

Fiscal Year 2024-25 Potential Service-Level Reductions

April 16, 2024



**CITY OF
CUPERTINO**

Background

- On January 17, 2024, staff sought Council direction on potential service-level reductions to help resolve the City's structural deficit.
- Council provided feedback and directed staff to provide additional information on some items.

Objective

Asking for Council confirmation on potential service level reductions for FY 2024-25



Staff will use the feedback from both meetings to develop the FY 2024-25 Proposed Budget, which will be presented for discussion in May and adoption in June

Updated Service-Level Reductions



Operations and Maintenance

Changes from 1/17/2024

Proposed Service-Level Reduction 1/17/2024	Estimated Budget Reduction 1/17/2024	Updated Proposed Service-Level Reduction 4/16/2024	Updated Estimated Budget Reduction 4/16/2024	Difference
Reduce Crossing Guard Services	\$50,000	This reduction has been eliminated.	\$0	\$(50,000) Crossing guard funding will be retained in the budget per Council direction.
Reduce Budget for Internal Audit	\$70,000	Reduce Budget for Internal Audit	\$40,000	\$(30,000) Added back one audit. Total budgeted cost is \$60,000, down from FY 2023-24 cost of \$100,000

Infrastructure

Changes from 1/17/2024

Proposed Service-Level Reduction 1/17/2024	Estimated Budget Reduction 1/17/2024	Updated Proposed Service-Level Reduction 4/16/2024	Updated Estimated Budget Reduction 4/16/2024	Difference
Shift School District Grounds Maintenance to School District	\$737,394	This reduction has been eliminated.	\$0	\$(737,394) This reduction has been eliminated for FY 2024-25.
Shift Street Tree Maintenance to Property Owners	\$455,008	Maintenance of Trees and Medians Service Level Reduction	\$200,000	\$(255,008) City would continue to maintain street trees. New SLR will lengthen tree trimming cycle from 7 to 10 years and reduce frequency of median maintenance.
Shift Sidewalk Maintenance to Property Owners	\$1,000,000	Maintenance of Sidewalk, Curb and Gutter Service Level Reduction	\$600,000	\$(400,000) City would continue to maintain sidewalks. New SLR will shift the sidewalk maintenance focus from removal and replacement to grinding of tripping hazards, except in extreme situations.

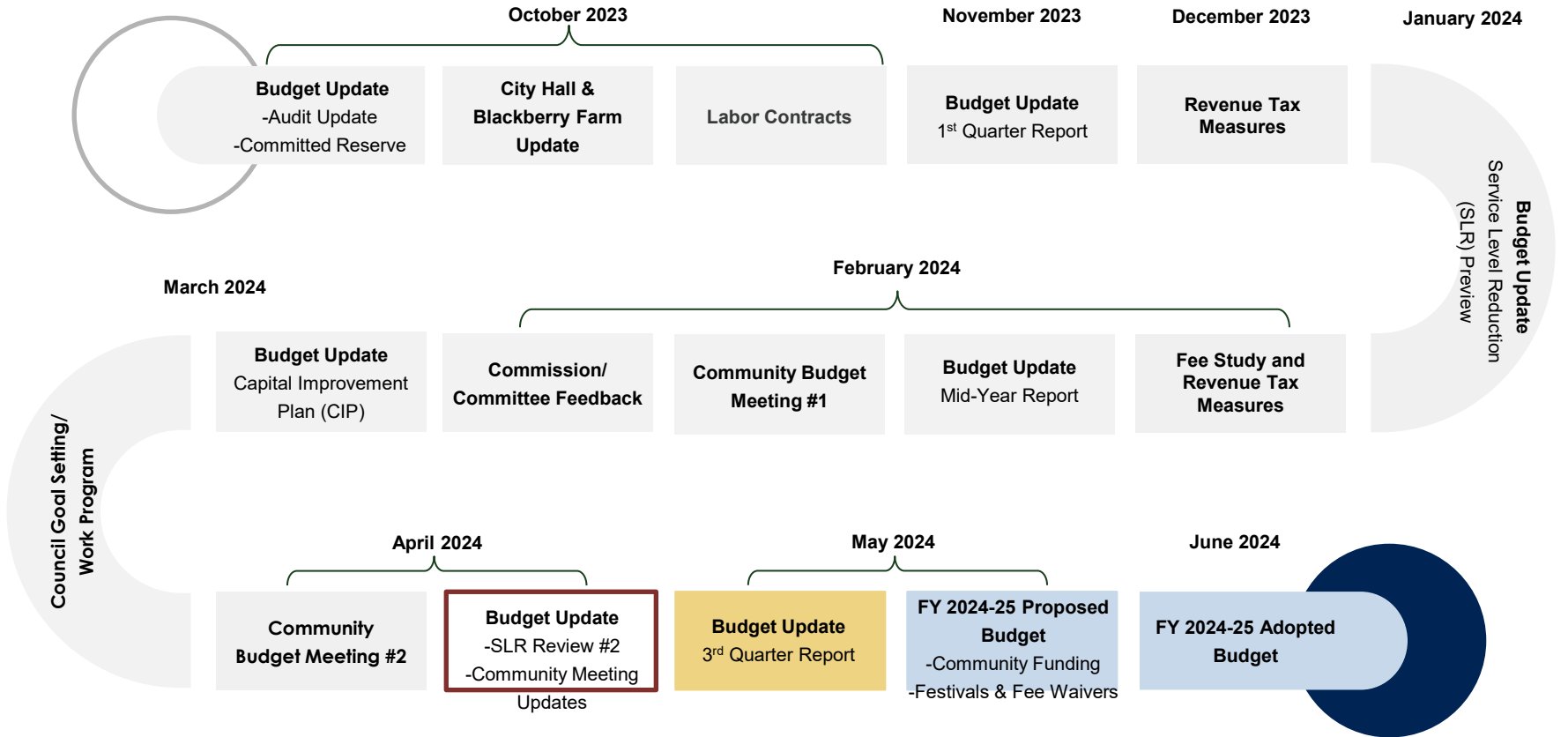
Potential Service-Level Reductions

Grouping	Reductions 1/17/2024	Updated Reductions 4/16/2024
<p>Operations and Maintenance Reduce sidewalk, curb, and gutter. Move some Public Works contract services in-house, extending maintenance timelines. Reduce Public Works PT staffing. Shift credit card fees to customers. Remove library extra hours from the base due to available State funding to cover these costs. Various other reductions.</p>	3,080,725	3,000,725
<p>Infrastructure Reduce funding to CIP of \$2M annually for the first 5 years of the forecast. Will utilize the existing fund balance to cover these costs. Lengthen tree trimming cycle, reduce frequency of median maintenance, shift focus of sidewalk maintenance</p>	4,372,402	2,980,000
<p>Fiscal Accountability Align law enforcement costs with prior year actual hours. Reduce applications used in the City, extend tech refresh cycles, and remove the new Enterprise Resource Planning (ERP) software from the budget.</p>	2,555,421	2,555,421
<p>Community Benefit Reduce 4th of July Event, partnerships, City events/outreach, paid events, concerts and movies, select City Work Program projects.</p>	463,690	463,690
Total	\$10,472,238	\$8,999,836

Recommendation and Next Steps



Roadmap to FY 2024-25 Budget Adoption and Balancing



Recommendation

Provide confirmation on potential service-level reductions for the FY 2024-25 Proposed and Final Budgets

Questions?

