meet the legal requirements of restricted City funds and revenue sources, but external loans are not recommended at this time. External loans would need to be paid back and the City does not have a cash flow issue right now. It has a temporary loss of revenue issue. Should the use of external loan programs be necessary in the future, staff will return to Council to request their use.

Financial Status Update - Fiscal Year (FY) 2019-20

TABLE A

Year to Date (YTD) - April 30, 2020

GENERAL FUND

	YTD Apr 2020	Budget 19-20	% of Budget	Proj YE 19-20	Proj vs Budget *	YTD Apr 2019	YE 18-19	% of YE	Year over Year	
									YE Growth (\$)	YE Growth (%)
REVENUES										
A - Property Tax	\$ 14,375,109	\$ 16,967,000	84.72%	\$ 17,213,100	\$ 246,100 +	\$ 13,361,110	\$ 15,646,864	85.39%	\$ 1,566,236	10.01%
B - Sales Tax	\$ 9,984,030	\$ 15,891,400	62.83%	\$ 14,433,090	\$ (1,458,310) -	\$ 10,578,816	\$ 15,684,222	67.45%	(1,251,132)	-7.98%
C - Franchise Taxes	\$ 2,744,007	\$ 3,736,800	73.43%	\$ 3,736,000	\$ (800) -	\$ 2,685,096	\$ 3,515,547	76.38%	220,453	6.27%
D - Transient Occupancy Tax	\$ 2,893,194	\$ 4,785,400	60.46%	\$ 3,145,800	\$ (1,639,600) -	\$ 3,321,295	\$ 4,768,870	69.65%	(1,623,070)	-34.03%
E - Other Taxes	\$ 1,096,064	\$ 1,633,500	67.10%	\$ 1,561,440	\$ (72,060) -	\$ 1,015,382	\$ 1,254,746	80.92%	306,694	24.44%
F - Licenses & Permits	\$ 2,040,325	\$ 2,356,500	86.58%	\$ 2,090,252	\$ (266,248) -	\$ 1,625,352	\$ 2,062,086	78.82%	28,166	1.37%
G - Fines & Forfeitures	\$ 189,760	\$ 362,300	52.38%	\$ 149,600	\$ (212,700) -	\$ 231,512	\$ 274,478	84.35%	(124,878)	-45.50%
H - Investment Income	\$ 454,458	\$ 478,000	95.07%	\$ 478,000	\$ - =	\$ 836,564	\$ 998,446	83.79%	(520,446)	-52.13%
I - Intergovernmental Revenue	\$ 533,753	\$ 880,470	60.62%	\$ 842,770	\$ (37,700) -	\$ 599,815	\$ 721,568	83.13%	121,202	16.80%
J - Charges for Service	\$ 3,543,138	\$ 5,444,903	65.07%	\$ 3,826,005	\$ (1,618,898) -	\$ 3,981,036	\$ 5,037,369	79.03%	(1,211,364)	-24.05%
K - Other Revenue	\$ 2,748,049	\$ 3,348,591	82.07%	\$ 2,849,866	\$ (498,725) -	\$ 2,667,584	\$ 3,105,671	85.89%	(255,805)	-8.24%
L - Other Funding Sources	\$ 731,101	\$ 3,346,241	21.85%	\$ 2,972,286	\$ (373,955) -	\$ 1,291,646	\$ 1,294,246	99.80%	1,678,040	129.65%
TOTAL REVENUES	\$ 41,332,989	\$ 59,231,105	69.78%	\$ 53,298,209	\$ (5,932,896) -	\$ 42,195,207	\$ 54,364,113	77.62%	\$ (1,065,903)	-1.96%
EXPENDITURES										
A - City Council	\$ 290,232	\$ 335,772	86.44%	\$ 330,012	\$ (5,760) -	\$ 314,959	\$ 366,716	85.89%	\$ (36,704)	-10.01%
B - City Manager's Office	\$ 2,035,342	\$ 2,768,666	73.51%	\$ 2,381,302	\$ (387,364) -	\$ 1,982,946	\$ 2,589,142	76.59%	\$ (207,840)	-8.03%
C - Recreation & Community Se	\$ 5,104,972	\$ 7,102,960	71.87%	\$ 5,711,738	\$ (1,391,222) -	\$ 5,302,091	\$ 6,663,663	79.57%	\$ (951,925)	-14.29%
D - Finance	\$ 1,405,523	\$ 1,731,759	81.16%	\$ 1,717,554	\$ (14,205) -	\$ 1,482,660	\$ 2,056,701	72.09%	\$ (339,147)	-16.49%
E - Community Development	\$ 2,586,301	\$ 4,090,374	63.23%	\$ 3,135,408	\$ (954,967) -	\$ 2,478,087	\$ 3,114,633	79.56%	\$ 20,774	0.67%
F - Legal Services	\$ 414,919	\$ 616,749	67.28%	\$ 564,382	\$ (52,367) -	\$ 651,752	\$ 858,368	75.93%	\$ (293,986)	-34.25%
G - Public Safety	\$ 22,340,507	\$ 28,806,055	77.55%	\$ 28,540,985	\$ (265,070) -	\$ 21,485,523	\$ 27,275,036	78.77%	\$ 1,265,949	4.64%
H - Public Works	\$ 4,392,966	\$ 6,365,393	69.01%	\$ 5,211,849	\$ (1,153,544) -	\$ 4,170,413	\$ 5,212,037	80.02%	\$ (188)	0.00%
I - Non-Departmental	\$ 1,126,854	\$ 1,898,619	59.35%	\$ 1,538,350	\$ (360,269) -	\$ 964,854	\$ 1,374,556	70.19%	\$ 163,794	11.92%
J - COVID-19	\$ 980,930	\$ -	>100%	\$ 2,114,866	\$ 2,114,866 +	\$ -	\$ -	N/A	\$ 2,114,866	>100%
K - Vacancy Savings	\$ -	\$ (757,200)	0.00%	\$ -	\$ 757,200 +	\$ -	\$ -	N/A	\$ -	N/A
L - Other Funding Uses	\$ 2,182,159	\$ 6,084,478	35.86%	\$ 6,084,478	\$ - =	\$ 2,965,268	\$ 4,306,206	68.86%	\$ 1,778,272	41.30%
TOTAL EXPENDITURES	\$ 42,860,705	\$ 59,043,625	72.59%	\$ 57,330,924	\$ (1,712,701) -	\$ 41,798,554	\$ 53,817,057	77.67%	\$ 3,513,867	6.53%
Revenues vs. Expenditures	\$ (1,527,716)	\$ 187,480		\$ (4,032,715)		\$ 396,653	\$ 547,055			

* Note: (+) means that projected year-end is greater than budget; (-) means that it is less than budget; and (=) means that it is equal to budget.



City Council 2019-20 Priorities

Strategic Objectives	Council Adopted Priorities	Comments by Council Members
Community Participation	Housing Legislation	Keeping the City Council and Community informed about State legislation that would impact the City. Examples of priority legislation are: <ul style="list-style-type: none"> • ADU's • SB 50
	Legislation (all other categories)	Keeping the City Council and Community informed about State legislation that would impact the City.
Land Use/ Financial Health	General Plan Update (FY 2019-20)	
	Measure O Implementation	
Open Space/ Cultural/ Historical	Open Space	<ul style="list-style-type: none"> • Parks • Playgrounds • Trails

FY 2019-20 Citywide WorkPlans

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Comments
CITY MANAGER'S OFFICE													
COMPLETE --- Rosemary Permit Parking Pilot Program Update						3							
COMPLETE --- Transition to District Based Elections - Mid-Year Budget Adjustment									3				Budget to pay for Registrar of Voters services and City communication to residents.
COMPLETE --- Water Tower and Flag Policies								18					Added lighting day in June recognizing Pride Month.
COMPLETE --- Carpenters Side Letter					19								
Measure O Implementation (Fin/PW)													
Project Update / Tax Levy Authorization	16												
Project Update (Scope / Design Discussions)								4					Approved the issuance of RFP's for library and police projects, staff will return to seek Council approval to issue a contract to the successful proposer.
Project Update / Debt Management Policies Adoption/Oversight								18					
Award Design Contracts for Police and Library Projects											19		May be moved to June 2.
Issue RFP for CEQA CEQA Environmental Services											19		
Authorization to sell bonds / Set Tax Levy													Council action scheduled on 7/21/20. Set tax levy in anticipation of August bond issuance. Sale in Aug. 2020.
Final Sale Results Report to Council Oversight Committee													Final sales report on 9/15/20 (tent.) Appointment in Fall; first meeting in January 2021.
Legislation Updates													Legislative Advocacy Principles Council Policy (12/3). End of Session (Oct- Info Memo); Beg. of Session (3/17). Legislative Session is on hold until May 4 with a likely reduced package of bills to discuss- all TBD.
COMMUNITY DEVELOPMENT													
COMPLETE --- ADU Ordinance			20		5								Ordinance changes adopted and to be effective 12/20/19. Item completed.
COMPLETE --- Downtown C-3 Zoning Update					19			18					Ordinance adopted.
COMPLETE --- RHNA Subregion Formation													On 10/10/19 the Cities Association Board of Directors voted to support the formation of a planning collaborative and forgo the formation of a formal sub-region. Staff participates in monthly meetings.
General Plan Update (CMO)													
GPAC review of Admin Draft General Plan													June 2020.
Present Admin Draft General Plan to Council													July 2020.
Draft EIR													August 2020.
Draft Climate Action Plan													September 2020.
Public Review of GP and DEIR													December (Planning Commission review in November 2020).
Final EIR and Final General Plan to Council (adoption)													Ordinance changes have been drafted and provided to the City Attorney for review. Upon approval from City Attorney, staff will process item through the Planning Commission and return to Council upon recommendation (date TBD).
Housing Objective Standards - Short Term (Implementing State Housing Laws)													RFP- 9/3; Hiring of a consultant in May 2020. Work to be completed in FY 21.
Moved to FY 21 Work Plan -- Housing Objective Standards - Long Term (Implementing State Housing Laws)			3									2	Follow up on non P-F Zoned Properties. Planning Commission and City Council hearing in July/August timeframe.
Moved to FY 21 Work Plan -- Camping Ordinance (City Attorney)													

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Comments
FINANCE													
COMPLETE --- CalPERS Salary Table (HR)		20											
COMPLETE --- Financial Audit Services Multi-Year Contract - RFP					5								Moved to 11/5 (10/15) due to In N Out appeal.
COMPLETE --- Study the Potential Use of a Payroll Processing Service (HR/CMO) - RFP						3							Per 12/3 Council action, staff will install the electronic timesheet function already owned by the City. Future Council discussion/action to be scheduled as necessary.
Review Current Reserve Policies										28	22	16	Initial discussion on 4/28; Continued discussion on 5/22 (Budget Study Session); Changes to reserve levels to be approved as part of the budget adoption on 6/16.
Moved to FY 21 Work Plan -- Review Business License Process													Staff is currently in discussions to procure software to allow online applications and renewals. Council action to approve purchase in late FY 20 or early FY 21.
Moved to FY 21 Work Plan -- Unfunded Pension and OPEB Liabilities & Pay Down Options													Analysis of options to begin after PERS ends its fiscal year and determines how its investments compared to its anticipated returns- this information will tell the City if rates will start to increase in FY 23.
Moved to FY 21 Work Plan -- Review Sales Tax Audit Process													
Moved to FY 21 Work Plan --- Citywide Capital Asset Physical Inventory and Valuation (Rec/PW) - RFP													
INFORMATION TECHNOLOGY (IT)													
COMPLETE --- Deploy internal Web Site using Microsoft SharePoint													
COMPLETE --- Deploy enterprise permit system (CDD)													
COMPLETE --- Deploy full cloud backup of data - RFP													
COMPLETE --- Provide public access to LaserFiche documents													
COMPLETE ---Deploy City phone system - RFP						3							Item moved to 12/3 (Nov.)
COMPLETE --- Replace City Council computer offerings													
COMPLETE --- Provide public access to most GIS mapping layers													Lynx hosts GIS info. for City and provides this mapping data.
COMPLETE --- Deploy PRA automation for CM/Clerks office -RFP													
Replace public meeting video and recording system - RFP												2	Moving to 6/2 in order to manage I.T. workload related to the implementation of several new software systems.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Comments
PUBLIC WORKS													
COMPLETE --- Vehicle and Equipment Acquisitions	16	20						18					Approved on 2/18.
COMPLETE --- Parkland Impact Fee Study (Rec)			17		19								Update (Sep.) Adoption of new Ordinance (Nov.)
COMPLETE --- Small Cell Wireless Telecommunications					5								Approved on November 5.
Design of the All Inclusive Playground at JDM (Budd)													
City Council Conceptual Input								4					Input provided.
Approval of Conceptual Design											19		
Approval of Plans and Specs (August 2020)													
Campbell Park Improvements													
City Council Conceptual Input			17										
Approval of Conceptual Design													Council action in August 2020.
Approval of Plans and Specs													
On Hold -- Develop the East Campbell Avenue Plan Line				1									Project on hold and pending budget discussions, project may continue in FY 21 or may be put on the Unfunded List.
Moved to FY 21 Work Plan -- City Standard Specifications and Details for Public Works Construction													Coordinating with the City Attorney to determine completion date. Item to be continued to FY 21.
RECREATION													
COMPLETE --- CIC Beautification Grant Program			17										
COMPLETE --- Recreation Software - RFP					5								Moved to 11/5 (10/1). RFP & Specs. are still under development.
COMPLETE --- CIC Neighborhood Grant Requirements					5								Moved to 11/5 (10/15) due to In N Out appeal.
COMPLETE ---Leasing Policy Update					19								
COMPLETE --- CIC Street Name Criteria						3							CIC Review on 11/14. Moved to 12/3 (11/19).
Parkland Dedication Fund Annual Update											22		To be discussed in conjunction with Proposed FY 21-25 CIP.
Building Use Policy Update												2	To be discussed in conjunction with Fee Schedule adoption.
Field Use Policy Update												2	
Moved to FY 21 Work Plan -- Heritage Theater Maintenance and Enhancement Projects			3										On hold due to Building Maintenance staffing vacancies.
Moved to FY 21 Work Plan --- 3-Year Action Plan to Support Age Friendly City Initiative													Coordinating with World Health Organization re: renewal requirements. Council action TBD.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Comments
DEVELOPMENT PROJECTS													
COMPLETE--- In N Out Application													
Final EIR Released (July 24, 2019)		24											
Planning Commission Hearing (August 27, 2019)			10										Moved to 9/10 due to a lack of quorum on 8/27.
City Council (only on appeal)				15									Appealed rejected by City Council - project denied.
COMPLETE--- Cresleigh Homes													
SARC		13											
CEQA Completion		30											
Planning Commission Hearing				22									Planning Commission 10/22 (9/24).
City Council						3							City Council approved on 12/3.
COMPLETE--- Dolinger - 1700 Dell Avenue													
CEQA Completion			3										
SARC				8/22									
Planning Commission					26	10							
City Council							4	3					Continued to 3/3 to approve a zoning map amendment, planned development permit and tree removal permit.
COMPLETE--- Chick-Fil-A													
CEQA Completion			30										
SARC				22									
Planning Commission					12								
City Council							21	18					2/18 Resolution to Deny the Application Adopted.

KEY:

- Council Action/Review
- Major Milestone/Review (Non-Council)
- Completion of a work product impacting the public

Work Plan Items – FY 2019-20

City Manager's Department:

510 - Administration

- Provide overall coordination of Measure O police and library design process
- Coordinate, plan and staff the 2019 State of the City event
- Coordinate tracking of State Legislation (that may impact City) with Legislative Subcommittee
- Develop/revise requirements for neighborhood associations
- Provide overall coordination of redistricting process
- Provide guidance and support for the General Plan revision process
- Evaluate communication/engagement coordinator responsibilities and capacity to meet city demands
- Support 2020 census effort

511 - City Clerk

- Review and implement electronic filing system for the Conflict of Interest Form 700, as well as, possible implementation for all other campaign filing statement forms
- Review and implement automated public records request system
- Review, coordinate, and implement a revised records retention schedule and procedures with potential software updates to the Laserfiche system
- Coordinate the process and procedures for transferring to District-Based Elections

515 - Human Resources

- Meet and confer with CPOA
- Conduct classification audits/analysis for requested positions
- Conduct total compensation surveys in accordance with established MOU's
- Work with Liebert Cassidy Whitmore on the CalPERS hourly exclusion determination
- Provide identified mandatory employee training
- Development plan to fill key leadership positions as they become open
- Explore options for new Section 125 third party administrators
- Assist in the implementation of a new payroll/HR system

547 - Information Technology

- Deploy new City phone system
- Deploy enterprise permitting system for Building, Planning, Land Development and Engineering
- Replace City Council computer offerings
- Deploy full cloud backup of data
- Deploy internal web site using Microsoft SharePoint
- Provide public access to LaserFiche documents
- Provide public access to most GIS mapping layers
- Deploy PRA automation for CM/Clerks office
- Replace public meeting video and recording system
- Provide coordinated staff training for all new technologies

Recreation & Community Services:

526 - Adult Services

- Continue with third year of the 3-Year Action Plan to support the Age-Friendly City initiative

527 - Community Center

- Assist with the asset valuation and long-term sustainability analysis of the Community Center campus

529 - Heritage Theatre

- Continue to implement maintenance and enhancement projects for the Heritage Theatre in conjunction with Building Maintenance

Finance Department:

535 - Accounting Services

- Implement new multi-year contract for financial audit services
- Research and analyze feasibility of utilizing a payroll processing service
- Coordinate a citywide capital asset physical inventory and valuation
- Prepare and issue Measure O bonds and track expenses
- Hire a Finance Manager
- Review Business license process
- Review sales tax audit process
- Review current reserve policies and levels for adequacy and appropriateness
- Review City's unfunded pension and OPEB liabilities and present pay down plans for consideration

Community Development:

550 – Administration

- Support the upgrade of the permit system for Planning and Building Divisions

551 - Current Planning

- Assist with the analysis of development impact fees

552 - Policy Development

- Continue to work with consultant on Envision Campbell - General Plan Update

557 - Low/Moderate Income Housing

- Perform ordinance updates to implement recent housing legislation

Legal Services:

560 - Legal Services

- Complete ordinances addressing Wireless Telecommunications in public right-of-way
- Assist Community Development with General Plan update
- Assist with the implementation of new State legislation

- Draft Measure O contracts
- Assist in the implementation of district elections
- Complete revising specifications and contract document requirements

Public Works Department:

701 - Administration

- Assist with Measure O design process and subsequent related work
- Participate in long range regional transportation planning efforts - Envision Silicon Valley and Plan Bay Area 2050 process
- Implement new funding model for the West Valley Clean Water Program JPA
- Complete revising specifications and contract document requirements in coordination with the City Attorney
- Provide support to the West Valley Solid Waste JPA

720 - Traffic Engineering

- Implement traffic calming improvements
- Manage the construction of the Citywide ITS Enhancements Project
- Manage the construction of the West Campbell-Downtown ITS Project
- Manage Citywide Quinquennial speed survey study
- Participate and monitor the VTA - Bascom Avenue Complete Streets Study
- Provide construction support - Harriet Avenue Traffic Calming Project
- Provide construction support - Eden Avenue Sidewalk Project

730 – Engineering

- Complete design of the Annual Street Maintenance - Winchester Boulevard Resurfacing Project
- Complete construction of the Harriet Avenue Traffic Calming Project
- Complete construction of the Eden Avenue Sidewalk project
- Complete design of the Campbell Park improvements
- Complete the preliminary design of the San Tomas Aquino Creek Trail Project
- Complete the East Campbell Avenue Plan Line study
- Complete the design for the all-inclusive playground at John D. Morgan Park (Budd Ave. side)
- Continue to support the deployment of small cell wireless telecommunications facilities in the public right-of-way
- Review and update City of Campbell Quality Assurance Plan (QAP) in compliance with Federal Highway Administration and Caltrans

740 - Land Development / Environmental Programs

- Continue to develop a Green Infrastructure Plan as required by the recently reissued Storm Water Municipal Regional Permit
- Complete the Park In-Lieu Fees update
- Support the upgrade of the permit system for Land Development and Engineering

745 – Maintenance Administration

- Complete approved Capital Improvement Projects
- Complete written inspection plans

750 – Vehicle & Equipment Maintenance Services

- Complete approved vehicle & equipment acquisitions

760 – Street Maintenance

- Complete approved Capital Improvement Projects
- Complete year two of the Citywide Sign Replacement Project – Federal Mandate

770 – Signals and Lighting Maintenance

- Continue streetlight conversion from low pressure sodium to LED fixtures
- Support the modification of six intersection upgrades
- Support downtown holiday decorations and events

775 – Parks Maintenance

- Complete Playground Management Plan
- Initiate irrigation controller conversions
- Complete scheduled tree services for Maintenance Zones 7&15
- Complete citywide tree inventory

780 – Building Maintenance

- Convert park restroom locks to programmable locking system
- Perform a CASP review for citywide ADA compliance
- Complete all approved special projects for buildings
- Complete energy audits for City buildings