



Item #_9_

City of Palo Alto

MEMORANDUM

TO: Finance Committee

DATE: May 17, 2017

SUBJECT: FY 2018 Budget Wrap-up Memorandum

Executive Summary

This memorandum includes additional information pertaining to the Fiscal Year 2018 Proposed Budget, summarizes changes to the City Manager's Fiscal Year 2018 Proposed Budget, brings forth recommended actions to revise the Fiscal Year 2018 Proposed Budget, and responds to questions raised by the Finance Committee during previous budget hearings. Please refer to the table of contents below for specific items.

Contents

1) ADDITIONAL INFORMATION PERTAINING TO THE FISCAL YEAR 2018 PROPOSED BUDGET	2
2) CHANGES TENTATIVELY APPROVED BY THE FINANCE COMMITTEE.....	8
3) WRAP-UP DISCUSSION OF OUTSTANDING ISSUES FROM PRIOR BUDGET HEARING MEETINGS & ADDITIONAL CHANGES RECOMMENDED	10
Staff Recommended Changes to Operating Budget	10
Budget Process Parking Lot Summary	11
Additional Information Pertaining to Parking Lot Issues	12
Changes to the FY 2018-2022 Capital Budget Publication.....	14
Staff Recommended Chages to the Capital Improvement Budget.....	15
FY 2018 Municipal Fee Schedule	16
FY 2018 Citywide Summary of Revenues and Expenses.....	16
4) SUMMARY OF MAY 2017 FINANCE COMMITTEE MEETINGS REGARDING FY 2018 BUDGET.....	17
Finance Committee Tentative Motions	17
Related Memos Distributed <i>At Places</i>	18
Future Follow-up Items.....	18
5) LIST OF ATTACHMENTS	19

1) ADDITIONAL INFORMATION PERTAINING TO THE FISCAL YEAR 2018 PROPOSED BUDGET

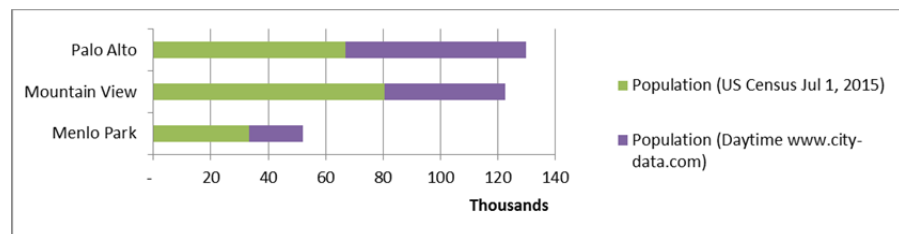
During the Finance Committee hearings, requests for additional information were made by the Committee members. This section provides the additional information requested by the Finance Committee and/or provided at staff's behest in regards to the Fiscal Year 2018 Proposed Budget.

City Attorney's Office Outside Counsel versus In House Counsel *(Requested 5/2/2017 by CM Tanaka)*

On May 2nd, the Finance Committee requested staff to use no more than half a day's work to prepare information describing the workload and budget allocations of in-house versus outside counsel, including comparisons with other cities. Attachment A presents background information on the use of in-house attorneys vs outside counsel, including a breakdown of the usual types of duties and functions assigned to each. In general, in-house staff is used for the regular ongoing legal work, due to both cost considerations and a need for responsive service. Outside counsel is often used for litigation matters, affording the ability to rapidly staff up and down in response to litigation developments.

Benchmark City of Palo Alto with Menlo Park and Mountain View *(Requested 5/2/2017 by CM Tanaka)*

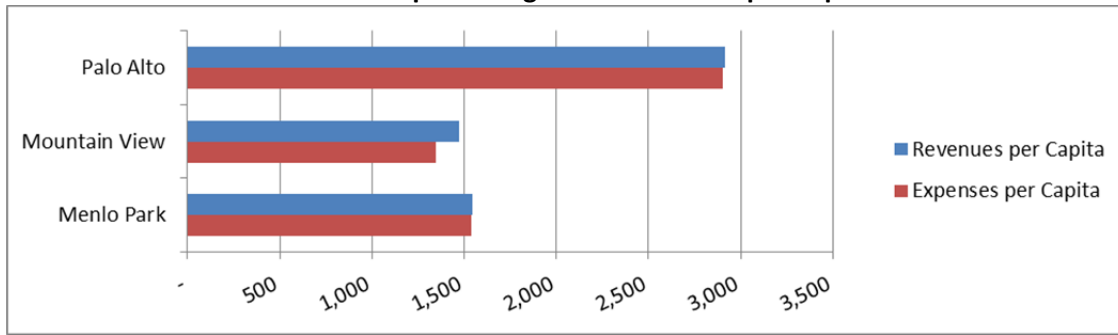
Displayed below are total revenue and total expenditure benchmarks per capita with both the City of Menlo Park and the City of Mountain View. Expense and Revenue data was obtained from the most current published budget available for all three cities, the Fiscal Year 2017 Adopted Budgets. Population data was obtained from the US Census Bureau, which provided the most current population as of July 1st 2015. Daytime population was obtained from www.city-data.com.



Population Type	Mountain		
	Menlo Park	View	Palo Alto
Population (US Census Jul 1, 2015)	33,449	80,435	66,853
Daytime Population (Daytime www.city-data.com)	52,028	122,465	129,975

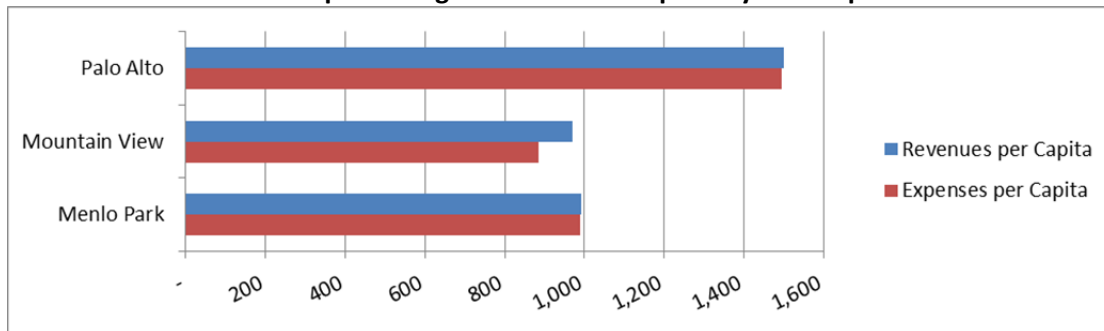
There are significant differences between cities in the services delivered to the public, the means/methods of delivery, and community priorities. These unique characteristics result in major differences between the categories and methods used to aggregate data. In the attempt to strike a balance between normalizing the data for proper comparison and maintain proper representation, the General Fund was focused on as it contained the most overlapping characteristics. These figures reflect decisions that have been made by the respective City Councils to achieve the priorities and desired service levels to their communities.

FY 2017 Adopted Budget: General Fund per Capita



	Menlo Park	Mountain View	Palo Alto
Expenses	\$51,417,563	\$108,433,000	\$194,165,979
Expenses per Capita	\$1,537.19	\$1,348.08	\$2,904.37
Revenues	\$51,596,888	\$118,718,250	\$195,078,254
Revenues per Capita	\$1,542.55	\$1,475.95	\$2,918.02

FY 2017 Adopted Budget: General Fund per Daytime Population



	Menlo Park	Mountain View	Palo Alto
Expenses	\$51,417,563	\$108,433,000	\$194,165,979
Expenses per Capita	\$988.27	\$885.42	\$1,493.87
Revenues	\$51,596,888	\$118,718,250	\$195,078,254
Revenues per Capita	\$991.71	\$969.41	\$1,500.89

Citywide Vacancies (Requested 5/2/2017 by CM Holman)

Throughout the City, there are currently approximately 102 positions vacant, the plurality of which can be found in the Utilities Department. Attachment B outlines the current vacancies in the City by department and by budgeted funding source. In specific areas, "backfill" is being used to cover the duties and is noted by an italicized job title. Backfilled could mean using higher class pay per the terms of the appropriate Memorandum of Understanding (MOU), an overstrength position, additional overtime, or the use of contractual dollars or temporary help to accomplish the workload associated with the vacant position.

Print & Mail Fund Contractual Services Increase *(Requested 5/2/2017 by CM Tanaka)*

In FY 2017 the Adopted Budget Contract Services expense for the Print and Mailing Services Fund was \$114,711 and is recommended to be increased by \$134,931 in FY 2018 to \$269,642.

The \$134,931 increase is for the ARC copier contract, a newly awarded contract, which replaces the previous contract for copiers with Toshiba; the Toshiba contract was up for renewal. City Council approved the ARC copier contract in November 2016 for five years (Report ID # 7046). Upon review of a procurement analysis of cooperative purchasing agency opportunities for copier contracts from major providers, all compared contracts would have resulted in an increase to the Toshiba contract costs. After review, City Staff found that ARC offered the best value for the cost, feature set, and ability to meet the City's paperless goals. In comparison to other copier contracts that ranged from \$23,297 to \$31,191 per month, ARC was selected at \$28,693 per month.

Unlike other providers that charge a fixed lease cost based on limits to print volume, ARC has a service model that allows the City to reduce costs by reducing print activity. In addition, features such as paper or toner replacement, which then costs the City staff time to manage and maintain are not included in low cost contracts. For example, compared to the Toshiba contract, which did not provide paper, the ARC copier contract includes costs for maintenance and paper. As a result, Supplies and Material costs were reduced in department budgets by a total of \$100,000 to partially offset this increase in the central contract costs. Other features such as energy efficiency, hole-punching, color copying, and free color scanning will support and encourage electronic document production. Over time, the new ARC copiers will help reduce paper consumption along with costs while also helping the City meet its green goals of reduced paper consumption. With centralized ARC copiers, the City can also better consolidate and reduce usage of single purpose laser jet office printers, which have a higher cost-per-page-printed compared to ARC. Staff will be monitoring the costs of the ARC copier contract and if the costs are more than anticipated staff can end the contract at any time with advanced notice as allowed by the contract terms.

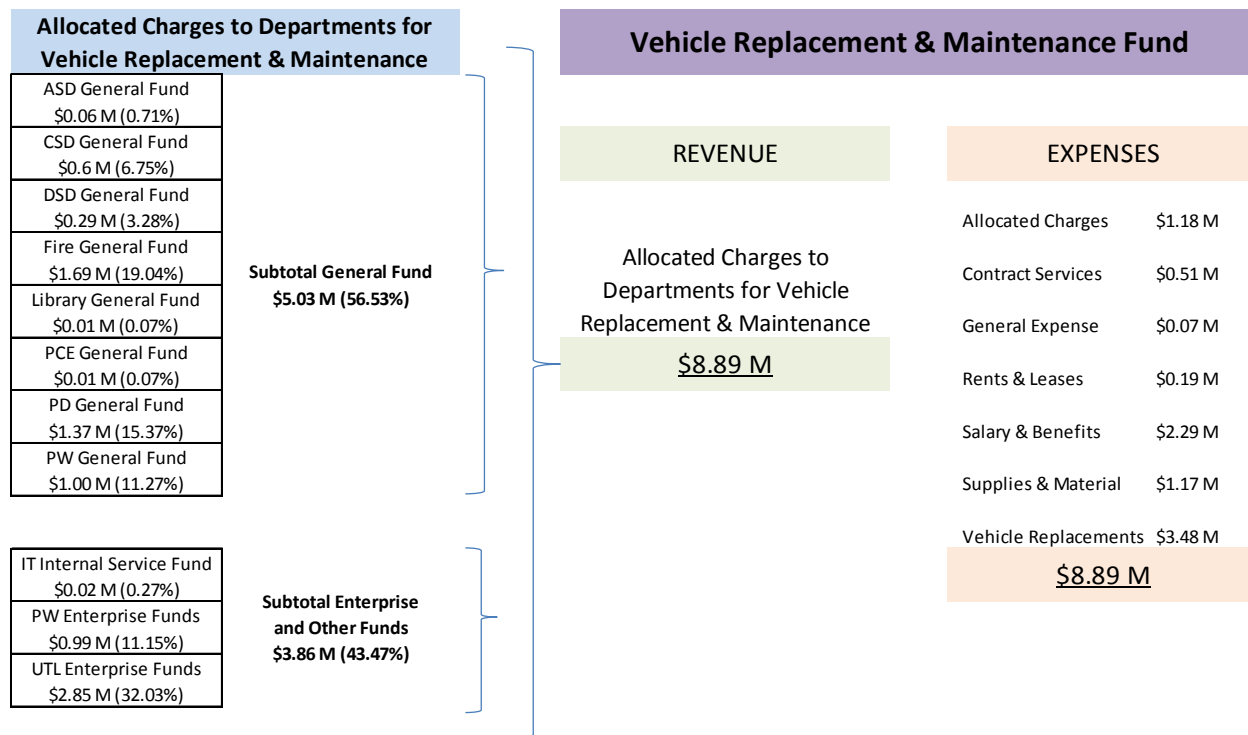
The Finance Committee also asked about the volatility of the costs in prior years in the Contract Services expense category as outlined in the table below.

Printing and Mailing Fund				
Dollars by Expense Category				
	FY 2016 Adopted Budget	FY 2016 Actuals	FY 2017 Adopted Budget	FY 2018 Proposed Budget
Contract Services	\$165,511	\$34,411	\$114,711	\$249,642

Contract services in this fund are very dependent on the printing activity needs of the City. In addition to the on-site print shop services, previously the print shop would coordinate the use of outside printing vendors for jobs they were unable to complete either due to capacity or not having the necessary equipment to complete it. The coordination of the use of outside printing vendors was decentralized in FY 2016, resulting in these cost no longer appearing in this fund but directly in Department's operating budget expenses. As a result, significantly lower than budget expenses occurred in FY 2016. The FY 2017 Adopted Budget was reduced by approximately \$50,000 to reflect the experiences of FY 2016 and the decentralization of this activity.

Internal Services Funds and how they work *(Requested 5/2/2017 by CM Fine)*

The diagram below provides a visual representation of the funding mechanics of internal service funds (ISF). This example reflects the primary funding mechanism for the Vehicle Replacement & Maintenance Fund ("Vehicle Fund") and illustrates the flow of funds from various other City funds and City departments to the ISF. The departments and funds contributing to the Vehicle Fund are detailed in blue on the far left. These expenses are reported in the expense by category summary table as an "Allocated Charge." Moving to the right, those charges for example in the Fire Department General Fund of \$1.7 million are accounted for as revenue in the Vehicle Fund (this can be found in green in the center under "REVENUE"). The revenues in the Vehicle Fund are programed as vehicle expense activities in orange on the far left under "EXPENSES." This diagram is intended for illustrative purposes only and reflects the primary source of funds for the Vehicle Fund.



City Manager's Office Economic Development Recruitment *(Requested 5/2/2017 by CM Holman)*

A copy of the recruitment brochure for the Economic Development Director position from 2010 was requested. The City's retention schedule for recruitment files is 3 years; therefore the brochure and recruitment details are no longer on file. However, please find Attachment C, a job description which was updated for the 2010 recruitment and was used as a basis for the brochure. Note that the position was classified as a Manager (rather than a Director) and reported to a Deputy City Manager. For reference, the Economic Development Manager did not supervise staff and was paid at approximately the same salary range as the Budget Manager and the Chief Planning Official, or approximately \$167,000 at the top of range.

Human Resources Grievances and Hotline Complaints Metrics *(Requested 5/2/2017 by CM Holman)*

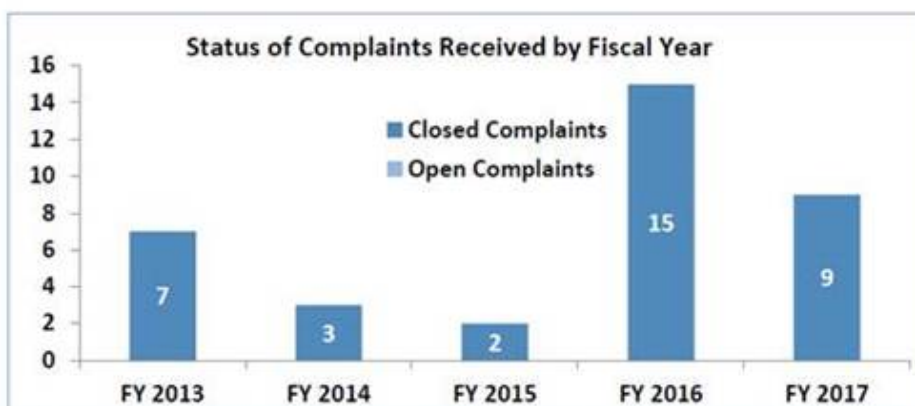
Please see the charts below that provide an overview of the Employee Relations caseload for FY 2016 and FY 2017. Note that Employee Relations is one division in Human Resources and the chart does not reflect other significant HR activities, such as: 285 recruitments, 80 active workers comp cases, 4,800 Personnel Action Forms processed, 294 health open enrollment changes, and 31 retirements handled in the fiscal year.

FY2016 – New Cases	
Grievances/Arbitrations	9
Meet and Confer	8
Outside Charges (DFEH/PERB/EEOC)	4
Formal Investigations	11
Employee Relations Cases	13
Total	45

FY2017 – New Cases	
Grievances/Arbitrations	9
Meet and Confer	12
Outside Charges (DFEH/PERB/EEOC)	5
Formal Investigations	6
Employee Relations Cases	11
Total	43

The City Auditor, who oversees the City's Fraud, Waste and Abuse Hotline, provided a presentation of the Hotline to the Policy and Services Committee on March 28, 2017. Attachment D is a copy of the City Auditor's power point presentation, along with a link to the most recent report: <http://www.cityofpaloalto.org/civicax/filebank/documents/57007>

The City Auditor's report provides the following summary by year:



Source: City of Palo Alto hotline case management system as of March 31, 2017

Attachment A

City Employees to Human Resources Staffing Ratios *(Requested 5/2/2017 by CM Tanaka)*

Staff was asked to comment on the ratio of HR to City employees in Palo Alto as compared to Mountain View. Upon further research, it was noted that the City of Mountain View's HR count did not include 2.0 FTE's budgeted in Finance for Risk Management and Workers' Compensation. A more accurate comparison is included below, along with comparisons to other local agencies. According to the Society of Human Resources Management (SHRM), the typical staffing ratio in the private sector is 75-100 employees to 1 HR staff. In general, public sector requires more staffing in HR, based on factors such as a unionized environment, management of a Merit Rules system, oversight of complex benefits regulations and pension plan, and specialized support required for Public Safety personnel. The staffing analysis indicates that Palo Alto's ratio compares favorably to other public agencies in the area.

Local Agencies - City FTE to HR Ratio

Source: FTE's from latest Adopted or Proposed Budget as published on the Agency website

Agency	City FTE	HR FTE	HR Ratio	Notes
City of Santa Clara	1,071.0	15.00	71:1	
City of Redwood City	565.9	8.00	71:1	Does not include Assistant Director who oversees HR
City of Mountain View	603.4	9.50	64:1	Includes 2.0 positions in Finance for Risk Management; does not include Assistant Director who oversees HR
City of Palo Alto	1,058.0	17.25	61:1	
City of Milpitas	340.0	6.00	57:1	
City of Fremont	901.3	16.25	55:1	Includes 2.0 positions in City Attorney's Office for Risk Mgmt and Workers Comp
City of Sunnyvale	901.0	20.00	45:1	City FTE includes combined Police and Fire (Dept of Public Safety)
City of Alameda	512.0	11.70	44:1	Includes 1.0 Senior HR staff funded in Utilities and 2.7 positions in the City Attorney's Office for Risk Mgmt and Workers Comp

Note: Excludes Councilmembers and Seasonal/Hourly Employees

Contingent Accounts: historical budget and usage (Requested 5/2/2017 by CM Tanaka)

The annual adopted budget includes six contingent accounts totaling \$725,000 annually. These accounts are typically used for unanticipated events and initiatives throughout a given year. In addition to contingent accounts, the City typically approves establishing various reserves for specific purposes such as a salary reserve for labor negotiations or a Sustainability Reserve for the implementation of sustainability initiatives. Attachment E outlines the last three years of both contingent accounts and reserves that have been budgeted in the Non-Departmental section of the annual operating budget. There are two distinguishing factors of reserves and contingent accounts: 1) contingent accounts are appropriated annually whereas reserves are typically one-time in nature, and 2) contingent accounts can be used with written authorization of the City Manager as outline in Municipal Code Section 2.28.060 whereas reserves require a budget amendment ordinance and thus City Council approval.

Citywide Code enforcement Estimates Revenue implications (Requested 5/9/2017 by CM Holman)

Staff does not believe that a greater use of fines and penalties is warranted given the type of code enforcement cases being handled and the ability to achieve compliance through other means. If the Council is interested in increasing the cost recovery of the code enforcement function, staff would recommend undertaking a nexus study to justify an increase in application fees to cover code enforcement.

The City could also pursue revenues from vacation rentals with an updated vacation rental ordinance as other jurisdictions have done. These jurisdictions have allowed a certain number of short term rentals (i.e. days per year) by owner-occupants as long as the owners register their properties and pay a fee. Owners are also required to pay Transient Occupancy Tax (TOT) and violations are aggressively enforced with fines and penalties for unauthorized rentals. Some jurisdictions have found it useful to supplement staff with contract enforcement when focusing on this issue, so the increased revenues are accompanied by some increased costs.

Development In-Lieu and Impact Fees *(Requested 5/9/2017 by CM Holman)*

Annually the City reports out on the City's various development impact fees. Although in the budget document these funds are aggregated for reporting simplicity, however, in order to comply with State law AB 1600, for accounting purposes, these funds are segregated from other funds of the City with interest on each development fee fund or account credited to that fund or account and used only for the purposes for which the fees were collected. Per State law (Government Code Section 66006) each local agency that imposes development impact fees must prepare an annual report providing specific information about those fees. Typically this report is provided in January or February of the year following the fiscal year end close, therefore the most recent report for Fiscal Year 2016 was approved by City Council on February 2, 2017, City Manager Report #7386 *Annual Development Impact Fees FY16* which can be found here: <http://www.cityofpaloalto.org/civicax/filebank/documents/55646>.

SUMC Fund: Past Present & Future *(Requested 5/9/2017 by CM Holman)*

On an annual basis, Staff brings forward to City Council a report that outlines activities that have occurred during the time period in regards to the Stanford University Medical Center Fund, including construction activities and other actions taken to fulfill the obligations of the agreement, discussion of current and future commitments, and an accounting of funds. The most recent report, City Manager Report #6358 *Stanford University Medical Center Annual Report and Compliance with the Development Agreement*, discusses the SUMC Parties activities during FY 2015, the fourth year of the Agreement. Staff anticipates that the FY 2016 report will be brought forward for Council review in the late June, early August timeframe. To date, the SUMC parties have contributed \$32.5 million in public benefit funds and are anticipated to pay an additional \$11.7 million upon issuance of the first hospital occupancy permit, projected to be issued in October/November of 2017. This next phase of funds is already allocated to the infrastructure plan. The most recent report can be found here: <http://www.cityofpaloalto.org/civicax/filebank/documents/51645>.

How many spaces does valet in University Avenue free up? *(Requested 5/9/2017 by CM Fine)*

The current valet program parks about 50-60 cars per day, mostly at the High Street Garage. Staff anticipates that maximizing valet parking at the High Street, Bryant/Lytton, and Cowper/Webster garages could theoretically increase capacity by a total of about 150 cars per day. Further, staff anticipates that additional capacity could be added in other lots and garages (including California Avenue) however, this expansion of the program would require the appropriation of additional funding. Staff will evaluate the cost effectiveness of this program.

2) CHANGES TENTATIVELY APPROVED BY THE FINANCE COMMITTEE

Throughout the Finance Committee Hearings, the Committee has tentatively approved a number of components of the City Manager Proposed FY 2018 Operating and Capital Budgets. This section describes Finance Committee recommended changes made to the budget.

GENERAL FUND

City Auditor's Office: On May 2, 2017, the Finance Committee tentatively approved the addition of \$20,000 to the City Auditor's Office budget to conduct a citizen survey of resident opinions on the quality of code enforcement. This funding will be used to augment the information received through the Code Enforcement Audit and to help inform the audit recommendations to improve the quality of the

Code Enforcement Program. In addition, funding will provide capacity for some customized questions in the City's annual National Citizen Survey.

OTHER FUNDS

On May 4, 2017, the Finance Committee tentatively approved changes to the Storm Drainage Fund and the Wastewater Treatment Fund in recognition of the recent approval of the Storm Water Management fee in April 2017. A majority of property owners, via a ballot-by-mail process, established a base rate of \$13.65 per Equivalent Residential Unit (ERU) per month along with a provision that the City Council could increase the rate on an annual basis by the local inflation rate (as measured by the Consumer Price Index) or 6 percent, whichever is less.

Below are the recommended changes to the FY 2018 Proposed Budget, which are detailed in the *At Places Memorandum* that can be found here:

<http://www.cityofpaloalto.org/civicax/filebank/documents/57694>.

Wastewater Treatment Fund

Staffing Realignment:

Shift 2.21 FTE to the Storm Drainage Fund, reduction of \$346,648 ongoing.

Storm Drainage Fund

Operating Budget Proposals:

- Shift 2.21 FTE from the Wastewater Treatment (WWT) Fund, addition of \$346,648 ongoing.
- Add 1.0 FTE Associate Engineer position and \$40,000 for regulatory requirement consulting services, addition of \$188,189 total ongoing.
- Provide funding for a Green Infrastructure Plan related to Storm Water Management, addition of \$341,000 ongoing.

Capital Budget Proposals:

SD-13003 Matadero Creek Storm Water Pump Station and Trunk Line Improvements

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	5 Year Total
Proposed FY 2018-2022 CIP (4/24/17)	\$259,632	\$0	\$0	\$0	\$0	\$259,632
Recommended	\$259,632	\$2,226,000	\$0	\$0	\$0	\$2,485,632

SD-06101 Storm Drain System Replacement and Rehabilitation

FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	5 Year Total
\$450,000	\$465,000	\$480,180	\$496,551	\$513,124	\$2,404,855

SD-20000 Storm Drain Pump Station to Adobe Creek

FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	5 Year Total
\$0	\$0	\$500,000	\$2,000,000	\$0	\$2,500,000

SD-22000 East Bayshore Road and East Meadow Drive Storm Drain System Upgrades

FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	5 Year Total
\$0	\$0	\$0	\$0	\$1,340,000	\$1,340,000

3) WRAP-UP DISCUSSION OF OUTSTANDING ISSUES FROM PRIOR BUDGET HEARING MEETINGS & ADDITIONAL CHANGES RECOMMENDED

This section outlines those items recommended by the Finance Committee to be placed in the “Parking Lot” for further discussion and additional staff-recommended changes to the proposed budget.

Staff Recommended Changes to Operating Budget

GENERAL FUND

A summary of the revised FY 2018 General Fund Budgets by Department can be found in Attachment F. This chart reflects the tentatively approved adjustments thus far and adjustments recommended within this memorandum; it does not reflect changes to items placed in the “Parking Lot”.

Reallocation of \$150k from CMO to Non-Departmental

This action reallocates the recommended \$150,000 in one-time funding from the City Manager’s Office to the Non-Departmental section of the FY 2018 Proposed Operating Budget. These funds are recommended for an outside study that will help inform the path forward for the City’s parking and transportation efforts, contribute to the integration of a strategic vision across each of those efforts, and review what organizational structure would best manage these new initiatives. Therefore, given the citywide nature of this evaluation, funding is more appropriately aligned with citywide initiatives in the Non-Departmental section.

AIRPORT FUND

Tie Down Lease and Property Rental Revenues

This action increases the estimate for tie down lease and property rental revenues at the Airport that were inadvertently cited as \$1,011,509 in the FY 2018 Proposed Operating Budget by \$500,000. These revenues are associated with the anticipated sunset of the Fix Based Operator (FBO) leases in April 2017 and were anticipated in the development of the Airport Fund and were included in the 5 year financial forecast previously provided.

RESIDENTIAL HOUSING IN-LIEU FUND

Below Market Rate Housing Contract

This action appropriates \$137,000 for contract services of Palo Alto Housing Corporation (PAHC) in the Residential Housing In-Lieu fund. Funds will be used for oversight of the City’s Below Market Rate (BMR) housing program including administering the sale and re-sale of new and existing BMR owner units, maintaining the home purchase waiting list, monitoring occupancy of BMR rental units, providing advice and consultation to the City regarding negotiations of BMR agreements with developers, and addressing special issues related to the program as a whole. This program is subject to City Council approval of the contract, scheduled to be considered on June 5, 2017. This request was excluded from Fiscal Year 2018 proposals due to uncertainty of amounts, which were confirmed upon completion of an RFP in late April. (Ongoing Costs: \$137,000)

UTILITY FUNDS

In the printing of the FY 2018 Proposed Operating Budget, the "Capital Improvement" expense category was inadvertently overstated due to the double counting of salaries and benefits associated with capital improvement projects. Therefore, in order to reflect the lower level of expenses anticipated in FY 2018, it is recommended that the appropriated expenses in the following funds be adjusted downward to accurately align with the anticipated staffing and construction costs. There is no impact to rates or the financial forecasting in these funds, this was simply a display issue in the Proposed Budget documents.

Fund	Recommended Adjustment
Electric Fund	(\$5,856,030)
Fiber Fund	(\$166,370)
Gas Fund	(\$2,666,977)
Wastewater Collection Fund	(\$2,155,768)
Water Fund	(\$1,395,292)
TOTAL	(\$12,240,437)

Budget Process Parking Lot Summary

During the budget hearings, the Finance Committee moved to make various changes to the proposed budget primarily by moving items to the "Parking Lot" for further discussion at a future meeting. This section outlines those items. This table is organized to include the date the action was taken, a short description of the action that was tentatively approved, and the dollar value (if applicable). Following the table is additional information for a few select items from the list as denoted by a "*" in the chart. These items provide additional information requested by the Finance Committee and/or provided at staff's behest in regards to the items in the parking lot. Staff hopes that this additional information will facilitate the Committee's review, discussion, and approval of these items.

Summary of "Parking Lot" Items ((\$'s in thousands)

Date	Dept	Description	GF Rev.	All Funds Rev.	GF Exp.	All Fund Exp
Requirements/Legal Implications:						
5/2	CMO	City Manager's Office Staffing Reorganization (approved by City Council fall 2016) and the role of economic development			N/A	
5/2	Non-Dept	Non-Departmental Section	0	0	37,814	37,814
5/4	PW	Tree Trimming Cycle Time*	0	0	338	338
5/4	PW	Urban Forest Master Plan*			TBD	
5/4	PW	Vehicle Maintenance and Replacement Fund*	0	6,863	0	5,035
5/9	PCE	YCS Funding (three year matching grants)	0	0	50	50
5/9	PCE	University Avenue Parking Fund and Transportation Management Association (TMA)*	0	2,514	0	2,876
Total Parking Lot Items			\$0	\$9,377	\$38,202	\$46,113

* These items have additional information provided in the following chart.

Additional Information Pertaining to Parking Lot Issues

GENERAL FUND

Tree Trimming Cycle Time (Requested 5/4/2017 by CM Holman)

The Committee inquired about why staff proposed to cut tree maintenance and the cost of shortening the proposed 10-year cycle to either a 9-year cycle or an 8-year cycle. With requests for budget reductions in FY2018, staff analyzed the three areas in General Fund in which cuts could be made (Janitorial, Streets and Trees) and determined extending the tree trimming cycle for the next two years of the contract would be the least impactful on the City. The proposed budget reduction (\$338,220) to extend the cycle to 10 years equates to \$1.22 million for Year 2 of the contract. A 9-year cycle would cost \$1.29 million (\$262,887 reduction), an 8-year cycle would cost \$1.37 million (\$177,887 reduction) and a 7-year cycle would cost \$1.55 million in FY2018.

To reiterate impact information submitted during the FY2017 budget hearings regarding tree health, the 10-year cycle requires removal of 12.5% of the live canopy, whereas the 7-year cycle removes 8.75% of the live canopy. That said, the American National Standards Institute (ANSI) A300 pruning standard allows for up to 25% of the live canopy to be pruned in any one year, although staff recommends less. Tree maintenance operations will be conducted in accordance with ANSI A300, ANSI Z133, and industry best practices. In addition, city tree trimming operations are led by an International Society of Arboriculture (ISA) Certified Tree Worker and supervised by an ISA Certified Arborist to ensure tree health.

Urban Forest Plan: 3rd Year Initiatives & Elevation of the Office Status (Requested 5/4/2017 by CM Holman)

The Committee inquired about the programs included in Year 3 of the Urban Forest Master Plan and what staff can and cannot implement with existing funding and how much the margin would cost. Year 3 programs are items numbered 39-57 listed on pages 167 -173 of the March 2015 publication (Attachment G). For the purposes of this exercise, programs have been grouped into four main categories: Community Relations/Public Input (39-40), Development (41-49), Solar (50-51), and Wildlife (52-57). Staff anticipates being able to initiate the Community Relations/Public Input programs, implement the Solar programs, and partially implement a couple of the Development programs with existing FY2018 budget. The remaining Development programs and all of the Wildlife programs would require new funding of \$90,000 and \$25,000, respectively, and were recommended to be deferred to the Fiscal Year 2019 budget process pending funding availability.

In addition, the Committee inquired about elevating (or increasing the influence of) the Urban Forest Section of the Public Works Department Public Services Division. The Urban Forester reports directly to an assistant director within the Public Works Department reflecting a high level within the Department. This allows the urban forestry group to have a high level of representation within the Department and ensures that maintaining the urban forest remains a high priority to the Department and its executive leadership, and that this message is communicated to the Council.

OTHER FUNDS

University Avenue Parking District Fund

Transportation Management Association (TMA) funding and options for revenue offsets: (Requested 5/9/2017 by CM Fine)

The TMA has provided a high level summary of how it would use additional funding of up to \$450,000 annually. The TMA anticipated that the funding would be dedicated to transit passes for low income workers, carpool subsidies, and first/last mile solutions (e.g. parking at transit stops), and estimate they could shift 750 people to alternate modes, thereby achieving a 14% reduction in SOV rates from the original estimate in 2015. (See summary table below.)

**TMA Proposal for FY 2018
(Goal = 14% SOV Reduction)**

Mode	# People/Passes	Cost Basis (based on current \$\$)	Annual Expense
Transit	200	\$1,320/year per person (average)	\$264,000
Carpooling	500	(based on current costs)	\$150,000
First Mile/Other	50		\$50,000
Total Program Costs			\$464,000
TMA Admin/Business Expense			\$160,000
Total for 2018			\$624,000

In regards to funding opportunities for this additional allocation, the primary sources could be further increasing Parking lot/garage permit fees or pursuing Measure B local street and roads funds that would potentially start flowing to the City in Q3 of 2017. Parking lot/garage permit fees are proposed to increase by 20% (Downtown) and 88% (Cal Ave) in the proposed budget, with the increased revenues mostly going towards needed capital improvements. If fees were increased more, for example by 50% (Downtown) and 100% (Cal Ave.), staff estimates that this could raise an additional \$400K to \$500K.

Vehicle Maintenance & Replacement Fund

Cost per vehicle (Requested 5/4/2017 by CM Holman)

The FY 2018 Proposed Capital Budget included a replacement schedule of \$3.2 million citywide for various vehicles. Attachment H displays the list of vehicles scheduled to be replaced along with their budgeted replacement values.

Breakdown of 57 SUV and sedans (Requested 5/4/2017 by CM Tanaka)

The 57 vehicles included in the infrastructure inventory listed on page 626 of the Fiscal Year 2018 Proposed Capital Budget document are comprised of Sedans and SUVs with 20 used as pool vehicles and 37 used as special purpose vehicles that are assigned to a department and used in the service of a particular position's job responsibilities. These 57 vehicles are parked throughout the city, with 31 at City Hall, 4 at various fire stations, 2 at the plant, 4 at Elwell

Court, 1 at Cubberley, 1 at Lucie Stern Community Center and 14 at the MSC. Below is a detailed list by fuel source:

28 Unleaded (18 Sedans and 10 SUVs)

- *Sedans*
 - 13 Police special purpose
 - 2 Planning & Community Environment
 - 3 Utilities (1 pool vehicle)
- *SUVs*
 - 3 Police special purpose
 - 4 Fire
 - 2 Planning & Community Environment
 - 1 Public Works (pool vehicle)

22 CNG (22 Sedans)

- *Sedans*
 - 2 Police special purpose
 - 2 Community Services (2 pool vehicles)
 - 3 Fire
 - 6 Utilities (4 pool vehicles)
 - 7 Public Works (6 pool vehicles)
 - 2 Planning & Community Environment (1 pool vehicle)

5 Hybrid (4 Sedans and 1 SUVs)

- *Sedans*
 - 2 PWD (2 pool vehicles)
 - 2 UTL (2 pool vehicles)
- *SUV*
 - 1 PWD pool vehicle

2 Electric (All Sedans)

- *Sedans*
 - 1 PWD
 - 1 UTL

Changes to the FY 2018-2022 Capital Budget Publication

Throughout the Finance Committee meetings, various sections of the FY 2018-2022 Capital Improvement Plan have been tentatively approved with both the General Capital Improvement Fund and the Utilities funds still to be reviewed on May 18, 2017. While the Finance Committee has not placed any capital improvement items in the “parking lot,” staff recommend additional changes as a result of new information and updates to the status of select projects. Below outlines the additional staff recommended changes including updates to the reappropriation of funds. In addition, it transmits the letter from the Planning and Transportation Committee (PTC).

Planning and Transportation Committee Review

On May 10, 2017, the Planning and Transportation Committee reviewed and approved the FY 2018-2022 Capital Improvement Plan for compliance with the City's current Comprehensive Plan. Attachment I is the letter and additional information the PTC wished to transmit to the Finance Committee. The transcribed minutes from the meeting are not yet available and will be referenced in the City Manager Report to transmit the final budget adoption for FY 2018 in June 2017.

Staff Recommended Changes to the Capital Improvement Budget

GENERAL CAPITAL IMPROVEMENT FUND: Junior Museum and Zoo capital project

This action establishes a Junior Museum and Zoo Renovation (AC-18001) capital improvement project and recommends an initial appropriation of funding in the amount of \$706,000 offset by a reduction in funding to the Rinconada Park Improvements Project (PE-08001) funding in FY 2019. The Community Services Department (CSD) is planning to move its current Junior Museum and Zoo (JMZ) exhibits and operation to the Cubberley Community Center during Fiscal Year 2018 to vacate the current site ahead of the JMZ Rebuild project that is expected to commence in spring 2018. Costs consists of \$30,000 in design costs for renovations at Cubberley; \$376,000 in construction & contingency costs (also include moving costs); and \$300,000 in permit and inspection fee costs for the temporary reconfiguration and operation of JMZ at Cubberley. It is anticipated that during the first six months of FY 2018, funding will be necessary for this activity and will be needed in advance of staff bringing forward the full construction project for the JMZ in coordination with the Friends of the JMZ.

VARIOUS CAPITAL IMPROVEMENT FUNDS: Reappropriations

As described in the Proposed Capital Budget document and discussed during the Finance Committee Budget Hearings, the City Council approved change in the method for accounting for capital budget reappropriations is included in the 2018-2022 Proposed Capital Budget Improvement Program (CIP). Previously, any unspent capital funds carried forward from one fiscal year to the next automatically, as long as the project was active. As a result of the October 2014 change to the Municipal Code, City Council authorization is now required for reappropriations. The FY 2018 budget process continues this process with the current FY 2018 Proposed Capital Budget including approximately \$46.1 million in reappropriated funds, across all funds.

In the time since the Proposed Budget figures were developed (early spring of 2017), departments have re-reviewed current year estimates and the reappropriation amounts built into the proposed CIP. Additional reappropriation adjustments are recommended as part of this wrap-up memorandum in order to update the FY 2018 Capital Budget with current, more refined estimated activity levels in Fiscal Year 2017.

Cumulatively, this re-review of projects has resulted in staff's recommendation to increase the Fiscal Year 2018 Proposed Capital Budget by a net total of \$14.8 million, from \$157.2 million to \$172 million, and are recommended in the following funds:

Fund	Recommended Fiscal Year 2018 Funding Adjustment
Airport Fund	\$45,000
Capital Improvement Fund	\$1,280,713
Electric Fund	\$950,865
Gas Fund	\$3,495,960
Vehicle Replacement Fund	\$400,000
Wastewater Collection Fund	\$448,740
Wastewater Treatment Fund (R)	\$7,000,000
Water Fund	\$1,140,717
Total All Funds	\$14,761,995

(R) Denotes a reappropriation of revenues as well.

These adjustments, as outlined by project in Attachment J, combined with those outlined in the Proposed Capital Budget will ensure that funds are available at the onset of Fiscal Year 2018 for projects that have experienced delays in the current year and will reduce the Fiscal Year 2018 Proposed budget for projects that experienced higher than anticipated expenditure levels within Fiscal Year 2017. In total, reappropriations of an estimated \$60.9 million remain below those assumed in the FY 2017 Adopted Capital Budget of \$79.8 million.

FY 2018 Municipal Fee Schedule

While the Municipal Fee Schedule for Fiscal Year 2018 will be discussed by the Finance Committee on the 18th of May, staff wished to proactively provide additional information pertaining to the City Manager Report #8020 *FY 2018 Proposed Municipal Fee Schedule*. Two *At Places Memorandum* are anticipated to be distributed on the following topics and can be found referenced on the City's Budget website.

- *Electric Vehicle (EV) Chargers:* This memorandum recommends a new EV Charging fee be established in order to charge for the charging of electric vehicles on City owned property such as the Civic Center garage.
- *Parking Permit Fees:* This memorandum outlines three corrections to the Municipal fee CMR and provides additional clarification and justification surrounding the changes in various parking fees.

FY 2018 Citywide Summary of Revenues and Expenses

After accounting for the various tentatively approved motions and staff recommendations, this section provides a high level summary of the status of the City's FY 2018 proposed citywide revenues and expenses. It should be noted, that this section does not contemplate and items in the "parking lot" at this time.

Additionally, subsequent to the release of the FY 2018 City Manager's Proposed budget on April 25, 2017, staff found an error in the Citywide revenues and expenses summary tables as reported in the proposed budget document. It was identified that within these summary tables, a non-budgeted fund was included resulting in an overstatement of both revenues and expenses. Revenues were overstated by \$10.07 million, and expenses were overstated by \$9.97 million. The chart below restates the FY 2018 Proposed citywide revenues and expenses as they would have been had this non-budgeted fund been excluded in the "Revised Citywide Proposed Budget (restated for Correction)" row. Once adjusting for this, tentatively approved motions by the Finance Committee, current recommendations by staff, the Citywide budget stands as follows:

Summary of Changes to the FY 2018 Proposed Budget Citywide (\$'s in thousands)		
	Revenues	Expenses
Citywide Proposed Budget, released April 25, 2017	\$591,651	\$661,774
Revised Citywide Proposed Budget (Restated for Correction)	\$581,582	\$651,801
Finance Committee Hearing Amendments		
<i>Tentatively Approved:</i>		
Auditor's Office Code Enforcement Survey	\$0	\$20
Storm Drainage Fund Ballot Measure Implementation	\$0	\$979
<i>Staff Recommended:</i>		
Airport Tiedown Revenue Correction	\$500	\$0
Below Market Rate Program Oversight Contract	\$0	\$137
Utilities Capital Improvement Program Corrections	\$0	(\$12,240)
Various Capital Reappropriations	\$7,000	\$17,762
Citywide Proposed Revenue and Expenses (as of May 18th Wrap-Up)	\$589,082	\$658,459

The FY 2017 Citywide Adopted Revenues and Expenses were \$546.3 million and \$641.8 million respectively. The Citywide Proposed Revenues and Expenses as of May 18th reflect year over year growth of 7.8% in revenues (\$42.8 million) and 2.6% in expenses (\$16.7 million).

4) SUMMARY OF MAY 2017 FINANCE COMMITTEE MEETINGS REGARDING FY 2018 BUDGET

Finance Committee Tentative Motions

Action Minutes to the Finance Committee Hearings to date can be found on the City's webpage here: <http://www.cityofpaloalto.org/gov/agendas/finance/default.asp>. Specific meetings are linked below.

May 2, 2017 Action Minutes: <http://www.cityofpaloalto.org/civicax/filebank/documents/57763>

May 4, 2017 Action Minutes: <http://www.cityofpaloalto.org/civicax/filebank/documents/57762>

May 9, 2017 Action Minutes: <http://www.cityofpaloalto.org/civicax/filebank/documents/57862>

Related Memos Distributed At Places

Throughout the Finance Committee Budget Hearings, various memorandums were distributed “At Places” in order to respond to inquiries made by the Committee or provide additional pertinent information at staffs behest. In addition, summary presentations were given at each hearing providing high level overviews of each item. Those presentations as well as the memos listed above can be referenced on the City of Palo Alto’s Budget Office website under “FY 2018 Budget Hearings” at: <http://www.cityofpaloalto.org/gov/depts/asd/budget.asp>

Below is a summary of the topics included in the “At Places” memorandums.

May 2, 2017: <http://www.cityofpaloalto.org/civicax/filebank/documents/57694>

- Storm Water Management Fee ballot measure implications

May 4, 2017:

- Human Resources Allocation Process Staff Report:
<http://www.cityofpaloalto.org/civicax/filebank/documents/57746>
- Airport Fund Loan Repayment to the General Fund:
<http://www.cityofpaloalto.org/civicax/filebank/documents/57742>

May 9, 2017: <http://www.cityofpaloalto.org/civicax/filebank/documents/57780>

- General Fund Overtime and Salary Comparison (Citywide)
- Comparison of Neighboring Airport Tie down Rates and Federal Aviation Administration (FAA) Grant Assurances

Future Follow-up Items

During the Finance Committee hearings, the Committee voted to place topics and items in a “Longer term parking lot” to be considered for further staff follow-up at a later date. Below is a list of these items through the May 2, 4, and 9th committee meetings. This list is reflective of referral items from the Finance Committee to the City Council for direction to Staff to complete and return to the Finance Committee at a later date.

1. Review of citywide overtime usage
2. Review of the financial reporting display of the unfunded pension liability
3. Report to City Council on the plan and implications for power redundancy
4. Review of charges for services for advanced life support and medical services calls
5. Review of daytime population cost recovery options

In addition, various items have arisen during the budget hearings that are not included in the FY 2018 Proposed Budget. These items were not included as insufficient information is available to provide a recommended budget action at this time, however, staff does anticipate these could be brought forward for consideration in the near term. These types of projects include but are not limited to:

- Cool Blocks Grant (3 year program)
- Consolidated parking permit and citation software management platform
- Automated Parking Guidance System
- Junior Museum and Zoo
- CalTrain means restriction (west side fencing)

5) LIST OF ATTACHMENTS

Attachment A: City Attorney's Office in-house and outside legal counsel information

Attachment B: Citywide Vacancies by Department by Funding Source

Attachment C: Economic Development Manager Classification Specification

Attachment D: City Auditor's Fraud Waste, and Abuse Hotline Presentation

Attachment E: Non-Departmental: Contingent Accounts and Reserves

Attachment F: General Fund Expenditures by Department Summary Revised

Attachment G: Urban Forest Master Plan Excerpt

Attachment H: FY 2018 Vehicle Replacement Schedule

Attachment I: Letter from Planning and Transportation Committee (May 10, 2017)

Attachment J: FY 2018 Capital Improvement Reappropriations

DEPARTMENT HEAD:



LALO PEREZ
Director, Administrative Services/CFO

CITY MANAGER:



JAMES KEENE
City Manager



Memorandum

Office of the City Attorney

City of Palo Alto

Date: May 16, 2017

THE HONORABLE CITY COUNCIL
Palo Alto, California
Attn: Finance Committee

RE: Follow-up information regarding in-house and outside legal counsel

Dear Members of the Council:

On May 2nd, the Finance Committee requested staff to use no more than a half day's work to prepare information describing the workload and budget allocations of in-house versus outside counsel, including comparables with other cities.

Background and Comparisons

Most charter cities of Palo Alto's size maintain an in-house legal department and retain outside counsel for litigation and, in some cases, other services. Comparative local jurisdictions have legal departments containing four to eight in-house attorneys, with an organizational ratio of one in-house attorney for somewhere between 100 and 200 total employees. Palo Alto has eight in-house attorneys, with approximately one attorney per 132 total City employees.

The City Attorney assigns work to in-house and outside counsel based on cost and type of assignment. In-house counsel are significantly less costly than outside counsel. The cost of Palo Alto's in-house legal department (including salaries, benefits, staff and overhead) equates to approximately \$172 per attorney hour. This compares with private attorney rates that currently range from \$195 (tort defense counsel) to \$570 (highly-specialized transactional services), averaging approximately \$330 per hour.

In-house attorneys have greater familiarity with the City's programs, services and priority projects, and often superior knowledge and experience in legal sub-fields regularly needed by the jurisdiction. Most cities, including Palo Alto, favor in-house counsel for regular ongoing legal work, due both to cost considerations and responsive quality service.

Outside counsel are usually the best choice for litigation matters, which require familiarity with court rules and practices, and ability to rapidly staff up and down in response to litigation

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ATTACHMENT A:

City Attorney's Office In-house and Outside Legal Counsel Information

developments. Most cities, including Palo Alto, assign most or all litigation to outside counsel. In addition, despite higher hourly rates, outside counsel often provide high-quality and cost-effective service for discrete transactional and advice projects requiring knowledge or experience in sub-fields outside of customary in-house practice areas.

FY 2017-2018 Palo Alto City Attorney Budget, by Functional Area

Consultation and Advisory. The majority of the City's transactional and advice work is handled by in-house staff. This includes the following types of weekly tasks:

- drafting and negotiating most professional services and construction contracts
- drafting ordinances, resolutions and policies implementing city council and departmental initiatives
- legal guidance and documentation preparation in the land use and development arenas
- legal review of all Council materials, and various reports and correspondence
- intergovernmental agreements
- legal compliance regarding fee and rate-setting
- legal risk management and mitigation
- training and regulatory compliance
- labor and employment counseling
- audit support
- governmental ethics, public records and public meeting laws

Projects in certain specialized areas are either assigned to outside counsel or, where in-house counsel are primarily responsible, outside counsel are consulted on an as-needed basis (in recent years, this work has constituted 15-20% of outside counsel expenditures):

- bond financing
- real property acquisition
- federal airport regulatory law
- tax compliance advice
- affordable housing regulation
- federal telecommunications regulation
- complex infrastructure procurement

Litigation/Claims/Dispute Resolution. Almost all litigation matters are assigned to outside counsel. This includes suits filed in federal and state courts, as well as disputes adjudicated in administrative agencies. 80-85% of outside counsel expenditures are in this area.

In-house staff attorneys supervise outside counsel, set strategy for all litigation, approve settlements, oversee claims investigation, and prosecute code enforcement and municipal code violations.

City of Palo Alto Full Time Position Vacancies
(as of May 2017)

ATTACHMENT B

DEPARTMENT/JOB TITLE	GENERAL FUND	ENTERPRISE FUNDS	OTHER FUNDS	GRAND TOTAL
Administrative Services				
<i>Account Specialist</i>	1.00	-	-	1.00
<i>Account Specialist-Lead</i>	1.00	-	-	1.00
<i>Administrative Associate III</i>	1.00	-	-	1.00
<i>Assistant Director Administrative Services</i>	0.75	0.25	-	1.00
<i>Manager Accounting</i>	1.00	-	-	1.00
<i>Senior Business Analyst</i>	-	-	1.00	1.00
<i>Senior Management Analyst</i>	1.60	-	-	1.60
<i>Storekeeper</i>	0.20	0.80	-	1.00
City Auditor's Office				
<i>Performance Auditor I</i>	1.00	-	-	1.00
City Attorney's Office				
<i>Senior Assistant City Attorney</i>	1.00	-	-	1.00
<i>Senior Legal Secretary</i>	1.00	-	-	1.00
City Manager's Office				
<i>Assistant to the City Manager</i>	2.00	-	-	2.00
<i>Deputy City Manager</i>	2.00	-	-	2.00
Community Services				
<i>Coordinator Recreation Programs</i>	1.00	-	-	1.00
<i>Producer Arts/Science Programs</i>	1.75	-	-	1.75
Development Services				
<i>Administrative Associate II</i>	1.00	-	-	1.00
<i>Building/Planning Technician</i>	0.90	-	-	0.90
<i>Senior Management Analyst</i>	1.00	-	-	1.00
Fire				
<i>Fire Apparatus Operator</i>	7.00	-	-	7.00
<i>Fire Captain</i>	2.00	-	-	2.00
<i>Fire Fighter</i>	5.00	-	-	5.00
Human Resources				
<i>Administrative Assistant</i>	1.00	-	-	1.00
<i>Human Resources Technician</i>	1.00	-	-	1.00
<i>Senior Human Resources Administrator</i>	1.00	-	-	1.00
Information Technology				
<i>Manager Information Technology</i>	-	-	1.00	1.00
<i>Senior Technologist</i>	-	-	1.00	1.00
Library				
<i>Coordinator Library Programs</i>	1.00	-	-	1.00
<i>Librarian</i>	2.00	-	-	2.00
<i>Manager Library Services</i>	1.00	-	-	1.00
Planning & Community Environment				
<i>Administrative Associate III</i>	1.00	-	-	1.00
<i>Building/Planning Technician</i>	0.10	-	-	0.10
<i>Manager Planning</i>	1.00	-	-	1.00
<i>Planner</i>	1.00	-	-	1.00

City of Palo Alto Full Time Position Vacancies
(as of May 2017)

DEPARTMENT/JOB TITLE	GENERAL FUND	ENTERPRISE FUNDS	OTHER FUNDS	GRAND TOTAL
Police				
Business Analyst	1.00	-	-	1.00
Community Service Officer	1.00	-	-	1.00
<i>Police Chief</i>	1.00	-	-	1.00
<i>Police Officer</i>	6.00	-	-	6.00
Public Safety Communications Manager	1.00	-	-	1.00
<i>Public Safety Dispatcher</i>	2.00	-	-	2.00
Superintendent Animal Services	1.00	-	-	1.00
Veterinarian Technician	1.00	-	-	1.00
Public Works				
Administrative Associate III	0.01	0.10	0.89	1.00
Engineer	0.10		0.90	1.00
Fleet Services Coordinator	-	-	1.00	1.00
Motor Equipment Mechanic II	-	-	1.00	1.00
Program Assistant I	-	1.00	-	1.00
Senior Industrial Waste Investigator	0.01	0.99	-	1.00
Utilities				
Administrative Associate II	-	1.00	-	1.00
<i>Assistant Director Utilities Engineering</i>	-	1.00	-	1.00
<i>Business Analyst</i>	-	3.00	-	3.00
Customer Service Representative	-	1.00	-	1.00
Electrician Assistant I	-	1.00	-	1.00
<i>Engineering Manager - WGW</i>	-	1.00	-	1.00
Engineering Technician III	-	3.00	-	3.00
Heavy Equipment Operator	-	1.00	-	1.00
Lineperson/Cable Specialist	-	3.00	-	3.00
Metering Technician-Lead	-	1.00	-	1.00
Power Engineer	-	2.00	-	2.00
Program Assistant I	-	1.00	-	1.00
Senior Resource Planner	-	1.75	-	1.75
Substation Electrician	-	1.00	-	1.00
Utilities Compliance Technician	-	1.00	-	1.00
Utilities Engineer Estimator	-	1.00	-	1.00
Utilities Field Services Representative	-	1.00	-	1.00
Utilities Install Repair-Welding Certified	-	2.00	-	2.00
Utilities Locator	-	2.00	-	2.00
<i>Utilities Supervisor</i>	-	3.00	-	3.00
Utilities System Operator	-	2.00	-	2.00
Water System Operator I	-	1.00	-	1.00
Grand Total	57.42	37.89	6.79	102.10

Title: **MANAGER, ECONOMIC DEVELOPMENT**
FLSA: EXEMPT
Revision Date: 03/22/10
Reports To: Deputy City Manager Special Projects
Supervises: Yes

Purpose of Classification

The Manager, Economic Development provides overall direction of the City's Economic Resources Planning (ERP) program. Under general direction of the Deputy City Manager, plans, organizes and directs the implementation activities of the ERP Program. The ERP Manager is responsible for formulating policy recommendations, developing goals and objectives, preparing and monitoring budgets, supervising staff and directing day-to-day operations.

Distinguishing Characteristics

The incumbent plans and assesses operational goals and objectives related to the ERP program functions. This position is distinguished from Division Head positions in that the duties relate to programs rather than a division of a department.

Essential Duties and Responsibilities - Essential and other important responsibilities and duties may include, but are not limited to, the following:

- Exercises independence in conformance of policies, principles, and procedures pertaining to the City's Economic Resources Planning program and general direction of the Deputy City Manager for Citywide economic initiatives and programs.
- Provides leadership and general direction for the Economic Resources Planning program.
- Makes presentations to the City Council as requested.
- Represents the Department and makes oral presentations at community meetings, inter-agency meetings, conferences, and other events.
- Reviews, prepares and presents reports on Economic Resources Planning programs and activities.
- Coordinates efforts with other City departments to develop solutions to economic problems facing the City, including project planning and scheduling.
- Coordinates with other agencies and organizations on regional economic development activities.
- Recommends, implements, and monitors an annual program budget to achieve program objectives.
- Manages, administers, and monitors consultant contracts pertaining to program implementation; evaluates services performed and costs for services performed by external consultants, vendors, and contractors.
- Keeps the Deputy City Manager informed of program's performance and issues vital to the City and ERP.
- Advises the Deputy City Manager on economic development activities, including business assistance, employment generation and retention, commercial project development and neighborhood commercial revitalization.
- May supervise administrative or intern positions.
- Actively involved in review of existing City procedures impacting the business community.
- Coordinates project activities with other City departments to provide policy support on economic development, and business attraction, retention and expansion issues.
- Acts as City liaison with representatives of professional and employer groups, the financial community, community organizations and individuals, on issues concerning economic development and conveys suggestions and recommendations to the Deputy City Manager.
- Provides public information on the importance of business to the maintenance of the community and City services.
- Assesses economic and fiscal impact of business projects to the City and of City projects on the business community.

MANAGER, ECONOMIC DEVELOPMENT

EXEMPT

03/22/10

- Responsible for trouble shooting and problem solving of specific issues related to business retention and new business recruitment.
- Expedites business projects through City discretionary review and permitting processes.
- Re-writes stress coordination with community business, real estate organizations, business associations, improvement districts and others.
- Conducts an on-going process of evaluation and review of program goals, objectives, strategies and plans to ensure the long-term ability of the program to accommodate appropriate responses to new or changing issues and opportunities.
- Manages and coordinates dissemination of information and provides business assistance and targeted outreach to businesses in order to enhance the City's business vitality, positively impact the quality of life, and sustain and increase City revenues.
- Performs related duties and responsibilities as required.

Minimum Qualifications

Sufficient education, training and/or work experience to demonstrate possession of the following knowledge and skills, which would typically be acquired through:

Bachelor's degree in Planning, Economics or a related field and preferably an advanced degree in Public or Business Administration, and least three to five years of extensive, progressively responsible administrative and supervisory experience in positions providing exposures to economic development and planning activities.

Licensing Requirements: None

Knowledge, Skills and Abilities

Qualification to enter this position requires knowledge of the following:

- Knowledge of principles, practices, trends and issues in the areas of economic development and public administration;
- Techniques of management and problem solving methods;
- Programs and resources for economic development, public/private sector approaches and techniques to stimulate and promote economic development activity;
- Ability to interact effectively with the public, representatives of business, industry, other governmental agencies and diverse community groups as well as staff, public officials and advisory boards;
- Ability to communicate effectively orally and in writing;
- Demonstrated ability to handle complex human and political problems;
- Ability to make sound decisions in a manner consistent with the essential job functions;
- Clear/thorough understanding of what business needs to be successful in the community and how City government can help meet those needs;
- Knowledge of applicable Federal, State and local laws, rules and regulations;
- Supervisory principles and practices;
- Familiarity with computer programs dealing with economic development data.

Qualification to enter this position requires skill in:

- Skill in analyzing problems and proposing solutions; eliciting the cooperation of others; interpersonal communication and relations.
- Management skills, including ability to organize, prioritize, and evaluate work, as well as the ability to supervise and direct staff.
- Communication and interpersonal relations as applied to interaction with coworkers, supervisor, the general public, and others.

MANAGER, ECONOMIC DEVELOPMENT

EXEMPT

03/22/10

Working Conditions / Physical Requirements

Work in an office environment; sustained posture in a seated position for prolonged periods of time.

Positions in this class typically require: reaching, standing, walking, lifting, fingering, grasping, talking, hearing, seeing and repetitive motions.

Light Work: Exerting up to 20 pounds of force occasionally, and/or up to 10 pounds of force frequently, and/or negligible amount of force constantly to move objects. If the use of arm and/or leg controls requires exertion of forces greater than that for Sedentary Work and the worker sits most of the time, the job is rated for Light Work.

JD063

The City of Palo Alto is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the City will provide reasonable accommodation to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.

Office of the City Auditor

Harriet Richardson, City Auditor

DISCUSSION OF THE FRAUD, WASTE, AND ABUSE HOTLINE

POLICY AND SERVICES COMMITTEE
MARCH 28, 2017



BACKGROUND

- Council adopted current hotline administration policy in May 2013, after a 10-month pilot period
- Third-party vendor administers the hotline; available to employees only, 24/7/365
- Callers can remain anonymous or provide their name
- Hotline Review Committee triages all calls; makes decision about whether to investigate
- 34 calls received since hotline's inception

PRIMARY REASONS FOR PROPOSED CHANGES

- Lack of clarity among employees regarding purpose of hotline
 - Most calls do not relate to fraud, waste, or abuse
 - Several calls were various versions of two separate issues; 11 for one issue; 2 for another
- 14 calls investigated; only 2 substantiated
- Previously allowed investigating department access to case management system; narrative not clear if sufficient investigative work done to close case

3

PRACTICES OF OTHER JURISDICTIONS

- Provide hotline information at new employee orientations
- Hang information posters at key points in facilities; update at least annually
- Create and distribute brochures/wallet cards
- Provide information on employee pay stubs 2x/year
- Conduct mandatory annual training/presentations
- Provide information in all-employee e-mails

4

PRACTICES OF OTHER JURISDICTIONS

- Dedicated internet/intranet pages
 - “Frequently Asked Questions” section with clear definitions
 - Tips for filing a complaint
 - Reports on number of cases received, investigated, outcomes
 - Descriptions of substantiated cases
- Articles in employee newsletters
- If external reporting is allowed – notices on utility bills, booths at community events, and T.V. advertisements

5

PROPOSED CHANGES

- Clarifies:
 - Employees should report fraud, waste, or abuse that directly relates to City activities (e.g., employee or contractor)
 - The hotline is not only for anonymous reporting
 - Language regarding the investigative process; including use of external investigator as needed
 - Reports to Council are done through Auditor’s Office quarterly reports, not as an information report

6

PROPOSED CHANGES

- Updates list of Hotline Review Committee alternate members
- Limits access to case management system
- Added language:
 - Office of the City Auditor and Human Resources should coordinate regarding cases appropriate for hotline vs. Human Resources review
 - Corrective action may be taken when a case is substantiated
 - Advertising the hotline

7

OPPORTUNITIES TO IMPROVE THE HOTLINE

- Coordinate with Human Resources regarding employee advice line:
 - Advice line currently in beta testing
 - Advertising materials and training/presentations can distinguish between hotline-appropriate cases and personnel matters/ management decision
 - Hotline Review Committee can refer callers to advice line when appropriate

8

CONCLUSIONS

- Education is key to successful hotlines
- Hotlines may not generate a lot of calls, but the ones they receive should be appropriate for the hotline's purpose
- Hotlines should be viewed as "insurance" in the line of defense against fraud, waste, and abuse

9

FINAL SLIDE

Council Direction: Provide direction to the City Auditor regarding methods for advertising the hotline

Motion: Recommend that the City Council accept the proposed changes to the City Employee Fraud, Waste, and Abuse Hotline Administration Policy

DISCUSSION OF THE FRAUD, WASTE, AND ABUSE HOTLINE

POLICY AND SERVICES COMMITTEE
MARCH 28, 2017



10

Non-Departmental Contingent Accounts and Reserves

Contingent Accounts	FY 2015 Budget	FY 2015 Actuals	FY 2016 Budget	FY 2016 Actuals	FY 2017 Adopted	FY 2018 Proposed
City Manager*	250,000	43,540	250,000	161,125	250,000	250,000
City Council	250,000		250,000	105,000	250,000	225,000
City Attorney	250,000	205,000	100,000	100,000	100,000	100,000
Human Resources	50,000		50,000	50,000	50,000	50,000
HSRAP - Emerging Needs	-	-	-	-	50,000	50,000
Innovations & Special Events	50,000	33,633	50,000	43,041	50,000	50,000
Sub-Total Contingent Accounts:	\$ 850,000	\$ 282,173	\$ 700,000	\$ 459,166	\$ 750,000	\$ 725,000

* As part of the FY 2015 Mid-Year Budget report, \$112,356 was used from the BSR to offset previously incurred expenses from the City Manager's Contingency, including \$25,000 for the "Know Your Neighbors" program, and \$87,356 for Ada's Café. If these costs had not been offset, the total use of the contingency would have been \$155,896.

Reserve Accounts	FY 2015 Budget	FY 2015 Actuals	FY 2016 Budget	FY 2016 Actuals	FY 2017 Adopted	FY 2018 Proposed
Shuttle Service Reserve	1,000,000					
Cubberley Covenant Not to Develop Reserve	1,917,356					
TMA Reserve	150,000	150,000	-	-	-	-
Planning and Transportation Reserve	-	-	500,000	500,000	500,000	-
Sustainability Reserve	-	-	-	-	250,000	-
Budget Uncertainty Reserve	-	-	-	-	2,000,000	-
FY 2018 Operations Reserve	-	-	-	-	-	500,000
Salary Reserve	2,737,960	-	1,647,599	1,520,392		400,000
Sub-Total Reserves:	\$ 5,805,316	\$ 150,000	\$ 2,147,599	\$ 2,020,392	\$ 2,750,000	\$ 900,000

General Fund Expenses By Department

(Revised as of May 18, 2017)

Department	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Adopted	FY 2018 Proposed	FY 2018 Change \$	FY 2018 Change
Administrative Services	7,133	7,497	7,798	8,033	235	3.0%
City Attorney	2,586	2,796	3,179	3,356	177	5.6%
City Auditor	1,100	1,112	1,221	1,301	80	6.6%
City Clerk	1,079	1,001	1,370	1,374	4	0.3%
City Council	361	430	501	500	(1)	-0.2%
City Manager	2,365	3,097	2,882	3,158	276	9.6%
Community Services	23,042	24,272	25,390	27,454	2,064	8.1%
Development Services	9,893	10,665	12,169	12,540	371	3.0%
Fire	26,191	27,553	28,947	31,774	2,827	9.8%
Human Resources	3,263	3,559	3,357	3,757	400	11.9%
Library	7,980	7,960	8,992	9,446	454	5.0%
Non-Departmental	13,722	6,235	10,139	8,435	(1,704)	-16.8%
Office of Emergency Services	1,169	1,044	971	1,039	68	7.0%
Office of Sustainability	496	495	499	524	25	5.0%
Planning and Community Environment	7,434	8,880	8,768	8,452	(316)	-3.6%
Police	34,559	35,666	38,137	42,333	4,196	11.0%
Public Works	13,274	14,326	16,224	17,013	789	4.9%
Sub-total Departments:	\$ 155,647	\$ 156,588	\$ 170,544	\$ 180,489	\$ 9,945	5.8%
Transfer to Infrastructure	21,610	29,366	18,486	24,677	6,191	33.5%
Operating Transfers-Out	2,606	5,095	5,136	4,885	(251)	-4.9%
Grand Total:	\$ 179,863	\$ 191,049	\$ 194,166	\$ 210,051	\$ 15,885	8.2%

Program		Orgazational & Logistical Needs							Fiscal Needs & Benefits											
#	Description may be abbreviated; for complete language, see "Goals, Policies, & Programs."	Changes to Policies or Procedures	Departmental Collaboration	Changes to Muni Code	Stakeholder Participation	Staff Education	Community Outreach/	Monitoring Criteria		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Source / Notes

Year 3 programs 39 and 40 focus on public participation in urban forest policy.

39	2.A.iii.	Work with the Sustainability Plan team to evaluate the establishment of an oversight group (elected or appointed by the City Council), to investigate and comment on the impact of projects on the urban forest and overall ecosystem.	reporting	All	yes	yes	yes	analysis, next steps	Needs		Benefits										General Fund: Estimated portion of one-time cost for temporary personnel to underfill for regular staff completing Master Plan programs.
									Other	Personnel											
40	3.A.iii.	...establish a recurring forum that provides the community an opportunity to communicate with staff and members of the decision making bodies about tree concerns and ideas.	established oversight group	All	yes	yes	yes	yes	Needs		Benefits										General Fund: Estimated portion of one-time cost for temporary personnel to underfill for regular staff completing Master Plan programs.
									Other	Personnel											

Year 3

Year 3 programs 41 through 48 focus on design standards relative to canopy density and composition.

41	4.H.iv.	Consider development requirements such as no net loss of canopy or minimum tree plantings (related to Policy 1.G and related programs.)	standard conditions, ARB, IR, building permits	PWD, P&CE, DS, Utilities, CSO	maybe	yes	yes	yes	Needs		Benefits										General Fund: Estimated portion of one-time cost for temporary personnel to underfill for regular staff completing Master Plan programs.
									Other	Personnel											

Program		Organizational & Logistical Needs								Fiscal Needs & Benefits										
#	Description may be abbreviated; for complete language, see "Goals, Policies, & Programs."	Changes to Policies or Procedures	Departmental Collaboration	Changes to Muni Code	Stakeholder Participation	Staff Education	Community Outreach/	Monitoring Criteria		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Source / Notes
42	I.G.ii. Explore the possibility of mandates for certain projects to meet minimum canopy thresholds and possible incentives such as increased density.	standard conditions, ARB, IR, building permits	PWD, P&CE, DS	yes	yes	yes	yes	analysis, next steps				(\$50,000)								Development Services
																				Development Services
43	I.G.i. Develop canopy thresholds—possibly based on zoning and land use goals of the Comprehensive Plan...	standard conditions, ARB, IR, Bldg. permits	PWD, P&CE, DS	yes	yes	yes	yes	analysis, next steps				(\$1,580)								General Fund: Estimated portion of one-time cost for temporary personnel to underfill for regular staff completing Master Plan programs.
44	I.C.v. Establish a baseline for existing ratios of native species...and formalize goals for increasing those ratios...	Planting species selection for streets and parks RTRP, block site list, management plans			yes	yes	yes	analysis, next steps				(\$1,580)								General Fund: Estimated portion of one-time cost for temporary personnel to underfill for regular staff completing Master Plan programs.

Year 3

Program		Organizational & Logistical Needs								Fiscal Needs & Benefits										
#	Description may be abbreviated; for complete language, see "Goals, Policies, & Programs."	Changes to Policies or Procedures	Departmental Collaboration	Changes to Muni Code	Stakeholder Participation	Staff Education	Community Outreach/	Monitoring Criteria		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Source / Notes
45	4.I.vi.	Coordinate between departments and with partners re: • Appropriate mixes of trees, shrubs, and grasses • Natural cycles of disturbance such as fire • Response to use and impacts. • Appreciation by the community.	Communication procedures, Boards & Commissions	All	yes	yes	yes	implementation												
46	2.A.ii.	Work with the Sustainability Plan team to evaluate future participation in carbon credit programs.	revenue, grants, contracts	PWD, Utilities, CSO	yes	yes	yes	yes	analysis, next steps			\$20,000								Grants, Revenue
47	4.E.i.	Consider incentives to plant additional trees, either through additional points via LEED certification , Build It Green (BIG) Green Points, or similar certification systems such as those defined by the Sustainable Sites Initiative.	Tree Technical Manual, standard comments	PWD, P&CE, DS, Utilities	maybe	yes	yes	yes	analysis, next steps			(\$790)								General Fund: Estimated portion of one-time cost for temporary personnel to underfill for regular staff completing Master Plan programs.

Program		Organizational & Logistical Needs							Fiscal Needs & Benefits											
#	Description may be abbreviated; for complete language, see "Goals, Policies, & Programs."	Changes to Policies or Procedures	Departmental Collaboration	Changes to Muni Code	Stakeholder Participation	Staff Education	Community Outreach/	Monitoring Criteria		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Source / Notes
48	I.E.iv. Consider requiring new commercial, multi-family, and single-family housing projects to provide street trees and related irrigation systems. Note: The requirement for public art may be a useful model.	standard conditions, ARB, IR, building permits	PWD, P&CE, DS	yes	yes	yes	yes	analysis, next steps	Benefits			\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	Fee/Permit (<i>no change in development activity-likely begin year 5</i>)
									Needs	Other	Personnel									Development Services

Program		Organizational & Logistical Needs								Fiscal Needs & Benefits										
#	Description may be abbreviated; for complete language, see "Goals, Policies, & Programs."	Changes to Policies or Procedures	Departmental Collaboration	Changes to Muni Code	Stakeholder Participation	Staff Education	Community Outreach/	Monitoring Criteria		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Source / Notes
51	2.A.v. Work with the Sustainability Team and/or the Utilities Department and Canopy to create a guidance document—how to successfully incorporate solar collection and trees into site design—for those considering solar.	standard conditions, ARB, IR, Bldg. permits	PWD, P&CE, DS, Utilities, CSO		yes	yes	yes	analysis, next steps	Benefits			(\$20,000)								Utilities
									Needs			(\$7,900)								Utilities
									Other											
									Personnel											

Year 3 programs 52 through 57 focus on design standards relative to wildlife concerns.

52	4.K.iv. Educate the development community about minimizing project effects on local wildlife.	Tree Technical Manual, standard comments, & drawings	PWD, Utilities P&CE, DS	maybe	yes	yes	yes	implementation	Benefits			(\$10,000)	(\$790)							General Fund/ Development Services
									Needs											General Fund: Estimated portion of one-time cost for temporary personnel to underfill for regular staff completing Master Plan programs.
									Other											
									Personnel											
53	3.A.ix. ...develop programs to familiarize residents with Palo Alto's Urban Forest birds and butterflies practices.	PWD, CSD		yes	yes	yes	implementation	Benefits				(\$10,000)	(\$19,750)							CSD
									Needs											General Fund: Estimated portion of one-time cost for temporary personnel to underfill for regular staff completing Master Plan programs.
									Other											
									Personnel											

Year 3

Program		Organizational & Logistical Needs							Fiscal Needs & Benefits											
#	Description may be abbreviated; for complete language, see "Goals, Policies, & Programs."	Changes to Policies or Procedures	Departmental Collaboration	Changes to Muni Code	Stakeholder Participation	Staff Education	Community Outreach/	Monitoring Criteria		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Source / Notes
54	3.A.viii. Partner with Santa Clara Valley Audubon Society for the Palo Alto Christmas Bird Count, Spring Bird Count, and the Backyard Bird Count.		PWD, CSD		yes	yes	yes	implementation	Benefits											General Fund: Estimated portion of one-time cost for temporary personnel to underfill for regular staff completing Master Plan programs.
									Needs	Other	Personnel									
55	3.A.x. ...educate citizens about correct pruning at the best time to protect bird habitat and nesting.	Tree Technical Manual	PWD, CSD		yes	yes	yes	implementation	Benefits											General Fund: Estimated portion of one-time cost for temporary personnel to underfill for regular staff completing Master Plan programs.
									Needs	Other	Personnel									
56	4.A.iii. Provide education to staff and ensure that tree maintenance practices continue to consider bird nesting seasons.	Tree Technical Manual	PWD, CSD		yes	yes	yes	implementation	Benefits											General Fund: Estimated portion of one-time cost for temporary personnel to underfill for regular staff completing Master Plan programs.
									Needs	Other	Personnel									

Year 3

Program		Organizational & Logistical Needs								Fiscal Needs & Benefits											
#	Description may be abbreviated; for complete language, see "Goals, Policies, & Programs."	Changes to Policies or Procedures	Departmental Collaboration	Changes to Muni Code	Stakeholder Participation	Staff Education	Community Outreach/	Monitoring Criteria		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Source / Notes	
57	4.H.iii. Evaluate adequacy of contract cycle pruning policy and ensure that pruning continues to consider bird nesting...	Tree removal policy	PWD, Utilities		yes	yes	yes	analysis, next steps	Needs											General Fund Utilities	
									Benefits												
									Other												
									Personnel												
Personnel i.e., temporary personnel underfilling for regular staff who are working on Year 3 programs.																					
Costs such as materials and contracts fort Year 3 programs.																					
Benefits of Year 3 programs.																					
Benefits from programs implemented in Years 1- 2 that recur in Year 3.																					
Year 3 net																					

Year 3

FY 2018 Vehicle Replacenet Schedule by Fund

Department	Unit	Year	Mileage	Model	Replc Est. Cost
ASD	1243	2005		Electric Forklift	50,000
CSD	2110	1999	27688	Ford Van	45,000
CSD	2350	1999	73000	Ford F-150	32,000
CSD	2740	2004		6420 Tractor/Mower	135,000
CSD	2765	2000	72,120	F-350 Wildland	135,000
CSD	2767	2003	74,034	F-350 Wildland	135,000
CSD	2791	1999	1793HR	John Deere tractor	112,000
CSD	5002	2006	125,904	Honda Accord Sedan	35,000
PWD	3520	2001	53,576	Ford F-550 w/ chipper body	83,000
POLICE	5141	2011	87,713	Crown Vic Patrol Car	60,000
POLICE	5144	2011	90,851	Crown Vic Patrol Car	60,000
POLICE	5248	2010	80,440	Crown Vic Patrol Car	60,000
POLICE	5251	2010	94,255	Crown Vic Patrol Car	60,000
POLICE	5252	2010	45,094	Crown Vic Patrol Car	60,000
POLICE	5254	2010	123,580	Crown Vic Patrol Car	60,000
POLICE	5255	2009	86,252	Crown Vic Patrol Car	60,000
POLICE	5258	2009	100,547	Crown Vic Patrol Car	60,000
POLICE	5402	2006	104,004	Toyota Sienna van	45,000
POLICE	5453	2006	81,233	Ford Explorer	60,000
POLICE	5464	2005	94,700	Toyota Sienna van	45,000
FIRE	6034	2003	47,682	Ford Ranger command	50,000
FIRE	6178	2008	5,724	Ford F-550 Wildland Unit	210,000
FIRE	6215	2001	52,200	Chevy Suburban command	125,000
Total-General Fund					1,777,000
REFUSE	4381	2003	71,646	Ford Ranger PU	38,000
Total-Refuse Fund					38,000
STORM DRAIN	4701	1998		GMC Jimmy SUV	32,000
Total-Storm Drain Fund					32,000
UTIL-ELECT	7403	2002	88,702	Freightliner	210,000
UTIL-ELECT	7590	2001	82,949	Step Van	90,000
Total - Electric Fund					300,000
UTIL-GAS	8277	2008	4404HR	Cat Backhoe	155,000
UTIL-GAS	8280	1997	67,000	Ford Truck - HD	186,000
UTIL-GAS	8348	2008	4439HR	Cat Backhoe	155,000
Total - Gas Fund					496,000
UTIL-WATER	7174	2003	82,697	Ford F-250	70,000
UTIL-WATER	7176	2005	99,266	Ford F-350 4x4	120,000
UTIL-WATER	7284	2008	4063HR	Cat Backhoe	155,000
UTIL-WATER	7361	2002	74,442	Astro Van	45,000
UTIL-WATER	7362	2002	84,020	Astro Van	45,000
Total-Water Fund					435,000
UTIL-SEWER	8738	2008	3925HR	Cat Backhoe	155,000
Total-Wastewater Fund					155,000
GRAND TOTAL					3,233,000

May 12, 2017

Honorable City Council
C/O City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

RE: Review of 2018-2022 Proposed Capital Improvement Program (CIP)

The Planning and Transportation Commission (PTC) reviewed the 2018-2022 Capital Improvement Plan (CIP) on Wednesday, May 10, 2017 and determined that all of the new Capital Improvement Projects included in the 2018-2022 Capital Budget are consistent with the adopted 1998-2010 Comprehensive Plan and recommended forwarding this finding to the City Council Finance Committee and the City Council. The motion was made by Vice Chair Asher Waldfogel and seconded by Commissioner Ed Lauing. The motion was approved by a vote of 5-0-2 (Commissioners Doria Suma and Eric Rosenblum, absent).

Attached to this letter are recommendations from individual commissioners for consideration in next year's Capital Budget.

Respectfully submitted



Michael Alcheck, Chair

Planning and Transportation Commission

Attachment Recommendations for Inclusion in Next Year's Capital Budget

- Include a CIP item for the 2018 capital budget to assess the feasibility of improving bicycle and pedestrian access from East Bayshore Road to West Bayshore Road with improvements such as signage, curb ramps, pedestrian crossing and landscape maintenance.
- Include a CIP item to assess the feasibility of making safety improvements at University Avenue and El Camino Real looking at collision history for bikes and pedestrian for FY 2019 to 2023 Capital Budget.

CAPITAL BUDGET REAPPROPRIATIONS

Project ID	Project Title	FY 2018 Funding: Proposed Capital Budget Document	FY 2018 Funding Adjustment	FY 2018 Revised Funding: Proposed Capital Budget Document
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Airport Fund

AP-16000	Airport Apron Reconstruction	\$ 5,600,490	\$ 30,000	\$ 5,630,490
AP-16002	Wildlife Hazard Plan	\$ 8,415	\$ 15,000	\$ 23,415
	Total Airport Fund	\$ 5,608,905	\$ 45,000	\$ 5,653,905

Capital Improvement Fund

AC-14001	Baylands Nature Interpretive Center Exhibit Improvements	\$ -	\$ 56,000	\$ 56,000
AC-17000	Performing Arts Visual Venues Soft Goods Replacement	\$ -	\$ 55,000	\$ 55,000
AC-86017	Art In Public Spaces	\$ 537,807	\$ (2,500)	\$ 535,307
OS-00001	Open Space Trails and Amenities	\$ 175,000	\$ 18,652	\$ 193,652
OS-00002	Open Space Lakes And Pond Maintenance	\$ 72,791	\$ (27,791)	\$ 45,000
OS-09001	Off-Road Pathway Resurfacing And Repair	\$ 215,522	\$ 20,587	\$ 236,109
PE-11000	Rinconada Library New Construction and Improvements	\$ 995,706	\$ (15,389)	\$ 980,317
PE-13012	Structural Assessment of City Bridges	\$ -	\$ 25,000	\$ 25,000
PE-14018	Baylands Boardwalk Improvements	\$ 22,199	\$ (22,199)	\$ -
PE-15003	Fire Station 3 Replacement	\$ 5,845,584	\$ 55,000	\$ 5,900,584
PE-17000	Mitchell Park Adobe Creek Bridge Replacement	\$ 250,000	\$ (2,994)	\$ 247,006
PE-17008	City Hall Floor 4 Remodel	\$ 467,100	\$ (9,573)	\$ 457,527
PE-17009	City Hall Floor 5 Remodel	\$ 518,000	\$ (7,019)	\$ 510,981
PE-18000	New California Avenue Area Parking Garage	\$ 9,479,713	\$ (38,264)	\$ 9,441,449
PF-01003	Building Systems Improvements	\$ 238,599	\$ 100,000	\$ 338,599
PF-02022	Facility Interior Finishes Replacement	\$ 363,451	\$ 40,000	\$ 403,451
PF-93009	Americans With Disabilities Act Compliance	\$ 440,367	\$ (1,163)	\$ 439,204
PG-06001	Tennis and Basketball Court Resurfacing	\$ 469,391	\$ 89,039	\$ 558,430
PG-06003	Benches, Signage, Walkways, Perimeter Landscaping	\$ 274,255	\$ 1,172	\$ 275,427
PG-13001	Stanford/Palo Alto Playing Fields Soccer Turf Replacement	\$ -	\$ 502,139	\$ 502,139
PG-13003	Golf Reconfiguration & Baylands Athletic Center Improvements	\$ -	\$ 53,991	\$ 53,991
PG-15000	Buckeye Creek Hydrology Study	\$ 44,801	\$ (2,095)	\$ 42,706
PL-14001	Midtown Connector	\$ -	\$ 53,120	\$ 53,120
PL-15003	Residential Preferential Parking	\$ 192,400	\$ 40,000	\$ 232,400
PL-15004	Downtown Parking Wayfinding	\$ 95,421	\$ 300,000	\$ 395,421
	Total Capital Improvement Fund	\$ 20,698,107	\$ 1,280,713	\$ 21,978,820

Electric Fund

EL-02010	SCADA System Upgrades	\$ 60,000	\$ 59,196	\$ 119,196
EL-02011	Electric Utility Geographic Information System	\$ 228,663	\$ (63,663)	\$ 165,000
EL-04012	Utility Site Security Improvements	\$ 70,960	\$ 15,613	\$ 86,573
EL-06001	230 Kv Electric Intertie	\$ 113,119	\$ 14,255	\$ 127,374
EL-10006	Rebuild Underground District 24	\$ 643,113	\$ 277,087	\$ 920,200
EL-11003	Rebuild Underground District 15	\$ 114,181	\$ 30,000	\$ 144,181
EL-11010	Underground District 47-Middlefield, Homer, Webster, Addison	\$ 1,397,480	\$ 476,976	\$ 1,874,456
EL-11014	Smart Grid Technology Installation	\$ 1,521,766	\$ (521,766)	\$ 1,000,000

CAPITAL BUDGET REAPPROPRIATIONS

Project ID	Project Title	FY 2018 Funding: Proposed Capital Budget Document	FY 2018 Funding Adjustment	FY 2018 Revised Funding: Proposed Capital Budget Document
EL-12001	Underground District 46 - Charleston/El Camino Real	\$ 1,397,480	\$ (497,480)	\$ 900,000
EL-13007	Underground Distribution System Security	\$ 300,000	\$ 290,534	\$ 590,534
EL-15000	Colorado/Hopkins System Improvement	\$ 1,525,000	\$ 50,000	\$ 1,575,000
EL-16002	Capacitor Bank Installation	\$ -	\$ 350,000	\$ 350,000
EL-17001	East Meadows Circles 4/12Kv Conversion	\$ -	\$ 50,000	\$ 50,000
EL-17005	HCB Pilot Wire Relay Replacement	\$ 167,000	\$ 107,559	\$ 274,559
EL-17007	Facility Relocation for Caltrain Modernization Project	\$ 1,550,000	\$ 150,000	\$ 1,700,000
EL-89031	Communications System Improvements	\$ 359,821	\$ (137,446)	\$ 222,375
EL-89038	Substation Protection Improvements	\$ 400,000	\$ 200,000	\$ 600,000
EL-89044	Substation Facility Improvements	\$ 195,000	\$ 100,000	\$ 295,000
	Total Electric Fund	\$ 10,160,003	\$ 950,865	\$ 11,110,868
Gas Fund				
GS-11002	Gas Distribution System Improvements	\$ 238,870	\$ 241,178	\$ 480,048
GS-12001	Gas Main Replacement - Project 22	\$ -	\$ 3,254,782	\$ 3,254,782
	Total Gas Fund	\$ 238,870	\$ 3,495,960	\$ 3,734,830
Vehicle Replacement Fund				
VR-15000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2015	\$ 990,736	\$ 50,000	\$ 1,040,736
VR-16000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2016	\$ 953,985	\$ 150,000	\$ 1,103,985
VR-17000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2017	\$ 2,118,057	\$ 200,000	\$ 2,318,057
	Total Vehicle Replacement Fund	\$ 4,062,778	\$ 400,000	\$ 4,462,778
Wastewater Collection Fund				
WC-14001	Wastewater Collection System Rehabilitation/Augmentation Project 27	\$ -	\$ 97,440	\$ 97,440
WC-15001	Wastewater Collection System Rehabilitation/Augmentation Project 28	\$ 351,300	\$ 351,300	\$ 702,600
	Total Wastewater Collection Fund	\$ 351,300	\$ 448,740	\$ 800,040
Wastewater Treatment Fund				
WQ-14001	New Dewatering and Loadout Facility	\$ 15,167,666	\$ 7,000,000	\$ 22,167,666
	Total Wastewater Treatment Fund	\$ 15,167,666	\$ 7,000,000	\$ 22,167,666
Water Fund				
WS-09000	Seismic Water System Upgrades	\$ 1,130,877	\$ (2,283)	\$ 1,128,594
WS-12001	Water Main Replacement - Project 26	\$ -	\$ 1,143,000	\$ 1,143,000
	Total Water Fund	\$ 1,130,877	\$ 1,140,717	\$ 2,271,594
GRAND TOTAL		\$ 57,418,506	\$ 14,761,995	\$ 72,180,501