Presentations for the
May 13, 2020
City Council Meeting
FY 2021 BUDGET HEARINGS

MAY 12TH BUDGET HEARING CONTINUATION
### STATUS OF FY 2021 BUDGET MEETINGS AS OF 5/12/2020

<table>
<thead>
<tr>
<th>Date</th>
<th>Draft Adjustments to Budget</th>
<th>FY 2021 GF</th>
<th>Dept</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Beginning Balance</strong></td>
<td>$ 930,000</td>
<td></td>
</tr>
<tr>
<td>12-May</td>
<td>Motion to eliminate Council Contingency ($95k) and Innovations &amp; Special Events Contingency ($50k)</td>
<td>145,000</td>
<td>NON</td>
</tr>
<tr>
<td>12-May</td>
<td>Motion to reduce the GF transfer to CIP from $7.6 M to $6 M</td>
<td>1,600,000</td>
<td>CIP/NON</td>
</tr>
<tr>
<td>12-May</td>
<td>Motion to reduce the GF transfer to CIP reserved the funds for BSR or 115 Trust</td>
<td>(1,600,000)</td>
<td>CIP/NON</td>
</tr>
<tr>
<td></td>
<td>Remaining:</td>
<td>$ 1,075,000</td>
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</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Parking Lot Issues</th>
<th>GF Amount</th>
<th>Dept</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-May</td>
<td>Overview of Cubberley Finances and Tenant Impacts; overhead map mark-up including impacts on the CIP</td>
<td>(2,500,000)</td>
<td>CSD</td>
</tr>
<tr>
<td>12-May</td>
<td>Section 115 Pension Trust Fund Contribution</td>
<td>(1,700,000)</td>
<td>NON</td>
</tr>
<tr>
<td>12-May</td>
<td>Strategy to manage attrition in Police and Fire</td>
<td>TBD</td>
<td>PD/FIR</td>
</tr>
<tr>
<td>12-May</td>
<td>Revisit the CIP to look for savings to pay for short-term parking lot items. (approximately $1M)</td>
<td>TBD</td>
<td>CIP</td>
</tr>
<tr>
<td>12-May</td>
<td>Long Term: Explore changing delivery of services from a dominant fire-oriented model to a dominant medical-oriented model</td>
<td>TBD</td>
<td>FIR</td>
</tr>
</tbody>
</table>
ADDITIONAL MATERIALS FOR TODAY 5/13/2020

NEW:

• Presentations for all items on the agenda
• At places memorandum: Various items for follow-up from May 12 budget hearings  
  • City lease information
  • Cubberley Community Center financial, lease, and map information
  • Library February 2020 monthly report
  • Bryant Street Garage Fund and various teen programs supplemental information
• At places memorandum: Residential Preferential Parking Permit Program (RPP)

STANDARD MATERIALS

• FY 2021 Proposed Operating and Capital Budget books & Staff Report #11322
Background & Fee Adjustment Summary

User Fee Cost Recovery Level Policy
• Low: 0% to 30%
• Medium: 30.1% to 70%
• High*: 70.1% to 100.0%

*Certain types of fees, such as fines, penalties and/or late charges, or any charge imposed for entrance to or use of, as well as the purchase, rental, or lease of local government property, are not bound by state laws that limit to full cost recovery.

General Rate of Increase = 2.6%

FY 2021 Proposed Municipal Fee Schedule Summary
• 18 new fees
• 18 deleted fees
• 33 changed fees
New & Deleted Fees

New Fees
• Deworming (aligns with animal services provided by partner, Pets-In-Need)
• Photography/Filming – Space Rental Fee (new service)
• Home Improvement Exception – Trees (recovers costs for services preformed in Planning’s ‘Home Improvement Exception’ Review)

Deleted Fees
• Art Studio Short Term, Half Studio (partial studios are no longer rented)
• Grease Waste Disposal (services no longer provided)
• Construction/Maintenance Vehicles (repetitive to Loss of Parking Space fee)
Changed Fees

Fee adjusted to align with market value
• JMZ – Group Admission

*Certain types of fees, such as fines, penalties and/or late charges, or any charge imposed for entrance to or use of, as well as the purchase, rental, or lease of local government property, are not bound by state laws that limit to full cost recovery

Technical adjustments
• Mitchell Park Library Community Room

Fee adjusted to reach desired cost recovery
• Evergreen Park – Mayfield RPP Reduced-Price Employee Parking Permit
FY 2021 PROPOSED BUDGET HEARINGS
PLANNING & TRANSPORTATION SERVICES AREA
PLANNING & DEVELOPMENT SERVICES DEPARTMENT, OFFICE OF TRANSPORTATION, & SPECIAL REVENUE FUNDS
OPS PG. 89-102, 151-157, 229-237

May 13, 2020
www.cityofpaloalto.org/budget
## FY 2021 BASELINE BUDGET SUMMARY (APRIL 20)

<table>
<thead>
<tr>
<th>Department</th>
<th>General Fund Revenue</th>
<th>General Fund Expenses</th>
<th>General Fund FTE</th>
<th>All Funds Revenue</th>
<th>All Funds Expenses</th>
<th>All Funds FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning &amp; Development Services</td>
<td>$18,461,932</td>
<td>$20,799,632</td>
<td>64.22</td>
<td>$21,916,336</td>
<td>$22,009,434</td>
<td>65.10</td>
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<tr>
<td>Office of Transportation</td>
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<td>$2,435,633</td>
<td>6.83</td>
<td>$6,372,265</td>
<td>$6,130,996</td>
<td>10.93</td>
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</table>
FY 2021 BUDGET SUMMARY (PLANNING & DEVELOPMENT SERVICES)

Balancing Strategy
Assessing the resource needs for each program area and reducing service delivery models to maintain critical programming at minimal operational levels.

Major Proposed Changes in General Fund
• Administrative staff resources (-$504,000)
• Current Planning & Development Services Front Counter (-$487,000 rev / -$729,000 exp)
• Long Range Planning and Housing (-$36,000 rev / -$274,000 exp)
• Code Enforcement (-$257,000)
• Building & Fire Inspection and Plan Review (-$1.9 M rev / -$1.1 M exp)
• Green Building & Public Works (-$276,000 rev / -$292,000 exp)
• Development Services Reserve ($270,000)
FY 2021 DEPARTMENT OUTLOOK (PLANNING AND DEVELOPMENT SERVICES)

• Continue to provide services for required / core functions but challenged in response times, lacking some professional expertise.

• Review applications submitted for planning entitlements and building permits and provide general information to the public regarding the City’s zoning and Comprehensive Plan provisions.

• Operate the Development Center which takes in applications for entitlements and permits and ensure that the proposed and completed construction complies with all state and local code requirements, including Green Building requirements.
Balancing Strategy
Adjust service delivery in the Residential Preferential Parking (RPP) program to achieve increased efficiency. Eliminate Palo Alto shuttle services which have had declining ridership that is expected to decrease further post-COVID-19.

Major Proposed Changes in General and Special Revenue Fund
• Modify service delivery in the Residential Preferential Parking (RPP) districts (-$185,000 rev)
• Cease operation of Crosstown free shuttle (-$380,000)
• Cease operation of Embarcadero free shuttle (-$158,000)
• Eliminate .48 FTE Administrative Specialist I (-$30,000)
FY 2021 DEPARTMENT OUTLOOK (OFFICE OF TRANSPORTATION)

Focus available resources in the following major areas:

• Reduction of single-occupancy vehicle trips
• Parking management including garages and lots and on-street parking in business districts
• Railroad crossing/grade separation planning and community engagement
• Monitoring, operations, and modifications of the traffic system
• Continue Safe Routes to School educating families to safely walk, bicycle, bus, and carpool to school.
## COUNCIL CONSIDERATIONS AND SERVICE AREA SUMMARY

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<tr>
<th>Planning &amp; Transportation Services</th>
<th>General Fund FY 2021 Baseline (as of 4/20/20)</th>
<th>$23.2 M</th>
<th>General Fund FY 2021 Revised (as of CMR #11322)</th>
<th>$19.5 M</th>
<th>% change</th>
<th>All Funds FY 2021 Baseline</th>
<th>$28.0 M</th>
<th>All Funds FY 2021 Revised</th>
<th>$24.4 M</th>
<th>% change</th>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(16.0%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(13.5%)</td>
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FY 2021 PROPOSED BUDGET HEARINGS
INFRASTRUCTURE AND ENVIRONMENT SERVICE AREA
Public Works & Utilities Departments

Ops Pg. 247-282 & 283-321
Cap Pg. 325-447; 469-491; 517-557
## FY 2021 BASELINE BUDGET SUMMARY (APRIL 20)

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<tr>
<td>Utilities</td>
<td>$0</td>
<td>$0</td>
<td>0.00</td>
<td>$296,146,086</td>
<td>$326,003,756</td>
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<tr>
<td>Public Works</td>
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<td>$19,691,803</td>
<td>51.20</td>
<td>$117,274,156</td>
<td>$145,821,982</td>
<td>173.89</td>
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</table>
Balancing Strategy
To achieve two years of 0% rate increases without large rate increases in future years, the Electric Fund may need to implement actions listed below.

Major Proposed Changes in Electric Fund
• Revenue loss from 0% rate increase (~$18 M)
• Reduce commodity purchases due to 10% load loss (-$9 M)
• Postpone installation of advanced metering infrastructure (-$12 M)
• Postpone Utilities Department support for building electrification (-$500,000)
• Reduce 1.85 FTE vacant positions (-$379,000)
• Postpone non-critical capital investments: utility undergrounding rebuilds ($3.6 M)
• Reduce renewable energy purchase below 100% Carbon Neutral (~$3 M - $6 M/yr)
FY 2021 DEPARTMENT OUTLOOK
(UTL – ELECTRIC)

- Without major service or program reductions, Electric will be required to drawdown ~ $14 M in supply, distribution and CIP reserves.
- Maintain electrical services, investments in critical infrastructure, continued customer service support, outreach programs and communications.
- Continued implementation of Sustainability and Climate Action Plan (S/CAP) over two years
FY 2021 BUDGET SUMMARY (UTILITIES – FIBER)

Balancing Strategy
Fiber Fund has adequate reserves of approximately $34 M that may be drawn upon for Fiber expansion efforts, if needed.

Major Proposed Changes in Fiber Fund
• Forego annual CPI increase of 2.5% (reduces revenue by -$41,000)
• Reduce 0.25 FTE vacant positions (-$69,000)
• Pause Fiber Optics Network Rebuild CIP (-$300,000)
FY 2021 DEPARTMENT OUTLOOK (UTL – FIBER)

• The Fiber Utility recommends foregoing the annual CPI increase for pre-2006 EDF-1 business fiber rate customers.

• The majority of Fiber customers are on EDF-3 rates and unaffected by CPI increases this year.

• There will be no service level impact, Fiber customer connections are anticipated to continue, as well as Fiber network expansion efforts.
FY 2021 BUDGET SUMMARY (UTILITIES - GAS)

Balancing Strategy
For a 0% rate change, the gas utility would need to make $13.8 million reductions over two years. The Finance Committee has recommended a 3% increase on May 5, the final action by Council will determine the impacts below.

Major Proposed Changes in Gas* Fund
• Revenue loss (-$3 M)
• Postpone or reduce project scope of work of gas main PVC pipe replacement (-$5 M)
• Suspend the City’s Carbon Neutral Gas carbon offset program (-$1 M)
• Postpone or eliminate cross-bore inspections (-$1 M)
• Postpone installation of advanced metering infrastructure & meter replacement (-$650,000)
• Reduce 1.15 FTE vacant positions (-$368,000)
FY 2021 DEPARTMENT OUTLOOK (UTL – GAS)

• The Finance Committee and Utilities Advisory Commission (UAC) recommended a 3% instead of a 0% Gas rate increase for FY 2021 to address the Gas CIP reserves.

• At 3% rate increase, PVC main replacement and cross-bore inspection program to continue as planned.

• At 0% rate increases, Utilities would defer the PVC main replacement cross-bore projects and increase the frequency of citywide gas surveying (mobile and walking) for gas leaks.
Balancing Strategy
Staff would not recommend cuts to sewer cleaning, maintenance, and inspection activities. If capital investment were postponed, staff would need to focus additional maintenance efforts on areas of the system in poorer condition that are currently scheduled for replacement. Bond financing of CIP projects is an option to take advantage of potentially lower construction prices during a recession.

Major Proposed Changes in Wastewater Collection Fund
- Defer construction for Sewer Sanitary Rehabilitation project #30 to FY23 (-$1.2 M)
- Revenue loss from zero rate increase (-$719,000)
- Work with Regional Water Quality Control Plant to delay wastewater treatment upgrade projects that are charged to the Wastewater Collection Fund
FY 2021 DEPARTMENT OUTLOOK (UTL – WWC)

• 2020 cost of service study for the Wastewater Collection Utility almost complete
• Wastewater is limited in the types of service reductions it can make to hold rates flat for two years. With the postponement of capital investment, staff will continue assessing and designing future capital improvement projects.
Balancing Strategy
SFPUC projects a water supply rate increases of 9% and 13% in FY 2023 and FY 2024 respectively. These increases, together with capital investment needs such as one-time needed reservoir replacements, will place upward pressure on Palo Alto’s water rates in the future years FY 2026 – FY 2028.

Major Proposed Changes in Water Fund
• Revenue loss due to no rate change and load reduction (-$1.3 M)
• Postpone meter replacement related to AMI project (-$1 M)
• Reduced commodity purchases (-$750,000)
• Hold vacant 1.15 FTE positions (-$268,000)
FY 2021 DEPARTMENT OUTLOOK (UTILITIES – WATER)

• Water Utility expects revenue losses due to reduced consumption and holding rates flat for two years
• No anticipated cost reductions or projected supply rate increases from SFPUC until FY 2023
• Seismic water tank replacement and main replacement projects will continue as planned
PUBLIC WORKS

Operating Pg. 247-282
Capital Pg. 303-323, 449-468, 493-515, 593-617
FY 2021 BUDGET SUMMARY (PUBLIC WORKS)

Balancing Strategy
The strategy evaluated the balance of in-house work, capital improvement program construction work, and contractor work to identify services that could be reduced in the short term without serious long-term consequences, including reduction of vacant positions.

Major Proposed Changes in General Fund

• Two-year freeze of the citywide sidewalk program reducing to only emergency repairs (Sidewalks; Capital Projects- GF Streets and Sidewalks) (-$700,000 rev / -$1.6 M exp)
• Reduce contract tree trimming work by 50% for Fiscal Year 2021 and 2022 (Urban Forestry) (-$654,000)
• Reduce 2.0 positions (Custodial; Capital Projects- GF Buildings and Facilities) (-$327,000)
FY 2021 DEPARTMENT OUTLOOK (PUBLIC WORKS)

- Facilities will provide maintenance and custodial services for City Buildings with an added emphasis on supporting COVID-19 recovery
- Urban Forestry will optimize and augment the reduced tree trimming contract services, and continue implementation of the Urban Forest Master Plan
- Sidewalks and Streets groups will work closely with the capital program to mitigate temporary reduction to capital projects
- Work on the S/CAP will continue, with a department emphasis on planning for electrification of the Fleet, and City Buildings
Balancing Strategy
Reductions are not proposed for Public Works enterprise funds. Refuse Fund planning assumes no rate increases for FY 2021 and FY 2022. A FY 2021 rate increase of 2.5% is proposed for the Stormwater Management Fund.

Major Proposed Changes in Enterprise and Internal Service Funds
• Two-year 60% reduction in vehicle replacements and corresponding allocated charges to all City funds (revenue changes -$2.3 M, expense changes -$3.2 M)
• Airport Apron Reconstruction Project (AP-16000) construction funding for Phase III of the project supported by a State Department of Transportation (DOT) Loan (revenue changes $2 M, expense changes $2.9 M)
• Electric vehicle charger and location study (revenue changes $50,000, expense changes $100,000)
FY 2021 DEPARTMENT OUTLOOK (PW-OTHER FUNDS)

• Fleet will work closely with all departments to respond to the reduction in vehicle replacements

• The Airport will begin the third and final phase of the Airport Apron project, expected to include a 100% FAA match

• Initiatives to rebuild the RWQCP will continue with commencement of two capital projects

• The first of the 13 high priority Stormwater Management projects will be constructed, with the next 3 commencing design
## SERVICE AREA SUMMARY

<table>
<thead>
<tr>
<th>Infrastructure &amp; Environment</th>
<th>General Fund FY 2021 Baseline (as of 4/20/20)</th>
<th>General Fund FY 2021 Revised (as of CMR #11322)</th>
<th>% change</th>
<th>All Funds FY 2021 Baseline</th>
<th>All Funds FY 2021 Revised</th>
<th>% change</th>
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<tbody>
<tr>
<td></td>
<td>$19.7 M</td>
<td>$16.8 M</td>
<td>(14.7%)</td>
<td>$471.8 M</td>
<td>$450.4 M</td>
<td>4.5%</td>
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FY 2021 PROPOSED BUDGET HEARINGS
INTERNAL SERVICE DEPARTMENTS & COUNCIL APPOINTED OFFICERS
OPS PG. 115-150, 159-170, 193-213
Cap Pg. 563-592
## FY 2021 BASELINE BUDGET SUMMARY

<table>
<thead>
<tr>
<th>Department</th>
<th>General Fund Revenue</th>
<th>General Fund Expenses</th>
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<th>All Funds Expenses</th>
<th>All Funds FTE</th>
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<tbody>
<tr>
<td>City Attorney</td>
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<td>$3,825,148</td>
<td>10.00</td>
<td>$1,617,268</td>
<td>$3,825,148</td>
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<td>City Auditor</td>
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<td>$1,057,042</td>
<td>3.00</td>
<td>$965,884</td>
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<tr>
<td>City Clerk</td>
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<td>$652,577</td>
<td>$1,374,602</td>
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<tr>
<td>City Council</td>
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<td>7.00</td>
<td>$155,566</td>
<td>$473,822</td>
<td>7.00</td>
</tr>
<tr>
<td>City Manager</td>
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<td>$3,633,795</td>
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<tr>
<td>Administrative Services</td>
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<td>41.61</td>
<td>$4,049,285</td>
<td>$11,038,773</td>
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<tr>
<td>Human Resources</td>
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<td>16.96</td>
<td>$11,323,599</td>
<td>$15,194,413</td>
<td>18.44</td>
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<tr>
<td>Information Technology</td>
<td>$0</td>
<td>$0</td>
<td>0.00</td>
<td>$16,670,828</td>
<td>$21,383,905</td>
<td>36.58</td>
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</table>
Balancing Strategy
Maintain work and required financial reporting. Reorganize and restructure areas such as accounting, procurement, and revenue collections in order to share resources working to minimize impacts and delays to City processes in accounting, procurement, and revenue collections.

Major Proposed Changes in in General Fund
• Accounting and Revenue Collections Reorganization (-$188,000)
• Suspend City Annual Performance Report (-$165,000)
• Procurement staff reorganization and reduction in resources (-$146,000)
• Reduction in printing services (-$75,000)
FY 2021 DEPARTMENT OUTLOOK (ASD)

• Quarterly financial and investment reporting, the annual Comprehensive Annual Financial Report (CAFR), and the annual budget process will continue such as the Long Range Financial Report, Mid-Year Budget review, and budget adoption.
• Redeploying staff and balancing delays in processing timeline with internal control risk such as changes in purchasing and payment processing.
• Continue to process biweekly payroll for all city employees
• Property management, treasury services, and warehouse management will continue
• Revenue collections will continue in a modified format
Balancing Strategy
Human Resources does not plan to eliminate or discontinue services, given the nature of the work, the balancing strategy will require reductions in personnel hours and the reduction of a contingency fund.

Major Proposed Changes in General Fund
- Reduce staff resources (-$230,000)
- Eliminate Human Resources contingency fund (-$50,000, this was noted as part of the non-departmental discussion)
FY 2021 DEPARTMENT OUTLOOK (HR)

• Guiding and supporting workforce safety and health through COVID-19 and Shelter in Place orders.
• Implementing Federal Families First legislation
• Implementing workforce reductions, leading safe return-to-work strategies, meeting legal obligations related to unions, and assisting with organizational issues related to the budget and ongoing pandemic.
• Continue HR strategies focused on new employee orientation, staffing and recruitment management, talent and skill development, performance assessments, safety and wellness programs; and to support employee relations, compensation, job classification, risk management, and organization development
FY 2021 BUDGET SUMMARY (INFORMATION TECHNOLOGY)

Balancing Strategy
Freeze position vacancies, adjusted service delivery, eliminated maintenance contracts for lower risk software/hardware, reduced Citywide allocations to replace only critical software/hardware

Major Proposed Changes in the Information Technology Fund
• Position Eliminations, Deferral of Hiring, and Reduction in Department Training (-$930,000 rev / -$930,000 exp)
• Reduction in Software & Equipment Support (-$473,000 rev / -$473,000 exp)
• Extend Replacement Cycle for Laptops & Components (-$389,000 rev / -$389,000 exp)
• Currently assessing the impacts of deferring work on two capital improvement projects (-$3.7 M)
FY 2021 DEPARTMENT OUTLOOK (IT)

• Continue with the implementation of
  • ERP (Enterprise Resource Planning) Upgrade,
  • GIS (Geographic Information System) Modernization, and
  • Next Generation City website

• Provide a broad range of high-quality technology-related solutions to employees, departments, council members, and the community; support and improve essential technology infrastructure
Balancing Strategy
City Attorney’s Office has realigned the contingency fund to streamline operations and decrease administrative work. Reduced areas which will lengthen response times for new initiatives but maintain core work

Major Proposed Changes in General Fund
• Staffing Reductions (-$117,000)
• Travel, Training, and Supply Expense Reductions (-$47,000)
FY 2021 DEPARTMENT OUTLOOK (ATTORNEY)

• Continue to provide legal support and services to the City Council, City Manager and departments.

• The Attorney’s Office will focus on new priorities in the City government organization during the COVID-19 recovery phase.
FY 2021 BUDGET SUMMARY (CITY AUDITOR’S OFFICE)

Balancing Strategy
To increase the efficiency of the organization, the Auditor’s Office realigned services provided while also reducing expenses in staffing categories to keep the department’s budget balanced and fiscally sustainable.

Major Proposed Changes in General Fund
• Staffing Adjustments (net -$137,000)
• Realignment of the Tax Compliance and National Citizens Survey Program from the City Auditor’s office to a mutual share between the City Manager’s Office and the Administrative Services Department (-$150,000 rev / -$77,000 exp)
• Staff reduction equal to similar internal service reductions (-$165,000)
FY 2021 DEPARTMENT OUTLOOK (AUDITOR)

- At the direction of the City Council and in coordination with the Council Appointed Officer Committee, staff is currently evaluating the service delivery of the internal audit function and final impacts are to be determined.

- conduct internal audits and examinations of any City department, program, service, activity, or fiscal transaction
Balancing Strategy

To increase the efficiency of the organization, the City Clerk’s Office realigned services provided while also reducing expenses in staffing categories to keep the department’s budget balanced and fiscally sustainable.

**Major Proposed Changes in General Fund**

- Staffing Reductions (-$48,000)
- Travel, Training, and Supply Expense Reductions (-$45,000)
- Contract Services Expense Reductions (-$90,000)
  (includes $35,000/$63,000 for minutes transcription & KZSU broadcasting council meetings)
- No Board and Commission Training or Recognition (-$5,000)
- Printing agenda packets (-$35,000)
FY 2021 DEPARTMENT OUTLOOK (CLERK)

- The City Clerk’s Office will continue to provide support and services to the City Council, staff and the community while working to maintain and enhance Palo Alto’s quality of life.
- The City Clerk’s Office will focus on new priorities in the City government organization during the COVID-19 recovery phase.
Balancing Strategy
To increase the efficiency of the organization, the CCO reduced expenses in travel, training, office supply, and special event categories to keep the department’s budget balanced and fiscally sustainable.

Major Proposed Changes in General Fund
- Travel, Training, and Supply Expense Reductions (-$49,000)
- Meeting meals and snacks (-$14,000)

MAY 12 REVISE: Eliminate Council Contingency (-$125,000)
FY 2021 DEPARTMENT OUTLOOK (CCO)

• The City Council will continue to provide leadership and management to the City government organization while working with the Council Appointed Officers Offices to maintain and enhance Palo Alto’s quality of life.
Balancing Strategy

To increase the efficiency of the organization, the CMO realigned services provided while also reducing expenses in staffing categories to keep the department’s budget balanced and fiscally sustainable.

Major Proposed Changes in General Fund

- Staffing Reductions (-$251,000)
- Travel, Training, and Supply Expense Reductions (-$32,000)
- National Citizen’s Survey Alignment from City Auditor’s Office ($27,000)
FY 2021 DEPARTMENT OUTLOOK (CMO)

• The City Manager’s Office will continue to provide leadership and management to the City government organization while working with the City Council to maintain and enhance Palo Alto’s quality of life.

• The City Manager’s Office will focus on new priorities that will support residents, local businesses, and the City government organization during the COVID-19 recovery phase.

• Continue citywide strategic focus areas including legislative affairs, business support and coordination, communications and community engagement, management of a small business grant recovery program, review of the City's 311 service request process, sister city support, and other citywide efforts.
### SERVICE AREA SUMMARY

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<td>(11.1%)</td>
<td>$58.0 M</td>
<td>$52.5 M</td>
<td>(9.5%)</td>
</tr>
</tbody>
</table>