



City of Palo Alto City Council Staff Report

(ID # 13801)

Meeting Date: 2/7/2022

Title: Discuss the FY 2022 Mid-Year Budget Review and Approve the Following: 1) FY 2022 Budget Amendments in Various Funds, and 2) Amendments to the FY 2022 Table of Organization to Add 11.00 FTE Positions

From: City Manager

Lead Department: Administrative Services

Recommendation

Staff recommends that the City Council review, discuss, and act on the following items for consideration:

- 1) Amend the Fiscal Year 2022 Budget Appropriation for various funds and various capital projects, as identified in Attachment A and Attachment A, Exhibit 1 (requires a supermajority, 2/3 approval); and
- 2) Amend the FY 2022 Table of Organization in Attachment B consistent with the budget amendments in Attachment A.

Executive Summary

This report continues the City Council's discussions on the City's financial situation and fiscal outlook. While the information contained in this report share some short-term positive news, the City's long-term financial sustainability continues to be an important focus and priority. As outlined in the FY 2023-FY 2032 Long-Range Financial Forecast, the City remains unable to restore services to pre-pandemic levels. However, the recommendations contained in this report recognize the unsustainable resource levels and makes strategic investments in key areas as well as City Council priorities.

The City's fiscal sustainability strategy continues to be addressed through a series of Council considerations and actions both contained within the City's budget process, including the Mid-Year budget recommendations set forth in this report, and through the City's Community and Economic Recovery plan progress and adoption of the recent Long-Range Financial Forecast.

It should be noted that several actions have come before the Council and more are planned over the next five months. These series of conversations together work towards the important work of addressing the City's long-term structural budget realities.

- **Ongoing:** Progress continues on the City's Community and Economic Recovery Plan
- **September 2021:** Community and Economic Recovery plan Economic Development actions approved
- **October 2021:** Q1 Preliminary Financial update approved
- **December 2021:** Q1 Financial Status approved and review of the City's Long-Range Financial Forecast
- **January 2022:** Potential local tax ballot measure actions adopted
- **January 2022:** Approved City's Long-Range Financial Forecast
- **February 2022:** Consideration of Mid-Year Budget recommendations
- **February/March 2022:** 2nd Polling on potential local tax ballot measure
- **March/April 2022:** Local tax ballot measure update following focus group outreach
- **April/Early May 2022:** Release of the Proposed FY 2022-23 Budget
- **May 2022:** 3rd Polling on potential local tax ballot measure
- **May/June 2022:** FY 2022-23 Budget hearings and community outreach and engagement
- **June 2022:** FY 2022-23 Budget Adoption
- **June 2022:** Potential local tax ballot measure actions
- **June 2022:** Economic Development contract approval

These general steps outlined above further the City Council's progress to address the City's long-term financial sustainability to maintain and enhance a high quality of City services.

Each year staff bring forward recommendations to adjust the budget as part of the Mid-Year Budget review. . In light of the cautiously optimistic economic outlook previously discussed with the City Council as part of the Preliminary Q1 Financial Status Report ([CMR 13439](#)), staff have modified this FY 2022 Mid-Year Budget Review to be a more robust and significant action for review as directed by the City Council. Significant adjustments are recommended to realign the FY 2022 budget with current projections and proactively fund reinvestment activities in FY 2022 and beyond to address the most immediate needs of the City and its residents. The budget appropriation actions require a supermajority approval by the City Council (PAMC 2.28.080(c)(1)).

Staff continues to actively report the status of the City's finances considering the ongoing uncertainties from the pandemic and related economic challenges. The City has adapted operations to best support and serve the community, however, these changes impact both the cost of delivering City services and the revenues that pay for them (both taxes and fees). Staff continues to manage resource availability and demands for extreme flexibility and nimbleness in an environment that requires increased resources to deliver the same quantity of service in modified ways to ensure the safety of the community and employees.

Although the economic outlook is more positive than it was a year or even six months ago, this report is being written as the Omicron variant of the COVID-19 virus is again increasing the number of cases around the world. Currently, this wave has not resulted in restricting daily

activities to levels seen at this time last year; however, it is important to reiterate that there remain several risks and uncertainties, including:

- The pace of consumer confidence in the economic recovery, and its stability and safety;
- The length and pace of the recovery period; this will significantly impact the City's most sensitive tax bases;
- The structural changes as a result of the societal adaptations due to COVID-19, including impacts to daytime population, whether it be workers, students/faculty/staff at Stanford University, or changes to the City's resident population.

The City continues to adjust to the economic impacts of the pandemic while being mindful of the opportunity to reinvest in the most immediate needs of the City as a result of the more positive economic indicators discussed in the FY 2023-2032 Long Range Financial Forecast (LRFF) ([CMR 13800](#)). Included in this report are updates on the status of major tax revenue estimates in the FY 2022 operating budget, and appropriate funding for immediate needs to be addressed in FY 2022, rather than waiting for the FY 2023 budget process.

This report contains: (a) several technical adjustments that are recommended to realign the FY 2022 budget with current projections, (b) reinvestment of funds for programs impacted by the COVID-19 pandemic, and (c) a preliminary 2nd Quarter Financial status. This report is organized as follows:

- FY 2022 Mid-Year Budget Adjustments in the General Fund
 - Technical Adjustments
 - Reinvestment Actions
 - Adjustments to the Table of Organization
- Preliminary Q2 Financial Status:
 - General Fund
 - Other Funds
 - Capital Funds
- Timeline and Next Steps

In these sections, adjustments to realign the FY 2022 Budget are recommended to work to strategically adjust revenues which are tracking higher than the conservatively positioned adopted levels and reinvest expenses for activities and services impacted as part of the FY 2022 budget process. The balancing strategy works to continue the practice of funding ongoing activities with ongoing revenue sources to preserve reserves to the extent possible, however, it should be acknowledged that there is some use of reserve funding in excess of target levels in alignment with the Council balancing strategy for the FY 2022 Adopted Budget. Staff will continue to monitor these estimates and may bring forward a year-end budget adjustment report in June with any additional refinements to budgeted levels based on the most current information available.

Background

As discussed in the FY 2023-2032 Long Range Financial Forecast (LRFF) ([CMR 13800](#)), the FY 2022 Mid-Year Report brings forward items that are more than just ministerial in order to address Council direction to begin reinvestment in the City as a result of the cautiously optimistic economic outlook. However, this practice is not expected to be ongoing, rather an adjustment to accommodate the uncertainty the organization continues to face.

This report focuses on recommended changes to the FY 2022 Operating and Capital Budgets. Where possible, budget change recommendations are brought forward for City Council consideration as part of the approval of the Mid-Year Budget Report to consolidate requests and streamline changes to budget appropriations. These adjustments are necessary as revenues and expenditures vary from the original budget plan for many reasons, including, but not limited to, changes in economic factors, project estimates and scope, and City Council policy and direction. The Mid-Year Budget Report reflects adjustments for prior City Council approved direction, clean-up actions based on FY 2021 actual experience or current FY 2022 actual activities.

The FY 2022 budget extended reductions taken in FY 2021 to address the loss of approximately \$40 million in General Fund tax revenues resulting from the COVID-19 pandemic ([CMR 11315](#)). To align expenditures with continued lower revenue in FY 2022, staff and resource reductions were unavoidable. As a result, nearly \$20 million in service and staffing reductions were included in the FY 2022 budget on an ongoing basis. Although these reductions were needed, the City continued to focus on services with the greatest community impact, maintaining core City services, and managing vulnerabilities and risks associated with a shrinking organization. The FY 2022 Adopted budget balancing strategy also used one-time Federal funding and one-time use of the General Fund Budget Stabilization Reserve to mitigate further and more steep service reductions. The continued reduction of \$20 million in services reflects an approximate 10% decline from the General Fund pre-pandemic level.

As part of the Preliminary Q1 FY 2022 Financial Status Report ([CMR 13439](#)), staff was optimistic that revenues would meet or exceed FY 2022 Adopted Budget levels and recommended several adjustments to begin to realign resources with the priorities identified by the City Council after the FY 2022 Adopted Budget. These adjustments were funded by reserves that were established as part of the Adopted Budget to anticipate unbudgeted needs. Below is a summary of the position changes and funding adjustments approved by the Council.

Positions

- 2.00 FTE Assistant to the City Manager positions to add resources for City Council priorities such as housing support initiatives and economic development.
- 1.00 FTE Administrative Associate III position to restore front desk reception staffing at the Development Center, in alignment with increased activity levels.
- 1.00 FTE Public Safety Communications Officer position to restore management resources for dispatch staff and operations.

Budget Adjustments

- Funding for Council priorities: Ballot Measure Consultant Contracts and Legal Counsel (\$250,000), Economic Development Coordination and Management (\$150,000), Support for Unhoused Services and Emergency Shelter Operations (\$550,000).
- Support for administration due to changes in service levels and adaptation to COVID-19 recovery: Geographic Information System (GIS) Software Support (\$125,000), additional City Hall Lobby Support (\$100,000), Development Center Front Desk Staffing (\$65,000), and Public Safety Communications Management (\$120,000).
- Proactive funding of the Reserve: Utilities Transfer Litigation (Equity Transfer) (\$4.0 million).

Additionally, forecasts for FY 2023 and beyond have been discussed with the City Council to assist in providing a longer outlook beyond June 30, 2022, and to begin work on planning for FY 2023 and the continued contraction of available resources. Prior staff reports providing various fiscal updates for Council deliberations are below. However, this does not include informational items that have been distributed for quarterly reporting, such as investments.

- September 21, 2021, Finance Committee ([CMR 13440](#)): *Accept CalPERS Pension Annual Valuation as of June 30, 2020*
- October 25, 2021, City Council ([CMR 13439](#)): *Preliminary Q1 Fiscal Year (FY) 2022 Financial Status and Amendments in Various Funds and the Table of Organization to add 4.00 FTE Positions*
- November 2, 2021, Finance Committee ([CMR 13499](#)): *Receive and Discuss Report on Public Safety Long Term Financial Trends*
- November 30, 2021, Finance Committee ([CMR 13501](#)): *Recommendation to the City Council to Approve the Fiscal Year (FY) 2021 Annual Comprehensive Financial Report (ACFR) and FY 2021 Budget Amendments in Various Funds*
- December 7, 2021, Finance Committee ([CMR 13502](#)): *Review and Recommend that the City Council Accept the FY 2023 – FY 2032 Long Range Financial Forecast (LRFF) and FY 2023 Budget Development Guidelines*
- December 7, 2021, Finance Committee ([CMR 12394](#)): *First Quarter Financial Report FY 2022*
- January 10, 2021, City Council ([CMR 13800](#)): *Review and Accept the FY 2023 – FY 2032 Long Range Financial Forecast (LRFF) and FY 2023 Budget Development Guidelines*
- January 24, 2021, City Council ([CMR 13876](#)): *Approval of the FY 2021 Annual Comprehensive Financial Report (ACFR); and Amendment of the FY 2021 Budget in Various Funds*

As discussed with the City Council on January 10 in reviewing potential financial scenarios, data is gathered and reviewed throughout the fiscal year.

Discussion

This item serves as a continuation of the many touch points as the City balances responding to emergent priorities with following through on established commitments. This report highlights several areas of staff work ahead and outlines next steps and timing for a series of City Council

conversations planned to focus on fiscal monitoring, community and economic recovery, and more. Further strategic work continues aside from the financial reporting discussed above, focused on a Community and Economic Recovery Strategy as well as actively working on a potential tax ballot measure for the November 2022 General Election with the Council and Finance Committee. Findings and recommended adjustments in this report are based on the data available at the time of reporting and reflect preliminary 2nd Quarter financial activity in FY 2022. Final Q2 data will not be available until the end of March 2022.

FY 2022 Mid-Year Budget Adjustments

The following is an overview of the status for the General Fund, Enterprise Funds, and other funds including recommended budget adjustments as they pertain to the City's FY 2022 Operating and Capital Budgets.

Overview of Mid-Year Balancing Strategy

The General Fund ended FY 2021 with funding in excess of the 18.5% Budget Stabilization Reserve (BSR) for FY 2022. The BSR is currently at \$43.3 million or \$4.6 million above the 18.5% Council recommended target. Use of this excess BSR funding is recommended to fund actions in this memorandum. In addition to this funding, a few of the major tax revenue categories are tracking at or above the FY 2022 budget, most significantly Property Tax. An adjustment to Property Tax revenue is recommended to align the budget with current projections for this category, and staff will continue to monitor other more volatile revenue sources. The following table outlines the major drivers of the General Fund mid-year recommended balancing strategy to offset the collective impact of these activities:

Table 1: General Fund Mid-Year Adjustments and Balancing Solutions

Summary of General Fund Adjustments		Net \$ Impact (Cost)/Benefit
Reinvestment Actions:		
	Neighborhood, Community and Library Services	\$(0.1) M
	Public Safety	\$(1.2) M
	Planning and Transportation Services	\$(0.2) M
	Infrastructure and Environment (Sustainability and Climate Action Plan (S/CAP) costs in Enterprise Funds)	-
	Internal Services/Strategic Support	\$(0.3) M
	<i>Subtotal Reinvestment Actions:</i>	<i>\$(1.8) M</i>
Technical Adjustments:		
	Major Tax Revenues (Property Tax)	\$2.0 M
	Department Revenues (Foothills Preserve Entry Fees, County Task Force, Other Grants/Donations)	\$(0.2) M
	Golf Course Revenues and Contract Services Alignment	\$(0.1) M
	Supplemental Pension 115 Trust Contribution	\$(2.0) M

	(Approximately 50% of the excess FY 21 Budget Stabilization Reserve)	
	Utility Equity Transfer	\$(0.3) M
	Public Safety Employee Appreciation Leave	\$(0.4) M
	Consultancy Services (Project Homekey, OPEB valuation, inspections and application processing)	\$(0.5) M
	Code Enforcement Litigation – Edgewood Plaza	\$(0.4) M
	Gas Commodity Purchase/Utility Allocated Charges	\$(0.1) M
	Subtotal Technical Adjustments	\$(2.0) M
	Total Net Impact General Fund Mid-Year Adjustments	\$(3.8) M
Recommended Use of Reserves		
	Development Services Reserve	\$(0.2) M
	Use of Budget Stabilization Reserve (BSR) (BSR remains at 19.0% and \$1.0 M above the 18.5% target level)	\$(3.6) M
	Recommended Use of Reserves	\$(3.8) M

Reinvestment Actions, Recommended Adjustments to the Budget and Table of Organization

This report includes budget adjustments, grouped by service area, to continue to realign resources with the priorities identified by the City Council after the FY 2022 Adopted Budget. Major changes are recommended as directed by the City Council and/or recommended by staff are below, and all transactions can be found in greater detail in Attachment A. It should be noted that recommended budget adjustments have been prorated for the remainder of the fiscal year, or approximately five (5) months.

*Neighborhood, Community and Library Services: \$46,000 est. revenue \$208,000 expense
0.25 full-time; 0.48 part-time staffing*

The Community Services Department has resumed most programming and operations as public health restrictions continue to ease. Community demand for classes has returned with the desire and willingness for in-person participation, though some programs and classes continue to be offered in both virtual and in-person formats. At this time, several programs and classes are experiencing high demand and sell out or result in waitlists. Therefore, this report includes staffing and other reinvestments to facilitate additional classes and programs to meet higher demands in areas such as child and youth-oriented ceramics, and children's spring and summer camps. Libraries are expected to continue to operate at reduced hours while the department completes a community needs assessment and grapples with impacts of COVID-19 on staffing and consequently facility availability with a focus on safety. This assessment will focus on staffing and operating strategies and will inform the development of a new service-model that best meets the needs of the community. Additional resources are expected to be contemplated as part of the FY 2023 Proposed Budget regarding library hours. Additional actions are included in this report to restore funding for Library collections, and parks maintenance and landscaping to pre-pandemic levels.

Public Safety Services \$0 est. revenue \$1.2 M expense
1.00 full-time; 0.00 part-time staffing

The elimination of the Deputy Director and Communications (Dispatch) Manager positions in FY 2022 has created significant operational disruptions throughout the Police Department. Actions were taken in the first quarter (Q1) FY 2022 report to restore the Communications Manager to provide direct management of dispatchers. This report includes actions to restore the Deputy Director of Technical Services to oversee Communications, Records, and Technical Support units. This position will play a critical role in the configuration and moving of all communications, telecommunications, radio, and other equipment to the new Public Safety Building project.

Additionally, this report includes recommendations in the Fire Department to purchase a temporary training facility, pilot a paramedic training certification program, and provides funding for promotional opportunities for sworn employees. Recruitment and retention are top priorities in the immediate term for the Fire Department as well as continuing to review and tighten operations for Fire Inspection services. To support these activities, incremental investments are recommended in this Mid-Year Report including funding for hiring of new firefighters (additional information below), a temporary training facility, and support for promotional processes. These investments are all focused on ensuring the Department can continue to provide suppression and rescue services for the City while meeting necessary staffing levels and training requirements. The department is currently reviewing its management structure among suppression, prevention, and support roles and expects to have recommendations as part of the FY 2023 Proposed Operating Budget to realign and stabilize the executive management structure.

Planning and Transportation Services:

*\$0 est. revenue \$159,000 expense
1.00 full-time; 0.00 part-time staffing*

This report includes City Council action at the October 25, 2021 meeting to add a Code Enforcement Officer position to investigate inquiries, requests, and complaints, including leaf blower concerns by the community. With this addition if approved, the Code Enforcement Team will be comprised of one (1) Code Enforcement Officer and one (1) Code Enforcement Lead. This report also includes recommendations to increase capacity of the Building and Fire Inspection Programs and Planning application processing, resolves outstanding code enforcement litigation in light of recent court decisions, and recognizes grant funding in support of the Housing Element update.

For the Office of Transportation, this report recommends adjustments in Safe Routes to School contract funding for the conversion of a longtail cargo bike into a mobility information kiosk, to provide information and materials on upcoming active transportation infrastructure projects and Safe Routes to School education, and to engage in mobility-related conversations with members of the public who might not otherwise attend community meetings. Additional funding is included for the reclassification of a 1.00 FTE Traffic Engineering Lead to a 1.00 FTE Senior Engineer for the management of complex engineering design and construction projects related to roadways, as the duties of the position now require professional certification as an engineer. Information on the Parking Funds can be found in the Special Revenue Fund section of this report.

Infrastructure and Environment:

<i>General Fund</i>		<i>All Funds</i>	
<i>\$0 est.</i>	<i>\$42,000</i>	<i>\$0 est.</i>	<i>\$425,000</i>
<i>revenue</i>	<i>expense</i>	<i>revenue</i>	<i>expense</i>
<i>-0.09 Full-time Staffing</i>		<i>5.25 Full-time Staffing</i>	

Resources for contractual work to clear brush and vegetation along the road in order to mitigate fire danger in the foothills area. Although a number of adjustments for S/CAP work are happening in the Enterprise Funds, a complete list of recommendations is included here to summarize them all in one place.

Sustainability and Climate Action Plan (S/CAP):

The City's Sustainability and Climate Action Plan (S/CAP) includes a goal to achieve an 80% reduction in carbon emissions from 1990 levels by 2030. Accomplishing this requires behavioral modifications for the community to move away from natural gas towards electric, adopt biking and public transit over individual vehicles, and increasing use of electric vehicles over vehicles with emissions. Various departments (Office of Sustainability, Public Works, Utilities, Office of Transportation) are tasked with achieving these goals and several will have their operations impacted by these changes (Utilities, Planning and Development Services, Fire, Public Works). While discussions about the S/CAP work plan and implementation approach are still underway, these FY 2022 Mid-Year requests represent some of the highest impact resource requests related to S/CAP communications, beginning to address the impact of electric system infrastructure upgrades, and beginning to address non-residential building electrification. More detailed information about specific changes in each fund can be found in Attachment A.

- The Office of Sustainability in the Public Works Department requires additional staffing (net 1.25 FTE) to manage S/CAP plan development, community engagement, leadership of the inter-departmental Sustainability Leadership Team, and sustainability partnerships with other agencies, nonprofits, and inter-agency working groups. The higher level of attention to the S/CAP and the ambitious goals have required an expanded level of effort, including but not limited to a greater number of partners, more engagement, and extremely ambitious goals that require increased management attention. Staffing adjustments include reclassifying a 0.75 FTE Management Analyst position to a 1.00 FTE Manager Environmental Control Program and adds a 1.00 FTE Environmental Specialist position. This work will be supported by the General Fund and various Enterprise Funds.
- The Utilities Department recommends additional staffing (net 4.00 FTE) to assess and upgrade the electric distribution infrastructure and develop electrification programs for residential and non-residential customers, including developing custom partnerships to address major employer building electrification and commuter emissions. Staffing adjustments consist of 1.00 FTE Electric Project Coordinator and 3.00 FTE Electric Project Engineers for increasing workload capacity in the Electric engineering and operations project management work functions; 1.00 FTE Utilities Programs Services Manager to focus on commercial energy efficiency and electrification; and 1.00 FTE Senior Engineer for technical oversight and scaling up the electrification program. These position additions

are offset by the elimination of 1.00 FTE Metering Technician and 1.00 FTE Power Engineer. This work will be supported by the Electric Funds.

Internal Services/Strategic Support: *\$250,000 est. revenue \$545,000 expense*
1.00 full-time; 0.96 part-time staffing

The Human Resources Department continues to provide support for COVID-19 activities and devoting resources to the prioritization and recruitment of essential positions. The City Attorney's Office is pursuing additional staffing capacity and employee development by recommending reclassification of 2.00 FTE Deputy City Attorney positions into 2.00 FTE Assistant City Attorney positions. This will allow junior level attorneys the opportunity to work on higher level projects and continue to grow with the City as their years and knowledge increase.

The Information Technology department recommendations can be found in the Internal Service Funds section of this document. As an internal service fund, costs for the Technology Fund are allocated across the City and the General Fund is responsible for \$432,000 of the costs. Development Services related Technology expenses account for \$250,000 of these costs and are offset by increased development revenue.

Position/Table of Organization Changes:

Critical staffing challenges remain citywide. This report includes recommendations to add 11.00 full-time and 0.96 part-time positions. This is in addition to the 9.00 FTE added in prior Council actions subsequent to the FY 2022 budget adoption in CMR 13439 (4.00 FTE) and CMR 13643 (5.00 FTE). The cumulative impact of current year staffing additions previously directed by Council and the recommendations in this report increase full-time staffing levels in the General Fund Table of Organization from the FY 2022 adopted level of 506.80 FTE to 519.46 FTE (956.00 FTE to 976.00 FTE Citywide). A restated Table of Organization with all full-time position actions taken after the FY 2022 Adopted Budget can be found in Attachment B.

Technical Adjustments and Previous Council Direction

This report includes actions that are technical in nature and are needed to align budget with current trends, and previous direction approved by the Council. Major changes are recommended as directed by the City Council and/or recommended by staff are below, and all transactions can be found in greater detail in Attachment A.

Department Revenue and Major Tax Revenue: *\$1.8 M est. revenue \$66,000 expense*

Staff evaluated departmental and major tax revenue through Q2 and recommends a number of actions that result in a net \$1.8 million increase. As noted in the Q1 Financial Report, Property Tax revenue is trending higher than budgeted in FY 2022, and a \$2.0 million increase is recommended. Other adjustments in this area include reductions to Foothills Park entrance fees due to connectivity issues with an onsite payment kiosk, reduction of revenue from Santa Clara County for decreased participation in the Regional Auto Theft Task Force, and recognition and appropriation of funds for various grants and donations.

Golf Course Services: *\$258,000 est. revenue \$362,000 expense*

Contract expenditures increased to reflect amounts owed to the management company including (a) \$83,000 for a 3 percent allowable annual increase in service costs; and (b) \$280,000 for 20 percent of the calculated FY 2021 difference between Gross Revenue and Target Revenue. These expenditures are partially offset by a revenue increase based on current projections for FY 2022 Golf Course operations.

Supplemental Pension Trust Contribution: *\$0 est. revenue \$2.0 M expense*

Increase the contribution to the Section 115 Pension Trust fund by \$2.0 million to bring the total principal contributions to \$39.3 million (\$26.1 million from the General Fund). Staff will work to true up proportional contributions from other funds as part of the FY 2022 year-end process. This reflects approximately 50% of the excess BSR from FY 2021, and is in alignment with strategies outlined in the Council Approved Pension Funding Policy.

Utility Equity Transfer: *(\$349,000) est. revenue \$0 expense*

This action reduces the equity transfer to the General Fund from the Electric (\$160,000) and Gas (\$189,000) Funds in FY 2022 as a result of lower than anticipated fixed assets in FY 2021. This action is in alignment with the FY 2021 Annual Comprehensive Financial Report (ACFR) as of June 30, 2021 (CMR 13501).

Public Safety Employee Appreciation Leave: *\$0 est. revenue \$400,000 expense*

The City Council approved three days of employee appreciation leave for City staff on December 13, 2021. Due to the nature of work in the Police and Fire Departments to provide essential services and emergency response, many employees were unable to take the leave time and the hours were cashed out as compensation in their paychecks in early January 2022. This funding will right-size the departments for these expenses. Other departments are anticipated to be able to absorb these costs through vacancy savings.

Consultancy Services: *\$0 est. revenue \$515,000 expense*

Funding for consultant work is needed to accomplish some administrative services and planning and development related tasks in a timely manner in FY 2022 as directed by Council or required by regulations. Project funding includes: support Project Homekey real estate work, complete the bi-annual Other Post-Employment Benefits (OPEB) actuarial valuation report; increase capacity for Building and Fire Inspections and planning application processing. The cost for inspections will be funded out of the Development Center Reserve.

Code Enforcement Litigation-Edgewood Plaza: *\$0 est. revenue \$353,000 expense*

Based on the Court of Appeal's decision on Edgewood Plaza, the City is obligated to refund administrative penalties that were previously collected, with interest.

Gas Commodity Purchases/Utility Allocated Charges: *\$0 est. revenue \$82,000 expense*

Gas commodity purchases increased in the Gas Fund consistent with the preliminary gas supply forecast, which reflects fluctuating market prices and anticipated demand. This action aligns revenue in the Gas Fund and City gas expenses accordingly.

Proposed Balancing Solutions

With the approval of these amendments the BSR would be reduced by \$3.6 million. The projected ending balance of the General Fund Budget Stabilization Reserve is anticipated to be \$39.7 million, which is above the City Council recommended 18.5 percent level of \$38.7 million by \$1.0 million.

In order to fund contract expenses for consulting services in the Planning and Development Services Department to increase the capacity of both the building and fire inspection programs. \$240,000 will be used from the Development Services reserve. This will reduce that reserve to approximately \$2.3 million.

Other Funds Adjustments

The Technology Fund will add 2.00 FTE Senior Technologists to provide enhanced security/network management and GIS capacity, CODE42 software to improve security of staff technological devices and data, FME Safe software to allow for multiple GIS licenses in all City departments, Laserfiche software to serve as a searchable record repository for permanent City generated records, and contract expenses to replace the City's current public meeting agenda management system. These costs will be allocated across the City's departments and funds in alignment with the allocation methodology used as part of the FY 2022 Adopted Budget. More details for these adjustments can be found in Attachment A.

Preliminary 2nd Quarter Financial Status: Operating Budget

General Fund

Overall, the General Fund is tracking at or above adopted estimated revenues and at or below adopted expenses. Based on the uncertainty of impacts from new COVID-19 variants, consumer behaviors continue to evolve, impacting the financial forecasts. As a result of the City Council's leadership and adoption of a fiscally conservative budget, the identification of critical priority projects, and current projected financial trends, staff have included in this report recommended adjustments to the FY 2022 budget. Although economic trends and data continue to be uncertain, staff believe that these recommended adjustments are measured and necessary.

General Fund: Revenues

The FY 2022 Adopted Operating Budget approved a \$206.5 million estimate for revenue sources, of which \$81.5 million has been collected to date, or 39 percent of the budgeted estimate. The overall tax revenue estimates in the FY 2022 Adopted Budget remain relatively constant to FY 2021 Adopted Budget levels of approximately \$110 million. Adjustments to realign revenue estimates such as increasing estimates for Sales Tax receipts and lowering estimates for Transient Occupancy Tax receipts were adopted in FY 2022 to align with actual activities in FY 2021. Highlights of current data on major revenue sources are included below. Overall, staff is optimistic that revenues will meet or exceed FY 2022 Adopted Budget levels and will continue to monitor results closely.

Property Tax

The FY 2022 Adopted Budget assumed an estimate of \$51.2 million, a \$0.8 million or 1.5% decrease from the FY 2021 budgeted level of \$55.0 million. Property Tax receipts of \$56.6 million were received in FY 2021 due to higher than anticipated assessed value growth and a favorable settlement of the calculation for excess Educational Revenue Augmentation Fund (ERAF) distributions¹ contributed to these increased receipts. Consistent with the County of Santa Clara Assessor's Office, revenues are expected to meet or exceed FY 2022 budget levels due to excess ERAF of approximately \$1.7 - \$2.0 million from the favorable resolution regarding Excess ERAF distributions. In November 2021, the County of Santa Clara notified the cities that the California School Boards Association and its Education Legal Alliance filed a lawsuit against the Controller of the State of California arguing that the settlement reached with the counties is unlawful. The County estimates that 20 percent of ERAF in FY 2022 is subject to this litigation. Property Tax is anticipated to generate more than the budgeted \$51.2 million in FY 2022 and staff recommends increasing the FY 2022 budget by \$2.0 million in this report.

Sales Tax

The FY 2022 Adopted Budget included an estimate of \$28.2 million, an assumed growth of 12.6% from the FY 2021 budgeted level of \$25.0 million. Actual Sales Tax receipts of \$29.1 million in FY 2021 were above year end estimated levels; however, overall receipts remained 20% below pre-pandemic actuals of \$36.5 million in FY 2019. In the Preliminary Q1 Financial Report, the City's sales tax consultant expected receipts to exceed FY 2022 budgeted levels by \$2.5 to \$3.5 million. However, the consultant recently revised their estimate to lower anticipated receipts in FY 2022 due to a recent slow-down of the economy in this area. It is important to note that typically during a downturn period, the consultant is more optimistic and staff continue to evaluate financial impacts of the changing economic base in Palo Alto.

Transient Occupancy Tax (TOT)

The FY 2022 Adopted Budget assumed an estimate of \$8.4 million, a 74.5% increase from FY 2021 actual receipts of \$5.2 million or \$3.6 million above. FY 2021 actual receipts were slightly higher than revised budget levels of \$4.8 million by \$0.4 million but remained significantly lower than pre-pandemic actuals of \$25.7 million in FY 2019. This revenue remains extremely low compared to typical levels, up to a 90% reduction or more over the course of the pandemic. Current receipts indicate that this revenue category continues to have robust growth from the unprecedented lows seen during the pandemic; optimistically, if current activity levels continue through the full fiscal year, staff expects revenues to exceed FY 2022 budget estimates. However, this revenue source continues to remain volatile and no adjustments to the budget are recommended at this time.

Actual receipts as of November 2021 are over 200 percent compared to FY 2021; however, due to the on-going surge in COVID-19 and the economic uncertainty this has created, staff is conservatively forecasting for the remainder of FY 2022. Included in the capital portion is the revenue from the two new hotels (AC Hotel Palo Alto and Hotel Citrine Palo Alto).

The open hotels average daily room and occupancy rates, as of November 2021 were \$181 per day and 59.6 percent, respectively. For the open hotels, occupancy percentage ranges from 31.0 percent to 96.1 percent. Year-over-year (for the same period), daily average room rates increased by half, from \$117 per day to \$181 per day, while the occupancy rate has increased from 40.2 percent to 59.6 percent.

Documentary Transfer Tax (DTT)

The FY 2022 Adopted Budget assumed an estimate of \$7.1 million, a 3.8 percent increase from the FY 2021 adjusted level of \$6.9 million or \$0.3 million above. FY 2021 experienced record receipts of \$10.6 million in this category, significantly above adjusted budget levels by \$3.7 million. This high level of receipts was primarily attributed to six large commercial transactions during the year. To date, receipts of \$4.6 million are approximately 65 percent of the budget. Staff will continue to monitor these receipts closely as this revenue source is highly volatile and dependent on sales volume and the mix of commercial and residential sales. Therefore, significant fluctuations can occur month to month depending on real estate transactions.

As in past years, this revenue source is challenging to forecast since it is highly dependent on sales volume and the mix of commercial and residential sales. Although the total value of these transactions has decreased by 4.6 percent, the number of transactions through December 2020 (365) are running significantly higher than those through December 2019 (285). A proposed \$2.2 million revenue budget increase is included in Attachment A to account for this increased activity and estimate moderate sale activity for the remainder for the year.

Utility User Tax (UUT)

The FY 2022 Adopted Budget assumed an estimate of \$14.4 million, a 2.1 percent increase from the FY 2021 adjusted level of \$14.1 million or \$0.3 million above. FY 2021 receipts of \$14.6 million were higher than the adjusted budget level by \$0.5 million. Revenue in this category is impacted by consumption levels and has experienced reductions in prior periods due to water reduction programs and reduced workforces and business closures due to the pandemic. This revenue was showing early signs of recovery as public health orders eased and workers returned to the office; however, with the emergence of the COVID-19 Omicron variant the previous return to office may be slowed. UUT is anticipated to remain in line with overall expectations assumed in the FY 2022 Adopted budget at this time.

Charges for Services & Permits and Licenses

The FY 2022 Adopted Budget assumed an estimate of \$23.9 million in Charges for Services, consistent with the FY 2021 adjusted level. The FY 2022 Adopted Budget assumed an estimate of \$8.4 million in permit and license revenue, a 5.9 percent reduction from the FY 2021 adjusted level of \$8.9 million or \$0.5 million below. Together, these revenue categories make up nearly half of all non-tax revenues. In total, \$32.4 million was received during FY 2021, slightly below the revised budget estimates by \$0.4 million. These revenue categories consist of charges to Stanford for fire services and paramedic services, fees related to the City's golf course, arts and science classes, plan check fees, and payments to the City for issuance of Building Permits, Fire Permits, and miscellaneous health and safety-related licenses. Several

adjustments to revenue in Charges for Service are recommended in this report; however, overall revenues in these categories are in line with activity levels anticipated thus far.

Community Services (CSD): CSD has resumed most programming and operations in accordance with the lifting of many State and County Public Health restrictions. At the end of the second quarter, CSD revenue reached 35 percent of levels assumed in the adopted budget, at approximately \$4.7 million. The department continues to offer programming as anticipated and detailed in the Winter Enjoy! catalog despite the unpredictable course of the pandemic. This is similar to this same time last fiscal year. Outdoor recreation activities specifically golf, middle school athletics, aquatics at Rinconada Pool, tennis and pickleball have been very popular for the first six months of FY 2022 demonstrating community members' comfort with outdoor activities during the pandemic. Programming at the Arts Center, Children's Theatre and special interest classes have begun to take place inside with the rainy weather and have proven to be very popular. Many classes sold out the weekend that Fall and Winter registration opened, and waitlists were established. Lucie Stern continues to exceed revenue targets for facilities rentals, and demand is growing for rentals at Michell Park Community Center and the Art Center. Despite the Omicron variant, Winter classes are taking place in person, with most classes operating as scheduled. CSD has not seen an increase in the number of withdrawals from classes in the Winter 2022 session that began in January 2022, as compared to Fall 2021. CSD anticipates enrollment in Spring classes and Summer camps across all CSD programs will result in achieving budgeted revenue targets in the third and fourth quarter.

Golf Course: Golf revenue continues to perform well in the first and second quarter of FY 2022. To reflect this and in alignment with Council direction in June 2021 (CMR 12343), the revenue target is recommended to be raised by \$260,000. However, the outlook for the remainder of the fiscal year is dependent upon the COVID-19 pandemic and winter weather. Should Omicron or a different COVID variant bring player hesitancy or necessitate another course closure, the revenue loss per month could be up to \$500,000. The multiple atmospheric river rainstorms in December brought heavy rain periods surpassing the Year to Date rainfall of prior drought winters. Should a wet winter continue, there will be fewer days available for ideal golf play and inferior playing conditions. For FY 2023, the department is proposing an assessment of the driving range by a consultant to explore the potential feasibility of expanding with construction of a second deck. The assessment would include revenue potential, operating costs, and use projection.

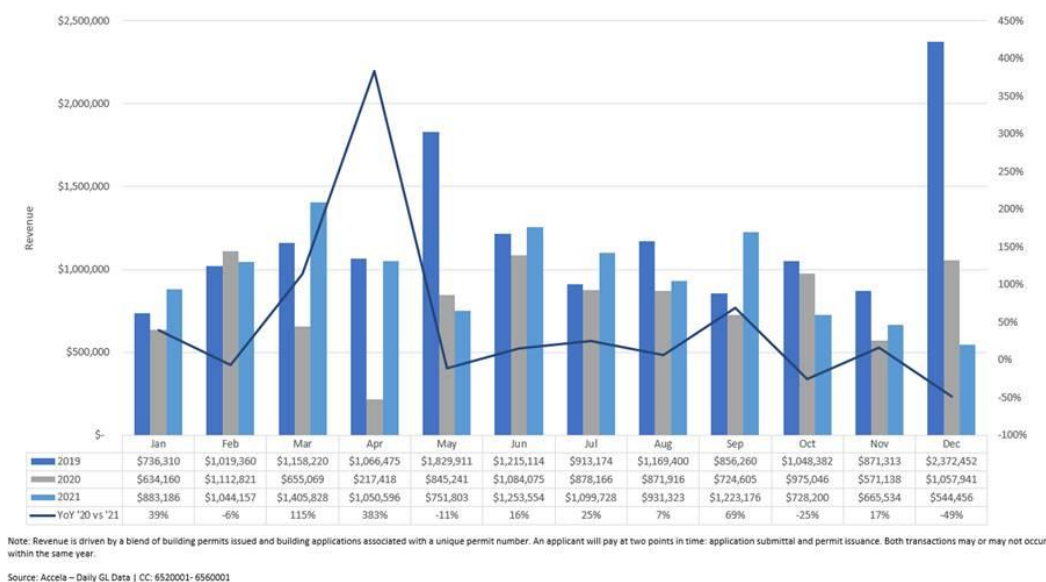
Junior Museum & Zoo (JMZ): The new JMZ opened with its full schedule (Tuesday through Sunday) on December 21. Ticket sales were negatively impacted by the COVID-19 pandemic due to measures taken to improve visitor and staff safety. Admission to the facility was arranged into two sessions per day with a cleaning-closure between sessions, on-line reservations for tickets and member access were strongly encouraged, and the number people allowed into the facility during each session was limited to 250 to enable social distancing. As a consequence, these protocols limited the total maximum visits to 500 per day as compared to a historic visitor count of up to 1,100 visits per day in the old, smaller facility during weekends and the winter holidays. Then in January, the Omicron- wave caused people to stay home and

visitors decreased. Despite the soft opening and pandemic; however, the JMZ has received an enthusiastic reception. All dates in November and December 2021 sold out. Over 1,000 memberships have sold since memberships went on sale in October 2021, with membership sales on track to reach the FY 2022 goal of 2,000 memberships. The JMZ is experiencing complications in tracking non-membership ticket sales, and CSD does not have the exact count of ticketed sales at this time. CivicRec, the software that CSD uses for class and camp registration, has been challenging to use for ticket sales. CSD is proposing a new ticketing software in the FY 2023 budget proposals that will make ticket purchase and sales reporting significantly easier. Due to its delayed opening, and the pandemic, JMZ revenues are tracking at approximately 10 percent of target, but CSD anticipates that this percentage will significantly increase in the next six months now that the JMZ is open six days per week and Spring and Summer JMZ camps will take place. CSD looks forward to returning to the Finance Committee with a report on JMZ operations and revenues after six months of operations.

Development Services: Preliminary FY 2022 Development Services revenue is up two percent compared to last year and is currently at 38 percent of the FY 2022 revenue target. Due to seasonality and significant fluctuations in development activity, staff is unable to anticipate whether this pace will continue into the spring. Department-managed expenses are currently under or on pace to meet the budget. The Department is monitoring this category closely as Development Services strives to remain cost neutral. The table below articulates development services revenues from January through December from 2019 to 2021. Note that Q2 of 2019 is not an accurate pre-Covid baseline comparison as it was a code change year, resulting in the surge of activity in December 2019.

Table 2: Development Services Revenue – 2020 vs 2021

Total CY2021 revenues increased by 20% compared to CY2020.



Other Revenues

Rent Forgiveness Program: On June 7, 2021, Council approved a rent forgiveness program ([CMR 12234](#)) to forgive three months of rent for active non-profit tenants. Staff is continuing to evaluate applications from tenants to determine eligibility for the program. Funding for this program (\$744,000) was reappropriated to FY 2022 in order to limit impacts to rental income revenue in FY 2022. Since the program was established, 31 tenants have applied as of December 30, 2021. The total amount of rent requested to be forgiven by those tenants that have applied is approximately \$286,000, with the program culminating on June 30, 2022.

General Fund: Expenses

Overall General Fund expenses are currently expected to remain within the FY 2022 Adjusted budget levels of \$210.6 million. General Fund expenses (excluding operating transfers) for second quarter are 0.5 percent higher than the prior year and are tracking at 45.0 percent of the Adjusted Budget (excluding encumbrances).

Salaries and Benefits

As a service driven organization, the largest expenses are salaries and benefits. Preliminary salary and benefits expenditures through December 2021 are approximately \$64.3 million, or 48.9 percent of the \$131.5 million FY 2022 Adopted Budget, compared to \$64.1 million in the same period in the prior year. The City continues to maintain vacancies of approximately 121 positions, though this changes frequently, which reflects approximately a 12.6% vacancy rate. When comparing staff capacity to deliver services to the community beyond the authorized staffing levels, looking at December 2020 to December 2021, the City has 40 fewer full-time employees and is approximately 11% below pre-pandemic benefitted employee (typically full-time) counts. If looking at all employees, including part-time staffing from March 2020 (pre-pandemic) to December 2021, the total number of City employees is down over 12%. Use of leaves² also impacts service capacity. Looking at the six-month period ending December 2021 versus that same period in December 2020, use of leave has increased over 31%. Use of leave in the six-month period ending December 2021 exceeded pre-pandemic holiday season, which included the use of Employee Appreciation Leave.

Public Safety Overtime

For the Police Department, overtime has tracked higher than expected through Q2 due to backfilling vacancies and adding staffing resources to the 24/7 dispatch center as an operational necessity, as well as servicing a utility team and extra retail patrols. However, the number of workers' compensation cases and disability days are tracking lower compared to FY 2021. As of this writing, the Department has 11 vacancies: five police officers, four dispatchers, two records specialists, and approximately 10 staff members on various categories of leave. Although Overtime is tracking higher, overall the Department is tracking within budget and anticipates continuing to do this through the remainder of FY 2022. For more information, see Attachment C.

Fire Department overtime has also tracked higher than expected, primarily due to vacancies and employees on disability leave. During this time, the Department had six employees on

leave and six employees separated from the Department, creating 12 effective on-shift vacancies that require overtime backfill. This has generated significant strain on current employees having to work additional backfill overtime. However, the Department is hiring six new firefighters to begin a Joint Fire Academy at the start of the year, which is anticipated to alleviate the need for as much backfill overtime. The number of workers' compensation cases and disability days are tracking similarly to that of FY 2021. As a result, net overtime cost is higher through Q2 than it was for FY 2021. Actions in this report are recommended to adjust the Department's overtime budget to address the need for backfill, and at this time the Department anticipates staying within budget in FY 2022. For more information, see Attachment C.

General Fund: Budget Stabilization Reserve

The General Fund Budget Stabilization Reserve is anticipated to be \$39.7 million, which is above the City Council recommended 18.5 percent level of \$38.7 million by \$1.0 million.

Below is a summary of the remaining reserve balances in the General Fund that Council designated as part of the FY 2022 Adopted Budget after adjusting for the recommended uses in this report:

- Reserve: Administrative Support \$175,000, from \$300,000
- Reserve: Strategic Investments \$275,000, from \$750,000
- Reserve: Transition Costs \$515,000, from \$1.1 million (it is expected that an additional up to \$200,000 will be recommended for executive and contractual recruitment services, to be considered with the contract award at a later date)

Other Funds

Parking Funds

On November 1, 2021, Council approved parking permit pricing adjustments and the expansion of employee permit allocations in City garages and lots (CMR 11795). Staff had projected that demand for employee parking permits in all districts would begin to trend upwards toward pre-pandemic levels and did not anticipate or factor the Omicron variant.

A new and major sales cycle began in December 2021 for employee parking permits in all districts (including garages and lots and RPPs). This sales cycle was a restart to the parking programs that have been primarily on hold throughout the pandemic. Unlike prior permit cycles, where a certain level of permits typically sell out within a week or two, permit sales have continued into the new year and a second sales cycle should increase permit sales assuming COVID-19 concerns and/or restrictions are lifted.

However, as of January 2022, the anticipated increase in revenue levels has not materialized, demand for permits is down due to the Omicron variant and its effects on local business, including continued remote work, labor supply shortages, and temporary business closures. At this time, sales are down in all programs (see table below). An uptick in sales remains largely dependent upon business/commuter reactions to future COVID effects/variants. It is expected

that the resident permits that have upcoming sales cycles, should not see a decrease in the same manner that employee permits have.

Table 3: Parking Permit Sales as of FY 2022 Q2

Program	Inventory	Active Permits	% Sold
Residential Parking Permits	660	370	56%
University Ave.	3,878	1,670	43%
California Ave.	1075	361	34%

Internal Service Funds

Technical adjustments in several internal service funds such as the General Benefit Fund, the General Liabilities Fund, and the Retiree Health Care Fund are recommended to align budget with current estimates. More details for these adjustments can be found in Attachment A.

The Technology Fund will add 2.00 FTE Senior Technologists to provide enhanced security/network management and GIS capacity, CODE42 software to improve security of staff technological devices and data, FME Safe software to allow for multiple GIS licenses in all City departments, Laserfiche software to serve as a searchable record repository for permanent City generated records, and contract expenses to replace the City's current public meeting agenda management system. These costs will be allocated across the City's departments and funds in alignment with the allocation methodology used as part of the FY 2022 Adopted Budget. More details for these adjustments can be found in Attachment A.

The Vehicle Replacement and Maintenance Fund will be augmented to purchase several new vehicles for Code Enforcement activities, Airport grounds maintenance, and replacement of a Police vehicle that was totaled as a result of an accident. More details for these adjustments can be found in Attachment A.

Enterprise Funds

Mid-year actions being recommended in these funds are primarily related to the alignment of the Utilities Department budgets with current market conditions for revenues and expenses related to the purchase of commodities and the operation of utilities. The actions recommended for FY 2022 mid-year will align revenues and expenses for the maintenance contract for the cooperatively owned back-up generator (COBUG); contract for tree and vegetation clearing from the overhead electric distribution system; Fiber Fund revenue projections; interfund transfers for the Gas and Electric Fund Utilities Equity Transfers; Electric and Gas commodity costs; and S/CAP electrification initiatives as detailed above in the Reinvestment Actions Infrastructure and Environment section of this report.

Adjustments in the Airport Fund are recommended to improve the ability to manage airport operations, revenue collection, and facility maintenance needs through the purchase of a new software system. In addition, the purchase of a tractor to maintain the grounds at the airport is

recommended to replace the tractor that is currently leased. The costs for these actions are mostly offset by federal grant funds.

Preliminary 2nd Quarter Financial Status: Capital Budget

Overall, most Capital Improvement projects are anticipated to remain within budgeted levels in FY 2022. Two adjustments to the City's 2022 Capital Improvement Plan are noted in Attachment A. In the Capital Improvement Fund, \$75,000 will be shifted from the Traffic Signal and Intelligent Transportation Systems capital project (PL-05030) to the Street Lights Improvements capital project (PO-05054). This adjustment will allow staff to fix street light poles that are damaged due to accidents or must be replaced immediately due to safety issues. Planned work in PL-05030 will not be completed in FY 2022, so there is capacity to shift funding between these projects to address the most critical needs related to street lights and traffic signals.

In the Vehicle Replacement and Maintenance Fund, \$75,000 will be added to the Emergency Repair and Replacement capital project (VR-15001) to fund the replacement of a Police vehicle that was totaled in an accident earlier in FY 2022. This will allow Fleet Staff to replace the vehicle with a current year model, instead of a potentially more expensive future year model, and get the vehicle back in service more quickly.

Timeline and Next Steps

Staff expect to continue to diligently manage financials across the organization, providing City Council updates as information becomes available. As we continue into the 2022 fiscal year, staff is actively working on the FY 2023 budget as well as several regular reporting activities over the coming months. Below is a list of expected reports and Council updates planned over the next few months. The Council will continue to be updated on the financials of FY 2022 through these planned discussions with adjustments brought forward as necessary once more information is available and known. Expected upcoming financial status, budget reporting and Community and Economic Recovery Strategy conversations include:

March/April 2022:

- Various Utility rate and financial forecast review with Utility Advisory Commission and Finance Committee

May 2022:

- Release of the FY 2023 Proposed Operating and Capital Budgets
- Public Budget Hearings on the Proposed Budgets with Finance Committee

June 2022:

- FY 2023 Operating and Capital Budget Adoption
- FY 2023 Municipal Fee Adoption
- FY 2023 Utility Rates adoption

Resource Impact

Approval of the attached transactions is required to amend the FY 2022 budget appropriation. With the approval of these amendments, the projected ending balance of the General Fund Budget Stabilization Reserve is anticipated to be \$39.7 million, which is above the City Council recommended 18.5 percent level of \$38.7 million by \$1.0 million. The projected changes to the fund balance for all other funds including Enterprise Funds, Internal Services Funds, Special Revenue Funds, and Capital Funds are outlined in Attachment A and accompanying exhibits and impacts to fund balance summarized as follows:

Table 4: Resource Impact (Non-General Fund)

<i>Fund Type</i>	<i>Fund</i>	<i>Amount</i>
<i>Capital</i>	Capital Improvement Fund	\$69,000
<i>Enterprise</i>	Airport Fund	\$(2,000)
	Electric Fund	\$(7.8 M)
	Fiber Optics Fund	\$(0.8 M)
	Gas Fund	\$0.2 M
	Refuse Fund	\$(15,000)
	Stormwater Management Fund	\$(12,000)
	Utility Administration Fund	\$(0.1 M)
	Wastewater Treatment Fund	\$(76,000)
<i>Internal Service</i>	General Liabilities Insurance Fund	\$(0.7 M)
	Information Technology Fund	\$0.3 M
	Print and Mail Services Fund	\$(1,000)
	Retiree Health Fund	\$1.4 M
	Vehicle Replacement Fund	\$(0.1 M)
<i>Special Revenue</i>	University Avenue Parking Fund	\$46,000

Stakeholder Engagement

The Office of Management and Budget has coordinated with all departments city-wide and the City Manager's Office, as appropriate, to bring forward the changes discussed and recommended in this report.

Environmental Review

This is not a project under Section 21065 for purposes of the California Environmental Quality Act (CEQA).

Attachments:

- Attachment A - Recommended Budget Adjustments
- Attachment A, Exhibit 1 - Central Adjustments in Various Funds
- Attachment B - Amended Table of Organization
- Attachment C - Public Safety Overtime Analysis

ATTACHMENT A

CITY OF PALO ALTO RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues		Expenses	
GENERAL FUND (102)			Adjustment		Adjustment	
Administrative Services	Project Homekey This action appropriates \$143,000 for work was previously approved by the Council on September 27, 2021 (CMR 13595). The funding will be used to perform work such as an appraisal report, survey and environmental reporting, and design consultation to build an emergency shelter for the unhoused at 1237 San Antonio Road. Staff in partnership with LifeMoves has submitted for reimbursable Project Homekey grant funding from the State of California and should it be awarded will seek to offset these costs with recognizing the grant revenues. However, if the City and LifeMoves is unsuccessful in their application, these costs will be financial impacts to support the development and evaluation of a complete grant application. (Ongoing costs: \$0)	0.00	\$	-	\$	143,000
Administrative Services	OPEB Valuation Report This action appropriates \$64,500 to complete a bi-annual Other Post Employment Benefits (OPEB) actuarial valuation report to meet California Employers' Retiree Benefit Trust (CERBT) Fund requirements. Information from this report will be used to develop the FY 2023 Budget as well as inform future planning for Long Range Financial Forecasts. (Ongoing costs: \$0)	0.00	\$	-	\$	64,500
City Attorney	City Attorney's Office Staffing Reclassification This action modifies the authorized staffing levels in the City Attorney's Office, reclassifying two (2.0) Deputy City Attorney positions to two (2.0) Assistant City Attorney positions. This adjustment in the authorized staffing levels will allow junior level attorneys the opportunity to work on higher level projects and continue to grow with the City as their years and knowledge increase. There is no immediate financial impact associated with this actions, however, the salary of an Assistant City Attorney classification is approximately 27% higher than a Deputy City Attorney classification maximum salary (Approx. \$169,000 annually) and therefore may result in increased costs eventually. (Ongoing costs: \$0)	0.00	\$	-	\$	-
Community Services	Art Center Staffing: Child and Youth Oriented Ceramics Classes This action increases Art Center capacity to meet community demand for children and youth oriented Ceramics classes that are held at the Art Center. Salary expenses are increased to add one Junior Museum & Zoo Educator position (0.75 FTE) and eliminate two hourly Instructor positions (total 0.5 FTE), for a net increase of 0.25 FTE. Additionally, this action increases revenues for fees generated by new Ceramics classes that will become available. (Ongoing costs: \$0)	0.25	\$	8,965	\$	2,656
Community Services	Art Center Staffing: Spring Classes and Summer Camps This action adds one (1) Arts and Sciences Professional I - Hourly position (0.48 FTE) in order to meet increased community demand for children's art classes in Spring 2022 and camps in Summer 2022. These expenses are fully offset by increased class and camp enrollment revenue resulting from this increase in staffing capacity, which would allow the Art Center to facilitate an additional 25 spring classes and 12 summer camps. Children's classes at the Art Center have been exceeding revenue projections for FY 2022, driven by high level of demand for classes and camps, most of which have been selling out and have waitlists. This position will provide support for the day-to-day operations of the Children's Fine Art program, supporting afterschool, weekend and summer camp programs. (Ongoing savings: \$33,000)	0.48	\$	37,500	\$	11,968
Community Services	Art Center Foundation Donation Revenue Estimate This technical clean-up action restores \$21,500 for the Art Center Foundation donation to the City, which was erroneously eliminated in the FY 2022 Adopted Budget. As part of the adoption of the FY 2022 Budget, the Finance Committee included a recommendation to restore a Junior Museum & Zoo Educator position that staffs the Art Center; however, that recommendation did not include a restoration of the donation revenue that partially offsets the cost of this position. (Ongoing savings: \$43,000)	0.00	\$	21,500	\$	-
Community Services	Restore Park Maintenance Contract Services This action restores the park maintenance contract service levels back to pre-COVID levels, the amount requested for approval here is prorated for the current Fiscal Year. Funding for services under this contract was reduced by approximately 25 percent as part of the FY 2021 Adopted Budget. Services under this contract include landscape maintenance of parks, athletic fields, courts, roadsides, medians, City buildings, community centers, and other facilities throughout Palo Alto. (Ongoing costs: \$275,000)	0.00	\$	-	\$	68,711
Community Services	Golf Course Green Fee Revenue/Management Contract Services Alignment This action increases revenues and expenditures related to City Golf Course operations. Contract expenditures are increased by \$362,000 to reflect amounts owed to OB Sports per the terms of the agreement with the City, which includes (a) \$83,000 for a 3 percent allowable annual increase in service costs; and (b) \$280,000 for the calculated FY 2021 revenue share, or 20% of the difference between Gross Revenue and Target Revenue for that fiscal year. These expenditures are partially offset by a revenue increase of \$260,000, based on current Staff projections for FY 2022 Golf Course operational revenue. Staff expect in the future to address the revenue share calculation as part of the annual fiscal year closing proceedures moving forward. (Ongoing costs: \$84,000)	0.00	\$	257,646	\$	362,216
Community Services	Foothills Nature Preserve Vehicle Entry Fee Revenue/Supervising Ranger Vacancy Savings This action reduces Foothills Nature Preserve entry fee revenue budgeted estimates due to connectivity issues with the on-site payment kiosk, which relies on an unreliable cellular service for payment processing. A self-service payment system is anticipated to be installed in Spring 2022 for weekday vehicle entry fee collection to supplement the current weekend fee collection by staff. This revenue reduction is partially offset by six months of estimated salary savings for one vacant Manager Community Services position that was added as part of the FY 2022 Adopted Budget as a Supervising Ranger at Foothills and Pearson-Arastradero Preserves. (Ongoing costs: \$0)	0.00	\$	(137,200)	\$	(70,000)

ATTACHMENT A

CITY OF PALO ALTO RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues Adjustment		Expenses Adjustment	
GENERAL FUND (102)						
Fire	Temporary Fire Training Facility This action appropriates \$135,000 for the purchase of a temporary training trailer to provide required training for new firefighters and to meet mandatory training requirements for current firefighters as options for a future permanent training facility are studied and identified. This trailer allows staff to remain in Palo Alto and respond to incidents during training exercises instead of traveling to another juristiction. (Ongoing costs: \$0)	0.00	\$	-	\$	135,000
Fire	Firefighter Academy Overtime and Personal Protective Equipment (PPE) This action appropriates \$682,500 for backfill overtime costs estimated for the hire of up to 7.0 FTE firefighters planned to be hired and attend the Academy during FY 2022. Backfill overtime is used to maintain minimum staffing levels on assigned units while new firefighters attend the academy. This action anticipated filling four vacancies and allows for a hire ahead program of up to three candidates in anticipation of future attrition. This action also appropriates \$122,500 for corresponding personal protective equipment (PPE) for each of the new employees. This does not contemplate the additional 5.0 new fire fighter positions added with the recent award of the SAFER grant as backfill for these new position is not necessary. (Ongoing costs: \$0)	0.00	\$	-	\$	805,000
Fire	Sworn Fire Paramedic Training and Promotional Opportunities This action appropriates funding for a paramedic certification pilot program (\$120,000) and various costs related to promoting sworn Fire Department staff (\$30,000). The paramedic program includes the cost of attending the program as well as backfill overtime to maintain line staffing. This will help the Department to meet its required proportion of 60% paramedics for all line personnel. The Department currently has 59% of paramedics for all line personnel but anticipates upcoming difficulties maintaining and increasing that number. Funding for promotional opportunities will be used to cover costs for testing and evaluating employees that want to apply for promotions within the sworn Fire position classifications. This will allow the Department to fill higher level positions to have more management support and create vacancies in lower level positions to fill with employees in the Academy.(Ongoing costs: \$135,000)	0.00	\$	-	\$	150,000
Fire	Public Safety Employee Appreciation Leave The City Council approved three days of employee appreciation leave for City staff on December 13, 2021. Due to the nature of work in the Fire Department to provide essential services and emergency response, many employees were unable to take the leave time and the hours were cashed out as compensation in their paychecks in early January 2022. This funding will right-size the Department for these expenses. (Ongoing costs: \$0)	0.00	\$	-	\$	150,000
Human Resources	Human Resources Administrative and Special Project Staffing This action restores two hourly Management Specialist positions of 0.48 FTE each that were eliminated in the FY 2021 Adopted Budget. These positions will provide support for special projects and administrative tasks and allow more senior staff to focus their efforts toward Employee/Labor Relations, Recruitment and Selection, Benefits, Human Resources Information Systems, Workers’ Compensation, and Risk. (Ongoing costs: \$154,000)	0.96	\$	-	\$	62,724
Human Resources	Human Resources Recruitment Staffing This action adds 1.00 FTE Human Resources Technician position that was eliminated from the Recruitment Division in the FY 2022 Adopted Budget. This position will assist with streamlining the recruitment process. Currently, the Department is actively recruiting to fill two existing Human Resources Technician positions by February 2022 to assist with Council priorities, such as staff development, long-term succession planning, and enhancing the Citywide training program. (Ongoing costs: \$125,000)	1.00	\$	-	\$	50,691
Library	Community Needs Assessment and Staff Analysis This action adds \$50,000 for contract services to conduct a community needs assessment and staff analysis to develop an updated service-model that addresses current and future challenges impacting Library services and operations. To meet community demands for increased library operating hours and new services, Staff will procure a consultant to evaluate the existing Library system and recommend a service-model focussing on updated staffing strategies. Timeline for this study is still being determined and changes will be brought forward in the annual budget process as appropriate. (Ongoing costs: \$0)	0.00	\$	-	\$	50,000
Library	Library Collections This action adds \$75,000 in contract services to update the Library Collections that were reduced in previous fiscal years, due to impacts of COVID-19. Staff will purchase an estimated 3,000 items, including fiction acquisitions that include additional copies of popular titles to reduce the length of waiting time for customers. Non-fiction acquisitions will focus on updating the collection on subject matters of computer science, social science, medicine, technology, and biography. The Library continues to maintain a viable, well-rounded library collection to meet customers’ perennial needs, which were identified in the Library’s Collection Development Plan. (Ongoing costs: \$75,000)	0.00	\$	-	\$	75,000
Office of Transportation	Safe Routes to School This action appropriates \$60,000 for Safe Routes to Schools outreach and education contract services. Funding would be used to convert a longtail cargo bike into a mobility information kiosk, provide information and materials on upcoming active transportation infrastructure projects and Safe Routes to School education, and engage in mobility-related conversations with members of the public who might not otherwise attend community meetings. (Ongoing costs: \$60,000)	0.00	\$	-	\$	60,000
Office of Transportation	Reclassify Traffic Engineering Lead to Senior Engineer This action reclassifies of a vacant 1.00 FTE Traffic Engineering-Lead position to a 1.00 FTE Senior Engineer position in the Engineering Division. The nature of the position has evolved to require professional certification as an engineer and tasks requiring certification are currently being performed by another Senior Engineer in the Department, which has led to other duties being absorbed by other staff. The reclassification will also allow for the position to perform management administrative duties, management of complex engineering design and construction projects, and to ensure that the City’s roadways are appropriately signed and marked, and safe. (Ongoing costs: \$11,000)	0.00	\$	-	\$	4,146

ATTACHMENT A

CITY OF PALO ALTO RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues Adjustment	Expenses Adjustment
GENERAL FUND (102)				
<i>Planning and Development</i>	Code Enforcement Staffing This action adds one Code Enforcement Officer position (1.00 FTE) to address code violations, including leaf blower concerns by the community. As part of the October 25, 2021 Council Meeting, a recommendation was made to return to Council as part of the Mid-Year Review to add staff to address code enforcement. Additionally, this action adds one vehicle to the City's fleet for the officer to be able to execute job duties. (Ongoing costs: \$138,000)	1.00	\$ -	\$ 94,605
<i>Planning and Development</i>	Regional Early Impact Planning (REAP) Grant This action recognizes the acceptance of the Regional Early Impact Planning (REAP) Grant for the amount of \$62,232 and aligns expenses to procure consulting support services for the current Housing Element update. The REAP grant is funded through the Association of Bay Area Governments - Metropolitan Transportation Commission (ABAG-MTC). A Housing Element is a City's primary planning document to address its housing needs for the future. Through goals, policies and programs in the Housing Element, the City must demonstrate that it is able to provide housing opportunities to adequately meet its housing needs for all income levels. State law requires that all jurisdictions adopt a Housing Element as part of their general or comprehensive plan. The Housing Element must be updated every eight years. The City's current Housing Element for the period of 2015-2023 was adopted on November 10, 2014 and was certified by the California Department of Housing and Community Development (HCD) on January 20, 2015. (Ongoing costs: \$0)	0.00	\$ 63,262	\$ 63,262
<i>Planning and Development</i>	Increase Capacity of Building and Fire Inspection Programs This one-time action adds \$240,000 in contract expenses for consulting services to increase the capacity of both the building and fire inspection programs to address the current and ongoing volume of outstanding inspections. This action is fully offset by the use of the Development Services reserve, intended to complete prior year works in progress, and reduces the remaining balance to approximately \$2.26 million. During peak times, wait time for building inspections can increase to more than 2 weeks. The building inspection program is currently staffed with 6.0 FTE and is not augmented by any additional consultant support. \$105,000 will allow 1,040 consultant hours to manage variability in the volume of inspection requests. This request will also create a temporary consultant budget for the fire inspection program, specifically in Hazmat services. In the FY 2021 Adopted Budget, the fire inspection team was reduced from 6.0 FTE inspectors (2 hazmat, 4 fire) to 4.0 FTE inspectors (2 hazmat, 2 fire). Out of approximately 1,000 total inspections, roughly 50 hazmat inspections had been completed as of December 2021. \$135,000 will allow 1,040 hours of consultant resources to assist with reducing the number of outstanding inspections. (Ongoing costs: \$0)	0.00	\$ -	\$ 240,000
<i>Planning and Development</i>	Increased Capacity for Planning Application Processing This one-time action adds \$67,500, or a 35 percent increase from the FY 2022 Adopted Budget of \$193,000, in support of increased capacity for Planning application processing. From FY 2020 to FY 2021, this budget was reduced by 61% from \$495,000 to \$193,000. This action will provide approximately 500 hours of consulting support services to allow the program to keep up with application processing and maintain current turnaround times, which are impacted due to the return of planning activity over the past year. (Ongoing costs: \$0)	0.00	\$ -	\$ 67,500
<i>Police</i>	Uniforms and Equipment Funding This action appropriates funding for the uniforms and equipment budget that had been previously reduced in FY 2021. This action also recognizes federal grant funding for approximately 15 bullet proof vests that will be purchased with this action. Agencies apply for funding annually based on the number of vests needing replacement (due to damage, wear, date of expiration) or vests purchased for new police officers. (Ongoing costs: \$0)	0.00	\$ 7,612	\$ 36,000
<i>Police</i>	Technical Services Division Staffing This action restores 1.00 FTE Deputy Director position to oversee the Technical Services Division (TSD), allocated 0.80 FTE - Police and 0.20 FTE - Fire. Since its elimination in FY 2021, management staff were realigned from the Patrol Division to TSD. Restoring this position will provide support to both Technical Services and Patrol, with TSD benefitting from a subject matter expert and Patrol with increased oversight. Should the position not be restored, the City would maintaining reduced costs in the short run but would likely increase costs due to unmitigated risks in the the Department. Given near-term changes in executive staffing, it is important to recruit and hire for this position as soon as is practical. (Ongoing costs: \$262,000)	1.00	\$ -	\$ 106,211
<i>Police</i>	Santa Clara County Auto Theft Task Force This action decreases revenue related to the County Auto Theft Task Force, as the City's participating officer has been brought back onto the Investigative Division. Law enforcement departments often combine resources to combat regional issues such as auto related crimes such as stolen automobiles, stolen catalytic converters or stolen license plates. Prior to reducing sworn staffing in FY 2021, the Department deployed one officer to the task force and would receive reimbursement for the officer's salary through a State grant. While the funding and opportunity remain, the Department can not maintain current service levels in the Detective Division with current authorized staffing, and called back this resource. (Ongoing costs: \$103,000)	0.00	\$ (103,004)	\$ -
<i>Police</i>	Public Safety Employee Appreciation Leave The City Council approved three days of employee appreciation leave for City staff on December 13, 2021. Due to the nature of work in the Police Department to provide essential services and emergency response, many employees were unable to take the leave time and the hours were cashed out as compensation in their paychecks in early January 2022. This funding will right-size the Department for these expenses. (Ongoing costs: \$0)	0.00	\$ -	\$ 250,000

ATTACHMENT A

CITY OF PALO ALTO RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues		Expenses	
GENERAL FUND (102)			Adjustment		Adjustment	
Public Works	Foothills Road Brush Clearing This action restores funding for brush clearing services on Pagemill Road that was reduced as part of the FY 2021 Mid-Year Review. Previously it was assumed in-house staff would take over this work; however, the Department has determined that staff does not have capacity. This funding will be used for contractual work to clear brush and vegetation along the road in order to mitigate fire danger in the foothills area. (Ongoing costs: \$55,000)	0.00	\$	-	\$	54,800
Public Works	Sustainability and Climate Action Plan (S/CAP) Oversight Staffing This action reclassifies a 0.75 FTE Management Analyst position to a 1.00 FTE Manager Environmental Control Program and adds a 1.00 FTE Environmental Specialist position. These positions will provide technical oversight and support of the Council priority S/CAP program. As discussed at the December 13, 2021 Council meeting (CMR 13765) these positions will address Council’s request and accelerate elements of S/CAP implementation and coordination as well as additional work items, such as long-range sustainability planning, increased collaboration with Department Heads, increased regional collaboration, developing and implementing the Sustainability Impact Statement requested in the Council Motion, and evaluating the City’s sustainability work through an equity lens. The costs for these positions will be spread over the General Fund and Utility and Public Works Enterprise funds. (Ongoing savings: \$32,000)	(0.09)	\$	-	\$	(13,134)
Non-Departmental	Utilities Equity Transfer to the General Fund This action reduces the equity transfer to the General Fund from the Electric and Gas Funds in FY 2022. The decrease of \$349,000 is the result of lower than anticipated fixed assets and is in alignment with the FY 2021 Annual Comprehensive Financial Report (ACFR) as of June 30, 2021 (CMR 13501). This alignment reduces transfers from the Electric Fund by \$160,000 and the Gas Fund by \$189,000 for a total decrease of \$349,000. (Ongoing costs: \$0)	0.00	\$	(349,000)	\$	-
Non-Departmental	Code Enforcement Litigation - Edgewood Plaza Based on the Court of Appeal's decision on Edgewood Plaza, the City is obligated to refund administrative penalties that were previously collected, with interest. (Ongoing costs: \$0)	0.00	\$	-	\$	352,646
Non-Departmental	Transfer to the General Benefits Fund for Supplemental Pension Contributions This action transfers funds to the General Benefits Fund to increase the contribution to the Section 115 Pension Trust fund. This brings the total contributions to \$39.3 million (\$26.1 million from the General Fund). Staff will work to true up proportional contributions from other funds as part of the FY 2022 year-end process. (Ongoing costs: \$0)	0.00	\$	-	\$	2,000,000
Non-Departmental	Property Tax Revenue This action recognizes adjustments to estimates for the Property Tax revenue category based on trends experienced through the first half of FY 2022. (Ongoing savings: \$0)	0.00	\$	2,000,000	\$	-
Non-Departmental	Development Services Reserve This action funds actions above related to consulting support services to address the current and ongoing volume of outstanding building and fire inspections. The Development Services Reserve will have \$2.26 million remaining. (Ongoing savings: \$0)	0.00	\$	-	\$	(240,000)
Various	Employee Parking Permit Transfer to the University Avenue Parking Fund This action appropriates \$36,600 for the General Fund's share of City employee parking permit in the University Avenue Parking Fund. (Ongoing costs: \$37,000)	0.00	\$	-	\$	36,600
Various	Information Technology Reinvestment Actions and Allocated Charges Expenses for reinvestment actions in the Information Technology Fund cost approximately \$273,000 for staffing support for security/network managment and the City's Geographic Information System (GIS), updated security software, new records management software, and updated licensing requirements. The costs of these services are budgeted as allocated charges in citywide departments and funds; therefore, corresponding increases in various departments’ allocated charges for internal services provided by the Information Technology Department are also recommended. For the General Fund, this action also includes technical corrections for direct allocations to the Planning and Development Services Department (PDS) to support existing department-specific technology (\$324,000) and the Police and Public Works Departments for dedicated IT staff (net zero impact). To remain cost neutral, Development Services revenue will be increased by \$250,000 to offset the costs related to development specific technology. The impact to the General Fund in FY 2022 is approximately \$432,000; other funds \$165,000. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$320,000)	0.00	\$	250,000	\$	431,645
Various	Gas Commodity Purchase/Utilities Allocated Charges Expenses for gas commodity purchases increased by \$7.7 million in the Gas Fund. This adjustment is consistent with the preliminary gas supply forecast, which reflects fluctuating market prices and anticipated demand. The City's cost of gas is budgeted as allocated charges in citywide departments and funds; therefore, corresponding increases in various departments' allocated charges are recommended. The impact to the General Fund in FY 2022 is approximately \$82,000; other funds \$29,000. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$82,000)	0.00	\$	-	\$	82,246
Fund Balance	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$	-	\$	(3,630,711)
GENERAL FUND (102) SUBTOTAL		4.60	\$	2,057,281	\$	2,057,281

ATTACHMENT A

CITY OF PALO ALTO
RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues		Expenses	
			Adjustment		Adjustment	
CAPITAL IMPROVEMENT FUNDS						
<u>GENERAL FUND CAPITAL IMPROVEMENT FUND (471)</u>						
Office of Transportation	Reclassify Traffic Engineering Lead to Senior Engineer This action reclassifies of a vacant 1.00 FTE Traffic Engineering-Lead position to a 1.00 FTE Senior Engineer position in the Engineering Division. The nature of the position has evolved to require professional certification as an engineer and tasks requiring certification are currently being performed by another Senior Engineer in the Department, which has led to other duties being absorbed by other staff. The reclassification will also allow for the position to perform management administrative duties, management of complex engineering design and construction projects, and to ensure that the City’s roadways are appropriately signed and marked, and safe. (Ongoing costs: \$16,000)	0.00	\$	-	\$	(68,781)
Public Works	Streetlight Repair and Installation This action shifts \$75,000 from the Traffic Signal and Intelligent Transportation Systems capital project (PL-05030) to the Street Lights Improvements capital project (PO-05054). Funding in PO-05054 was reduced as part of the development of the FY 2022 Capital Budget and the remaining budget has already been exhausted. Additional funding is needed to fix street light poles that are damaged due to accidents or must be replaced immediately due to safety issues. Planned work in PL-05030 will not be completed in FY 2022, so there is capacity to shift funding between these projects to address the most critical needs related to street lights and traffic signals. (Ongoing costs: \$0)	0.00	\$	-	\$	-
Fund Balance	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$	-	\$	68,781
GENERAL FUND CAPITAL IMPROVEMENT FUND (471) SUBTOTAL		0.00	\$	-	\$	-

ATTACHMENT A

CITY OF PALO ALTO

RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues Adjustment	Expenses Adjustment
ENTERPRISE FUNDS				
<u>AIRPORT ENTERPRISE FUND (530)</u>				
<i>Public Works</i>	Gas Commodity Purchase/Utilities Allocated Charges Expenses for gas commodity purchases increased by \$7.7 million in the Gas Fund. This adjustment is consistent with the preliminary gas supply forecast, which reflects fluctuating market prices and anticipated demand. The City's cost of gas is budgeted as allocated charges in citywide departments and funds; therefore, corresponding increases in various departments' allocated charges are recommended. The impact to the General Fund in FY 2022 is approximately \$82,000; other funds \$29,000. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$1,000)	0.00	\$ -	\$ 1,083
<i>Public Works</i>	Airport Management Software This action adds funding to purchase software to manage rental and administrative functions at the airport. The software will provide an interactive platform in which customers can view their account information, view and pay their invoices and/or report issues with facilities, and allow staff to streamline their day to day workload, and better track costs of maintenance projects. This action also recognizes federal grant funding to offset the cost of the software. (Ongoing costs: \$12,000)	0.00	\$ 45,000	\$ 45,000
<i>Public Works</i>	Airport Fleet Tractor This action adds funding to purchase a tractor at the Airport. The Airport is currently leasing a tractor to maintain approximately 100 acres of land. Long term the cost of leasing a vehicle is more expensive than purchasing a tractor, and legally the Airport is obligated by Federal Aviation Administration standards to maintain the infields and movement areas to be kept free from vegetation and debris in order to keep signs and lighting free from obstructions. This action also recognizes federal grant funding to offset the cost of the vehicle. (Ongoing costs: \$4,500)	0.00	\$ 69,000	\$ 69,000
<i>Public Works</i>	Information Technology Reinvestment Actions and Allocated Charges Expenses for reinvestment actions in the Information Technology Fund cost approximately \$273,000 for staffing support for security/network management and the City's Geographic Information System (GIS), updated security software, new records management software, and updated licensing requirements. The costs of these services are budgeted as allocated charges in citywide departments and funds; therefore, corresponding increases in various departments' allocated charges for internal services provided by the Information Technology Department are recommended. For the General Fund, this action also includes technical corrections for direct allocations to the Planning and Development Services Department (PDS) to support existing department-specific technology (\$324,000). The impact to the General Fund in FY 2022 is approximately \$432,000; other funds \$165,000. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$3,000)	0.00	\$ -	\$ 1,259
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$ -	\$ (2,342)
AIRPORT ENTERPRISE FUND (530) SUBTOTAL		0.00	\$ 114,000	\$ 114,000

ELECTRIC FUND (513 & 523)

<i>Utilities</i>	Cooperatively Owned Back-Up Generator (COBUG) This action increases net expenses to the Electric Fund and decreases revenue to the Vehicle Replacement and Maintenance (VRM) Fund for year two of the service contract for the Cooperatively Owned Back-Up Generator (COBUG), as approved by City Council on June 6, 2021 (CMR 12055). Prior to the service contract, all standard maintenance was performed by City staff and costs were budgeted as allocated charges from the VRM Fund. The current service model includes a lower level of VRM activity, therefore adjustments include a contract services expense increase and a decrease in allocated charges in the Electric Fund and a corresponding revenue decrease in the VRM Fund. (Ongoing costs: \$22,000)	0.00	\$ -	\$ 92,305
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ATTACHMENT A

CITY OF PALO ALTO RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues Adjustment	Expenses Adjustment
ENTERPRISE FUNDS				
Utilities	Net Sales Revenue/Electric Commodity Purchase This action increases expenses for electric commodity purchase based on market price, load, supply, and cost projections. The commodity purchase budget is developed from historic averages and usage trends. This action aligns the budget to better reflect actuals, which had less hydro-generated electricity and was offset by spot market purchases. Net supply cost consists of costs incurred from purchasing activities, joint agency debt service, net surplus energy, and net revenue. The primary drivers of changes in net supply costs in FY 2022 are due to lower hydro output, which leads to more on the spot market purchases; increases in market prices; a decrease in California Independent System Operator (CAISO)/Transmission costs due to anticipated settlement and potential backdated adjustments; and increased regulatory requirements and higher priced resource adequacy products for calendar year 2022 and onwards. (Ongoing cost: \$0)	0.00	\$ 1,558,000	\$ 8,793,600
Utilities	Gas Commodity Purchase/Utilities Allocated Charges Expenses for gas commodity purchases increased by \$7.7 million in the Gas Fund. This adjustment is consistent with the preliminary gas supply forecast, which reflects fluctuating market prices and anticipated demand. The City's cost of gas is budgeted as allocated charges in citywide departments and funds; therefore, corresponding increases in various departments' allocated charges are recommended. The impact to the General Fund in FY 2022 is approximately \$82,000; other funds \$29,000. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$3,000)	0.00	\$ -	\$ 2,999
Utilities	Tree Line Clearing Contract Adjustment This action increases contract services expenses in the Electric Fund by \$272,000, in accordance with the five-year contract approved by the City Council in June 2020 (CMR 10883). This adjustment will fund the remaining anticipated expenses for year two of contract work planned for clearing trees and other vegetation from the overhead electric distribution system throughout the City. Clearing vegetation from power lines is an on-going operation necessary to ensure the City provides safe, reliable power to the City's utility customers. Clearance requirements have been established by the California Public Utilities Commission for Investor Owned Utilities and these requirements have been accepted as the applicable standard for vegetation clearance in the City of Palo Alto. (Ongoing costs: \$1.7 million)	0.00	\$ -	\$ 272,000
Utilities	Utilities Equity Transfer to the General Fund This action reduces the equity transfer to the General Fund from the Electric and Gas Funds in FY 2022. The decrease of \$349,000 is the result of lower than anticipated fixed assets and is in alignment with the FY 2021 Annual Comprehensive Financial Report (ACFR) as of June 30, 2021 (CMR 13501). This alignment reduces transfers from the Electric Fund by \$160,000 and the Gas Fund by \$189,000 for a total decrease of \$349,000. (Ongoing costs: \$0)	0.00	\$ -	\$ (160,000)
Utilities	Sustainability and Climate Action Plan (S/CAP) Phase I - Electrification Programs This action increases staffing by net 4.00 FTE in support of the Sustainability and Climate Action Plan (S/CAP), a Council priority item that includes a goal to achieve an 80% reduction in carbon emissions from 1990 levels by 2030. Council approved the work plan on December 13, 2021 (CMR 13765) along with a request for staff to return with staffing resource requests to implement the work plan. To address Council's request and accelerate elements of S/CAP initiatives, staff recommends 1.00 FTE Electric Project Coordinators, 3.00 FTE Electric Project Engineers for increasing workload capacity in the Electric engineering and operations project management work functions, 1.00 FTE Utilities Programs Services, Manager to focus on commercial energy efficiency and electrification, and 1.00 FTE Senior Engineer for technical oversight and scaling up the electrification program. These position additions are offset by the elimination of 1.00 FTE Metering Technician and 1.00 FTE Power Engineer. This represents phase one of a multi-phased approach to build capacity in project management, build in-house resources, and design and implement infrastructure upgrades such as increasing capacity in the electric distribution grid for electrification of single-family residences (SFR) as a part of S/CAP initiatives. (Ongoing costs: \$842,000)	4.00	\$ -	\$ 343,192

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CITY OF PALO ALTO

RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues		Expenses
			Adjustment	Adjustment	Adjustment
ENTERPRISE FUNDS					
Utilities	Sustainability and Climate Action Plan (S/CAP) Oversight Staffing This action reclassifies a 0.75 FTE Management Analyst position to a 1.00 FTE Manager Environmental Control Program and adds a 1.00 FTE Environmental Specialist position. These positions will provide technical oversight and support of the Council priority S/CAP program. As discussed at the December 13, 2021 Council meeting (CMR 13765) these positions will address Council’s request and accelerate elements of S/CAP implementation and coordination as well as additional work items, such as long-range sustainability planning, increased collaboration with Department Heads, increased regional collaboration, developing and implementing the Sustainability Impact Statement requested in the Council Motion, and evaluating the City’s sustainability work through an equity lens. The costs for these positions will be spread over the General Fund and Utility and Public Works Enterprise funds. (Ongoing costs: \$60,000)	0.34	\$	-	\$ 24,353
Fund Balance	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$	-	\$ (7,810,449)
ELECTRIC FUND (513 & 523) SUBTOTAL		4.34	\$	1,558,000	\$ 1,558,000
FIBER OPTICS FUND (533)					
Utilities	Fiber Revenues Adjustment This action decreases Fiber revenues by a net value of \$796,533 to align with anticipated revenue receipts based on current active accounts. Fiber revenue changes are primarily driven by new accounts, deleted accounts, or large customers, such as Stanford, moving to different rate schedule. Fiber revenue consists of fiber backbone provided to internal City departments, commercial fiber, and industrial fiber. (Ongoing costs: \$797,000)	0.00	\$	(796,533)	\$ -
Fund Balance	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$	-	\$ (796,533)
FIBER OPTICS FUND (533) SUBTOTAL		0.00	\$	(796,533)	\$ (796,533)
GAS FUND (514 & 524)					
Utilities	Gas Commodity Purchase/Utilities Allocated Charges This action increases expenses for gas commodity purchase by \$7.7 million in the Gas Fund and aligns revenue and City gas expenses accordingly. This adjustment is consistent with the preliminary gas supply forecast, which reflects fluctuating market prices and anticipated demand. Most components of the gas commodity costs behave as a pass-through and are offset by gas revenues. The cost of gas is budgeted as allocated charges in citywide departments and funds; therefore, corresponding increases in various departments' allocated charges are also recommended to offset this expense. The expense impact to the General Fund in FY 2022 is approximately \$82,000; other funds \$29,000. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$0)	0.00	\$	7,373,134	\$ 7,373,134
Utilities	Sustainability and Climate Action Plan (S/CAP) Oversight Staffing This action reclassifies a 0.75 FTE Management Analyst position to a 1.00 FTE Manager Environmental Control Program and adds a 1.00 FTE Environmental Specialist position. These positions will provide technical oversight and support of the Council priority S/CAP program. As discussed at the December 13, 2021 Council meeting (CMR 13765) these positions will address Council’s request and accelerate elements of S/CAP implementation and coordination as well as additional work items, such as long-range sustainability planning, increased collaboration with Department Heads, increased regional collaboration, developing and implementing the Sustainability Impact Statement requested in the Council Motion, and evaluating the City’s sustainability work through an equity lens. The costs for these positions will be spread over the General Fund and Utility and Public Works Enterprise funds. (Ongoing costs: \$60,000)	0.34	\$	-	\$ 24,353

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CITY OF PALO ALTO

RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues		Expenses	
			Adjustment		Adjustment	
ENTERPRISE FUNDS						
Utilities	Utilities Equity Transfer to the General Fund This action reduces the equity transfer to the General Fund from the Electric and Gas Funds in FY 2022. The decrease of \$349,000 is the result of lower than anticipated fixed assets and is in alignment with the FY 2021 Annual Comprehensive Financial Report (ACFR) as of June 30, 2021 (CMR 13501). This alignment reduces transfers from the Electric Fund by \$160,000 and the Gas Fund by \$189,000 for a total decrease of \$349,000. (Ongoing costs: \$0)	0.00	\$	-	\$	(189,000)
Fund Balance	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$	-	\$	164,647
GAS FUND (514 & 524) SUBTOTAL		0.34	\$	7,373,134	\$	7,373,134
<u>REFUSE FUND (525)</u>						
Public Works	Sustainability and Climate Action Plan (S/CAP) Oversight Staffing This action reclassifies a 0.75 FTE Management Analyst position to a 1.00 FTE Manager Environmental Control Program and adds a 1.00 FTE Environmental Specialist position. These positions will provide technical oversight and support of the Council priority S/CAP program. As discussed at the December 13, 2021 Council meeting (CMR 13765) these positions will address Council’s request and accelerate elements of S/CAP implementation and coordination as well as additional work items, such as long-range sustainability planning, increased collaboration with Department Heads, increased regional collaboration, developing and implementing the Sustainability Impact Statement requested in the Council Motion, and evaluating the City’s sustainability work through an equity lens. The costs for these positions will be spread over the General Fund and Utility and Public Works Enterprise funds. (Ongoing costs: \$18,000)	0.10	\$	-	\$	7,163
Public Works	Information Technology Reinvestment Actions and Allocated Charges Expenses for reinvestment actions in the Information Technology Fund cost approximately \$273,000 for staffing support for security/network managment and the City's Geographic Information System (GIS), updated security software, new records management software, and updated licensing requirements. The costs of these services are budgeted as allocated charges in citywide departments and funds; therefore, corresponding increases in various departments’ allocated charges for internal services provided by the Information Technology Department are recommended. For the General Fund, this action also includes technical corrections for direct allocations to the Planning and Development Services Department (PDS) to support existing department-specific technology (\$324,000). The impact to the General Fund in FY 2022 is approximately \$432,000; other funds \$165,000. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$15,000)	0.00	\$	-	\$	7,945
Fund Balance	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$	-	\$	(15,108)
REFUSE FUND (525) SUBTOTAL		0.10	\$	-	\$	-
<u>STORMWATER MANGEMENT FUND (528)</u>						
Public Works	Sustainability and Climate Action Plan (S/CAP) Oversight Staffing This action reclassifies a 0.75 FTE Management Analyst position to a 1.00 FTE Manager Environmental Control Program and adds a 1.00 FTE Environmental Specialist position. These positions will provide technical oversight and support of the Council priority S/CAP program. As discussed at the December 13, 2021 Council meeting (CMR 13765) these positions will address Council’s request and accelerate elements of S/CAP implementation and coordination as well as additional work items, such as long-range sustainability planning, increased collaboration with Department Heads, increased regional collaboration, developing and implementing the Sustainability Impact Statement requested in the Council Motion, and evaluating the City’s sustainability work through an equity lens. The costs for these positions will be spread over the General Fund and Utility and Public Works Enterprise funds. (Ongoing costs: \$14,000)	0.08	\$	-	\$	5,730

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CITY OF PALO ALTO RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues Adjustment	Expenses Adjustment
ENTERPRISE FUNDS				
<i>Public Works</i>	Information Technology Reinvestment Actions and Allocated Charges Expenses for reinvestment actions in the Information Technology Fund cost approximately \$273,000 for staffing support for security/network management and the City's Geographic Information System (GIS), updated security software, new records management software, and updated licensing requirements. The costs of these services are budgeted as allocated charges in citywide departments and funds; therefore, corresponding increases in various departments' allocated charges for internal services provided by the Information Technology Department are recommended. For the General Fund, this action also includes technical corrections for direct allocations to the Planning and Development Services Department (PDS) to support existing department-specific technology (\$324,000). The impact to the General Fund in FY 2022 is approximately \$432,000; other funds \$165,000. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$12,000)	0.00	\$ -	\$ 6,219
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$ -	\$ (11,949)
STORMWATER MANGEMENT FUND (528) SUBTOTAL		0.08	\$ -	\$ -
<u>UTILITIES ADMINISTRATION FUND (521)</u>				
<i>Utilities</i>	Reclassification Deputy City Attorney to Assistant City Attorney This action reclassifies two Deputy City Attorney positions to two Assistant City Attorney positions. This will allow junior level attorneys the opportunity to work on higher level projects and continue to grow with the City as their years and knowledge increase. The current salary of the employees in these positions will not change as a result of this reclassification. (Ongoing costs: \$0)	0.00	\$ -	\$ -
<i>Utilities</i>	Information Technology Reinvestment Actions and Allocated Charges Expenses for reinvestment actions in the Information Technology Fund cost approximately \$273,000 for staffing support for security/network management and the City's Geographic Information System (GIS), updated security software, new records management software, and updated licensing requirements. The costs of these services are budgeted as allocated charges in citywide departments and funds; therefore, corresponding increases in various departments' allocated charges for internal services provided by the Information Technology Department are recommended. For the General Fund, this action also includes technical corrections for direct allocations to the Planning and Development Services Department (PDS) to support existing department-specific technology (\$324,000). The impact to the General Fund in FY 2022 is approximately \$432,000; other funds \$165,000. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$199,000)	0.00	\$ -	\$ 102,808
<i>Various</i>	Employee Parking Permit Transfer to the University Avenue Parking Fund This action appropriates \$36,600 for the Utility Administration Fund's share of City employee parking permit in the University Avenue Parking Fund. (Ongoing costs: \$6,000)	0.00	\$ -	\$ 6,298
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$ -	\$ (109,106)
UTILITIES ADMINISTRATION FUND (521) SUBTOTAL		0.00	\$ -	\$ -

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CITY OF PALO ALTO

RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues Adjustment	Expenses Adjustment
ENTERPRISE FUNDS				
<u>WASTEWATER TREATMENT FUND (526)</u>				
<i>Public Works</i>	Gas Commodity Purchase/Utilities Allocated Charges Expenses for gas commodity purchases increased by \$7.7 million in the Gas Fund. This adjustment is consistent with the preliminary gas supply forecast, which reflects fluctuating market prices and anticipated demand. The City's cost of gas is budgeted as allocated charges in citywide departments and funds; therefore, corresponding increases in various departments' allocated charges are recommended. The impact to the General Fund in FY 2022 is approximately \$82,000; other funds \$29,000. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$4,000)	0.00	\$ -	\$ 4,039
<i>Public Works</i>	Sustainability and Climate Action Plan (S/CAP) Oversight Staffing This action reclassifies a 0.75 FTE Management Analyst position to a 1.00 FTE Manager Environmental Control Program and adds a 1.00 FTE Environmental Specialist position. These positions will provide technical oversight and support of the Council priority S/CAP program. As discussed at the December 13, 2021 Council meeting (CMR 13765) these positions will address Council's request and accelerate elements of S/CAP implementation and coordination as well as additional work items, such as long-range sustainability planning, increased collaboration with Department Heads, increased regional collaboration, developing and implementing the Sustainability Impact Statement requested in the Council Motion, and evaluating the City's sustainability work through an equity lens. The costs for these positions will be spread over the General Fund and Utility and Public Works Enterprise funds. (Ongoing costs: \$85,000)	0.48	\$ -	\$ 34,381
<i>Public Works</i>	Information Technology Reinvestment Actions and Allocated Charges Expenses for reinvestment actions in the Information Technology Fund cost approximately \$273,000 for staffing support for security/network management and the City's Geographic Information System (GIS), updated security software, new records management software, and updated licensing requirements. The costs of these services are budgeted as allocated charges in citywide departments and funds; therefore, corresponding increases in various departments' allocated charges for internal services provided by the Information Technology Department are recommended. For the General Fund, this action also includes technical corrections for direct allocations to the Planning and Development Services Department (PDS) to support existing department-specific technology (\$324,000). The impact to the General Fund in FY 2022 is approximately \$432,000; other funds \$165,000. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$73,000)	0.00	\$ -	\$ 37,631
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$ -	\$ (76,051)
WASTEWATER TREATMENT FUND (526) SUBTOTAL		0.48	\$ -	\$ -

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RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues Adjustment	Expenses Adjustment
INTERNAL SERVICE FUNDS				
<u>GENERAL BENEFITS FUND (687)</u>				
Non- Departmental	Charges to Other Funds / Healthcare and Pension Expense This net-neutral action increases the estimate for charges to other funds by \$0.8 million due to staffing restorations approved as part of the FY 2022 Adopted Budget (CMR 12307). During budget hearings, the Finance Committee and City Council recommended significant adjustments to the FY 2022 Proposed Budget to restore staffing in Community, Library, Public Safety, and Planning service areas and the administrative staff necessary to support these functions. The General Benefits Fund acts as a pass-through for pension and healthcare costs; therefore, this action increases expenditures by a corresponding amount. (Ongoing costs: \$0)	0.00	\$ 756,128	\$ 756,128
Non- Departmental	Supplemental Pension Contribution - Transfer from General Fund/Pension Expense This action increases the revenue estimate and expense appropriation for additional contributions to the City's irrevocable Section 115 Pension Trust Fund. This brings the total contributions to \$39.3 million (\$26.1 million from the General Fund). Staff will work to true up proportional contributions from other funds as part of the FY 2022 year-end process. (Ongoing costs: \$0)	0.00	\$ 2,000,000	\$ 2,000,000
GENERAL BENEFITS FUND (687) SUBTOTAL		-	\$ 756,128	\$ 756,128
<u>GENERAL LIABILITIES INSURANCE FUND (689)</u>				
Human Resources	Umbrella Excess Liability Insurance Expense This action increases the estimate for umbrella excess liability insurance to align with higher than anticipated premium costs, from \$2.8 million to \$3.2 million. (Ongoing costs: \$0)	0.00	\$ -	\$ 480,500
Human Resources	Property Loss Insurance Expense This action increases the estimate for property loss insurance to align with higher than anticipated premium costs, from \$0.3 million to \$0.5 million. (Ongoing costs: \$0)	0.00	\$ -	\$ 220,225
Fund Balance	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$ -	\$ (700,725)
GENERAL LIABILITIES INSURANCE FUND (689) SUBTOTAL		0.00	\$ -	\$ -
<u>INFORMATION TECHNOLOGY FUND (682)</u>				
Information Technology	Security and GIS Administration Staffing This action appropriates \$164,739 for 1.0 FTE Senior Technologist to perform network and security administration, and 1.0 FTE Senior Technologist to manage the City's geographic information system (GIS). (Ongoing costs: \$406,000)	2.00	\$ -	\$ 164,739
Information Technology	Security Software This action appropriates \$64,600 for the restoration of the data center cloud backup software, CODE42, which improves security of staff technological devices and data. (Ongoing costs: \$65,000)	0.00	\$ -	\$ 64,600
Information Technology	Citywide Geographinc Information System Licensing This action appropriates \$9,500 for an upgrade of the City's GIS license with FME Safe Software to allow for multiple users in all City departments. (Ongoing costs: \$15,000)	0.00	\$ -	\$ 9,500
Information Technology	Public Records Management Software This action adds \$19,000 in contract expenses for the purchase and initial implementation of a web-based program, Laserfiche, to serve as a searchable record repository for permanent City generated records. Implementation will include a searchable, public-facing portal to enhance public access to City and City council records." (Ongoing costs: \$12,000)	0.00	\$ -	\$ 18,770

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RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues Adjustment		Expenses Adjustment	
INTERNAL SERVICE FUNDS						
Information Technology	Agenda Management System Software This action adds \$15,000 in contract expenses to replace the City's current public meeting agenda management system, "MinuteTraq", which is no longer supported. Staff has issued an Request for Proposals and can implement the new system within FY 2022. The new system will include workflows, publication, and record-management for all City public meetings. (Ongoing costs: \$30,000)	0.00	\$	-	\$	15,000
Information Technology	Information Technology Reinvestment Actions and Allocated Charges This action increases expenses in the Information Technology Fund by \$272,609 for staffing support reinvestments, software, and licensing: 2.00 FTE Senior Technologists to provide enhanced security/network management and GIS capacity, CODE42 software to improves security of staff technological devices and data, FME Safe software to allow for multiple GIS licenses in all City departments, Laserfiche software to serve as a searchable record repository for permanent City generated records, and contract expenses to replace the City's current public meeting agenda management system. This action also includes technical corrections for direct allocations to the Planning and Development Services Department (PDS) to support existing department-specific technology and the Police and Public Works Departments for dedicated IT staff. With this adjustment, Development Services continues to be cost neutral. The costs of these services are budgeted as allocated charges in citywide departments; therefore, corresponding increases in various departments’ allocated charges for internal services provided by the Information Technology Department are also recommended to offset this expense. The impact to the General Fund in FY 2022 is \$431,645, other funds is \$164,923. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$528,000)	0.00	\$	596,568	\$	-
Information Technology	Employee Parking Permit Transfer to the University Avenue Parking Fund This action appropriates \$36,600 for the Utility Administration Fund's share of City employee parking permit in the University Avenue Parking Fund based on changes approved by Council in CMR 11795. (Ongoing costs: \$3,000)	0.00	\$	-	\$	2,820
Fund Balance	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$	-	\$	321,139
INFORMATION TECHNOLOGY FUND (682) SUBTOTAL		2.00	\$	596,568	\$	596,568
RETIREE HEALTH FUND (694)						
Non-Departmental	Supplemental Retiree Healthcare / Other Post Employment Benefit (OPEB) Contribution (for the FY 2021 period) This action aligns the expense appropriation for an additional planned contribution of \$1.4 million (\$0.9 million in the General Fund) to the City's California Employers' Retiree Benefit Trust (CERBT) Fund. In May 2020, the City Council directed staff to budget retiree healthcare costs at a more conservative 6.25 percent discount rate and transmit the additional amount as a discretionary payment to the CERBT Fund (CMR 11284). Though additional funds were collected from departments in FY 2021, the payment was not made to CERBT before the end of the fiscal year. Subsequently, staff inadvertently recommended duplicate corrective actions to appropriate funds for the FY 2021 payment to the CERBT; \$1.4 million in the FY 2021 to 2022 Reappropriation process (CMR 12397) and \$1.4 million in the first quarter (Q1) FY 2022 update (CMR 13439). This action corrects that duplication and aligns the appropriation to the planned contribution amount. (Ongoing costs: \$0)	0.00	\$	-	\$	(1,358,000)
Fund Balance	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$	-	\$	1,358,000
RETIREE HEALTH FUND (694) SUBTOTAL		0.00	\$	-	\$	-

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RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues Adjustment	Expenses Adjustment
INTERNAL SERVICE FUNDS				
<u>VEHICLE REPLACEMENT & MAINTENANCE FUND (681)</u>				
Public Works	Gas Commodity Purchase/Utilities Allocated Charges Expenses for gas commodity purchases increased by \$7.7 million in the Gas Fund. This adjustment is consistent with the preliminary gas supply forecast, which reflects fluctuating market prices and anticipated demand. The City's cost of gas is budgeted as allocated charges in citywide departments and funds; therefore, corresponding increases in various departments' allocated charges are recommended. The impact to the General Fund in FY 2022 is approximately \$82,000; other funds \$29,000. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$0)	0.00	\$ -	\$ 20,694
Public Works	Emergency Repair and Replacement (VR-15001) This action increases the Emergency Repair and Replacement capital project (VR-15001) to fund the replacement of 2017 Ford Explorer for the Police Department that was totaled in an accident in FY 2022. VR-15001 only has approximately \$40,000 remaining in FY 2022 for any additional emergency replacement or repair needs. This additional funding will allow Fleet Staff to purchase a current year model replacement vehicle and return a vehicle to active status more quickly while retaining funding for any other repair or replacement needs in FY 2022. (Ongoing costs: \$0)	0.00	\$ -	\$ 75,000
Public Works	Code Enforcement Staffing This action adds one Code Enforcement Officer position (1.00 FTE) to address code violations, including leaf blower concerns by the community. As part of the October 25, 2021 Council Meeting, a recommendation was made to return to Council as part of the Mid-Year Review to add staff to address code enforcement. Additionally, this action adds one vehicle to the City's fleet for the officer to be able to execute job duties. (Ongoing costs: \$0)	0.00	\$ 40,000	\$ 40,000
Public Works	Cooperatively Owned Back-Up Generator (COBUG) This action increases net expenses to the Electric Fund and decreases revenue to the Vehicle Replacement and Maintenance (VRM) Fund for year two of the service contract for the Cooperatively Owned Back-Up Generator (COBUG), as approved by City Council on June 6, 2021 (CMR 12055). Prior to the service contract, all standard maintenance was performed by City staff and costs were budgeted as allocated charges from the VRM Fund. The current service model includes a lower level of VRM activity, therefore adjustments include a contract services expense increase and a decrease in allocated charges in the Electric Fund and a corresponding revenue decrease in the VRM Fund. (Ongoing costs: 27,800)	0.00	\$ (27,807)	\$ -
Public Works	Airport Fleet Tractor This action adds funding to purchase a tractor at the Airport. The Airport is currently leasing a tractor to maintain approximately 100 acres of land. Long term the cost of leasing a vehicle is more expensive than purchasing a tractor, and legally the Airport is obligated by Federal Aviation Administration standards to maintain the infields and movement areas to be kept free from vegetation and debris in order to keep signs and lighting free from obstructions. This action also recognizes federal grant funding to offset the cost of the vehicle. (Ongoing costs: \$0)	0.00	\$ 100,000	\$ 100,000
Public Works	Information Technology Reinvestment Actions and Allocated Charges Expenses for reinvestment actions in the Information Technology Fund cost approximately \$273,000 for staffing support for security/network management and the City's Geographic Information System (GIS), updated security software, new records management software, and updated licensing requirements. The costs of these services are budgeted as allocated charges in citywide departments and funds; therefore, corresponding increases in various departments' allocated charges for internal services provided by the Information Technology Department are recommended. For the General Fund, this action also includes technical corrections for direct allocations to the Planning and Development Services Department (PDS) to support existing department-specific technology (\$324,000). The impact to the General Fund in FY 2022 is approximately \$432,000; other funds \$165,000. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$15,000)	0.00	\$ -	\$ 8,090
Fund Balance	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$ -	\$ (131,591)
VEHICLE REPLACEMENT & MAINTENANCE FUND (681) SUBTOTAL		0.00	\$ 112,193	\$ 112,193

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RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues Adjustment	Expenses Adjustment
INTERNAL SERVICE FUNDS				
<u>PRINT AND MAIL SERVICES FUND (683)</u>				
<i>Administrative Services</i>	Information Technology Reinvestment Actions and Allocated Charges Expenses for reinvestment actions in the Information Technology Fund cost approximately \$273,000 for staffing support for security/network management and the City's Geographic Information System (GIS), updated security software, new records management software, and updated licensing requirements. The costs of these services are budgeted as allocated charges in citywide departments and funds; therefore, corresponding increases in various departments' allocated charges for internal services provided by the Information Technology Department are recommended. For the General Fund, this action also includes technical corrections for direct allocations to the Planning and Development Services Department (PDS) to support existing department-specific technology (\$324,000). The impact to the General Fund in FY 2022 is approximately \$432,000; other funds \$165,000. A detailed list of impacts by department and fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$2,000)	0.00	\$ -	\$ 971
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$ -	\$ (971)
PRINT AND MAIL SERVICES FUND (683) SUBTOTAL		0.00	\$ -	\$ -

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CITY OF PALO ALTO
RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues Adjustment		Expenses Adjustment	
SPECIAL REVENUE FUNDS						
<u>UNIVERSITY AVENUE PARKING FUND (236)</u>						
Office of Transportation	Transfer from General Fund	0.00	\$	36,600	\$	-
	This action recognizes \$36,600 in revenue from the General Fund for it's share of City employee parking permit in the University Avenue Parking Fund. (Ongoing savings: \$37,000)					
Office of Transportation	Transfer from Utilities Administration Fund	0.00	\$	6,298	\$	-
	This action recognizes \$6,298 in revenue from the Utility Administration Fund for it's share of City employee parking permit in the University Avenue Parking Fund. (Ongoing savings: \$6,000)					
Office of Transportation	Transfer from Technology Fund	0.00	\$	2,820	\$	-
	This action recognizes \$2,820 in revenue from the Technology Fund for it's share of City employee parking permit in the University Avenue Parking Fund. (Ongoing savings: \$3,000)					
Fund Balance	Adjustment to Fund Balance	0.00	\$	-	\$	45,718
	This action adjusts the fund balance to offset adjustments recommended in this report.					
UNIVERSITY AVENUE PARKING FUND (236) SUBTOTAL		0.00	\$	45,718	\$	45,718

CITY OF PALO ALTO
RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Fund	Department/ Fund	Title	Revenue	Expense	Comments
GENERAL FUND					
<i>General Fund</i>	<i>Administrative Services</i>	Information Technology Adjustment	\$ -	\$ 5,268	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>General Fund</i>	<i>City Attorney</i>	Information Technology Adjustment	\$ -	\$ 2,196	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>General Fund</i>	<i>City Auditor</i>	Information Technology Adjustment	\$ -	\$ 522	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>General Fund</i>	<i>City Clerk</i>	Information Technology Adjustment	\$ -	\$ 785	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>General Fund</i>	<i>City Council</i>	Information Technology Adjustment	\$ -	\$ 455	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>General Fund</i>	<i>City Manager</i>	Information Technology Adjustment	\$ -	\$ 1,991	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>General Fund</i>	<i>Community Services</i>	Information Technology Adjustment	\$ -	\$ 17,867	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>General Fund</i>	<i>Community Services</i>	Utilities Commodity Purchase Adjustments	\$ -	\$ 41,012	Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
<i>General Fund</i>	<i>Fire</i>	Information Technology Adjustment	\$ -	\$ 21,171	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>General Fund</i>	<i>Fire</i>	Utilities Commodity Purchase Adjustments	\$ -	\$ 2,457	Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
<i>General Fund</i>	<i>Human Resources</i>	Information Technology Adjustment	\$ -	\$ 2,266	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>General Fund</i>	<i>Library</i>	Information Technology Adjustment	\$ -	\$ 5,305	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>General Fund</i>	<i>Library</i>	Utilities Commodity Purchase Adjustments	\$ -	\$ 4,076	Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
<i>General Fund</i>	<i>Office of Emergency Services</i>	Information Technology Adjustment	\$ -	\$ 855	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>General Fund</i>	<i>Office of Transportation</i>	Information Technology Adjustment	\$ -	\$ 1,200	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>General Fund</i>	<i>Planning and Development Services</i>	Information Technology Adjustment	\$ -	\$ 10,952	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>General Fund</i>	<i>Planning and Development Services</i>	Information Technology Adjustment	\$ -	\$ 323,769	Technical correction to technology allocated charges.
<i>General Fund</i>	<i>Police</i>	Information Technology Adjustment	\$ -	\$ 25,435	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.

CITY OF PALO ALTO
RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Fund	Department/ Fund	Title	Revenue	Expense	Comments
<i>General Fund</i>	<i>Police</i>	Information Technology Adjustment	\$ -	\$ 211,034	Technical correction to technology allocated charges.
<i>General Fund</i>	<i>Public Works</i>	Information Technology Adjustment	\$ -	\$ 11,609	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>General Fund</i>	<i>Public Works</i>	Information Technology Adjustment	\$ -	\$ (211,034)	Technical correction to technology allocated charges.
<i>General Fund</i>	<i>Public Works</i>	Utilities Commodity Purchase Adjustments	\$ -	\$ 34,701	Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
GENERAL FUND SUBTOTAL			\$ -	\$ 513,891	
ENTERPRISE FUNDS					
<i>Airport Enterprise Fund</i>	530	Information Technology Adjustment	\$ -	\$ 1,259	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>Airport Enterprise Fund</i>	530	Utilities Commodity Purchase Adjustments	\$ -	\$ 1,083	Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
<i>Electric Supply Fund</i>	513	Utilities Commodity Purchase Adjustments	\$ -	\$ 1,416	Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
<i>Electric Fund</i>	523	Utilities Commodity Purchase Adjustments	\$ -	\$ 1,583	Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
<i>Refuse Fund</i>	525	Information Technology Adjustment	\$ -	\$ 7,945	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>Stormwater Management Fund</i>	528	Information Technology Adjustment	\$ -	\$ 6,219	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>Utilities Administration Fund</i>	521	Information Technology Adjustment	\$ -	\$ 102,808	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>Wastewater Treatment Fund</i>	526	Information Technology Adjustment	\$ -	\$ 37,631	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>Wastewater Treatment Fund</i>	526	Utilities Commodity Purchase Adjustments	\$ -	\$ 4,039	Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
ENTERPRISE FUNDS SUBTOTAL			\$ -	\$ 163,982	
INTERNAL SERVICE FUNDS					
<i>Printing & Mailing Services Fund</i>	683	Information Technology Adjustment	\$ -	\$ 971	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>Vehicle Replacement & Maintenance</i>	681	Information Technology Adjustment	\$ -	\$ 8,090	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
<i>Vehicle Replacement & Maintenance</i>	681	Utilities Commodity Purchase Adjustments	\$ -	\$ 20,694	Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
INTERNAL SERVICE FUNDS SUBTOTAL			\$ -	\$ 29,755	
TOTAL ADJUSTMENT			\$ -	\$ 707,628	

Attachment B provides a comprehensive list of all staffing adjustments since FY 2022 budget adoption. A restated Table of Organization can be found below, which includes all full-time adjustments. These changes include:

1. CMR 13439 Preliminary Q1 FY 2022 Financial Status in which 4.00 Full-Time Equivalent (FTE) were added:
 - a. 2.00 FTE Assistant to the City Manager
 - b. 1.00 FTE Administrative Associate III
 - c. 1.00 FTE Communications Manager
2. CMR 13643 Staffing for Adequate Fire and Emergency Response (SAFER) Grant in which 5.00 FTE Firefighters were added in the Fire Department;
3. CMR 13801 FY 2022 Mid-Year Budget Review in which net 11.00 FTE full-time and 0.94 FTE part-time positions are recommended. Position additions, reclassifications and realignments include:
 - a. Reclassify 2.00 FTE Deputy City Attorney to 2.00 FTE Assistant City Attorney
 - b. Add 0.75 FTE Junior Museum and Zoo Educator, offset by net 0.50 FTE Instructor II - H part-time staffing eliminations
 - c. Add 0.48 FTE Arts & Sciences Professional I - H
 - d. Add 1.00 FTE Deputy Director of Technical Services
 - e. Add 1.00 FTE Human Resources Technician
 - f. Add 0.96 FTE Management Specialist, comprised of two 0.48 FTE positions
 - g. Add 2.00 FTE Senior Technologist
 - h. Reclassify 1.00 FTE Traffic Engineering-Lead to a 1.00 FTE Senior Engineer
 - i. Add 1.00 FTE Code Enforcement Officer
 - j. Add 1.00 FTE Environmental Specialist
 - k. Reclassify 0.75 FTE Management Analyst to a 1.00 FTE Manager Environmental Control Program
 - l. Reclassify 1.00 FTE Metering Technician to a 1.00 FTE Electric Project Coordinator
 - m. Add 3.00 FTE Electric Project Engineer, offset by the reduction of 1.00 FTE Power Engineer
 - n. Add 1.00 FTE Utilities Program Services Manager
 - o. Add 1.00 FTE Senior Engineer

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
General Fund						
Administrative Services						
Account Specialist	4.63	4.63	3.13	4.13	1.00	31.9%
Account Specialist (Freeze)	—	—	1.50	—	(1.50)	(100.0)%
Account Specialist-Lead	3.45	3.45	3.45	3.45	—	—%
Accountant	3.00	3.00	3.00	2.00	(1.00)	(33.3)%
Administrative Assistant	1.00	1.00	1.00	1.00	—	—%
Administrative Associate II	1.00	1.00	0.50	0.50	—	—%
Administrative Associate II (Freeze)	—	—	0.50	—	(0.50)	(100.0)%
Administrative Associate III	1.00	1.00	1.00	1.00	—	—%
Assistant Director Administrative Services	1.65	1.65	1.65	1.65	—	—%
Buyer	1.00	1.00	1.00	2.00	1.00	100.0%
Chief Procurement Officer	1.00	1.00	1.00	1.00	—	—%
Contracts Administrator	2.70	2.70	2.30	1.70	(0.60)	(26.0)%
Contracts Administrator (Freeze)	—	—	0.40	—	(0.40)	(100.0)%
Director Administrative Services/CFO	0.80	0.80	0.80	0.80	—	—%
Director Office of Management and Budget	1.00	1.00	—	1.00	1.00	—%
Director Office of Management and Budget (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Management Analyst	1.00	2.00	2.00	2.00	—	—%
Manager Budget	2.00	2.00	2.00	2.00	—	—%
Manager Real Property	1.00	1.00	1.00	1.00	—	—%
Manager Revenue Collections	0.62	0.62	0.62	0.62	—	—%
Manager Treasury, Debt & Investments	0.60	0.60	0.60	0.60	—	—%
Manager, Finance	1.00	1.00	1.00	1.00	—	—%
Payroll Analyst	2.00	2.00	2.00	2.00	—	—%
Performance Auditor II (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Senior Accountant	3.00	3.00	3.00	3.00	—	—%
Senior Buyer	1.00	1.00	1.00	1.00	—	—%
Senior Management Analyst	2.30	2.30	2.30	2.30	—	—%
Storekeeper	1.00	1.00	1.00	1.00	—	—%
Storekeeper-Lead	0.20	0.20	0.20	0.20	—	—%
Warehouse Supervisor	0.20	0.20	0.20	0.20	—	—%
Total Administrative Services	38.15	39.15	40.15	37.15	(3.00)	(7.5)%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
City Attorney						
Assistant City Attorney***	3.00	3.00	3.00	4.00	1.00	100.0%
Chief Assistant City Attorney	1.00	1.00	1.00	1.00	—	—%
City Attorney	1.00	1.00	1.00	1.00	—	—%
Claims Investigator	1.00	1.00	1.00	1.00	—	—%
Deputy City Attorney***	1.00	1.00	1.00	—	(1.00)	(100.0)%
Legal Fellow	1.00	1.00	0.50	1.00	0.50	100.0%
Legal Fellow (Freeze)	—	—	0.50	—	(0.50)	(100.0)%
Secretary to City Attorney	1.00	1.00	1.00	1.00	—	—%
Senior Management Analyst	1.00	1.00	1.00	1.00	—	—%
Total City Attorney	10.00	10.00	10.00	10.00	—	—%
City Auditor						
City Auditor	1.00	1.00	1.00	—	(1.00)	(100.0)%
Performance Auditor I	1.00	—	—	—	—	—%
Performance Auditor II	1.00	2.00	—	—	—	—%
Senior Performance Auditor	1.00	1.00	2.00	—	(2.00)	(100.0)%
Total City Auditor	4.00	4.00	3.00	—	(3.00)	(100.0)%
City Clerk						
Administrative Associate III	2.00	2.00	2.00	2.00	—	—%
Assistant City Clerk	1.00	1.00	1.00	1.00	—	—%
City Clerk	1.00	1.00	1.00	1.00	—	—%
Deputy City Clerk	1.00	1.00	1.00	1.00	—	—%
Total City Clerk	5.00	5.00	5.00	5.00	—	—%
City Manager						
Administrative Assistant	1.00	2.00	2.00	2.00	—	—%
Administrative Associate III	1.00	—	—	—	—	—%
Assistant City Manager	—	1.00	1.00	1.00	—	—%
Assistant City Manager/Utilities General Manager	0.25	—	—	—	—	—%
Assistant to the City Manager***	2.00	2.00	1.00	3.00	2.00	200.0%
Assistant to the City Manager (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Chief Communications Officer	1.00	1.00	1.00	1.00	—	—%
Chief Sustainability Officer	1.00	—	—	—	—	—%
City Manager	1.00	1.00	1.00	1.00	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Deputy City Manager	2.00	1.00	1.00	1.00	—	—%
Executive Assistant to the City Manager	1.00	1.00	1.00	1.00	—	—%
Management Analyst	0.75	0.75	—	—	—	—%
Manager Communications	1.00	1.00	1.00	1.00	—	—%
Total City Manager	12.00	10.75	10.00	11.00	1.00	10.0%
Community Services						
Administrative Assistant	1.00	1.00	1.00	1.00	—	—%
Administrative Associate III	1.00	1.00	—	—	—	—%
Administrative Associate III (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Assistant Director Community Services	2.00	2.00	1.00	1.00	—	—%
Assistant Director Community Services (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Building Serviceperson	1.25	1.25	1.00	1.00	—	—%
Building Serviceperson-Lead	0.60	0.60	0.60	0.60	—	—%
Coordinator Recreation Programs	3.00	4.00	4.00	4.00	—	—%
Director Community Services	1.00	1.00	1.00	1.00	—	—%
Division Manager Open Space, Parks and Golf	1.00	1.00	—	—	—	—%
Heavy Equipment Operator	0.07	0.07	0.07	—	(0.07)	(100.0)%
Inspector, Field Services	2.00	2.00	2.00	2.00	—	—%
Junior Museum & Zoo Educator***	3.60	3.60	3.25	4.00	0.75	23.1%
Junior Museum & Zoo Educator (Freeze)	—	—	0.35	—	(0.35)	(100.0)%
Management Analyst	1.00	1.00	1.00	1.00	—	—%
Management Assistant	1.00	1.00	1.00	1.00	—	—%
Manager Community Services	5.00	5.00	4.00	5.00	1.00	25.0%
Manager Community Services (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Manager Community Services Senior Program	4.00	4.00	4.00	4.00	—	—%
Manager Human Services	1.00	1.00	1.00	1.00	—	—%
Park Maintenance Person	6.00	6.00	6.00	6.00	—	—%
Park Maintenance-Lead	1.00	1.00	1.00	1.00	—	—%
Park Ranger	5.00	5.00	5.00	5.00	—	—%
Parks/Golf Crew-Lead	2.00	2.00	2.00	2.00	—	—%
Producer Arts/Science Program	11.00	11.00	10.25	11.00	0.75	(12.0)%
Producer Arts/Science Program (Freeze)	—	—	1.75	—	(1.75)	(100.0)%
Program Assistant I	8.00	8.00	3.00	3.00	—	—%
Program Assistant I (Freeze)	—	—	4.00	—	(4.00)	(100.0)%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Program Assistant II	4.00	3.00	4.00	4.00	—	—%
Project Manager	0.10	0.10	0.10	0.10	—	—%
Senior Management Analyst	1.00	1.00	1.00	1.00	—	—%
Sprinkler System Representative	4.00	4.00	4.00	4.00	—	—%
Superintendent Community Services	2.00	2.00	2.00	2.00	—	—%
Superintendent Recreation	1.00	1.00	—	—	—	—%
Superintendent Recreation (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Theater Specialist	2.00	2.00	2.00	2.00	—	—%
WGW Heavy Equipment Operator	—	—	—	0.07	0.07	—%
Total Community Services	75.62	75.62	75.37	67.77	(7.60)	(10.1)%
Fire						
40-Hour Training Battalion Chief	1.00	1.00	1.00	1.00	—	—%
40-Hour Training Captain	1.00	1.00	—	1.00	1.00	100.0%
40-Hour Training Captain (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Administrative Assistant	1.00	1.00	1.00	1.00	—	—%
Administrative Associate II	2.20	2.20	1.20	2.20	1.00	83.3%
Administrative Associate II (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Battalion Chief	3.00	3.00	3.00	3.00	—	—%
Business Analyst	0.80	0.80	0.80	0.80	—	—%
Deputy Chief/Fire Marshal	0.05	0.05	0.05	0.05	—	—%
Deputy Director Technical Services Division***	0.20	0.20	—	0.20	0.20	100.0%
Deputy Director Technical Services Division (Freeze)	—	—	0.20	—	(0.20)	(100.0)%
Deputy Fire Chief	2.00	2.00	2.00	1.00	(1.00)	(50.0)%
Emergency Medical Service Director	1.00	1.00	1.00	1.00	—	—%
Emergency Medical Services Data Specialist	1.00	1.00	1.00	1.00	—	—%
Fire Apparatus Operator	26.00	26.00	26.00	26.00	—	—%
Fire Captain	21.00	21.00	21.00	20.00	(1.00)	(4.8)%
Fire Chief	1.00	1.00	1.00	1.00	—	—%
Fire Fighter***	34.00	34.00	29.00	34.00	5.00	17.2%
Fire Fighter (Freeze)	—	—	5.00	—	(5.00)	(100.0)%
Fire Inspector	0.80	0.80	0.40	0.40	—	—%
Fire Inspector (Freeze)	—	—	0.40	—	(0.40)	(100.0)%
Geographic Information System Specialist	0.50	0.50	0.50	0.50	—	—%
Hazardous Materials Inspector	0.30	0.30	0.30	0.30	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Senior Management Analyst	1.00	1.00	1.00	1.00	—	—%
Total Fire	97.85	97.85	97.85	95.45	(2.40)	(2.5)%
Human Resources						
Assistant Director Human Resources	1.00	1.00	1.00	1.00	—	—%
Director Human Resources/CPO	1.00	1.00	1.00	1.00	—	—%
Human Resources Representative	3.00	3.00	2.50	2.00	(0.50)	(20.0)%
Human Resources Representative (Freeze)	—	—	0.50	—	(0.50)	(100.0)%
Human Resources Technician***	4.00	4.00	3.50	4.00	0.50	14.3%
Human Resources Technician (Freeze)	—	—	0.50	—	(0.50)	(100.0)%
Manager Employee Benefits	1.00	1.00	1.00	1.00	—	—%
Manager Employee Relations	1.00	1.00	1.00	1.00	—	—%
Senior Human Resources Administrator	3.00	3.00	3.00	3.00	—	—%
Senior Management Analyst	2.00	2.00	2.00	2.00	—	—%
Total Human Resources	16.00	16.00	16.00	15.00	(1.00)	(6.3)%
Library						
Administrative Associate III	1.00	1.00	—	—	—	—%
Administrative Associate III (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Assistant Director Library Services	1.00	1.00	—	—	—	—%
Assistant Director Library Services (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Business Analyst	1.00	1.00	1.00	1.00	—	—%
Coordinator Library Programs	1.00	1.00	1.00	1.00	—	—%
Director Libraries	1.00	1.00	1.00	1.00	—	—%
Division Head Library Services	1.00	1.00	1.00	1.00	—	—%
Librarian	7.00	6.00	6.00	6.00	—	—%
Library Associate	7.00	7.00	6.00	6.00	—	—%
Library Associate (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Library Specialist	11.50	11.50	10.50	10.50	—	—%
Library Specialist (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Management Analyst	1.00	1.00	1.00	1.00	—	—%
Manager Library Services	4.00	3.00	3.00	3.00	—	—%
Senior Librarian	9.00	8.00	6.00	6.00	—	—%
Senior Librarian (Freeze)	—	—	2.00	—	(2.00)	(100.0)%
Supervising Librarian	2.00	4.00	4.00	4.00	—	—%
Total Library	47.50	46.50	46.50	40.50	(6.00)	(12.9)%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Office of Emergency Services						
Director Office of Emergency Services	1.00	1.00	1.00	1.00	—	—%
Office of Emergency Services Coordinator	1.00	1.00	1.00	1.00	—	—%
Program Assistant II	1.00	1.00	—	—	—	—%
Program Assistant II (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Total Office of Emergency Services	3.00	3.00	3.00	2.00	(1.00)	(33.3)%
Office of Transportation^b						
Administrative Assistant	—	0.50	0.50	0.60	0.10	20.0%
Administrative Associate III	0.30	—	—	—	—	—%
Associate Engineer	0.65	0.30	0.30	0.35	0.05	16.7%
Associate Planner	0.24	0.30	0.45	0.40	(0.05)	(11.1)%
Chief Transportation Official	0.55	0.70	0.70	0.70	—	—%
Coordinator Transportation Systems Management	0.74	1.25	1.25	0.65	(0.60)	(48.0)%
Management Analyst	0.02	0.50	0.50	0.50	—	—%
Parking Operations-Lead	0.10	—	—	0.05	0.05	—%
Project Engineer	0.50	0.45	0.45	0.25	(0.20)	(44.4)%
Senior Engineer***	—	0.20	0.20	0.55	0.35	175.0%
Senior Planner	0.28	0.50	0.50	0.15	(0.35)	(70.0)%
Traffic Engineering-Lead***	0.65	0.35	0.35	—	(0.35)	100.0%
Transportation Planning Manager	0.36	1.15	1.15	1.00	(0.15)	(13.0)%
Total Office of Transportation	4.39	6.20	6.35	5.20	(1.15)	(18.1)%
Planning and Development Services^c						
Administrative Assistant	2.00	1.00	1.00	1.00	—	—%
Administrative Associate I	1.00	1.00	1.00	1.00	—	—%
Administrative Associate II	2.80	2.80	2.80	2.80	—	—%
Administrative Associate III***	3.29	4.00	4.00	4.00	—	—%
Assistant Chief Building Official	1.00	1.00	1.00	1.00	—	—%
Assistant Director PCE	1.00	1.00	1.00	1.00	—	—%
Associate Engineer	0.02	0.22	0.20	—	(0.20)	(100.0)%
Associate Planner	3.03	3.15	3.00	3.25	0.25	8.3%
Building Inspector Specialist	4.00	4.00	6.00	6.00	—	—%
Building/Planning Technician	3.00	3.00	2.00	2.00	—	—%
Building/Planning Technician (Freeze)	—	—	1.00	—	(1.00)	(100.0)%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Business Analyst	1.00	—	—	—	—	—%
Chief Building Official	1.00	1.00	1.00	1.00	—	—%
Chief Planning Official	1.00	1.00	1.00	1.00	—	—%
Chief Transportation Official	0.09	—	—	—	—	—%
Code Enforcement Officer***	2.00	2.00	—	1.00	1.00	100.0%
Code Enforcement Officer (Freeze)	—	—	2.00	—	(2.00)	(100.0)%
Code Enforcement-Lead	1.00	1.00	1.00	1.00	—	—%
Deputy Chief/Fire Marshal	0.80	0.80	0.80	0.80	—	—%
Development Project Coordinator II	2.00	2.00	2.00	2.00	—	—%
Development Project Coordinator III	3.00	3.00	3.00	3.00	—	—%
Development Services Director	1.00	—	—	—	—	—%
Director Planning/Community Environment	1.00	1.00	1.00	1.00	—	—%
Engineer	0.64	0.64	0.52	0.52	—	—%
Engineering Technician III	1.78	1.78	1.50	1.50	—	—%
Fire Inspector	3.20	3.20	1.60	1.60	—	—%
Fire Inspector (Freeze)	—	—	1.60	—	(1.60)	(100.0)%
Hazardous Materials Inspector	1.60	1.60	1.60	1.60	—	—%
Industrial Waste Inspector	0.01	0.01	—	—	—	—%
Industrial Waste Investigator	0.35	0.35	0.35	0.35	—	—%
Inspector, Field Services	0.68	0.68	0.68	0.68	—	—%
Landscape Architect Park Planner	0.50	0.50	0.50	0.50	—	—%
Management Analyst	1.79	0.01	—	—	—	—%
Manager Development Center	1.00	—	—	—	—	—%
Manager Environmental Control Program	0.10	0.10	—	—	—	—%
Manager Planning	3.00	5.00	4.00	4.00	—	—%
Manager Urban Forestry	0.04	0.04	—	—	—	—%
Planner	4.00	4.00	4.00	4.00	—	—%
Planning Division Manager	1.00	—	—	—	—	—%
Principal Management Analyst	—	1.00	—	—	—	—%
Principal Planner	1.00	2.00	1.00	1.00	—	—%
Principal Planner (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Program Assistant	—	1.00	—	—	—	—%
Program Assistant I (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Project Engineer	0.33	0.13	0.10	—	(0.10)	(100.0)%
Senior Business Analyst	—	1.00	1.00	1.00	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Senior Engineer***	0.46	0.46	0.40	0.45	0.05	12.5%
Senior Industrial Waste Investigator	0.01	0.01	—	—	—	—%
Senior Management Analyst	1.88	2.00	2.00	2.00	—	—%
Senior Planner	3.60	3.60	2.60	3.65	1.05	40.0%
Senior Planner (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Supervisor Inspection and Surveying	0.27	0.27	0.25	0.25	—	—%
Traffic Engineering-Lead***	—	0.10	0.10	—	(0.10)	(100.0)%
Transportation Planning Manager	0.05	—	—	0.05	0.05	—%
Total Planning and Development Services	62.32	62.45	61.60	56.00	(5.60)	(9.1)%
Police						
Administrative Assistant	1.00	1.00	1.00	1.00	—	—%
Administrative Associate II	3.00	3.00	2.00	2.00	—	—%
Administrative Associate II (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Animal Control Officer	3.00	3.00	2.00	2.00	—	—%
Animal Control Officer (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Animal Control Officer-Lead	1.00	1.00	1.00	1.00	—	—%
Animal Services Specialist II	2.00	—	—	—	—	—%
Assistant Police Chief	1.00	1.00	1.00	1.00	—	—%
Business Analyst	1.20	1.20	1.20	1.20	—	—%
Code Enforcement Officer	1.00	1.00	1.00	1.00	—	—%
Communications Manager	1.00	1.00	—	—	—	—%
Communications Manager (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Communications Technician	1.00	1.00	—	—	—	—%
Communications Technician (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Community Service Officer	7.50	7.50	5.63	5.63	—	—%
Community Service Officer (Freeze)	—	—	1.87	—	(1.87)	(100.0)%
Court Liaison Officer	1.00	1.00	1.00	1.00	—	—%
Crime Analyst	1.00	1.00	1.00	1.00	—	—%
Deputy Director Technical Services Division***	0.80	0.80	—	0.80	0.80	100.0%
Deputy Director Technical Services Division (Freeze)	—	—	0.80	—	(0.80)	(100.0)%
Geographic Information System Specialist	0.50	0.50	0.50	0.50	—	—%
Police Agent	19.00	19.00	19.00	19.00	—	—%
Police Captain	2.00	2.00	2.00	2.00	—	—%
Police Chief	1.00	1.00	1.00	1.00	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Police Lieutenant	5.00	5.00	4.00	4.00	—	—%
Police Lieutenant (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Police Officer	50.00	50.00	39.00	39.00	—	—%
Police Officer (Freeze)	—	—	11.00	—	(11.00)	(100.0)%
Police Records Specialist II	6.00	6.00	6.00	6.00	—	—%
Police Records Specialist-Lead	1.00	1.00	1.00	1.00	—	—%
Police Sergeant	14.00	14.00	14.00	14.00	—	—%
Program Assistant II	1.00	1.00	1.00	1.00	—	—%
Property Evidence Technician	2.00	2.00	2.00	2.00	—	—%
Public Safety Communications Manager***	1.00	1.00	—	1.00	1.00	100.0%
Public Safety Communications Manager (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Public Safety Dispatcher	16.00	16.00	12.00	12.00	—	—%
Public Safety Dispatcher (Freeze)	—	—	4.00	—	(4.00)	(100.0)%
Public Safety Dispatcher-Lead	4.00	4.00	4.00	4.00	—	—%
Public Safety Program Manager	2.00	2.00	2.00	1.00	(1.00)	(50.0)%
Senior Management Analyst	1.00	1.00	1.00	1.00	—	—%
Superintendent Animal Services	1.00	—	—	—	—	—%
Veterinarian	1.00	—	—	—	—	—%
Veterinarian Technician	2.00	—	—	—	—	—%
Total Police	155.00	149.00	149.00	126.13	(22.87)	(15.3)%
Public Works						
Administrative Assistant	1.00	1.00	1.00	0.50	(0.50)	(50.0)%
Administrative Associate I	0.60	0.10	0.10	—	(0.10)	(100.0)%
Administrative Associate II	2.65	2.65	2.65	2.65	—	—%
Administrative Associate III	0.01	0.01	0.01	—	(0.01)	(100.0)%
Assistant Director Public Works	0.87	0.73	0.73	0.73	—	—%
Associate Engineer	0.30	—	—	—	—	—%
Building Serviceperson-Lead	1.00	1.00	1.00	1.00	—	—%
Cement Finisher	2.00	2.00	2.00	2.00	—	—%
Cement Finisher-Lead	0.26	0.26	0.26	0.26	—	—%
Coordinator Public Works Projects	1.50	1.50	1.50	1.50	—	—%
Director Public Works/City Engineer	1.00	1.00	1.00	1.00	—	—%
Electrician	0.80	0.80	0.80	0.80	—	—%
Engineer	0.66	0.36	0.48	0.48	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Engineering Technician III	1.47	1.47	1.75	1.75	—	—%
Environmental Specialist***	—	—	—	0.33	0.33	100.0%
Equipment Operator	2.46	2.46	2.46	2.46	—	—%
Facilities Carpenter	1.00	1.00	1.00	1.00	—	—%
Facilities Maintenance-Lead	1.85	1.85	1.85	1.85	—	—%
Facilities Painter	1.75	1.75	1.75	1.75	—	—%
Facilities Technician	4.05	4.05	4.05	4.05	—	—%
Heavy Equipment Operator	2.33	2.33	2.33	2.10	(0.23)	(9.9)%
Heavy Equipment Operator-Lead	0.85	0.85	0.85	0.85	—	—%
Inspector, Field Services	0.11	0.11	0.11	0.11	—	—%
Landscape Architect Park Planner	0.60	0.60	0.60	0.60	—	—%
Management Analyst***	0.70	0.70	1.45	0.70	(0.75)	51.7%
Manager Environmental Control Program***	—	—	—	0.33	0.33	100.0%
Manager Facilities	0.90	0.90	0.90	0.90	—	—%
Manager Maintenance Operations	1.20	1.20	1.20	1.20	—	—%
Manager Urban Forestry	0.96	0.96	1.00	1.00	—	—%
Manager Watershed Protection	0.05	0.05	0.05	0.05	—	—%
Project Engineer	0.50	—	—	—	—	—%
Project Manager	2.65	2.65	2.00	2.00	—	—%
Project Manager (Freeze)	—	—	0.65	—	(0.65)	(100.0)%
Senior Engineer	0.79	0.59	0.60	0.60	—	—%
Senior Management Analyst	1.11	1.11	1.11	1.11	—	—%
Senior Project Manager	0.10	—	—	—	—	—%
Supervisor Inspection and Surveying	0.10	0.10	0.10	0.10	—	—%
Surveyor, Public Works	0.33	0.33	0.33	0.33	—	—%
Traffic Controller Maintainer I	1.94	1.94	1.94	1.94	—	—%
Traffic Controller Maintainer II	2.00	2.00	2.00	1.00	(1.00)	(50.0)%
Tree Maintenance Person	1.00	1.00	1.00	1.00	—	—%
Tree Trim/Line Clear	7.00	7.00	7.00	7.00	—	—%
Tree Trim/Line Clear-Lead	1.00	1.00	1.00	1.00	—	—%
WGW Heavy Equipment Operator	—	—	—	0.23	0.23	—%
Total Public Works	51.45	49.41	50.61	48.26	(2.35)	(4.6)%
Total General Fund	582.28	574.93	574.43	519.46	(54.97)	(9.6)%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Enterprise Fund						
Public Works						
Account Specialist	0.30	0.30	0.30	—	(0.30)	(100.0)%
Accountant	0.40	0.40	0.40	0.70	0.30	75.0%
Administrative Associate I	0.10	0.10	0.10	—	(0.10)	(100.0)%
Administrative Associate II	2.15	2.15	2.15	2.15	—	—%
Administrative Associate III	0.10	0.10	0.10	0.20	0.10	100.0%
Assistant Director Public Works	1.30	1.30	1.30	1.30	—	—%
Assistant Manager WQCP	2.00	2.00	2.00	2.00	—	—%
Associate Engineer	2.99	2.99	3.00	3.00	—	—%
Chemist	3.00	3.00	3.00	2.00	(1.00)	(33.3)%
Deputy Chief/Fire Marshal	0.07	0.07	0.07	0.07	—	—%
Electrician	3.00	3.00	3.00	3.00	—	—%
Electrician-Lead	2.00	2.00	2.00	2.00	—	—%
Engineer	0.90	0.90	0.90	0.90	—	—%
Engineering Technician III	0.25	0.25	0.25	0.25	—	—%
Environmental Specialist***	2.00	2.00	2.00	2.33	0.33	16.5%
Equipment Operator	0.54	0.54	0.54	0.54	—	—%
Facilities Maintenance Lead	1.00	1.00	1.00	1.00	—	—%
Facilities Technician	1.50	1.50	1.50	1.50	—	—%
Hazardous Materials Inspector	0.04	0.04	0.04	0.04	—	—%
Heavy Equipment Operator	0.90	0.90	0.90	0.90	—	—%
Heavy Equipment Operator-Lead	1.15	1.15	1.15	1.15	—	—%
Industrial Waste Inspector	2.99	2.99	3.00	3.00	—	—%
Industrial Waste Investigator	1.15	1.15	1.15	1.15	—	—%
Laboratory Technician WQC	3.00	3.00	3.00	3.00	—	—%
Landfill Technician	1.00	1.00	1.00	1.00	—	—%
Management Analyst	2.30	2.30	2.30	2.30	—	—%
Manager Airport	1.00	1.00	1.00	1.00	—	—%
Manager Environmental Control Program***	4.90	4.90	5.00	5.33	0.33	6.6%
Manager Laboratory Services	1.00	1.00	1.00	1.00	—	—%
Manager Maintenance Operations	1.96	1.96	1.96	1.96	—	—%
Manager Solid Waste	1.00	1.00	1.00	1.00	—	—%
Manager Water Quality Control Plant	1.00	1.00	1.00	1.00	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Manager Watershed Protection	0.95	0.95	0.95	0.95	—	—%
Plant Mechanic	7.00	7.00	7.00	7.00	—	—%
Program Assistant I	1.00	1.00	1.00	1.00	—	—%
Program Assistant II	2.00	2.00	2.00	2.00	—	—%
Project Engineer	1.83	1.83	1.83	1.83	—	—%
Project Manager	1.35	1.35	1.35	1.35	—	—%
Senior Accountant	0.30	0.30	0.30	0.30	—	—%
Senior Buyer	1.00	1.00	1.00	1.00	—	—%
Senior Chemist	1.00	1.00	1.00	2.00	1.00	100.0%
Senior Engineer	3.76	3.76	3.76	3.76	—	—%
Senior Industrial Waste Investigator	0.99	0.99	1.00	1.00	—	—%
Senior Management Analyst	0.21	0.21	0.21	0.21	—	—%
Senior Mechanic	1.00	1.00	1.00	1.00	—	—%
Senior Operator WQC	6.00	6.00	6.00	6.00	—	—%
Senior Technologist	1.00	1.00	1.00	1.00	—	—%
Storekeeper	1.00	1.00	1.00	1.00	—	—%
Street Maintenance Assistant	1.00	1.00	1.00	1.00	—	—%
Street Sweeper Operator	1.63	1.63	1.63	1.63	—	—%
Supervisor WQCP Operations	3.00	3.00	3.00	3.00	—	—%
Surveyor, Public Works	0.12	0.12	0.12	0.12	—	—%
Technologist	1.00	1.00	1.00	1.00	—	—%
Traffic Controller Maintainer I	0.06	0.06	0.06	0.06	—	—%
WQC Plant Operator II	16.00	16.00	16.00	16.00	—	—%
Zero Waste Coordinator	1.00	1.00	1.00	1.00	—	—%
Total Public Works	101.19	101.19	101.32	101.98	0.66	0.7%
Utilities						
Account Specialist	1.70	1.70	1.70	1.00	(0.70)	(41.2)%
Accountant	0.60	0.60	0.60	1.30	0.70	116.7%
Administrative Assistant	1.00	1.00	1.00	1.00	—	—%
Administrative Associate II	7.00	6.00	6.00	6.00	—	—%
Assistant City Attorney***	—	—	—	1.00	1.00	100.0%
Assistant City Manager/Utilities General Manager	0.75	—	—	—	—	—%
Assistant Director Administrative Services	0.25	0.25	0.25	0.25	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Assistant Director Utilities Customer Support Services	1.00	1.00	1.00	1.00	—	—%
Assistant Director Utilities Engineering	1.00	1.00	—	1.00	1.00	100.0%
Assistant Director Utilities Engineering (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Assistant Director Utilities Operations	1.00	1.00	1.00	1.00	—	—%
Assistant Director Utilities/Resource Management	1.00	1.00	1.00	1.00	—	—%
Business Analyst	6.00	6.00	5.00	6.00	1.00	20.0%
Business Analyst (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Cathodic Protection Technician Assistant	1.00	1.00	1.00	1.00	—	—%
Cathodic Technician	1.00	1.00	1.00	1.00	—	—%
Cement Finisher	2.00	2.00	2.00	2.00	—	—%
Contracts Administrator	0.70	0.70	0.70	0.70	—	—%
Coordinator Utilities Projects***	6.00	6.00	6.00	7.00	1.00	16.7%
Customer Service Representative	7.00	7.00	7.00	7.00	—	—%
Customer Service Specialist	2.00	2.00	2.00	2.00	—	—%
Customer Service Specialist-Lead	2.00	2.00	2.00	2.00	—	—%
Deputy Chief/Fire Marshal	0.08	0.08	0.08	0.08	—	—%
Deputy City Attorney***	1.00	1.00	1.00	—	(1.00)	(100.0)%
Director Administrative Services/CFO	0.20	0.20	0.20	0.20	—	—%
Electric Heavy Equipment Operator	—	—	2.00	2.00	—	—%
Electric Project Engineer***	2.00	4.00	4.00	7.00	3.00	75.0%
Electric Underground Inspector	2.00	2.00	2.00	2.00	—	—%
Electric Underground Inspector-Lead	1.00	1.00	1.00	1.00	—	—%
Electrical Equipment Technician	1.00	1.00	1.00	1.00	—	—%
Electrician Assistant I	3.00	3.00	3.00	3.00	—	—%
Engineer	4.00	4.00	4.00	4.00	—	—%
Engineering Manager - Electric	1.00	1.00	1.00	1.00	—	—%
Engineering Manager - WGW	1.00	1.00	1.00	1.00	—	—%
Engineering Technician III	3.00	3.00	3.00	3.00	—	—%
Environmental Specialist***	—	—	—	0.34	0.34	100.0%
Gas and Water Meter Measurement and Control Technician	4.00	4.00	4.00	4.00	—	—%
Gas and Water Meter Measurement and Control Technician - Lead	1.00	1.00	1.00	1.00	—	—%
Hazardous Materials Inspector	0.06	0.06	0.06	0.06	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Heavy Equipment Operator	6.70	6.70	—	—	—	—%
Heavy Equipment Operator - Install/Repair	4.00	4.00	4.00	4.00	—	—%
Human Resources Representative	—	—	—	1.00	1.00	—%
Industrial Waste Investigator	0.50	0.50	0.50	0.50	—	—%
Inspector, WGW Utilities Field Services	5.00	5.00	5.00	5.00	—	—%
Lineperson/Cable Specialist	11.00	11.00	10.00	10.00	—	—%
Lineperson/Cable Specialist-Lead	4.00	4.00	4.00	4.00	—	—%
Maintenance Mechanic-Welding	2.00	2.00	2.00	2.00	—	—%
Manager Communications	1.00	1.00	1.00	1.00	—	—%
Manager Customer Service	1.00	1.00	1.00	1.00	—	—%
Manager Electric Operations	1.00	1.00	1.00	1.00	—	—%
Manager Environmental Control Program***	—	—	—	0.34	0.34	100.0%
Manager Treasury, Debt & Investments	0.40	0.40	0.40	0.40	—	—%
Manager Utilities Compliance	1.00	1.00	1.00	1.00	—	—%
Manager Utilities Credit & Collection	1.00	1.00	1.00	1.00	—	—%
Manager Utilities Operations WGW	1.00	1.00	1.00	1.00	—	—%
Manager Utilities Program Services***	1.00	1.00	1.00	2.00	1.00	50.0%
Manager Utilities Strategic Business	1.00	1.00	1.00	1.00	—	—%
Manager Utilities Telecommunications	1.00	1.00	1.00	1.00	—	—%
Meter Reader	6.00	6.00	6.00	6.00	—	—%
Meter Reader-Lead	1.00	1.00	1.00	1.00	—	—%
Metering Technician***	3.00	3.00	3.00	2.00	(1.00)	(33.3)%
Metering Technician-Lead	1.00	1.00	1.00	1.00	—	—%
Offset Equipment Operator	0.48	0.48	0.48	0.48	—	—%
Overhead Underground Troubleshooter	2.00	2.00	2.00	2.00	—	—%
Power Engineer***	3.00	1.00	1.00	—	(1.00)	(100.0)%
Principal Business Analyst	1.00	1.00	1.00	1.00	—	—%
Program Assistant I	1.50	1.50	1.50	1.50	—	—%
Program Assistant II	—	1.00	1.00	1.00	—	—%
Project Engineer	5.00	5.00	5.00	5.00	—	—%
Project Manager	0.75	0.75	0.75	0.75	—	—%
Resource Planner	6.00	5.00	5.00	5.00	—	—%
Restoration Lead	1.00	1.00	1.00	1.00	—	—%
SCADA Technologist	2.00	2.00	2.00	2.00	—	—%
Senior Accountant	0.70	0.70	0.70	0.70	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Senior Business Analyst	3.00	3.00	3.00	3.00	—	—%
Senior Electrical Engineer	4.00	4.00	4.00	5.00	1.00	25.0%
Senior Engineer***	5.00	5.00	5.00	6.00	1.00	20.0%
Senior Management Analyst	0.70	0.70	0.70	0.70	—	—%
Senior Mechanic	1.00	1.00	1.00	1.00	—	—%
Senior Performance Auditor	1.00	1.00	1.00	—	(1.00)	(100.0)%
Senior Resource Planner	6.00	6.50	6.50	6.50	—	—%
Senior Utilities Field Service Representative	1.00	1.00	1.00	1.00	—	—%
Senior Water Systems Operator	2.00	2.00	2.00	2.00	—	—%
Storekeeper	1.00	1.00	1.00	1.00	—	—%
Storekeeper-Lead	0.80	0.80	0.80	0.80	—	—%
Street Light, Traffic Signal & Fiber Technician	5.00	5.00	5.00	5.00	—	—%
Street Light, Traffic Signal & Fiber-Lead	2.00	2.00	2.00	2.00	—	—%
Substation Electrician	6.00	6.00	5.00	6.00	1.00	20.0%
Substation Electrician (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Substation Electrician-Lead	2.00	2.00	2.00	2.00	—	—%
Supervising Electric Project Engineer	1.00	1.00	1.00	—	(1.00)	(100.0)%
Sustainability Programs Administrator	—	—	—	4.00	4.00	—%
Tree Maintenance Person	1.00	1.00	1.00	1.00	—	—%
Utilities Chief Operating Officer	1.00	1.00	—	1.00	1.00	100.0%
Utilities Chief Operating Officer (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Utilities Compliance Technician	2.00	2.00	3.00	3.00	—	—%
Utilities Compliance Technician-Lead	1.00	1.00	1.00	1.00	—	—%
Utilities Credit/Collection Specialist	2.00	2.00	2.00	2.00	—	—%
Utilities Director	—	1.00	1.00	1.00	—	—%
Utilities Engineer Estimator	5.00	5.00	5.00	5.00	—	—%
Utilities Field Services Representative	5.00	5.00	5.00	5.00	—	—%
Utilities Install Repair-Lead-Welding Certified	2.00	2.00	2.00	2.00	—	—%
Utilities Install Repair-Welding Certified	3.00	3.00	3.00	3.00	—	—%
Utilities Install/Repair	10.00	10.00	10.00	10.00	—	—%
Utilities Install/Repair Assistant	1.00	1.00	1.00	1.00	—	—%
Utilities Install/Repair-Lead	5.00	5.00	5.00	5.00	—	—%
Utilities Key Account Representative	3.00	3.00	3.00	3.00	—	—%
Utilities Locator	3.00	3.00	3.00	3.00	—	—%
Utilities Marketing Program Administrator	3.00	4.00	4.00	—	(4.00)	(100.0)%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Utilities Safety Officer	1.00	1.00	1.00	1.00	—	—%
Utilities Supervisor	12.00	12.00	11.00	12.00	1.00	100.0%
Utilities Supervisor (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Utilities System Operator	5.00	5.00	5.00	5.00	—	—%
Utility Engineering Estimator - Lead	1.00	1.00	1.00	1.00	—	—%
Warehouse Supervisor	0.80	0.80	0.80	0.80	—	—%
Water System Operator II	4.00	4.00	4.00	4.00	—	—%
WGW Heavy Equipment Operator	—	—	4.70	4.70	—	—%
Total Utilities	256.67	257.42	257.42	262.10	4.68	1.8%
Total Enterprise Fund	357.86	358.61	358.74	364.08	5.34	1.5%
Other Funds						
Capital Project Fund						
Administrative Assistant	—	0.15	0.15	0.65	0.50	333.3%
Administrative Associate I	0.80	0.80	0.80	—	(0.80)	(100.0)%
Administrative Associate III	1.09	0.89	0.89	0.80	(0.09)	(10.1)%
Assistant Director Public Works	0.58	0.72	0.72	0.72	—	—%
Associate Engineer	3.04	2.49	1.50	1.65	0.15	10.0%
Associate Engineer (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Associate Planner	0.31	0.30	0.30	0.35	0.05	16.7%
Building Serviceperson	0.75	0.75	1.00	1.00	—	—%
Building Serviceperson-Lead	1.40	1.40	1.40	1.40	—	—%
Cement Finisher-Lead	0.74	0.74	0.74	0.74	—	—%
Chief Transportation Official	0.36	0.30	0.30	0.30	—	—%
Contracts Administrator	0.60	0.60	0.60	0.60	—	—%
Coordinator Public Works Projects	1.30	1.30	1.30	1.30	—	—%
Coordinator Transportation Systems Management	0.76	0.75	0.75	1.35	0.60	80.0%
Engineer	2.80	3.10	2.10	2.10	—	—%
Engineer (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Engineering Technician III	0.50	0.50	0.50	0.50	—	—%
Facilities Technician	1.50	1.50	1.50	1.50	—	—%
Inspector, Field Services	1.21	1.21	1.21	1.21	—	—%
Landscape Architect Park Planner	0.90	0.90	0.90	0.90	—	—%
Management Analyst	0.82	0.94	0.95	0.95	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Manager Facilities	0.10	0.10	0.10	0.10	—	—%
Manager Maintenance Operations	0.65	0.65	0.65	0.65	—	—%
Parking Operations-Lead	0.35	0.40	0.40	0.30	(0.10)	(25.0)%
Project Engineer	6.84	7.59	7.62	7.92	0.30	3.9%
Project Manager	1.15	1.15	0.80	0.80	—	—%
Project Manager (Freeze)	—	—	0.35	—	(0.35)	(100.0)%
Senior Engineer***	1.99	2.99	4.04	4.64	0.60	14.9%
Senior Management Analyst	0.72	0.60	0.60	0.60	—	—%
Senior Planner	0.72	0.50	0.50	0.80	0.30	60.0%
Senior Project Manager	0.90	1.00	—	—	—	—%
Supervisor Inspection and Surveying	0.63	0.63	0.65	0.65	—	—%
Surveyor, Public Works	0.55	0.55	0.55	0.55	—	—%
Traffic Engineering-Lead***	0.35	0.55	0.55	—	(0.55)	(100.0)%
Transportation Planning Manager	0.35	0.35	0.35	0.45	0.10	28.6%
Total Capital Project Fund	34.76	36.40	36.77	35.48	(1.29)	(3.5)%
Printing and Mailing Services						
Manager Revenue Collections	0.10	0.10	0.10	0.10	—	—%
Offset Equipment Operator	1.52	1.52	1.52	1.52	—	—%
Total Printing and Mailing Services	1.62	1.62	1.62	1.62	—	—%
Special Revenue Funds						
Account Specialist	1.87	1.87	1.37	1.37	—	—%
Account Specialist (Freeze)	—	—	0.50	—	(0.50)	(100.0)%
Account Specialist-Lead	0.55	0.55	0.55	0.55	—	—%
Administrative Assistant	—	0.35	0.35	0.25	(0.10)	(28.6)%
Administrative Associate II	0.20	0.20	0.20	0.20	—	—%
Administrative Associate III	0.21	—	—	—	—	—%
Associate Planner	0.42	0.25	0.25	—	(0.25)	(100.0)%
Community Service Officer	0.50	0.50	0.37	0.37	—	—%
Community Service Officer (Freeze)	—	—	0.13	—	(0.13)	(100.0)%
Coordinator Public Works Projects	0.20	0.20	0.20	0.20	—	—%
Electrician	0.20	0.20	0.20	0.20	—	—%
Facilities Maintenance-Lead	0.15	0.15	0.15	0.15	—	—%
Facilities Painter	0.25	0.25	0.25	0.25	—	—%
Facilities Technician	0.45	0.45	0.45	0.45	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Management Analyst	0.17	0.35	0.35	0.35	—	—%
Manager Community Services Senior Program	1.00	1.00	1.00	1.00	—	—%
Manager Maintenance Operations	0.19	0.19	0.19	0.19	—	—%
Manager Revenue Collections	0.28	0.28	0.28	0.28	—	—%
Parking Operations-Lead	0.55	0.60	0.60	0.65	0.05	8.3%
Senior Planner	0.40	0.40	0.40	0.40	—	—%
Street Maintenance Assistant	2.00	2.00	2.00	2.00	—	—%
Street Sweeper Operator	0.37	0.37	0.37	0.37	—	—%
Transportation Planning Manager	0.24	0.50	0.50	0.50	—	—%
Total Special Revenue Funds	10.20	10.66	10.66	9.73	(0.93)	(8.7)%
Technology Fund						
Administrative Assistant	1.00	1.00	1.00	1.00	—	—%
Assistant Director Administrative Services	0.10	0.10	0.10	0.10	—	—%
Business Analyst	1.00	1.00	1.00	1.00	—	—%
Desktop Technician	6.00	6.00	6.00	6.00	—	—%
Director Information Technology/CIO	1.00	1.00	—	1.00	1.00	100.0%
Director Information Technology/CIO (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Manager Information Technology	3.00	3.00	3.00	3.00	—	—%
Manager Information Technology Security	1.00	1.00	1.00	—	(1.00)	(100.0)%
Principal Business Analyst	1.00	1.00	1.00	—	(1.00)	(100.0)%
Senior Business Analyst	2.00	2.00	2.00	2.00	—	—%
Senior Management Analyst	1.00	1.00	1.00	1.00	—	—%
Senior Technologist***	18.00	18.00	16.00	16.00	—	—%
Senior Technologist (Freeze)	—	—	2.00	—	(2.00)	(100.0)%
Technologist	1.00	1.00	—	—	—	—%
Technologist (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Total Technology Fund	36.10	36.10	36.10	31.10	(5.00)	(13.9)%
Vehicle Replacement and Maintenance Fund						
Administrative Associate III	1.00	—	—	—	—	—%
Assistant Director Public Works	0.25	0.25	0.25	0.25	—	—%
Assistant Fleet Manager	1.00	1.00	1.00	1.00	—	—%
Equipment Maintenance Service Person	2.00	2.00	2.00	1.00	(1.00)	(50.0)%
Fleet Services Coordinator	2.00	1.00	1.00	1.00	—	—%
Management Analyst	0.20	0.20	0.20	0.20	—	—%

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Amended Budget	FY 2022 Change FTE	FY 2022 Change %
Management Assistant	—	1.00	1.00	1.00	—	—%
Manager Fleet	1.00	1.00	1.00	1.00	—	—%
Motor Equipment Mechanic II	6.00	6.00	5.00	5.00	—	—%
Motor Equipment Mechanic II (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Motor Equipment Mechanic-Lead	2.00	2.00	2.00	2.00	—	—%
Project Manager	1.00	1.00	1.00	1.00	—	—%
Senior Management Analyst	0.08	0.08	0.08	0.08	—	—%
Total Vehicle Replacement and Maintenance Fund	16.53	15.53	15.53	13.53	(2.00)	(12.9)%
Workers' Compensation Program Fund						
Senior Human Resources Administrator	1.00	1.00	1.00	1.00	—	—%
Total Workers' Compensation Program Fund	1.00	1.00	1.00	1.00	—	—%
Total Other Funds	100.21	101.31	101.68	92.46	(9.22)	(9.1)%
Total Citywide Positions	1,040.35	1,034.85	1,034.85	976.00	(58.85)	(5.7)%

a.The FY 2021 Adopted Budget includes position freezes that reduced the funding equivalent to holding a position vacant. The positions impacted by this action are identified with "(Freeze)" following the job classification title and summarized in two rows; one to reflect the total FTE authorized (less freezes), and another to reflect FTE freezes. The FY 2022 Adopted Budget includes City Council direction to eliminate these positions (CMR 11872).

b.The Office of Transportation was created within the City Manager's Office in FY 2020 through the reallocation of staff and resources from the Planning and Development Services Department (previously the Planning and Community Environment Department). Prior year staffing levels have been restated for demonstrative purposes.

c.The Planning and Development Services Department was established in FY 2020 through the merging of the Development Services Department and Planning and Community Environment Department and the reallocation of resources to create a dedicated Office of Transportation within the City Manager's Office. Prior year staffing levels have been restated for demonstrative purposes.

*** Indicates position additions subsequent to the adoption of the FY 2022 budget, consistent with recommendations in the following City Manager Reports (CMRs):

1. CMR 13439 Preliminary Q1 FY 2022 Financial Status - In total, 4.00 Full-Time Equivalent (FTE) positions are added in the City Manager's Office (2.00 FTE), Planning and Development Services Department (1.00 FTE), and Police Department (1.00 FTE).
2. CMR 13643 Staffing for Adequate Fire and Emergency Response (SAFER) Grant - In total, 5.00 Firefighter positions are added in the Fire Department.
3. CMR 13801 FY 2022 Mid-Year Budget Review - In total, 11.00 FTE Full-Time Equivalent (FTE) positions are added in the Community Services, Fire, Human Resources, Office of Transportation, Planning and Development Services, Police, Public Works, and Utilities Departments.

Overall, these actions resulted in staffing increases from 506.80 FTE to 519.46 FTE in the General Fund (956.00 FTE to 976.00 FTE Citywide).

Public Safety Departments
Overtime Analysis for Fiscal Years 2020 through 2022

	2020	2021	Q2 2022
POLICE DEPARTMENT			
Overtime Expense			
Adopted Budget (A)	\$1,842,231	\$944,186	\$944,186
Modified Budget	1,842,231	944,186	1,244,186
Net Overtime Cost - see below	441,197	366,045	270,078
Variance to Budget	1,401,034	578,141	974,108
Overtime Net Cost			
Actual Expense	\$2,566,590	\$1,431,959	\$1,010,504
Less Reimbursements			
California OES/FEMA (Strike Teams)	-	-	-
Stanford Communications	110,177	64,906	52,550
Utilities Communications Reimbursement	54,086	33,191	26,615
Local Agencies (B)	9,329	2,412	2,701
Police Service Fees	205,126	467,167	68,134
Total Reimbursements	378,717	567,676	150,000
Less Department Vacancies (A)	1,746,677	498,238	590,426
Net Overtime Cost	\$441,197	\$366,045	\$270,078
Department Vacancies (number of days)	6,192	1,494	1,647
Workers' Compensation Cases	30	18	3
Department Disabilities (number of days)	700	1324	320
FIRE DEPARTMENT			
Overtime Expense			
Adopted Budget	\$1,672,872	\$1,931,121	\$1,931,121
Modified Budget (C)	2,086,872	2,971,460	2,613,621
Net Overtime Cost - see below	1,831,059	1,792,228	2,235,282
Variance to Budget	255,813	1,026,424	378,339
Overtime Net Cost			
Actual Expense	\$2,018,548	\$2,840,968	\$2,352,625
Less Reimbursements			
California OES/FEMA (Strike Teams)	114,000	887,531	-
Total Reimbursements	114,000	887,531	-
Less Department Vacancies	73,489	161,208	117,343
Net Overtime Cost	\$1,831,059	\$1,792,228	\$2,235,282
Department Vacancies (number of days)	173	1,942	755
Workers' Compensation Cases	33	17	6
Department Disabilities (number of days)	227	629	254

NOTES:

- (A) The FY 2022/23 Police Department budget was reduced by 1.0 FTE Parking Management position.
- (B) Includes Animal Control Services contract with Los Altos and Los Altos Hills.
- (C) The FY 2022 Modified Budget includes overtime adjustments recommended as part of the FY 2022 Mid-Year review for additional backfill overtime (\$682,500).