

City Council Special Meeting Monday, February 7, 2022 5:00 PM VIRTUAL ONLY Revised Packet -Added Missing Attachments

#### Pursuant to AB 361 this City of Palo Alto City Council Meeting Will Be Held by Virtual Teleconference Only

To prevent the spread of Covid-19, this meeting will be held by virtual teleconference only, with no physical location. Members of the public who wish to participate by computer or phone can find the instructions below and at the end of this agenda.

#### HOW TO PARTICIPATE

#### VIRTUAL PARTICIPATION

 CLICK HERE TO JOIN
 (https://cityofpaloalto.zoom.us/j/362027238)

 Meeting ID: 362 027 238
 Phone:1(669)900-6833

The meeting will be broadcast on Cable TV Channel 26, live on YouTube at <a href="https://www.youtube.com/c/cityofpaloalto">https://www.youtube.com/c/cityofpaloalto</a>, and streamed to Midpen Media Center at <a href="https://midpenmedia.org">https://midpenmedia.org</a>.

#### TIME ESTIMATES

Time estimates are provided as part of the Council's effort to manage its time at Council meetings. Listed times are estimates only and are subject to change at any time, including while the meeting is in progress. The Council reserves the right to use more or less time on any item, to change the order of items and/or to continue items to another meeting. Particular items may be heard before or after the time estimated on the agenda. This may occur in order to best manage the time at a meeting or to adapt to the participation of the public.

#### PUBLIC COMMENTS

Public Comments will be accepted via Zoom meeting. All requests to speak will be taken until 5 minutes after the staff's presentation. Written public comments can be submitted in advance to <u>city.council@cityofpaloalto.org</u> and will be provided to the Council and available for inspection on the City's website. Please clearly indicate which agenda item you are referencing in your email subject line.

#### CALL TO ORDER

#### CLOSED SESSION (5:00 PM - 7:00 PM)

Public Comments: Members of the public may speak to the Closed Session item(s); three minutes per speaker.

1. CONFERENCE WITH CITY ATTORNEY Subject: Written Claim Against the City of Palo Alto By Strawn Construction Inc. regarding work performed on Palo Alto Fire Station No. 3 Authority: Government Code Section 54956.9 (e)(3) 2. CONFERENCE WITH LABOR NEGOTIATORS City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (Ed Shikada, Kiely Nose, Rumi Portillo, Sandra Blanch, Nicholas Raisch, Tori Anthony, Molly Stump, and Howzell) Employee Organization: Service Employees Terence International Union, (SEIU) Local 521, Utilities Management and Professional Association of Palo Alto (UMPAPA)Palo Alto Peace Officers' Association (PAPOA), Palo Alto Police Management Association (PMA), International Association of Fire Fighters (IAFF) local 1319, Palo Alto Fire Chiefs Association (FCA), Management and Professional Employees (MGMT); Authority: Government Code Section 54957.6 (a)

#### BREAK (7:00 PM - 7:15 PM)

#### AGENDA CHANGES, ADDITIONS AND DELETIONS

#### PUBLIC COMMENT (7:15 PM - 7:30 PM)

Members of the public may speak to any item NOT on the agenda. Council reserves the right to limit the duration of Oral Communications period to 30 minutes.

#### CONSENT CALENDAR (7:30 PM – 7:40 PM)

Items will be voted on in one motion unless removed from the calendar by three Council Members.

- Approve Minutes from the January 24, 2022 City Council Meeting 3.
- 4. Authorize and Approve a Three Million Dollars (\$3,000,000) Loan From the Housing In Lieu and Impact Fee Funds for the Development of an Affordable Workforce Housing Project Located at 231 Grant Avenue; Approve the Budget Amendment in the Residential Housing In-Lieu Fund; Authorize the City Manager to Execute Associated Agreements Supplemental Report Added
  - 5. Policy and Services Committee Recommends Approval of the Office of the City Auditor Construction Project Controls Report Missing Attachments Added
  - 6. Policy and Services Committee Recommends Approval of the Office of the City Auditor's Initial Public Safety Building Monitoring Report Missing Attachments Added
  - 7. Policy and Services Committee Recommends Approval of the Office of the City Auditor's Task Order to Perform a Wire Payment Process and Controls Review
  - 8. Adoption of a Resolution Authorizing Use of Teleconferencing for Council Meetings During Covid-19 State of Emergency

**0&A** 

**Q&A** 9. Policy and Services Committee Recommendation that City Council Approve the 2022 Legislative Guidelines; Utilities Advisory Commission Recommendation that City Council Approve the 2022 Utilities Legislative Guidelines *Missing Attachments Added* 

Presentation <u>CITY MANAGER COMMENTS (7:40 PM – 8:00 PM)</u>

#### ACTION ITEMS

Include: Reports of Committees/Commissions, Ordinances and Resolutions, Public Hearings, Reports of Officials, Unfinished Business and Council Matters.

Q&A10.Discuss the FY 2022 Mid-Year Budget Review and Approve the<br/>Following: 1) FY 2022 Budget Amendments in Various Funds, and 2)Public Comment<br/>PresentationAmendments to the FY 2022 Table of Organization to Add 11.00 FTE<br/>Positions (8:00 PM – 9:30 PM) Missing Attachments Added

Q&A11.California Avenue and Ramona Street Temporary and Permanent<br/>Closure: Direct Staff to Issue RFP for a Feasibility Study and Return for<br/>Contract Approval, and Provide Direction to Staff on Activities and<br/>Programming (9:30 PM – 10:30 PM)

COUNCIL MEMBER QUESTIONS, COMMENTS, ANNOUNCEMENTS

Members of the public may not speak to the item(s)

#### **ADJOURNMENT**

#### **INFORMATION REPORTS**

Information reports are provided for informational purposes only to the Council and the public but are not listed for action during this meeting's agenda.

- 12. Investment Activity Report for the Second Quarter, Fiscal Year 2022
- 13. Informational Report on Valley Water's Implementation of a new Model Water Efficient New Development Ordinance
- 14. Sales Tax Digest Summary Calendar 2021 Q3

#### OTHER INFORMATION

Standing Committee Meetings

Finance Committee Meeting February 1, 2022

Policy & Services Committee Meeting February 8, 2022

Schedule of Meetings

Special Meeting February 7, 2022



Meeting Date: 2/7/2022

Title: CONFERENCE WITH CITY ATTORNEY Subject: Written Claim Against the City of Palo Alto By Strawn Construction Inc. regarding work performed on Palo Alto Fire Station No. 3 Authority: Government Code Section 54956.9 (e)(3)

From: City Manager

Lead Department: City Clerk

Attached is the documentation that will be discussed during Closed Session Item 1. Attachments:

• Attachment1.a: Strawn Claim 010521



#### Claim Submitted by Strawn Construction Inc.

#### On Palo Alto Fire Station #3

#### Pursuant to Article 4.2.5 of the Palo Alto General Conditions

1. This submittal is a claim by Claimant Strawn Construction Inc. ("Claimant" or "Strawn") against the City of Palo Alto ("Palo Alto") in connection with Strawn's work on Palo Alto Fire Station # 3. Strawn's total claim, inclusive of all change orders, delay damages and consequential damage, is attached as Claim No. 1 Total Costs. The basis for and background of this claim as attached as Claim No. 1 Major Issues.

The claim has two (2) components: it contests the imposition of Liquidated Damages assessed against Strawn by Palo Alto and contains requests for approval and payment of Change Orders. The Change Orders are comprised of three categories:

- Approved and executed by Palo Alto Count: 51 Total: \$314,717.80
- b. Approved by Palo Alto but not executed Count: 18 Total: \$54,513.72
- c. Approved by Palo Alto's CM but not executed Count: 51 Total: \$232,289.27

A summary of the Change Orders (a, b and c) is attached hereto as Claim No. 1 Change Orders.

- 2. The circumstances surrounding the claim are discussed in Claim No. 1 Major Issues. They include:
  - a. The absence of sufficient detailed plans and specifications as to ADA work including an interior ramp;
  - b. Erroneous plans and specifications about installation and placement of HVAC, electrical and plumbing lines, which did not fit within confines of the building envelope;

- c. Delays by Palo Alto in responding to Requests for Information ("RFIs") on numerous desired and directed changes, including without limitation replacement for zinc finish exterior siding.
- 3. A request for additional compensation and Strawn's response to Palo Alto's liquidated damages assessment was submitted by Strawn in accordance with the General Conditions by letter of August 6, 2020 from counsel for Strawn and rejected by Palo Alto's City Attorney Cassie Coleman as to the Liquidated Damages issues by written rejection dated December 22, 2020.

No response was given by Palo Alto to Strawn's submission of the third category of Change Orders for additional work described as 1 c above.

- 4. Documents necessary to substantiate Strawn's claims are submitted in a drop-box transmitted to Palo Alto City Attorney Cassie Coleman via email on January 5, 2021 and are referenced according to paragraph numbers referenced in this claim. This drop-box is titled according to categories contained in this claim.
- 5. In support of Strawn's claim for adjustment of the Liquidated Damages assessed by Palo Alto against Strawn are documents evidencing and addressing the issues of Liquidated Damages are attached as Claim 5: an excel spreadsheet entitled Chart of Summary Delays; a graph entitled Summary Delay Analysis; a document entitled Fire Station Fragnet Analysis Narrative, which discusses the factors which contributed to and caused the delays.
- 6. I hereby certify under penalty of perjury under the laws of the State of California that: I, the undersigned, am the President of Strawn Construction, Inc. ("Strawn"); I have reviewed the Claim presented on behalf of Strawn; and the following statements are true and correct:
  - (i) The facts alleged in or that form the basis for Strawn's Claim are true and correct;
  - Strawn does not know of any facts or circumstances not alleged in the Claim that, by reason of their not being alleged, render any fact or statement alleged in the Claim materially misleading;
  - (iii) Strawn has, with respect to any request for money or damages alleged in or that forms the basis for the Claim, reviewed the job cost records (including those maintained by Contractor and by any Subcontractor of any tier, that is asserting all or any portion of the Claim) and confirmed with reasonable certainty that the losses or damages suffered by Strawn were in fact suffered in the amounts and for the reasons alleged in Strawn's Claim;

- (iv) Strawn has, with respect to any request for extension of time or claim of delay, disruption, hindrance or interference alleged in or that forms the basis for the Claim, reviewed any job schedules (including those maintained by Strawn and by any Subcontractor involved in the Claim) and confirmed on an event-by-event basis that the delays or disruption suffered by Strawn and/or such Subcontractor were in fact experienced for the durations, in the manner and with the consequent effects on the time and/or sequence of performance of the Work, as alleged in the Claim;
- (v) Strawn has not received payment from City for, nor has Strawn previously released City from, any portion of the Claim; and
- (vi) Strawn understands that submission of a Claim which has no basis in fact or which Strawn knows to be false may violate the False Claims Act (California Government Code §§ 12650, et seq.)

Signature:	Mulilto
Signature.	1
Name:	Randall Strawn
Title:	President
Company:	Strawn Construction, Inc.
Date:	January 5, 2021



3

Meeting Date: 2/7/2022

#### Title: Approve Minutes from the January 24, 2022 City Council Meeting

From: Lesley Milton, City Clerk

Staff recommends Council to review and approve the minutes as presented.

#### **ATTACHMENTS:**

• Attachment3.a: Attachment A: 20220124amCCs (PDF)



Special Meeting January 24, 2022

The City Council of the City of Palo Alto met on this date in virtual teleconference at 5:00 P.M.

Participating Remotely: Burt, Cormack, DuBois, Filseth, Kou, Stone, Tanaka

Absent: None

Study Session

1. Report from the Human Relations Commission regarding their project titled "100 Community Conversations on Race and the Lived Experience in Palo Alto."

#### **NO ACTION TAKEN**

Agenda Changes, Additions and Deletions

None

#### Consent Calendar

Council Member Tanaka registered a no vote on Agenda Item Number 4.

**MOTION:** Council Member DuBois moved, seconded by Vice Mayor Kou to approve Items 2-10.

- 2. Approve Minutes from the January 10, 2022 City Council Meeting.
- 3. Approval of General Services Contract with Denali Water Solutions, LLC for Sludge Hauling Services in an Amount Not to Exceed \$2,427,084 for a 3-Year Term ending March 30, 2025, from the Wastewater Treatment Enterprise Fund.
- 4. Review and Acceptance of Annual Status Report on Development Impact Fees for Fiscal Year 2021.
- 5. Acceptance of the Macias Gini & O'Connell Audit of the City of Palo Alto's Financial Statements as of June 30, 2021 and the Management Letter; Approval of the FY 2021 Annual Comprehensive Financial Report (ACFR); and Amendments to the FY 2021 Budget in Various Funds.

# **DRAFT ACTION MINUTES**

- 6. Adoption of **Resolution 10014** Declaring Weeds to be a Public Nuisance and Setting January 24, 2022 for a Public Hearing for Objections to the Proposed Weed Abatement.
- 7. Adoption of **Resolution 10015** Scheduling the City Council Summer Break and Winter Closure for 2022.
- 8. Adoption of **Resolution 10016** Authorizing Use of Teleconferencing for Council Meetings During Covid-19 State of Emergency.
- 9. SECOND READING: Adopt Park Improvement **Ordinance 5541** for the Replacement of the Palo Alto Flood Basin Tide Gate Structure in the City's Baylands (FIRST READING: January 10, 2022 PASSED: 7-0).
- 10. SECOND READING: Adoption of Interim Ordinance 5542 Amending Titles 16, 18 and 21 in Response to Senate Bills 9 and 478, Including Amendment to the City's Affordable Housing Requirements for SB 9 Projects. CEQA Status: This Action is not Considered a Project or is Exempt from CEQA in Accordance With Government Code Sections 66411.7(n) and 65852.21(j) or Section 15061 of the State CEQA Guidelines. (FIRST READING: January 10, 2022 PASSED: 7-0).

#### **ITEM 4 OF MOTION PASSED:** 6-1, Tanaka no

#### ITEMS 2-3, 5-10 OF MOTION PASSED: 7-0

City Council went on break at 6:57 P.M. and returned at 7:07 P.M.

#### Action Items

11. Discuss Polling Results, Analysis, and Community and Stakeholder Engagement Plan; Recommend Further Refined Parameters for a Possible Local Tax Ballot Measure for November 2022 Election (Business License Tax and Utility Tax Proposals); and Direct Staff on Related Items such as Community and Stakeholder Engagement Plan.

**MOTION:** Council Member DuBois moved, seconded by Council Member Filseth to direct Staff to:

- A. Pursue preparation of a square footage business license tax with the following characteristics, as recommended by the Finance Committee:
  - i. Continue to review the rates, adding option 3 (flat fee of \$50 for first 5,000 square footage occupied and apply a monthly tax rate per square foot beyond the 5,000 threshold) as a starting point;

# **DRAFT ACTION MINUTES**

- ii. Exemptions for businesses subject to the Transient Occupancy Tax and grocery stores;
- iii. Annual escalator uses CPI as a basis;
- B. Develop a proposal for voter ratification of the existing gas General Fund Equity Transfer and eliminate the UUT option, with exploration of whether to cap growth of the transfer to be explored via polling;
- C. Amend the workplan to three polls, with the second poll developed and executed by the City's polling consultant, and the third to test potential ballot language; and
- D. Launch the Community and Stakeholder Engagement Plan, as outlined in the staff report.

**AMENDMENT:** Council Member Cormack moved, seconded by Council Member Tanaka to eliminate the .20 cent rate from Part A, Part i. of the Motion.

AMENDMENT FAILED: 2-5, Burt, DuBois, Filseth, Kou, Stone no

MOTION PASSED: 6-1, Tanaka no

City Council went on break at 9:52 P.M. and returned at 9:57 P.M.

12. Public Hearing: Adoption of Ordinance Clarifying Ambiguities in Height Transitions and Amending the Setback for the RM-40 Zone District.

Public Hearing opened at 10:20 P.M.

Public Hearing closed at 10:40 P.M.

**MOTION:** Council Member DuBois moved, seconded by Vice Mayor Kou to direct Staff to:

- A. Amend the proposed Ordinance to a 150 ft height transition zone, while leaving the abutting conditions where they already exist;
- B. Clarify if projects want to reduce the horizontal transition zone, they are opting into the discretionary process;
- C. Extend the height transition rules in Part A to RM40 adjacent non-residential buildings; and

## **DRAFT ACTION MINUTES**

D. Investigate 18.38.150 section (b), and to incorporate RMD into the language.

MOTION PASSED: 5-2, Cormack, Tanaka no

<u>Adjournment</u>: The meeting was adjourned at 11:44 P.M. in honor and memory of John Arrillaga, who contributed enormously to the Silicon Valley as a developer, a philanthropist, and a pioneer.

ATTEST:

APPROVED:

City Clerk

Mayor

NOTE: Action minutes are prepared in accordance with Palo Alto Municipal Code (PAMC) 2.04.160(a) and (b). Summary minutes (sense) are prepared in accordance with PAMC Section 2.04.160(c). Beginning in January 2018, in accordance with <u>Ordinance No. 5423</u>, the City Council found action minutes and the video/audio recordings of Council proceedings to be the official records of both Council and committee proceedings. These recordings are available on the City's website.



### **City of Palo Alto** City Council Staff Report

Report Type: Consent CalendarMeeting Date: 2/7/2022

Summary Title: 231 Grant Ave: Affordable Housing Fund Contribution

Title: Authorize and Approve a Three Million Dollars (\$3,000,000) Loan From the Housing In Lieu and Impact Fee Funds for the Development of an Affordable Workforce Housing Project Located at 231 Grant Avenue; Approve the Budget Amendment in the Residential Housing In-Lieu Fund; Authorize the City Manager to Execute Associated Agreements

From: City Manager

#### Lead Department: Planning and Development Services

#### **Recommendation:**

Staff recommends that City Council take the following action to authorize and approve a Threemillion-dollar (\$3,000,000) loan to Santa Clara County for the development of an affordable workforce housing project located at 231 Grant Avenue:

- 1. Amend the Fiscal Year 2022 Budget Appropriation for Residential Housing In-Lieu Fund (Fund 233), by a 2/3 vote, by:
  - a. Increasing Grants and Subsidies in the amount of \$3,000,000; and
  - b. Decreasing the Ending Fund Balance in the amount of \$3,000,000;
- 2. Authorize the City Manager or his designee to execute a Loan Agreement, Regulatory Agreement, and related documents to implement Council direction in a form substantially similar to prior agreements approved by the City.

#### **Executive Summary:**

Staff is requesting that the Council authorize and approve a \$3 million loan and the associated budget amendment for the proposed residential development located at 231 Grant Avenue. The City is partnering with the County of Santa Clara in the development of a 110-unit residential development. These units will be primarily for teachers and other school district employees from participating school districts in Santa Clara and San Mateo counties. The County of Santa Clara owns the project site and is the lead agency in the development of the project.

The overall cost of the project is estimated to be a little over \$87 million. The County has dedicated \$6 million of local funds and Facebook has dedicated an additional \$25 million for the project. The Council has already directed the City Manager to reserve the \$3 million in housing funds for the project. This action appropriates the committed funds, making them available to be distributed to the loan grantee. The remaining sources of project funds will be from Measure A funds, participating school districts and other sources.

#### **Background:**

Two years ago, the City Council adopted a Housing Work Plan, which staff prepared in response to a City Council Colleagues' Memorandum.<sup>1</sup> The Colleagues' Memorandum stated the desire for zoning updates to encourage diverse housing near jobs, transit, and services. The memo presented several specific concepts, many of which were also identified in the City's Housing Element (adopted November 2014) and the updated Comprehensive Plan (adopted November 13, 2017). The Housing Work Plan identified specific policies and other actions staff should take in order to address the housing need of Palo Altans, including a policy supporting creation of affordable housing for City and School District employees.

In June 2018, the President of the Santa Clara County Board of Supervisors, Joe Simitian, sent a letter to the City requesting the City set aside \$3 million for supportive funding of a concept teacher housing project on County-owned land in Palo Alto. That same month, the City Council authorized the City Manager to set aside \$3 million in affordable housing funds for the project to be disbursed when a suitable project concept and contract is determined to be agreeable by final project partners. The \$3 million in funds were reserved in June 2018. The action minutes approving the reserved funds can be found <u>here</u>. On January 11, 2022, the Santa Clara County Board of Supervisors certified the Final Environmental Impact Report and approved the project.

#### **Discussion:**

State law allows cities and counties to enjoy intergovernmental/sovereign immunity when performing governmental functions. Since the County is serving a public purpose of providing housing for public employees, the project is not required to comply with City zoning and building regulations. The County is responsible for CEQA review and compliance with State building codes. The County is in the process of entitling the project and completing its environmental review. An Environmental Impact Report (EIR) has been prepared for this project.

#### Project Description

<sup>&</sup>lt;sup>1</sup> Housing Work Plan: https://www.cityofpaloalto.org/Departments/Planning-Development-Services/Long-Range-Planning/Housing-Policies-and-Programs/Housing-Work-Plan

The project will involve the demolition of the existing 6,800-square-foot office building at the project site and construction of a new four-story building, totaling approximately 112,000 square feet. The project consists of 110 residential units made up of studios, one-, and two-bedroom units. The units will serve primarily teachers and other school district employees from participating school districts in Santa Clara and San Mateo County. The residential units are laid out in two C-shaped buildings that outline three semiprivate courtyards and support residential amenities that foster connection and community. Please see Attachment A for project plans.

Approximately 2,000 square feet of community space, including a lounge, activity room and laundry, will be provided for residents' use, as well as on-site property management. The courtyard spaces provide outdoor spaces for residents to relax and gather. High activity uses will occur in the central courtyard, near the central bridge, stair and elevator. Other courtyards will be designed to include a variety of seating, planting, gardening, and gathering areas to support a wide range of individual and small group activities.

#### Rents and Occupancy of the Apartments

The maximum rent for each household will be 30% of a household's income. The project will have units dedicated for a range of incomes from 60% AMI to 140% Area Median Income (AMI). Below in Table 1 summarizes the type of unit, unit mix, proposed range of rents for the project. For a more detailed breakdown of unit mixes and types for each income level and proposed rent, please see Attachment B.

Unit Type	No of Units	Rent Range (60%-140% AMI)
Studio	24	\$1,740 - \$2,610
1 Bedroom	61	\$1,864 - \$2,795
2 Bedroom	25	\$2,238 - \$3,357

#### Table 1: Unit Types, Unit Mixes and Range of Proposed Rents

The overall development cost for the project is estimated to be over \$87 million. Funding sources will include the County, the City of Palo Alto, Facebook, and the participating school districts. Below is a breakdown of all the funding uses and sources.

#### Table 2: Project Uses

Acquisition	10,000
Construction Costs	65,235,948
Design and Engineering	2,654,813
Permits and Fees	429,119
Financing Costs	2,851,637
Reserves	704,669

Soft Costs	15,270,430
Total	\$87,156,616

#### **Table 3: Project Sources**

Permanent Funding Sources			
Permanent Loan (residential)	23,263,716		
County of Santa Clara	6,000,000		
City of Palo Alto	3,000,000		
School Districts	3,850,000		
Facebook Grant	25,000,000		
Equity	7,000,000		
County Funds - Measure A	19,042,900		
Total	\$87,156,616		

There are sufficient resources in the Residential Housing In-Lieu Fund to support this action, as the \$3 million has already been reserved for this project. If the loan is approved by City Council, staff will amend the budget to allocate \$3 million from the Residential fund to assist with the development of 231 Grant.

The development cost for each unit is \$792,332. The City's \$3 million loan is equivalent to providing \$27,272 per unit in exchange for 110 deed restricted units of affordable housing.

#### City Affordable Housing Fund Guidelines

Staff would like to note that the project will serve households earning up to 140% AMI. However, the City Affordable Housing Fund Guidelines defines moderate income as households earning up to 120% AMI. Therefore, the City will need to make clear in the loan agreement that the City funds will be used solely for those units for households earning 120% AMI or below to be consistent with the guidelines.

While the terms of this specific loan will be finalized at a later date, of note is that per the Housing Funding Guidelines, the standard loan terms are a 3% interest rate, deferred, residual receipts, 55-year term loan. The developer has also requested that the City defer any residual receipts payments for the first 10 years of the loan. The loan may be forgiven at Council's discretion at the end of the loan.

#### **Policy Implications:**

The actions recommended in this report implements the City's adopted 2015-23 Housing Element policies and programs supporting the development of low-income housing. The project is consistent with the following Housing Element Policies:

Program H2.1.1: To allow for higher density residential development, consider amending the

zoning code to permit high-density residential in mixed use or single use projects in commercial area within one-half mile of fixed rail stations and to allow limited exceptions to the 50-foot height limit for Housing Element sites within one-quarter mile of fixed rail stations.

Policy H3.1: Encourage, foster, and preserve diverse housing opportunities for very low-, low-, and moderate-income households.

Policy H 3.4: Pursue funding for the acquisition, construction, and rehabilitation of housing that is affordable to very low-, low-, and moderate-income households.

In addition, the concept of teacher housing is one that has been discussed in the City Council housing Colleagues' Memo and the Comprehensive Plan (Policy L-2.5 and Program L-2.5.1). The proposed development is generally consistent with the City's housing goals, which express an interest in providing high density multi-family housing near transit.

#### **Resource Impact:**

If approved, the project will receive \$3.0 million from the City's Residential Housing In- Lieu Fund towards the development of the project. Sufficient funding is available to be appropriated as this funding had been previously committed and earmarked.

Per the Housing Funding Guidelines, the standard loan terms are a 3% interest rate, deferred, residual receipts, 55-year term loan. The loan may be forgiven at Council's discretion at the end of the loan. If the loan is repaid, staff will bring forward budgetary adjustments reflective of that action during the budget process.

#### Timeline:

Staff will work with the County to execute loan documents and release funds by June 2022, if approved by the City Council.

In addition, here is the County's project development timeline for 231 Grant Avenue:

Community Outreach Draft EIR Draft EIR Community Meeting Early Board of Supervisors Meeting (project approval) Design and Permitting Construction Lease Up Ongoing Early Summer 2021 Summer 2021 Late Summer 2021 Jan 2021 – June 2022 August 2022 – February 2024 January 2024 – June 2024

#### **Environmental Review:**

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Review and submittal of the attached report and the approval of the loan and related financing regulatory documents are exempt from the California Environmental Quality Act (CEQA). On January 11, 2022, the Santa Clara County Board of Supervisors certified the Final Environmental Impact Report for the project.

Attachments:

Attachment4.a:Attachment A: 231 Grant Educator Workforce Housing Study SessionPresentation (PDF)Attachment4.b:Attachment B: 231 Grant Ave Educator Workforce Housing Project

Description by County of Santa Clara (PDF)



# 231 Grant Educator Workforce Housing

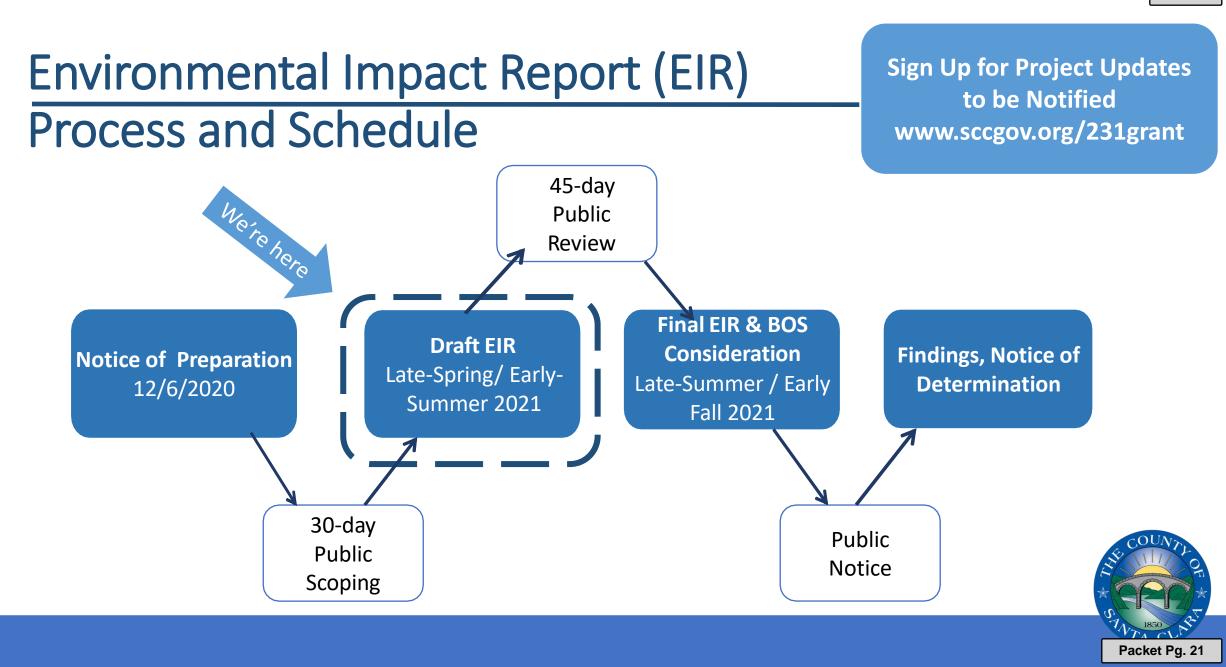
# City of Palo Alto Study Session February 8, 2021





4.a





# **Development Team**

to: Support teader housing

# **Developers:**

- Mercy Housing California
- Abode Communities

# Architect:

Van Meter Williams Pollack

nou

- **Outreach:**
- Sarah Chaffin

**mercy** Housing

4.a

# abode

**VAN METER** 

WILLIAMS

POLLACK "

Packet Pa.

# **Project Description**

### **Residential**

- Total Units: 110 units including studio, 1 bedroom, 2 bedrooms
- Four Story Building totaling approximately 112,000 s.f.
- 2,000 s.f. of residential community space
- Amenities: On-site laundry, landscaped private courtyards, on-site property management

### **Population Served**

- Teachers, Educators and School District Employees
- Range of household incomes served

	Survey Data	231 Grant	
Income Range	Total	# Units	% of Total
60% AMI	27%	27	25%
80% AMI	19%	12	11%
>90%AMI	54%	70	64%
Manager Unit		1	



# **Project Description**

### **Parking**

- 112 vehicular parking spaces
- 1 space per unit
- Controlled access garage
- At grade double car stackers
- 134 secured bike parking spaces

### Public Space

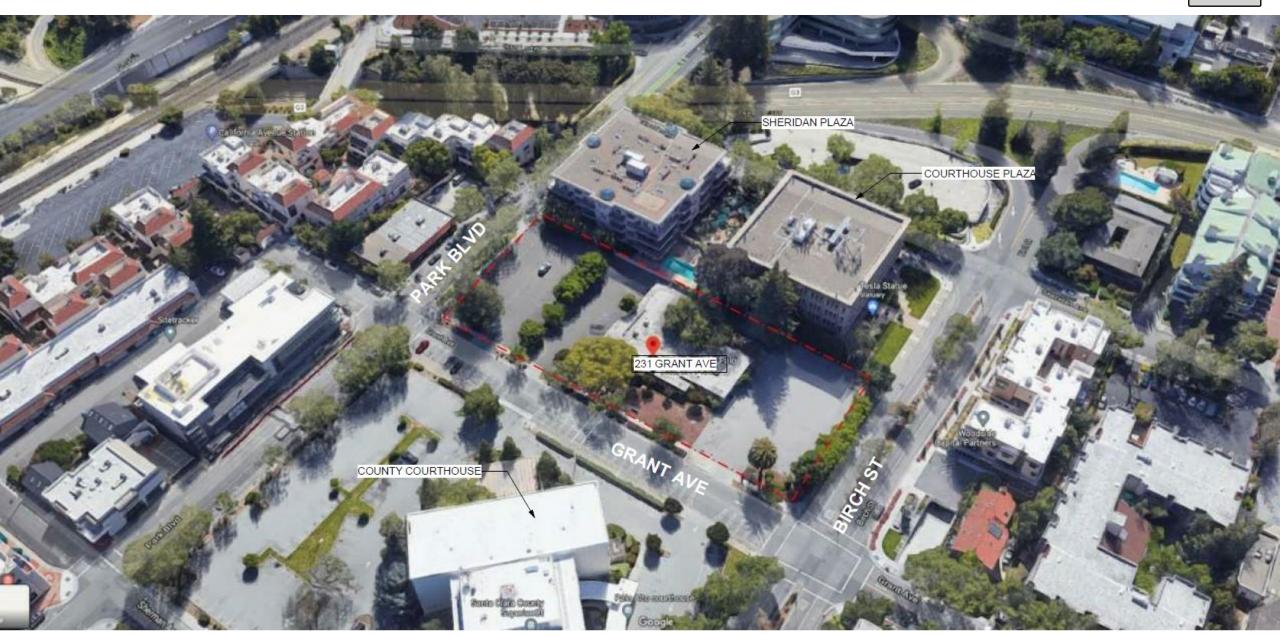
- Three public plazas along Grant Avenue
- 5,600 s.f. of outdoor plazas
- 1,120 s.f. Flex space to be determined



















# **Innovative Solutions**





mercy

HOUSING







# **Community Engagement**

### **Groups Engaged During Initial Outreach Period**

- Palo Alto Unified School District
- Palo Alto Educator Association
- California School Employee Association- Palo Alto Chapter
- Palo Alto Chamber of Commerce
- Palo Alto Forward
- Palo Alto Neighborhood Association
- League of Women Voters
- College Terrace Residents Association
- Nearby residents, businesses and property owners
- Mountain View Los Altos School District
- Mountain View Los Altos Teachers Association
- California School Employee Association- Mountain View Los Altos Chapter
- Los Altos School District
- Los Altos Teachers Association
- California School Employee Association- Los Altos Chapter
- Mountain View Whisman School District
- Mountain View Whisman Teachers Association
- California School Employee Association- Mountain View Whisman Chapter
- Foothill De Anza College District





### **JANUARY – FEBRUARY 2021**

Direct communication with adjacent residents Launch of 231grant.org website Mailing to 1000' radius plus additional contacts

### FEBRUARY – APRIL 2021

Study Sessions with Design Team Focus Groups: Teachers and Classified Unions Community Meetings Listening Sessions / Office Hours

### MAY 2021

Additional Mailings Open House(s)

### ONGOING

Nearby businesses School District Superintendents, teachers, classified unions, school boards Community Organizations



# Timeline

2021		
Community Outreach	Ongoing	
Draft EIR/Community Meeting	Early Summer	
Board of Supervisors Meeting (project approval)	Late Summer/Early Fall	
Project Design	Ongoing	
2022		live
Community Outreach	Ongoing	21
Project Design	January - June	
Project Permitting	February – June	ainno
Construction Start	August	GIVIN
2023		NoV2
Community Outreach	Ongoing	4UC12
Construction	Ongoing	011
2024		
Community Outreach	Ongoing	
Leasing Process	January – June	Ca
Construction Completion	February	01
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Packet Pg. 32



mercy

HOUSING

# Thank you

For more information, please visit:

# www.231grant.org

# www.sccgov.org/231grant





### **County of Santa Clara**

#### Facilities and Fleet Department

County Center at Charcot 2310 North First Street, Suite 200 San Jose, California 95131-1011 (408) 993-4600



#### 231 GRANT EDUCATOR WORKFORCE HOUSING

Project Address: 231 Grant Avenue, Palo Alto, 94306 Developer: 231 Grant Avenue LLC (Comprised of Abode Communities and Mercy Housing California)

#### A. Project Description

The 231 Grant Educator Workforce Housing is currently sponsored by the County of Santa Clara, Facebook, the City of Palo Alto, and certain school districts in Santa Clara County. The project will involve the demolition of the existing 6,800-square-foot office building at the project site and construction of a new four-story building, totaling approximately 112,000 square feet. The project consists of 110 residential units made up of studios, one and two bedroom units. The units will serve primarily teachers and other school district employees from participating school districts in Santa Clara and San Mateo County. The residential units are laid out in two C-shaped buildings which outline three semiprivate courtyards and support residential amenities that foster connection and community. Approximately 2,000 square feet of community space, including a lounge, activity room and laundry, will be provided for residents' use, as well as on-site property management. The courtyard spaces provide outdoor spaces for residents to relax and gather. High-activity uses will occur in the central courtyard, near the central bridge, stair and elevator. Other courtyards will be designed to include a variety of seating, planting, gardening and gathering areas to support a wide range of individual and small group activities.

Public space in the project, provided at street level, is centered on three existing trees. Each space features a different active public use so residents, workers and community members can live, work and mingle in a variety of ways. The existing palm, camphor, and redwood trees each define a "public living room" to create almost 5,600 square feet of open public space. At Palm Plaza, at the corner of Birch and Grant, an outdoor area is coupled with a nook carved into the building, next to the five ground floor residential units. Camphor Plaza, in the middle of the block, is the central heart of the project. Plantings and paving circle the camphor tree to welcome residents into the plaza and main residential entry. A community use room, management offices, and the residential lobby all are centered on the ground floor and activate the street level plaza. Redwood Plaza anchors the corner of Park Blvd and Grant, just off the Park Blvd bikeway. A 1,120 SF flex space invites the neighborhood in, while outdoor seating frames the redwood.

Behind the active Grant Avenue edge, a compact, at-grade parking structure holds 112 parking spaces. To achieve parking efficiency and to reduce costs, the at-grade concrete garage uses efficient double car stackers, which is more cost efficient than a below grade garage. The garage has the ability to be accessed from both Birch and Park Street. A secure bike room is included that can hold up to 134 bicycle parking spaces to encourage bicycling. Proximity to transit and to farmers markets, groceries, shops, restaurants, parks, and libraries, can help residents reduce car trips for daily tasks, cutting down on vehicle miles traveled and greenhouse gas emissions.

#### B. Site Plan – See attached site plan and massing

#### C. Community Outreach

#### 1. Commitment to Community Involvement

Mercy Housing and Abode Communities is committed to incorporating the local community into the development process through meetings with neighbors, neighborhood associations, and local leaders, as well as through public meetings and regular written and electronic communications. In addition, they are collaborating with local teachers and school employees from San Mateo and Santa Clara County School Districts, including Los Altos, Palo Alto, Mountain View Whisman, Mountain View Los Altos, and the Foothill-De Anza Community College District. In observance of health guidelines related to COVID-19, community input will be sought through virtual meetings, email, regular mail, and the development website 231grant.org (in development).

#### 2. Teacher and School Employee Survey – June 2020

A survey conducted amongst the school districts in June 2020 produced the following results:

- 1300 Respondents
- 938 Interested in teacher & school employee housing
- 204 Palo Alto teachers & school employees interested in housing
- 94% Unit mix design meets the needs of future residents

#### 3. Commitment to Continuous Communication

Community outreach will occur throughout pre-entitlement, entitlement, construction and during operations. All communication will be timely, concise, and easily understood by all stakeholders. During the initial outreach period, numerous stakeholder and community groups were engaged, as follows:

#### Groups Engaged During Initial Outreach Period

- Palo Alto Unified School District
- Palo Alto Educator Association
- o California School Employee Association- Palo Alto Chapter
- Palo Alto Chamber of Commerce
- o Palo Alto Forward
- Palo Alto Neighborhood Association
- League of Women Voters

- o College Terrace Residents Association
- Nearby residents, businesses and property owners
- o Mountain View Los Altos School District
- Mountain View Los Altos Teachers Association
- o California School Employee Association- Mountain View Los Altos Chapter
- Los Altos School District
- Los Altos Teachers Association
- o California School Employee Association- Los Altos Chapter
- o Mountain View Whisman School District
- o Mountain View Whisman Teachers Association
- o California School Employee Association- Mountain View Whisman Chapter
- Foothill De Anza College District

In addition, ongoing and future outreach efforts will include the following:

#### Ongoing and Future Outreach Efforts

- January 2021
  - Direct communication with residents of adjacent apartment property
  - Launch of <u>231grant.org</u> website
  - Mailing to 1000' radius plus additional contacts: share Fact Sheet, introduce website, describe community design process, provide mailing address and phone contact for "non-web" input and participation
- February, March, April
  - Community meetings with design team
  - Focus groups with teacher and classified union groups
  - Community meetings
  - Office hours/listening sessions
- May
  - o Additional mailing
  - Open House(s)
- <u>On-going outreach to</u>
  - Nearby businesses
  - o School district superintendents, teachers and classified unions, and school boards
  - Community Organizations
    - Palo Alto for Sensible Zoning
    - Canopy
    - Kiwanis Club
    - Lions Club
    - Rotary Club
    - Chamber of Commerce
- See attached Fact Sheet for distribution to stakeholders and community groups

#### 4. Entitlements

As the Lead Agency, the County of Santa Clara will prepare an Environmental Impact Report (EIR) for the proposed project. The EIR Scoping Meeting was held on December 16, 2020. Because this is a public project undertaken by the County, approval of the project will require actions by the County of Santa Clara, including approval by the County Board of Supervisors.

The EIR will identify the significant environmental effects anticipated to result from implementation of the proposed project. As allowed by CEQA Guidelines §15063(a), an Initial Study has not been prepared for the proposed project because an EIR will clearly be required. Due to the location of the project site in an urban area that is not within or close to any farmlands or forestry resources, known mineral deposits, or wildfire hazard areas, these environmental topics will not be addressed in detail in the EIR.

The EIR will evaluate all other environmental issues contemplated for consideration under CEQA and the CEQA Guidelines, including:

- Aesthetics
- Air Quality
- Biological Resources
- Cultural Resources
- Energy
- Geology and Soils
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Noise and Vibration
- Recreational Resources
- Population and Housing
- Public Services
- Transportation
- Utilities and Service Systems
- Tribal Cultural Resources

The EIR will also include other sections required by CEQA, including alternatives, cumulative impacts, growth inducing impacts, significant and irreversible environmental changes, significant unavoidable impacts, references, EIR preparers, and appendices.

#### 5. Development Timeline

Community Outreach Draft EIR Draft EIR Community Meeting Board of Supervisors Meeting (project approval) Design and Permitting Construction Lease Up Ongoing Early Summer 2021 Early Summer 2021 Late Summer 2021 Jan 2021 – June 2022 August 2022 – February 2024 January 2024 – June 2024

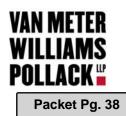


### 231 GRANT AVE SITE CONTEXT

PALO ALTO, CA | 2021.01.14 | MERCY HOUSING / ABODE COMMUNITIES







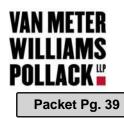


### 231 GRANT AVE CALIFORNIA AVENUE BUSINESS DISTRICT

PALO ALTO, CA | 2021.01.14 | MERCY HOUSING / ABODE COMMUNITIES







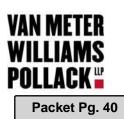


# 231 GRANT AVE COUNTY COURTHOUSE

PALO ALTO, CA | 2021.01.14 | MERCY HOUSING / ABODE COMMUNITIES







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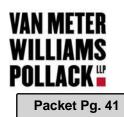


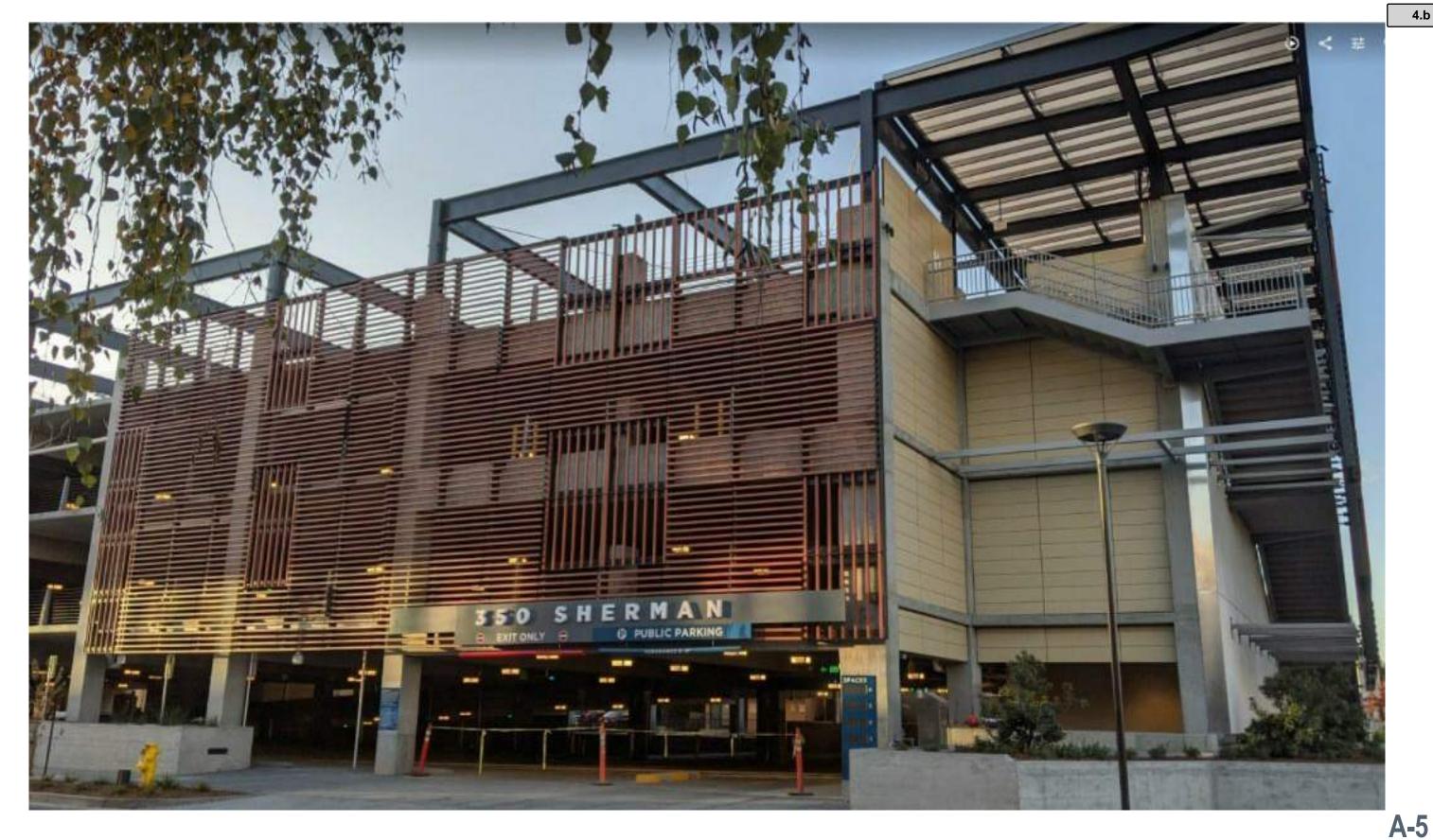
### 231 GRANT AVE ADJACENT BUILDINGS

PALO ALTO, CA | 2021.01.14 | MERCY HOUSING / ABODE COMMUNITIES









# 231 GRANT AVE PARKING GARAGE

PALO ALTO, CA | 2021.01.14 | MERCY HOUSING / ABODE COMMUNITIES







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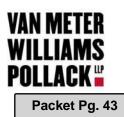
# 231 GRANT AVE MULTIFAMILY ALONG GRANT

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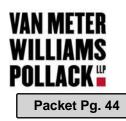




# 231 GRANT AVE MULTIFAMILY ALONG BIRCH

PALO ALTO, CA | 2021.01.14 | MERCY HOUSING / ABODE COMMUNITIES







### 231 GRANT AVE 2555 PARK BLVD

PALO ALTO, CA | 2021.01.14 | MERCY HOUSING / ABODE COMMUNITIES

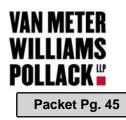


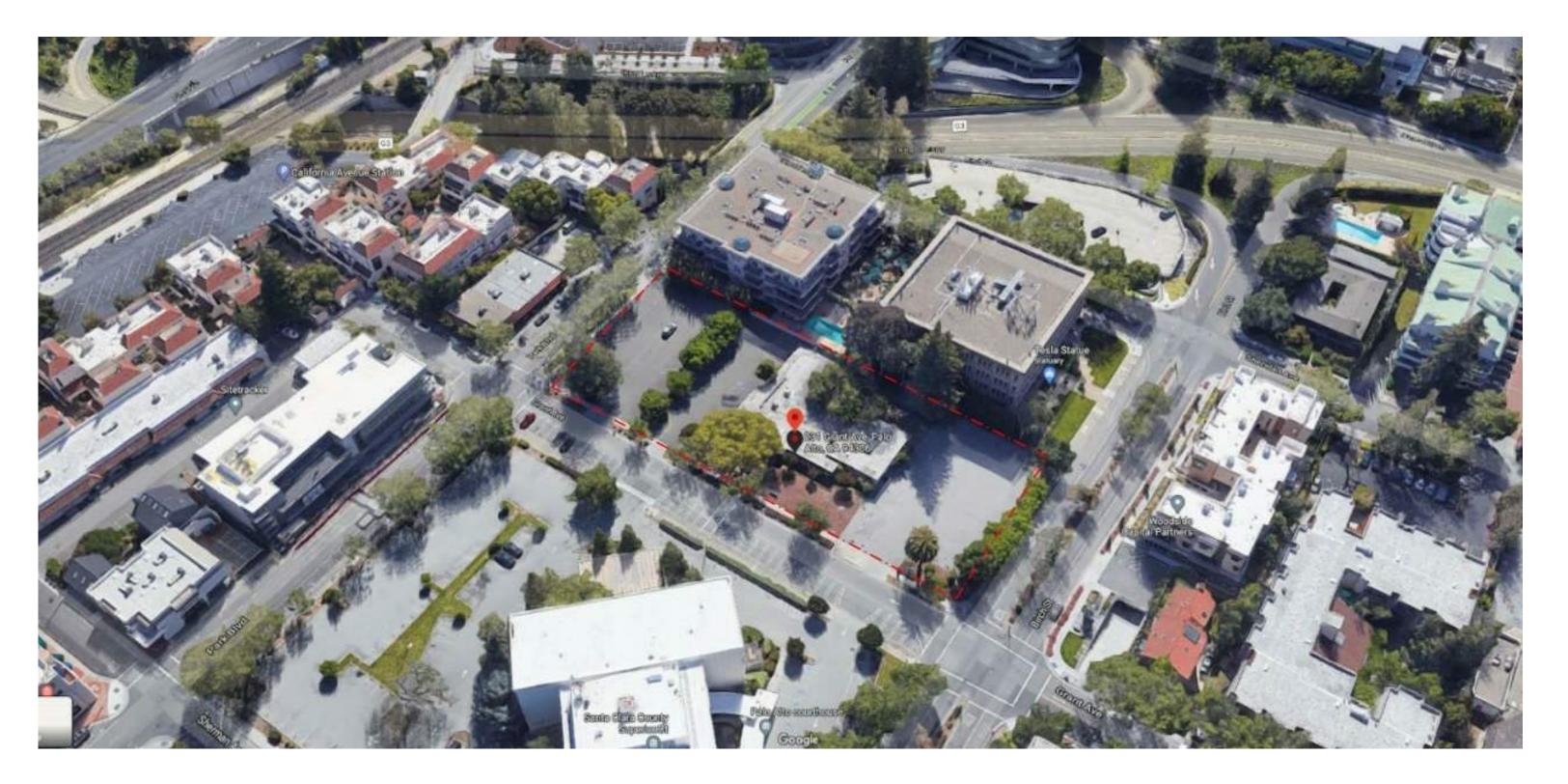


### LUSH STREETSCAPE DETAILS









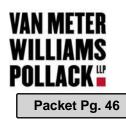
### 231 GRANT AVE EXISTING SITE AERIAL

PALO ALTO, CA | 2021.01.14 | MERCY HOUSING / ABODE COMMUNITIES









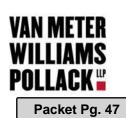


### 231 GRANT AVE PROPOSED - AXONOMETRIC VIEW

PALO ALTO, CA | 2021.01.14 | MERCY HOUSING / ABODE COMMUNITIES

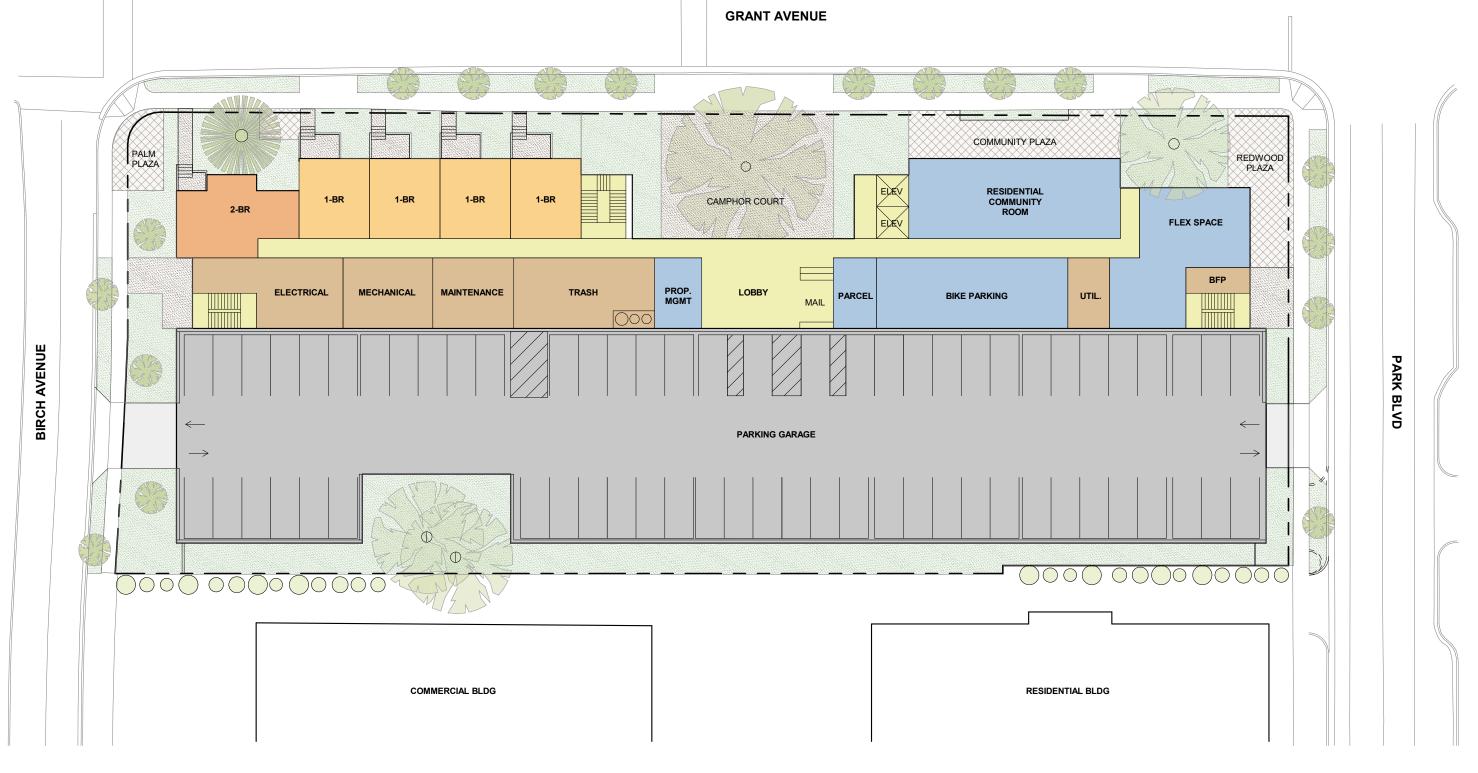






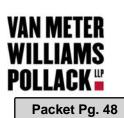












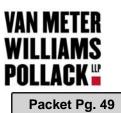
### PALO ALTO, CA | 2021.01.14 | MERCY HOUSING / ABODE COMMUNITIES

# 231 GRANT AVE SECOND LEVEL PLAN (3RD & 4TH SIM)



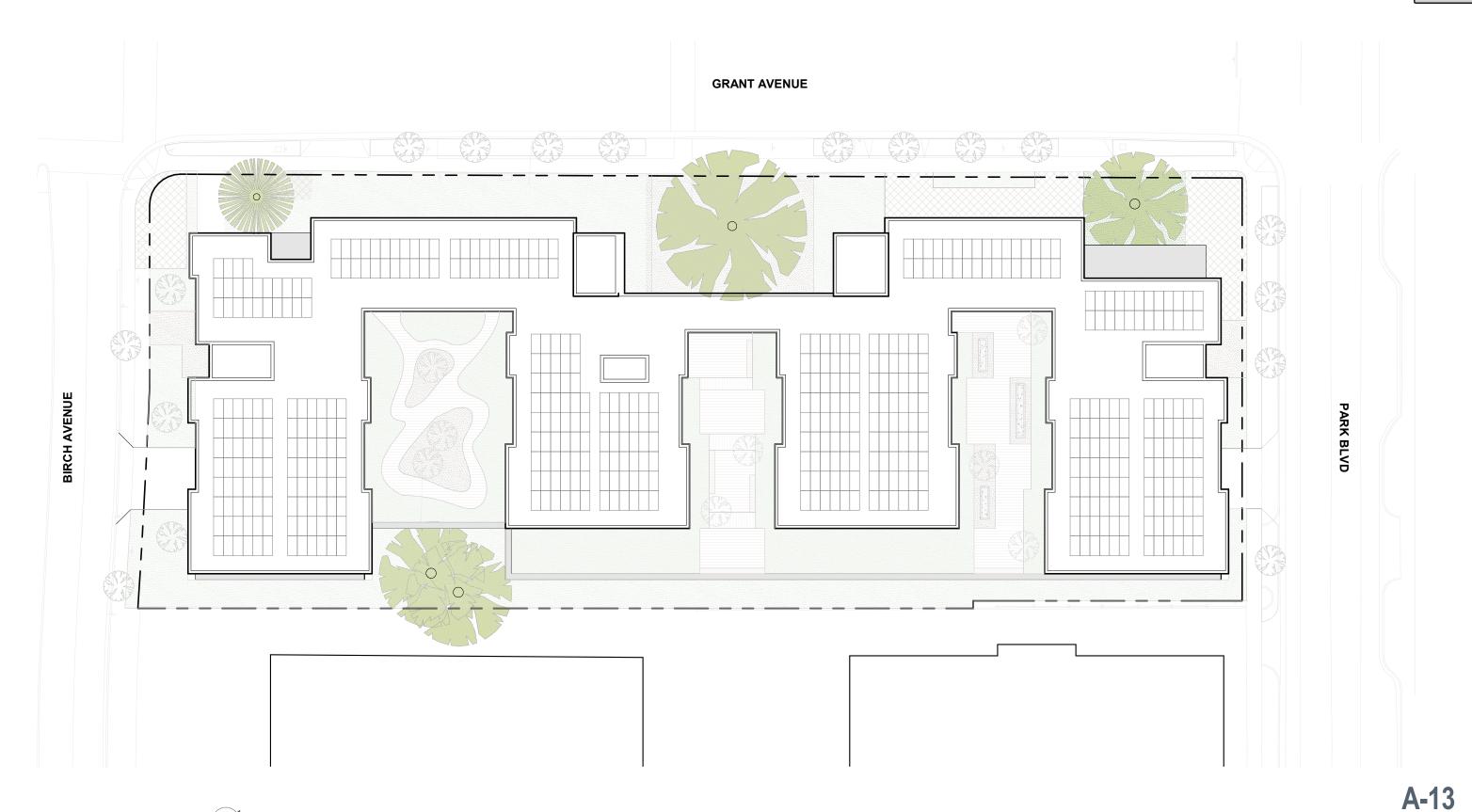






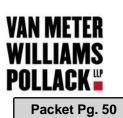
### 231 GRANT AVE ROOF PLAN PALO ALTO, CA | 2021.01.14 | MERCY HOUSING / ABODE COMMUNITIES







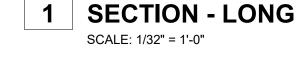




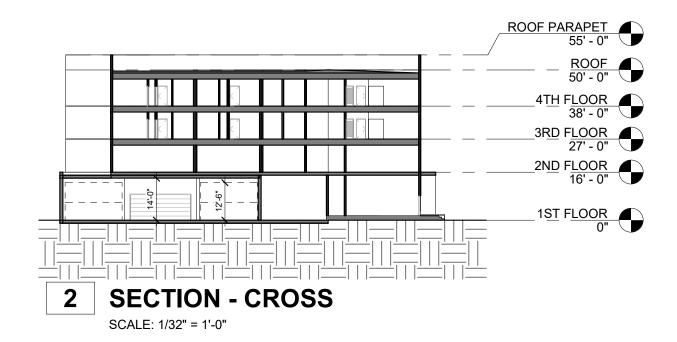
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### 231 GRANT AVE SECTIONS



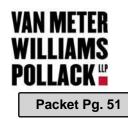
















#### **NOVEMBER 2020**

#### **231 GRANT** Housing for teachers and school employees



Mercy Housing California (MHC) and Abode Communities are working in conjunction with the County of Santa Clara, represented by County Supervisor Joe Simitian, Facebook, the City of Palo Alto, and participating school districts in Santa Clara and San Mateo Counties to develop new housing on a county-owned site. The property, located at 231 Grant Avenue in Palo Alto, offers an exciting opportunity to create new high-quality, and much needed, rental housing affordable for teachers, school employees, and their families. This new community will include studio, one- and two-bedroom apartments, amenity spaces, and landscaped gardens.

Mercy Housing California and Abode Communities are the state's most experienced owners/managers of service-enriched affordable housing for families.

#### MERCY HOUSING CALIFORNIA AND ABODE COMMUNITIES CURRENTLY OPERATE

8,261 Family AND 20,616 Residents

#### **COMMITMENT TO COMMUNITY INVOLVEMENT**

Mercy Housing California and Abode Communities are committed to incorporating the local community into the development process through meetings with neighbors, neighborhood associations, and local leaders, as well as public meetings and regular written and electronic communications. In addition, they are collaborating with local teachers and school employees from San Mateo and Santa Clara County School Districts, including Los Altos, Palo Alto, Mountain View Whisman, Mountain View Los Altos, and the Foothill-De Anza Community College District. In observance of health guidelines related to COVID-19, MHC and Abode will solicit community input through virtual meetings, email, regular mail, and the development website 231grant.org (in development).



#### 231 GRANT AVENUE PALO ALTO, CA 94306

**UNITS** Approximately 110

**PROPERTY TYPE** Teacher & School Employee Housing

#### CONTACT

Sarah Chaffin Community Liaison 650.906.6650 Chaffin.Sarah@outlook.com







#### **ABOUT ABODE COMMUNITIES**

Abode Communities works to create serviceenhanced affordable housing and socially beneficial community facilities that promote the social, economic, and physical transformation of underserved communities. Through the development, design, and long-term operation of service-enhanced affordable and supportive housing, we stabilize housing for families, seniors, and individuals. Abode Communities has previously built two school district housing developments in partnership with Los Angeles Unified School District, representing 116 units. Abode Communities owns and manages 41 affordable housing communities with over 3,000 homes serving almost 7,000 residents.

#### **ABOUT MERCY HOUSING**

Mercy Housing California is a California-based nonprofit housing development organization with the mission of creating and strengthening healthy communities. Mercy Housing California has created and preserved affordable housing for Californians for over 35 years. Today MHC owns and manages 151 communities with over 10,300 homes statewide for more than 19,600 people.

Mercy Housing Management Group (MHMG) will be the management agent for the property and is committed to providing quality property management services that reinforce the philosophy that all residents deserve respect, dignity, and a place to call home. MHC and MHMG are affiliates of Mercy Housing, Inc., a national nonprofit housing development, management, and resident services organization founded by six congregations of Women Religious including the Daughters of Charity, the Sisters of Mercy, and the Sisters of St. Joseph of Orange.

ABODE COMMUNITIES

1149 S. Hill Street, Suite 700 Los Angeles, CA 90015 213.629.2702

#### MERCY HOUSING CALIFORNIA

1256 Market Street San Francisco, CA 94102 415.355.7100







**CITY OF PALO ALTO** 

#### Supplemental Report - Item 4

MEETING DATE:	FEBRUARY 7, 2022
TO:	HONORABLE CITY COUNCIL
FROM:	JONATHAN LAIT, DIRECTOR OF PLANNING & DEVELOPMENT SERVICES
SUBJECT:	AGENDA ITEM NUMBER 4 – AUTHORIZE AND APPROVE A THREE MILLION DOLLARS (\$3,000,000) LOAN FROM THE HOUSING IN LIEU AND IMPACT FEE FUNDS FOR THE DEVELOPMENT OF AN AFFORDABLE WORKFORCE HOUSING PROJECT LOCATED AT 231 GRANT AVENUE; APPROVE THE BUDGET AMENDMENT IN THE RESIDENTIAL HOUSING IN- LIEU FUND; AUTHORIZE THE CITY MANAGER TO EXECUTE ASSOCIATED AGREEMENTS.

This memorandum clarifies that the money provided by the City to support this project would be transferred to the project developers (Mercy Housing and Abode Communities) as opposed to Santa Clara County as indicated in the report. Accordingly, the staff recommendation for this action is as follows:

Staff recommends that City Council take the following action to authorize and approve a three milliondollar (\$3,000,000) loan to Santa Clara County for the development of an affordable workforce housing project located at 231 Grant Avenue:

1. Amend the Fiscal Year 2022 Budget Appropriation for Residential Housing In-Lieu Fund (Fund 233), by a 2/3 vote, by: a. Increasing Grants and Subsidies in the amount of \$3,000,000; and b. Decreasing the Ending Fund Balance in the amount of \$3,000,000;

2. Authorize the City Manager or his designee to execute a Loan Agreement, Regulatory Agreement, and related documents to implement Council direction in a form substantially similar to prior agreements approved by the City.



Meeting Date: 2/7/2022

Title: Policy and Services Committee Recommends Approval of the Office of the City Auditor Construction Project Controls Report

From: City Manager

Lead Department: City Auditor

#### Recommendation

The Policy and Services Committee, City Auditor, and Staff recommend that the City Council approve the Construction Project Controls report.

#### **Executive Summary**

Baker Tilly, in its capacity serving as the Office of the City Auditor, performed a review of construction project controls as approved in the <u>FY2021 Audit Plan approved by City</u> <u>Council</u>.

Through the audit activity, the Office of the City Auditor identified five (5) recommendations. The Public Works Department concurred with each finding and has drafted action plans for each item.

The Policy & Services Committee unanimously approved the report at the November 9, 2021 meeting (ID # 13605; Video).

The Office of City Auditor will perform periodic follow up procedures to validate that corrective actions have been implemented.

#### Background

The City of Palo Alto Public Works Department currently has approximately 150 active projects in various stages of planning and construction. Per the Semiannual Update on the Status of Capital Improvement Program Projects that reflected the status of all active projects through December 2020, the total budget for the active projects is approximately \$670 million. The active projects include those identified in the Council Infrastructure Plan introduced in 2014. This is a \$235 million plan that includes ten major capital projects ranging in value from \$2 million to \$118 million, in addition to the dozens of other smaller maintenance and improvement projects in the Capital Improvement Program. Note that other departments who manage capital projects, aside from Public Works (e.g., Utilities) were excluded from this assessment.

The Office of the City Auditor included an assessment in the <u>FY2021 Audit Plan</u> approved by City Council. The objectives of this review were to:

- 1) Review documented policies, procedures and processes
- 2) Assess the adequacy of the current controls used to avoid, manage, or mitigate project risks
- Verify implemented procedures and processes conform to the documented policy and procedures and identify any gaps between documented procedures and implemented procedures

The Policy & Services Committee unanimously approved the report at the November 9, 2021 meeting (ID #13605; Video).

#### Discussion

The attached report summarizes the analysis, audit findings, and recommendations.

#### **Timeline, Resource Impact, Policy Implications**

The timeline for implementation of corrective action plans is identified within the attached report. All corrective actions are scheduled to be implemented by July 1, 2022.

#### Stakeholder Engagement

The Office of the City Auditor worked primarily with the Public Works Department and engaged with additional stakeholders, including the City Manager's Office and City Attorney's Office, as necessary.

#### **Environmental Review**

Environmental review is not applicable to this activity.

Attachments:

• Attachment5.a: OCA - Construction Controls Review (Final Draft - City Council)



# **City of Palo Alto**

Office of the City Auditor Construction Project Controls Assessment

October 20, 2021



### **Executive Summary**

#### **Purpose of the Assessment**

The objectives of Construction Project Controls Assessment was to:

- 1) Review documented policies, procedures and processes
- 2) Assess the adequacy of the current controls used to avoid, manage, or mitigate project risks
- 3) Verify implemented procedures and processes conform to the documented policy and procedures and identify any gaps between documented procedures and implemented procedures

#### **Report Highlights**

The OCA found the documented procedures and controls adequate to manage and mitigate risks on construction projects. We did not identify any material controls gaps or deficiencies with the implemented controls; however, we have offered recommendations for improvement to further strengthen the implemented controls. This assessment did not test the controls for effectiveness. A separate construction audit engagement will be performed on the new Public Safety Building where the effectiveness of the documented project controls can be observed for an entire project.

Improvement Recommendation – Project Reporting	Pg. 8	The OCA recommends developing project reporting that can be used to track project performance and as a risk mitigation tool.
		The Public Works Department maintains a Semiannual Update on the Status of Capital Improvement Program Projects that reflects including project budgets, actual expenditures per the SAP system, projected completion dates and a brief narrative regarding the current status of each project. In addition, each project manager maintains their own project reporting related to the project budget and progress; however, it does not follow the same format as the Semiannual Update, or as other project managers. This is not considered a controls deficiency because the project managers are actively tracking the status of their projects and the Construction Administration Manual, which defines required procedures and does specify a reporting format. Both the Semiannual Update and project manager's reporting only reflect historical data. There is an opportunity to enhance the reporting to better track project performance and be used as a risk mitigation tool. A uniform reporting format should be considered and include the current estimate to complete the project as well as the original scheduled completion date and the current estimated completion date. Maintaining this type of reporting on a consistent basis can help to identify and mitigate potential budget and schedule overruns earlier in the project. It would also help to provide up-to-date project tracking, and could streamline the process to compile the Semiannual Update.
Improvement Recommendation – Document Control	Pg. 8	The OCA recommends developing a consistent file management structure.
		The individual file management systems observed were adequate and allowed for the efficient recall of project documentation; however, a consistent structure could strengthen the City's controls on document management.

Improvement Recommendation – Prevailing Wage Monitoring	Pg. 8	The Construction Administration Manual should be updated to reflect the controls that are currently implemented to verify prevailing wage requirements. The current implemented controls are not documented in the Construction Administration Manual.
Improvement Recommendation – Schedule Management	Pg. 9	The Construction Administration Manual should be updated to provide guidance and standards on schedule monitoring as well as remedial procedures and escalation requirements for non-compliance.
		The implemented controls related to schedule monitoring should be documented in the Construction Administration Manual.
Improvement Recommendation – Allowance Usage	Pg. 9	The Construction Administration Manual should reflect the controls that are currently in place for allowance usage and reconciliation.
Anomanoe osage		There are currently controls in place to manage allowance usage when applicable and these practices should be documented in the Construction Administration Manual.

See the Assessment Results section for additional detail on each of these highlights.

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### **Index of Tables**

Table 1 – Risk Assessment Phase	Error! Bookmark not defined.
Table 2 – Risk Framework	Error! Bookmark not defined.



### Introduction

Objective	The purpose of this assessment was to:
	<ol> <li>Review documented policies, procedures and processes</li> <li>Assess the adequacy of the current controls used to avoid, manage, or mitigate project risks</li> <li>Verify implemented procedures and processes conform to the documented policy and procedures and identify any gaps between documented procedures and implemented procedures</li> </ol>
Background	The City of Palo Alto Public Works department currently has approximately 150 active projects in various stages of planning and construction. Per the Semiannual Update on the Status of Capital Improvement Program Projects that reflected the status of all active projects through December 2020, the total budget for the active projects is approximately \$670 million. The active projects include those identified in the Capital Improvement (Infrastructure) Plan introduced in 2014. This is a \$235 million that includes ten major capital projects ranging in value from \$2 million to \$118 million as well as dozens of other smaller maintenance and improvement projects. Note that other departments who manage capital projects, aside from Public Works (e.g., Utilities) were excluded from this assessment.
	Risks related to construction projects include:
	<ul> <li>Reputational damage related to projects the public considers unsuccessful</li> <li>Budget overruns due to excessive change order activity or abusive pricing practices</li> <li>Schedule delays due to poor or improper project management</li> </ul>
	Weaknesses in project controls can magnify these risks on capital programs of this size.
Scope	We reviewed the processes and procedures documented in the City's Construction Administration Manual dated February 22, 2021. We then conducted interviews with project managers to walk through implemented controls and procedures.
	<ul> <li>The key controls areas included:</li> <li>Prime contractor bid and award control</li> <li>Contract administration and control</li> <li>Schedule management</li> <li>Communication and document control</li> <li>Contractor billing review and approval</li> <li>Change management</li> <li>Allowance and contingency management</li> <li>Verification of completed work</li> <li>Closeout activities</li> </ul>
Compliance Statement	This audit activity was conducted in accordance with the Annual Audit Plan.
	The audit activity was not performed in compliance with the generally accepted government auditing standards (GAGAS). The audit activity was not performed in compliance with GAGAS for two primary reasons:

- The individuals conducting the activity did not meet the CPE requirements. As subject matter experts in construction risk, the team members are not required to



obtain government audit CPE. Rather, multiple team members are required to be technically competent construction risk professionals and obtain CPE in construction risk topics.

- Mitigating factor City Auditor Kyle O'Rourke and Manager Chiemi Perry both adhere to CPE requirements and
- The City of Palo Alto Office of the City Auditor has not undergone an External Peer Review in the required 3 year cycle as required by Standards.
  - Note the Office of the City Auditor will undergo a peer review at the conclusion of FY22.

We planned and performed the activity to obtain sufficient, appropriate evidence to provide a reasonable basis for our recommendations based on our objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit the objectives.

Organizational<br/>StrengthsDuring this audit activity, we observed certain strengths of the Public Works Department.<br/>Key strengths include:

- The project manager's interviewed have strong backgrounds in construction, engineering and project management.
- The procedures for construction contract bid and award contained in the Construction Administration Manual are both thorough and well defined. The Invitation for Bid (IFB) document contains adequate instructions to the bidders, criteria for selection, insurance, bonding, and prevailing wage requirements. It also includes the City's standard contract documents. The project managers interviewed had thorough understanding of the bid and award process.
- The Construction Administration Manual has a thorough process for reviewing project change orders. The project manager's interviewed follow a consistent and rigorous process to review and validate change order requests from contractors.

Additionally, Baker Tilly noted the documented controls are adequate to manage and mitigate risks on construction projects. While we have recommendations to further strengthen the City's controls, we did not identify any material controls gaps or deficiencies with the identified controls. This objective of this engagement was to assess the adequacy of documented controls. The effectiveness of the controls was not tested.

#### The Office of the City Auditor greatly appreciates the support of the Public Works Department in conducting this assessment.

Thank you!

\_



### **Technical Assessment**

To accomplish our objective, we reviewed the Public Works Construction Administration Manual to gain and understanding of documented controls related to:

- Prime contractor bid and award control
- Contract administration and control
- Schedule management
- Communication and document control
- Contractor billing review and approval
- Change management
- Allowance and contingency management
- Verification of completed work
- Closeout activities

Key processes were assessed to ensure they are adequately defined and appropriate to mitigate both general construction risks and risks specific to the City of Palo Alto.

We also performed interviews with project managers to verify documented controls have been implemented as well as to document any project controls that are not defined in the Construction Administration Manual. During these interviews we asked individuals to provide examples of documentation. This was done to gain a better understanding of controls environment and processes in place. We interviewed the following individuals/functions:

- Director of Public Works
- Airport Division
- Environmental Services
- Engineering Services

The following matrix summarizes each control area reviewed, the key risks and documented controls to address the risks. The documented controls are adequate to mitigate the key risks in most instances. Testing to confirm the effectiveness of the controls related to the project portfolio was not in the scope of this assessment. A separate construction audit will be performed on the new Public Safety Building where the effectiveness of the documented controls will be tested.

Note: for our controls methodology we follow the Construction Audit and Cost Controls Institute (CAACCI) and the Project Management Institute (PMI).



Prime Contractor Bid and Award		
Key Risks	Summary of Documented Controls	
Bid and award process is circumvented	Policy and procedures related to bid are thoroughly documented in Sections A and B of the Construction Administration Manual	
	Purchasing compiles the Invitation for Bid (IFB) and handles the solicitation and summarizes the bids (Review of Purchasing not in this assessment scope)	
Collusion and bid rigging	IFBs are advertised on the City's procurement system, PlanetBids, and can be accessed by all registered contractors	
Incomplete bid documents leading to misinterpreted award criteria and contract requirements	Projects managers review and compile the technical specifications and drawings	
	Purchasing compiles the Invitation for Bid (IFB) and handles the solicitation and summarizes the bids (Review of Purchasing not in this assessment scope)	
	The IFB document contains adequate instructions to the bidders, criteria for selection, insurance, bonding, and prevailing wage requirements. It also includes the City's standard contract documents	
Low bid response	IFBs advertised on PlanetBids and can be accessed by all registered contractors	
Response from unqualified contractors	Larger projects involve a pre-qualification process to ensure prospective contractors have the financial strength and qualifications to perform the work	
	Contractors are required to provide valid licensing to perform work to be considered a responsive bidder	



Contract Administration		
Key Risks	Summary of Documented Controls	
Non-compliance with insurance and bonding requirements	Procedures related to insurance are defined in Section B.1 of the Construction Administration Manual.	
	Purchasing contract manager (in consultation with the awarding department and the City's risk manager as needed) defines the insurance requirements that are applicable to the project	
	The contractor awarded the work needs to provide all certificates of insurance and proof of bonding prior to the contract being executed	
	Project managers monitor the expiration dates of the documents and obtain current documents when needed	
Non-compliance with prevailing wage requirements	Section 4.0 of the IFB defines the certified payroll requirements ( <b>No controls are documented in the Construction Administration Manual – see Recommendations for Improvement</b> )	
	When certified payroll is required to be provided to the City under the contract, it is collected weekly Project managers verify wages are compliant with prevailing wage requirements	
	Project managers perform spot checks with trade and craft workers to verify rates and hours reflected in the certified payroll are accurate	
Billing non-compliance	See contractor billing and approval	
Failure to deliver the project as specified	See verification of complete work	

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Schedule Management		
Key Risks	Summary of Documented Controls	
Project delays leading to cost escalation and delayed placed in service	Project managers interviewed conduct regular schedule reviews with the contractor at weekly, bi-weekly or monthly meetings depending on the size and magnitude of the project	
	The schedule review involves checking the current physical progress of the project against the project schedule and major milestones, verifying long lead items are being procured in a timely fashion, and reviewing look-ahead schedules	
	The status of current projects are discussed internally at monthly Public Works project manager meetings	
	If a project falls behind schedule, project managers issue written notice to the contractor and require a recovery plan	
	See Recommendations for Improvement related to documenting the current procedures	

Communication and Document Control		
Key Risks	Summary of Documented Controls	
Budget overruns and schedule delays that could have been mitigated with timely and accurate reporting	Each project manager has their own project tracking and progress reporting document. The documents track amounts expended against the contract values and have basic information on progress	
	Public Works compiles a semiannual report reflecting the progress of all CIP	
	Project budgets and progress are discussed internally at monthly Public Works project manager meetings	
	See Recommendation for Improvement related to project reporting	
<ul> <li>Poor document management can result in an inability to:</li> <li>Support and defend key decisions on the project</li> </ul>	Section C8 of The Construction Administration Manual defines the principal types of documentation that should be maintained on each project	
<ul> <li>Verify installed quantities and physical progress in order to validate contractor payment applications</li> <li>Validate change orders</li> </ul>	Project Managers' document management systems were observed during interviews. They were organized and allowed them to access needed documents. When asked to provide documents as a follow up to the interviews, the requests were fulfilled within one day	
<ul> <li>Resolve contractor disputes and defend against claims</li> </ul>	See recommendation for Improvement related to document control	



Contractor Billing Review and Approval		
Key Risks	Summary of Documented Controls	
Billing errors	The following controls are applicable to each key risk:	
Overpayments to contractors	Section C5 of the Construction Administration Manual defines contractor billing review procedures	
Payment for work that has not been completed	Project managers observe physical progress to verify work and/or quantities installed	
	Project managers review the Project Inspectors daily inspection reports as additional confirmation of physical progress	
	Project managers check the math and confirm any unit rate billings comply with the bid documents	
	If errors are noted, billings are sent back to the contractor for revisions	

Change Management		
Key Risks	Summary of Documented Controls	
Overpriced change orders	Section C9 of the Construction Administration Manual defines change order procedures	
	Change orders are checked for arithmetic accuracy	
	Where applicable labor rates and materials rates are compared to the bid documents to ensure consistency with bid amounts	
	When applicable labor rates are compared to certified payrolls	
	If needed, the project management team may do an independent take off to verify the quantities and pricing are reasonable	
Change orders for duplicate scope and rework	Section C9 of the Construction Administration Manual defines change order procedures	
	Change order scope of is compared to the bid documents to confirm it is a change in scope	
	RFIs related to the change order scope are reviewed	
Unauthorized change orders	Section C9 of the Construction Administration Manual defines change order procedures	
	The Construction Administration Manual contains an authorization matrix detailing approval limits	



Allowance and Contingency Management					
Key Risks	Summary of Documented Controls				
Unauthorized allowance usage	The following controls are applicable to each key risk:				
Allowance costs co-mingling	Project Managers track project contingency (this is a requirement in Section C9 of the Construction Administration Manual)				
	Allowances are broken out as separate line items in the bid documents				
	All allowance usage requires an Allowance Usage Request. This is documented using a process similar to change order review and approval				
	See Recommendations for Improvement related to contingency management.				

Verification of Completed Work						
Key Risks	Summary of Documented Controls					
Work not installed per specifications	The following controls are applicable to each key risk:					
Failure to deliver the contracted scope	Section C1 and C8.1 of the Construction Administration Manual define procedures related to verification of completed work					
	Each project has a project inspector that reviews progress and verifies compliance with specifications					
	The project inspector completes daily inspection reports					
	Project managers review the daily inspection reports to confirm progress					
	Project managers perform regular site visits to verify the work in place					



Closeout Activities						
Failure to deliver the contracted scope	Section C11 of the Construction Administration Manual defines procedures related to closeout activities					
	A punch list is generated by the project manager once the contractor notifies the project manager the work has been completed					
	A Letter of Acceptance is issued to the contractor once all work is certified complete					
Subcontractor claims or stop payment notices against the contractor	Section C11 of the Construction Administration Manual defines procedures related to closeout activities					
	The contractor is required to provide an affidavit certifying all subcontractors and material suppliers have been paid along with stop payment notice waivers					
Inability to operate manage and maintain the asset	Section C11 of the Construction Administration Manual defines procedures related to closeout activities					
	Article 9.8.2 of the General Conditions document stipulates that O&M Manuals, as built drawings and manufacturer warranties need to be submitted prior to final payment					



### **Assessment Results**

Improvement Recommendation – Project Reporting

### The OCA recommends developing project reporting that can be used to track project performance and as a risk mitigation tool.

In our initial request to the Public Works Department on March 22, 2021, we asked for a schedule of construction projects in progress along with projects completed in the past 12 months, including a description of the project, the initial project budget and the current or final budget. The Public Works Department provided the most recent Semiannual Update on the Status of Capital Improvement Program Projects that reflected the status of all active projects through December 2020. This report reflected each project's budget, actual expenditures per the SAP system, projected completion dates and a brief narrative regarding the current status of each project. In addition we reviewed the individual project reporting from eight projects with approximate expenditures of \$48 million (see Appendix A). We noted each project manager maintains their own project reporting related to the project budget and progress; however, it does not follow the same format as the Semiannual Update, or as other project managers. This is not considered a controls deficiency because the project managers are actively tracking the status of their projects. However, the reporting produced only reflects historical data and there is an opportunity to enhance the reporting to better track project performance.

We recommend enhancing the current report format to include the current estimate to complete the project as well as the original scheduled completion date and the current estimated completion date. Maintaining this type of reporting on a consistent basis can help to identify and mitigate potential budget and schedule overruns earlier in the project. It would also help to provide up-to-date project tracking, and could streamline the process to compile the Semiannual Update.

Additionally, this type of project reporting can be used to assess the performance of specific contractors or project types. This would allow the Public Works Department to identify trends such project as projects or contractors that consistently incur a high magnitude of change orders or consistently fall behind schedule.

This type of reporting can be maintained manually using readily available tools such as Microsoft Excel; however, the City would benefit by exploring project management software options that could generate this reporting more efficiently. Use of a project management software could also help with consistent file management as well (see Document Control recommendation).

#### Improvement Recommendation – Document Control

### The OCA recommends developing a consistent file management structure.

Each project manager has their own file management structure. We observed the different file structures during our interviews by asking project managers to share their screens and navigate through their file systems with us. The individual file management systems were adequate and allowed for the efficient recall of project documentation; however, a consistent structure



could strengthen Public Works' controls on document management. As noted in the Project Reporting recommendation, the City could consider a project management software option that would also act as a project file management system.

#### The Construction Administration Manual should be updated to reflect Improvement the controls that are currently implemented to verify prevailing wage **Recommendation – Prevailing** requirements. Wage Monitoring The contractor's requirements for prevailing wage and certified payroll submission are defined in Section 4.0 of the Invitation For Bids (IFB) document. The procedures performed related to collection and review of certified payrolls by the project managers, which is required if the project is grant funded, are not reflected in the Construction Administration Manual. In circumstances where a project is grant funded, the City policy requires that the project manager verifies compliance with prevailing wage requirements. This process should be reflected in the Construction Administration Manual. Additionally the Construction Administration Manual should detail the City's remedies for non-compliance. The Construction Administration Manual should be updated to provide Improvement guidance and standards on schedule monitoring as well as remedial **Recommendation – Schedule** procedures and escalation requirements for non-compliance. Management The project managers interviewed all conduct regular schedule reviews with the contractor at weekly, bi-weekly or monthly meetings depending on the size and magnitude of the project. Typically the schedule review involves checking the current physical progress of the project against the project schedule and major milestones, verifying long lead items are being procured in a timely fashion, and reviewing schedule look-ahead schedules. The remedies currently used by the project management team if a project falls behind schedule is to issue written notice to the contractor and require a recovery plan. In addition, progress on current projects is discussed internally at Public Works meetings that occur each month. These practices should be documented in the Construction Administration Manual. The Construction Administration Manual should reflect the controls Improvement that are currently in place for allowance usage and reconciliation. Recommendation – Allowance Usage Projects may contain budgeted scopes of work the City is considering, but the City has not yet finalized the design. Such scopes are broken out in the bid documents as an allowance line item. The City can then elect to buy these items at a later date once the design is completed. The project manager's interviewed stated charging against the allowance requires an allowance usage request. There is a specific document for this request and the review process follows the same procedures as executing a change order. These practices should be documented in the Construction

Administration Manual.

### Appendices

#### Appendix A: Project Reporting

The OCA reviewed the project reporting for the following projects:

Project	Project ID	Area	Total F	Total Project Budget		Actual Expenditures	
Highway 101 Pedestrian/Bicycle Overpass Project	PE-11011	Council Infrastructure Plan	\$	22,889,453	\$	14,142,494	
High and Bryant Street Garages Waterproofing and Repairs	PE-18002	Building and Facilities	\$	443,376	\$	257,431	
Cubberley Roof Replacements	CB-16002	Building and Facilities	\$	860,400	\$	569,606	
Rinconada Park Improvements	PE-08001	Parks and open spaces	\$	8,742,375	\$	2,350,551	
Street Maintenance	PE-86070	Street and Sidewalks	\$	11,055,995	\$	5,226,631	
Airport Apron Reconstruction	AP-16000	Airport Projects	\$	44,573,110	\$	23,736,439	
Primary Sedimentation Tank Rehabilitation	WQ-14003	Wastewater Treatment	\$	20,681,849	\$	738,257	
Plant Repair, Retrofit and Equipment Replacement	WQ-19002	Wastewater Treatment	\$	7,332,834	\$	760,983	
Total			\$	116,579,392	\$	47,782,392	

# Appendix B: Management Response

Recommendation	Responsible Department(s)	Agree, Partially Agree, or Do Not Agree and Target Date and Corrective Action Plan
The OCA recommends developing project reporting that can be used to track project performance and as a risk mitigation tool, including enhancing the current report format to include the current estimate to complete the project as well as the original scheduled completion date and the current estimated completion date. Maintaining this type of reporting on a consistent basis can help to identify and mitigate potential budget and schedule overruns earlier in the project.	Public Works	Public Works Department appreciates the audit observations which affirm strong project management and controls that manage and mitigate construction risks. The audit recommendations generally seek to enhance or further document existing practices, and the department is confident that they can be addressed with a modest investment of staff resources.
		Concurrence: Partially Agree
		Target Date: 7/1/2022
		Action Plan:
		<ol> <li>Review current project tracking practices and formats in use: by 2/1/2022</li> <li>Standardize updated project tracking formats, including some potential differences between approaches due to factors such as project size and recurring vs. one-time project: by 4/1/2022</li> <li>Update Construction Administration Manual and complete staff training and implementation of updated practices: by 7/1/2022</li> </ol>
The OCA recommends developing a consistent file management	Public Works	Concurrence: Partially Agree
structure. Each project manager has their own file management		Target Date: March 1, 2022
structure. A consistent structure could strengthen Public Works' controls on document management. As noted in the Project Reporting recommendation, the City could consider a project management software option that would also act as a project file management system.		Action Plan: Public Works has a standard file management structure for capital project documentation. The department will confirm and make any potential updates to the existing file management structure, document the file management structure in the Construction Administration Manual, and complete staff training and implementation of the updated practice. Note: Additional supplemental filing systems will also be maintained as required by grants (e.g. Caltrans, FAA).
The Construction Administration Manual should be updated to reflect	Public Works	Concurrence: Agree
the controls that are currently implemented to verify prevailing wage requirements. The contractor's requirements for prevailing wage and certified payroll submission are defined in Section 4.0 of the Initiation For Bid (IFB) document. The procedures performed related to collection		Target Date: March 1, 2022

Recommendation	Responsible Department(s)	Agree, Partially Agree, or Do Not Agree and Target Date and Corrective Action Plan
and review of certified payrolls by the project managers are not reflected in the Construction Administration Manual. This process should be reflected in the Construction Administration Manual. Additionally the Construction Administration Manual should detail the City's remedies for non-compliance.		Action Plan: Public Works is in the process of updating the Construction Administration Manual and will include this information in the current update.
The Construction Administration Manual should be updated to provide guidance and standards on schedule monitoring as well as remedial procedures and escalation requirements for non-compliance. The remedies currently used by the project management team if a project falls behind schedule is to issue written notice to the contractor and require a recovery plan. In addition, progress on current projects is discussed internally at Public Works meetings that occur each month. These practices should be documented in the Construction Administration Manual.	Public Works	Concurrence: Agree Target Date: March 1, 2022 Action Plan: Public Works is in the process of updating the Construction Administration Manual and will include this information in the current update.
The Construction Administration Manual should reflect the controls that are currently in place for allowance usage and reconciliation. Projects may contain budgeted scopes of work the City is considering but has not yet finalized the design. These are broken out in the bid documents as an allowance line item. The City can then elect to buy these items at a later date once the design is completed. The project manager's interviewed stated charging against the allowance requires an allowance usage request. There is a specific document for this request and the review process follows the same procedures as executing a change order. These practices should be documented in the Construction Administration Manual.	Public Works	Concurrence: Agree Target Date: March 1, 2022 Action Plan: Public Works is in the process of updating the Construction Administration Manual and will include this information in the current update.





# **City of Palo Alto** City Council Staff Report

# Meeting Date: 2/7/2022

Title: Policy and Services Committee Recommends Approval of the Office of the City Auditor's Initial Public Safety Building Monitoring Report

From: City Manager

# Lead Department: City Auditor

# Recommendation

The Policy and Services Committee, City Auditor, and Staff recommend that the City Council approve the Initial Public Safety Building Construction Monitoring report.

## **Executive Summary**

Baker Tilly, in its capacity serving as the Office of the City Auditor, performed a review of compliance with contractual audit requirements for the Architect, Inspector of Record, Construction Manager, Contractor and Waterproofing Inspector associated with the Public Safety Building construction project. In addition, Baker Tilly will verify that project expenditures billed to City of Palo Alto are adequately supported, verifiable, and appropriately allocated to the project. This activity was conducted in accordance with the <u>FY2021 Audit Plan approved by City Council</u>.

# Background

This is an on-going audit activity. The City Auditor will draft a similar report on a monthly basis. The report contains two critical items:

- 1) Audit Issues Log lists various audit 'issues' including a description of the issue identified, the status of the item, and the result (which is management's response to the issue).
- 2) Request for Information (RFI) Log contains a running list of the monitoring activities performed by the City Auditor. This list does not represent findings/ observations/ issues, but rather is a mechanism to track on-going monitoring activities. Note that an 'open' item simply indicates that a request for information has been made by the City Auditor.

As of November 17, 2021, the Office of the City Auditor identified two (2) audit issues, totaling \$7,331.77 in potentially recoverable costs out of a total of \$22.5M in financial transaction reviewed. The Public Works Department is working with the respective vendors to be credited for those costs.

The Office of City Auditor will continue to perform monthly monitoring procedures in accordance with the approved task order and routinely bring forward status updates to the Policy and Services Committee and City Council. Future reports are anticipated to be presented as informational.

The Policy & Services Committee unanimously approved the report at the December 14, 2021 meeting (ID # 13837).

The Office of City Auditor will perform periodic follow up procedures to validate that corrective actions have been implemented.

#### Discussion

The attached report summarizes the analysis, audit findings, and recommendations.

## **Timeline, Resource Impact, Policy Implications**

Costs associated with this audit activity were approved by City Council in the form of a task order. The audit activity has been completed within budget, so there were no additional impacts on budget. The timeline for implementation of corrective action plans is identified within the attached report.

The OCA would like to acknowledge the efforts of City Staff, including efforts by Public Works to respond to information requests and questions in an expeditious manner.

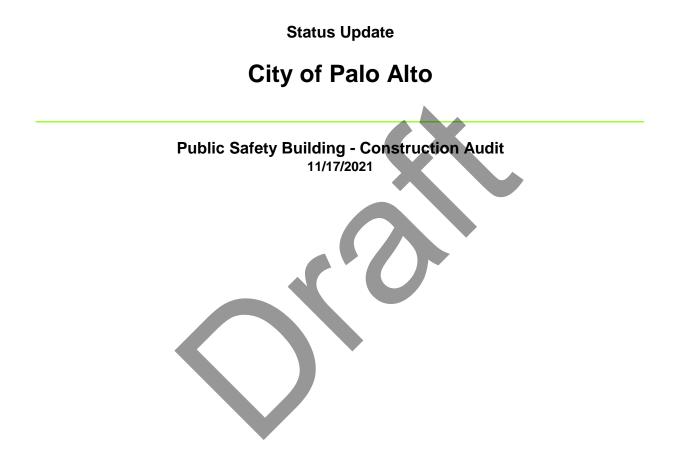
# Stakeholder Engagement

The Office of the City Auditor worked primarily with the Public Works Department and engaged with additional stakeholders, including the City Manager's Office and City Attorney's Office, as necessary.

#### **Environmental Review**

Environmental review is not applicable to this activity. **Attachments**:

• Attachment6.a: City of Palo Alto - PS Building - Status Update 11.17.21



This update is solely intended for the use of the City of Palo Alto's internal management.

#### Client: City of Palo Alto Project: Public Safety Building Status Update

Date: 11.17.2021



#### Audit Scope and Objectives

City of Palo Alto engaged Baker Tilly US, LLP ("Baker Tilly", "we", or "our) to perform construction audit services on the Public Safety Building project.

The primary objectives of this engagement are to ensure compliance with contractual audit requirements for the Architect, Inspector of Record, Construction Manager, Contractor and Waterproofing Inspector. In addition, Baker Tilly will verify that project expenditures billed to City of Palo Alto are adequately supported, verifiable, and appropriately allocated to the project.

#### Current Period Audit Events

Baker Tilly performed the following items during the current period:

1. Reviewed Public Works response to the RFI log dated October 15, 2021.

2. Reviewed additional payment applications, invoices, and change orders from each vendor through September 31, 2021.

#### **Current Period Audit Issues**

Baker Tilly noted the following audit issue in the current period.

- Nova Partners invoices from June 2017 to December 2017 included billing rate overcharges totaling \$6,975. Public Works will work with Nova to receive a credit on a future invoice (See Al No. 2 and RFI No.1). Baker Tilly will note this item as closed once the forthcoming invoice is executed.

#### **Current Period Requests for Information**

During the current period we added RFI No. 13 to No. 16 as follows:

- RFI No. 13 - Swinerton Builders - Pay App #5 is required.

- RFI No. 14 - <u>Swinerton Builders</u> - In Change Order #10, there are differences between amounts executed and support provided. This difference is due to time extension and its respective costs not being approved at the time. Additional breakdown support of these costs is required.

- RFI No. 15 - RossDrulisCusenbery (RDC) - Supporting documents for AS #25 is required.

- RFI No. 16 - 4 Leaf, Inc - All invoices subsequent to July 2021 are required.

We will share the RFI log with Public Works and report on the results of the new items on the December Status Update.

#### **Upcoming Audit Activities**

1. Review Public Works response to the updated RFI Log items.

2. Collect and review any additional payment applications, invoices, and change orders through October 31, 2021.

3. Draft the December Status Update detailing the results of our review.

#### **Events Hindering Progress**

There are no events hindering audit progress.

#### Client: City of Palo Alto Project: Public Safety Building Status Update

Date: 11.17.2021



**Completed Tasks** 

Baker Tilly has completed the following tasks:

1. Reviewed the contract documents for 4Leaf, Inc. (Inspector of Record), Nova Partners, Inc (Construction Manager), RDC (Architect), and Swinerton Builders (Contractor).

2. Developed monthly testing procedures based on the terms of each contract.

3. Reviewed the payment applications, invoices, and change orders from each vendor from project inception through the period ending September 30, 2021.



Client City of Palo Alto Project Public Safety Building Audit Issues (AI) Log



Updated: 11.17.2021

				Response			
AI ID No.	Period	Audit Issue	Al Date	Date	Status	Result	Amount
	October Monthly Review	Swinerton Builders - COR #25 which was included in Change Order #4 included a duplicate charge for equipment markup totaling \$356.77 (see RFI #7).	9/23/2021	11/15/2021		Public Works provided Change Order #8 reflecting the credit. Baker Tilly reviewed Change Order #8 and confirmed credit.	\$ 356.77
	November Monthly Review	<u>Nova Partners</u> - Invoices from June 2017 to December 2017 billed an Estimator at a rate of \$175 per rate rather than the agreed-upon rate of \$160 per hour. This resulted in a billing rate overcharge totaling \$6,975 (see RFI #1).				Public Works will work with Nova to receive a credit on a future invoice.	\$ 6,975.00

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Client City of Palo Alto Project Public Safety Building Request for Information (RFI) Log

Updated: 11.17.2021



RFI ID No.		Request Contact	RFI Description	Request Date	Response Date	Response	Status	Result
01	Monthly testing	Public Works	<u>Nova Partners</u> - Please provide all invoices prior to February 2021.	9/20/2021	9/23/2021	Public Works provided the requested documents to Baker Tilly.	Open	10/15/2021 - Upon review of invoices prior to February 2021, Baker Tilly noted the following: Invoices from June 2017 to December 2017 billed an Estimator at a rate of \$175 per hour; however, the agreed-upon rate for an Estimator, as stated in Exhibit C-1 of the contract, is \$160 per hour. This results in a potential billing rate variance totaling \$6,975. Was the rate of \$175 per hour previously approved. See Schedule 1.
								11/15/2021 - Public Works provided an explanation for the potential billing rate variance. Per Public Works, "a Senior Estimator was used to provide services in 2017 and charged the correct rate at the time for Senior Estimator. Public Works acknowledges that there was no Senior Estimator rate in the contract, but it was added in 2018 through contract amendment #2. Public Works will work with Nova to receive a credit on a future invoice for the difference."
								11/17/2021 - Baker Tilly reviewed Public Works explanation and it appears reasonable. Baker Tilly will review future invoice for confirmation of credit adjustment.
002	Monthly testing	Public Works	<u>Nova Partners</u> - Invoices from February to April 2021 did not reflect the percentage of completion for each task as stipulated in Section 5 of the contract. However, this was rectified in the May invoice which showed an aggregate 68% of completion for all tasks. No response required at this time; however, we will be monitoring the percentage of completion in each invoice moving forward to confirm compliance with the contract documents.	9/20/2021		No response was required. Public Works is aware Baker Tilly is monitoring the percentage of completion in each invoice to confirm compliance.	Closed	Baker Tilly reviewed invoices subsequent to April 2021. Noted invoices reflect percentage of completion and are in compliance with contract documents. No additional comments.
003	Monthly testing	Public Works	<u>Nova Partners</u> - The following employees were not listed in Exhibit "C-1" of the contract: Joe Capps-Jenner, Sam Tooley, and Jason Luong. Please provide the approved billing rates for each employee.	9/20/2021	9/23/2021	Public Works provided the requested billing rates to Baker Tilly.	Closed	Baker Tilly reviewed the billing rate schedules. No additional comments.
004	Monthly testing	Public Works	Nova Partners - Please provide all supporting documents for Additional Services prior to AS #11.	9/20/2021	9/23/2021	Public Works provided the requested documents to Baker Tilly.	Closed	Baker Tilly reviewed Additional Services prior to AS #11. No exceptions noted.
005	Monthly testing	Public Works		9/20/2021	9/23/2021	Public Works provided a revised payment application to Baker Tilly.	Closed	Baker Tilly reviewed the revised payment application. No exceptions noted.
006	Monthly testing	Public Works	Swinerton Builders - Please resend Change Order #1 and the supporting documents. The documents provided were not able to be downloaded.	9/20/2021	9/23/2021	Public Works provided the requested documents to Baker Tilly.	Closed	Baker Tilly reviewed CO #1 and its supporting documents. No exceptions noted.
007	Monthly testing	Public Works	Swinerton Builders - In Change Order #4, it appears equipment markup is double charged in COR #25. Invoice support shows a direct cost of \$2,765.04 and a equipment mark up of 10% totaling \$3,041.54. This amount is then carried to the Change Order Request Breakdown (Line 11) and an additional 10% markup is calculated (Line 15). This is a minor potential variance totaling \$349.77 after the applicable Swinerton fees are added to the change order. The direct cost alone without the mark up should have been carried to Line 11. Please review the supporting documentation. Does Palo Alto wish to correct this on a future change order?			Public Works recalculated the variance to be \$356.77 rather than \$349.77. Palo Alto will correct this in a future change order once variance is confirmed.	Closed	<ul> <li>10/15/2021 - Baker Tilly will review future change order for confirmation of variance adjustment.</li> <li>11/15/2021 - Public Works provided Change Order #8 reflecting the variance adjustment.</li> <li>11/17/2021 - Baker Tilly reviewed Change Order #8 and confirmed variance adjustment.</li> </ul>
008	Monthly testing	Public Works	RossDrulisCusenbery (RDC) - Please provide all invoices prior to February 2021.	9/20/2021	9/23/2021	Public Works provided the requested documents to Baker Tilly.	Closed	Baker Tilly reviewed invoices prior to February 2021. No exceptions noted.
009	Monthly testing	Public Works	RossDrulisCusenbery (RDC) - Please provide all supporting documents for Additional Services prior to AS #16.	9/20/2021	9/23/2021	Public Works provided the requested documents to Baker Tilly.	Closed	<ul> <li>10/15/2021 - Upon review of Additional Services prior to AS #16, Baker Tilly noted the following:</li> <li><u>AS #3</u> - No documents were provided to support AS #3. Please provide supporting documents.</li> <li><u>AS #4</u> - This includes added services for Hinman Consultants; however, the original contract documents do not contain a billing rate schedule for Hinman. Please provide approved billing rates.</li> <li><u>AS #9 and AS #12</u> - Interstice has Designer priced at a rate of \$160 per hour; however, the agreed-upon rate for a Designer is \$140 per hour.</li> <li><u>AS #13</u> - Interstice has design services priced at a blended hourly rate of \$187.20, which is higher than the agreed-upon Project Manager rate of \$180. Please provide the build-up to this blended rate.</li> <li>11/15/2021</li> <li><u>AS #3</u> - Public Works provided supporting documents.</li> <li><u>AS #4</u> - Public Works provided billing rate schedule for Hinman Consultants.</li> <li><u>AS #4</u> - Public Works provided billing rate schedule for Hinman Consultants.</li> </ul>
								at the agreed-upon rate. <u>AS #13</u> - Public Works provided invoices that reflected Design Services billed at the agreed-upon rate. <u>11/17/2021</u> <u>AS #3 -</u> Baker Tilly reviewed supporting documents. No exceptions noted. <u>AS #4</u> - Baker Tilly reviewed the billing rate schedule. No exceptions noted. <u>AS #9 and AS #12</u> - Baker Tilly reviewed invoices provided. No exceptions noted. <u>AS #13</u> - Baker Tilly reviewed invoices provided. No exceptions noted.



Client City of Palo Alto Project Public Safety Building Request for Information (RFI) Log

Updated: 11.17.2021

<b>RFI ID No</b>	o. Period	Request Contact	RFI Description	Request Date	Response Date	Response	Status	Result
010	Monthly testing	Public Works	RossDrulisCusenbery (RDC) - In reviewing AS #21, we noted no supporting documents were provided for WSP, Sandis Civil, and Interstice costs.	9/20/2021	9/23/2021	Public Works provided an explanation for the execution of AS#21.	Closed	Baker Tilly reviewed AS #21 and explanation appears reasonable. No additional comments.
011	Monthly testing	Public Works	Consolidated Engineering Laboratories - Please provide all invoices.	9/20/2021	9/23/2021	No Consolidated Engineering Laboratories invoices to date.	Closed	N/A
012	Monthly testing	Public Works	<u>4Leaf, Inc</u> - Please provide master agreement C21177994A.	9/20/2021	9/23/2021	Public Works provided the requested agreement to Baker Tilly.	Closed	Baker Tilly reviewed the agreement. No additional comments.
013	Monthly testing	Public Works	Swinerton Builders - Please provide Pay App #5.	11/17/2021			Open	
014	Monthly testing	Public Works	Swinerton Builders - In Change Order #10, amount executed for COR 59 shows \$60,284.28; however, support totals \$99,635.05. This difference is due to time extension and its respective costs not being approved at the time. Please provide the breakdown of these costs as there is no clear breakdown in the support. This also occurs in COR 41, 83, and 22.	11/17/2021			Open	
015	Monthly testing	Public Works	RossDrulisCusenbery (RDC) - Please provide supporting documents for AS #24.	11/17/2021			Open	
016	Monthly testing	Public Works	<u>4 Leaf, Inc</u> - Please provide all invoices subsequent to July 2021.	11/17/2021			Open	









Meeting Date: 2/7/2022

Title: Policy and Services Committee Recommends Approval of the Office of the City Auditor's Task Order to Perform a Wire Payment Process and Controls Review

From: City Manager

Lead Department: City Auditor

# Recommendation

The Policy and Services Committee recommends that the City Council approve the Office of the City Auditor's Wire Payment Process and Controls Audit Activity Task Order.

## Discussion

In accordance with <u>Baker Tilly's agreement with the City</u>, the Office of the City Auditor is required to conduct audit activities each year. The forthcoming audit plan, to be presented to Policy & Services Committee in February of 2022, will include a recommended audit activity, Wire Payment Process and Controls Review project. Given the importance of the topic, and that the City has been subject to multiple attempts to misdirect wire payments, the City Auditor recommends that the City begin the work at an earlier date.

Preliminary audit objectives include:

- Determine whether adequate controls are in place and working effectively to ensure that all disbursements are valid and properly processed in compliance with City's policies and procedures
- Determine whether end user security awareness training is sufficient to prevent erroneous payments

The Policy & Services Committee unanimously approved the task order at the December 14, 2021 meeting (ID # 13838).

# Timeline, Resource Impact, Policy Implications (If Applicable)

The budget for each Task Order noted above aligns to the previously approved budget for the Office of the City Auditor, the agreement with Baker Tilly, and will be included in the Audit Plan for 2022, scheduled for review in February 2022. Thus, there is no additional resource impact associated with this item.

#### **Stakeholder Engagement**

The Office of the City Auditor will coordinate with the Administrative Services Department, as well as with the Office of the City Attorney and the Office of the City Manager.

#### **Environmental Review**

Environmental review is not applicable to this activity. **Attachments**:

• Attachment7.a: Task Order 4.12 - Wire Payment Process and Controls Audit Activity

#### **PROFESSIONAL SERVICES TASK ORDER**

#### TASK ORDER FY22-004.12

Consultant shall perform the Services detailed below in accordance with all the terms and conditions of the Agreement referenced in Item 1A below. All exhibits referenced in Item 8 below are incorporated into this Task Order by this reference. The Consultant shall furnish the necessary facilities, professional, technical and supporting personnel required by this Task Order as described below.

CONTRACT NO.	
OR PURCHASE ORDER REQUISITION NO.	(AS APPLICABLE)

- 1A. MASTER AGREEMENT NO. (MAY BE SAME AS CONTRACT / P.O. NO. ABOVE):
- 1B. TASK ORDER NO.: FY22-004.12
- 2. CONSULTANT NAME: Baker Tilly US, LLP
- 3. PERIOD OF PERFORMANCE: START: January 10, 2022 COMPLETION: June 30, 2022
- 4 TOTAL TASK ORDER PRICE: \$54,550 BALANCE REMAINING IN MASTER AGREEMENT/CONTRACT: Remaining in Task 4 FY22:
- 5. BUDGET CODE\_\_\_\_\_ COST CENTER\_\_\_\_\_ COST ELEMENT\_\_\_\_\_ WBS/CIP\_\_\_\_\_ PHASE\_\_\_\_\_
- 6. CITY PROJECT MANAGER'S NAME & DEPARTMENT: Lydia Kou, Chair of the City Council's Policy and Services Committee
- 7. DESCRIPTION OF SCOPE OF SERVICES (Attachment A) MUST INCLUDE:
  - SERVICES AND DELIVERABLES TO BE PROVIDED
  - SCHEDULE OF PERFORMANCE
  - MAXIMUM COMPENSATION AMOUNT AND RATE SCHEDULE (as applicable)
  - REIMBURSABLE EXPENSES, if any (with "not to exceed" amount)
- 8. ATTACHMENTS: A: <u>Task Order Scope of Services</u> B (if any): <u>N/A</u>

I hereby authorize the performance of the work described in this Task Order.	I hereby acknowledge receipt and acceptance of this Task Order and warrant that I have authority to sign on behalf of Consultant.		
APPROVED:	APPROVED:		
CITY OF PALO ALTO	COMPANY NAME:		

BY:	BY:	
Name	Name	
Title	_ Title	
Date	Date	

#### Attachment A DESCRIPTION OF SCOPE OF SERVICES

# Introduction

Attachment A, the Description of Scope of Services, contains the following four (4) elements:

- Services and Deliverables To Be Provided
- Schedule of Performance
- Maximum Compensation Amount and Rate Schedule (*As Applicable*)
- Reimbursable Expenses, if any (With "Not To Exceed" Amount)

# Services & Deliverables

Baker Tilly's approach to conducting the Work Order Process Review involves three (3) primary steps:

- Step 1: Audit Planning
- Step 2: Process and Control Review
- Step 3: Reporting

#### Step 1 – Audit Planning

This step consists of the tasks performed to adequately plan the work necessary to address the overall audit objective and to solidify mutual understanding of the audit scope, objectives, audit process, and timing between stakeholders and auditors. Tasks include:

- Gather information to understand the environment under review
  - o Understand the organizational structure and objectives
  - Review the City code, regulations, and other standards and expectations
  - Review prior audit results, as applicable
  - o Review additional documentation and conduct interviews as necessary
- Assess the audit risk
- Write an audit planning memo and audit program
  - Refine audit objectives and scope
  - Identify the audit procedures to be performed and the evidence to be obtained and examined
- Announce the initiation of the audit and conduct kick-off meeting with key stakeholders
  - Discuss audit objectives, scope, audit process, timing, resources, and expectations
  - o Discuss documentation and interview requests for the audit

#### Step 2 – Process and Control Review

This step involves executing the procedures in the audit program to gather information, interview individuals, and analyze the data and information to obtain sufficient evidence to address the audit objectives. The preliminary audit objective is to: (1) Determine whether adequate controls are in place and working effectively to ensure that all disbursements are valid and properly processed in compliance with City's policies and procedures; (2) Determine whether end user security awareness training is sufficient to prevent erroneous payments caused by phishing. Procedures include:

- Interview the appropriate individuals to understand the identified instance of wire fraud
- Interview the appropriate individuals to understand the process, the information system used, and manual and automated controls related to the disbursement process including vendor record creation and modification
- Interview the appropriate individuals to understand the end user awareness training
- Review policies and procedures as well as the regulations and standards to identify the criteria to be used for evaluation of control design and effectiveness
- Test disbursement transactions and new and modified vendor records as well as related key internal controls on a sample basis
- Compare the process and controls against the best practices

#### Step 3 – Reporting

In Step 3, the project team will perform tasks necessary to finalize audit working papers, prepare and review a draft report with the stakeholders, and submit a final audit report. Tasks include:

- Develop findings, conclusions, and recommendations based on the supporting evidence gathered
- Validate findings with the appropriate individuals and discuss the root cause of the identified findings
- Complete supervisory review of working papers and a draft audit report
- Distribute a draft audit report and conduct a closing meeting with key stakeholders
  - Discuss the audit results, finings, conclusions, and recommendations
  - Discuss management responses
- Obtain written management responses and finalize a report
- Review report with members of City Council and/or the appropriate Council Committee
- Present the final report to the City Council and/or appropriate Council Committee

#### Deliverables:

The following deliverables will be prepared as part of this engagement:

• Audit Report

# Schedule of Performance

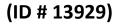
Anticipated Start Date: January 10, 2022 Anticipated End Date: June 30, 2022

# Maximum Compensation Amount and Rate Schedule

The not-to-exceed maximum, inclusive of reimbursable expenses (as summarized below) for this Task is \$54,550. The not-to-exceed budget is based on an estimate of 240 total project hours.

# Reimbursable Expenses

We plan to complete all work remote including all interviews and documentation review. If at any point the City and Baker Tilly mutually determine it will be beneficial to perform a portion of the work on-site, we will submit an estimate of our reimbursable expenses for the City's approval prior to traveling to Palo Alto.





**City of Palo Alto** Office of the City Clerk City Council CAO Report

# Meeting Date: 2/7/2022

# Title:Adoption of a Resolution Authorizing Use of Teleconferencing forCouncil Meetings During Covid-19 State of Emergency

# From: Mahealani AhYun, Deputy City Clerk

#### Recommendation

Adopt a Resolution (**Attachment A**) authorizing the use of teleconferencing under Government Code Section 54953(e) for meetings of the Council and its committees due to the Covid-19 declared state of emergency.

#### Background

In February and March 2020, the state and the County declared a state of emergency due to the Covid-19 pandemic. Both emergency declarations remain in effect.

On September 16, 2021, the Governor signed AB 361, a bill that amends the Brown Act, effective October 1, 2021, to allow local policy bodies to continue to meet by teleconferencing during a state of emergency without complying with restrictions in State law that would otherwise apply, provided that the policy bodies make certain findings at least once every 30 days.

AB 361, codified at California Government Code Section 54953(e), empowers local policy bodies to convene by teleconferencing technology during a proclaimed state of emergency under the State Emergency Services Act in any of the following circumstances:

- (A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
- (B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B) (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees. (Gov. Code § 54953(e)(1).)

In addition, Section 54953(e)(3) requires that policy bodies using teleconferencing reconsider the state of emergency within 30 days of the first teleconferenced meeting after October 1, 2021, and at least every 30 days thereafter, and find that one of the following circumstances exists:

- 1. The state of emergency continues to directly impact the ability of the members to meet safely in person.
- 2. State or local officials continue to impose or recommend measures to promote social distancing.

#### Discussion

At this time, the circumstances in Section 54953(e)(1)(A) exist. The Santa Clara County Health Officer continues to recommend measures to promote outdoor activity, physical distancing and other social distancing measures, such as masking, in certain contexts. (See August 2, 2021 <u>Order.</u>) In addition, the California Department of Industrial Relations Division of Occupational Safety and Health (Cal/OSHA) has promulgated Section 3205 of Title 8 of the California Code of Regulations, which requires most employers in California, including in the City, to train and instruct employees about measures that can decrease the spread of COVID-19, including physical distancing and other social distancing measures.

Accordingly, Section 54953(e)(1)(A) authorizes the City to continue using teleconferencing for public meetings of its policy bodies, provided that any and all members of the public who wish to address the body or its committees have an opportunity to do so, and that the statutory and constitutional rights of parties and the members of the public attending the meeting via teleconferencing are protected.

To comply with public health directives and promote public safety, Palo Alto policy bodies have been meeting via teleconference since March 2020. On September 27, 2021, Council considered the format for future Council, committee, and Board and Commission meetings. Council determined that beginning November 1, 2021, Council meetings would be conducted using a hybrid format that allows Council Members and the public to decide whether to attend in person, following masking and distancing protocols, or participate via teleconference. Council directed that Council standing and ad-hoc committees and Boards and Commissions would continue meeting via teleconference through January 2022.

Adoption of the Resolution at **Attachment A** will make the findings required by Section 54953(e)(3) to allow the continued use of teleconferencing for Council meetings (for those Council Members who elect to participate remotely) and for Council standing and ad hoc committees. Each Board and Commission will consider and make similar findings.

#### **ATTACHMENTS:**

 Attachment8.a: Attachment A: Resolution Allowing Hybrid In-Person and Teleconferenced Meetings under Section 54953(e) (PDF) Resolution No.

Resolution Making Findings to Allow Teleconferenced Meetings Under California Government Code Section 54953(e)

#### RECITALS

A. California Government Code Section 54953(e) empowers local policy bodies to convene by teleconferencing technology during a proclaimed state of emergency under the State Emergency Services Act so long as certain conditions are met; and

B. In March 2020, the Governor of the State of California proclaimed a state of emergency in California in connection with the Coronavirus Disease 2019 ("COVID-19") pandemic, and that state of emergency remains in effect; and

C. In February 2020, the Santa Clara County Director of Emergency Services and the Santa Clara County Health Officer declared a local emergency, which declarations were subsequently ratified and extended by the Santa Clara County Board of Supervisors, and those declarations also remain in effect; and

D. On September 16, 2021, the Governor signed AB 361, a bill that amends the Brown Act to allow local policy bodies to continue to meet by teleconferencing during a state of emergency without complying with restrictions in State law that would otherwise apply, provided that the policy bodies make certain findings at least once every 30 days; and

E. While federal, State, and local health officials emphasize the critical importance of vaccination and consistent mask-wearing to prevent the spread of COVID-19, the Santa Clara County Health Officer has issued at least one order, on August 2, 2021 (available online at <u>here</u>), that continues to recommend measures to promote outdoor activity, physical distancing and other social distancing measures, such as masking, in certain contexts; and

F. The California Department of Industrial Relations Division of Occupational Safety and Health ("Cal/OSHA") has promulgated Section 3205 of Title 8 of the California Code of Regulations, which requires most employers in California, including in the City, to train and instruct employees about measures that can decrease the spread of COVID-19, including physical distancing and other social distancing measures; and

G. The Palo Alto City Council has met remotely during the COVID-19 pandemic and can continue to do so in a manner that allows public participation and transparency while minimizing health risks to members, staff, and the public that would be present with in-person meetings while this emergency continues; now, therefore,

The Council of the City of Palo Alto RESOLVES as follows:

- 1. As described above, the State of California remains in a state of emergency due to the COVID-19 pandemic. At this meeting, the Palo Alto City Council has considered the circumstances of the state of emergency.
- 2. As described above, State and County officials continue to recommend measures to promote physical distancing and other social distancing measures, in some settings.

AND BE IT FURTHER RESOLVED, That for at least the next 30 days, meetings of the Palo Alto City Council and its committees will occur in a hybrid format, where both members of the policy body and members of the public may elect to be present in person, utilizing appropriate distancing and masking practices, or participate by teleconferencing technology. Such meetings of the Palo Alto City Council and its committees that occur using teleconferencing technology will provide an opportunity for any and all members of the public who wish to address the body its committees and will otherwise occur in a manner that protects the statutory and constitutional rights of parties and the members of the public attending the meeting via teleconferencing; and, be it

FURTHER RESOLVED, That the City Clerk is directed to place a resolution substantially similar to this resolution on the agenda of a future meeting of the Palo Alto City Council within the next 30 days. If the Palo Alto City Council does not meet within the next 30 days, the City Clerk is directed to place a such resolution on the agenda of the immediately following meeting of Palo Alto City Council.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

**ABSTENTIONS:** 

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

**City Attorney** 

City Manager



9

# Meeting Date: 2/7/2022

Title: Policy and Services Committee Recommendation that City Council Approve the 2022 Legislative Guidelines; Utilities Advisory Commission Recommendation that City Council Approve the 2022 Utilities Legislative Guidelines

# From: City Manager

# Lead Department: City Manager

#### Recommendation

Policy & Services Committee and staff recommend that the City Council:

- 1. Approve the City's 2022 Legislative Guidelines as recommended by the Policy and Services Committee on December 14, 2021, and
- 2. Approve the 2022 Utilities Legislative Policy Guidelines as recommended by the Utilities Advisory Committee on November 3, 2021.

#### Background

On December 14, 2021, the Policy and Services Committee received a presentation from staff and the City's State and Federal legislative advocates regarding previous and upcoming potential legislation and programs. Additionally, the Policy and Services Committee discussed the draft Citywide Federal and State Legislative Guidelines. The guidelines, as recommended with an amendment by the Committee are included in **Attachment A**. The redlined version to show the differences between the 2022 and 2021 guidelines can be found within the staff report that went to Policy and Services Committee (<u>CMR 13850</u>). The recommended guidelines closely mirror previous guidelines and include recent referrals to the Policy and Services Committee including police reform and transparency. The Guidelines work in conjunction with the City Council-approved <u>Advocacy Process Manual</u> and the City Council action to do "Strategic Weighing in on Issues of Interest" (June 22, 2021 <u>CMR 12344</u>; <u>Minutes</u>). The Policy and Services Committee recommended City Council approve these Legislative Guidelines with a 3-0 vote.

On November 3, 2021, the Utilities Advisory Commission (UAC) discussed and recommended City Council approve the 2022 Utilities Legislative Guidelines, found in **Attachment B**.

#### Discussion

The City has a long-standing legislative program to ensure that potentially impactful State and

Federal legislation is identified and analyzed by staff, that (as needed) the City takes advocacy positions, and that the City's advocacy positions are made known to legislators and the public, as appropriate. The legislative program is guided by the <u>Advocacy Process Manual</u>. In addition to this manual, the City maintains a City Council-approved set of Legislative Guidelines for the City as a whole and for the Utilities Department, as noted below. These guidelines are reviewed and approved annually.

#### Legislative Guidelines

The Legislative Guidelines (Attachment A) enhance and add context to the City Council's overarching priorities and guide staff and the City's legislative advocates on issues that arise during the legislative session. The guidelines are reviewed and possibly updated each year to address new and evolving issues relevant to Palo Alto. The guidelines are not rank-ordered and are intentionally reasonably broad, rather than specifically narrow or tailored, to allow for a flexible and quick response. The guidelines are not specific direction on any given piece of legislation. Instead, they act as a means by which staff and the City's advocates can respond to State and Federal government action without returning to the City Council each time a bill is introduced or amended.

#### Utilities Department's Legislative Guidelines

The Utilities Department is possibly the City's most regulated department, with over 50 new state bills potentially impacting its operations introduced each legislative session. The scope and breadth of state regulatory and legislative action span most utility lines and usually include water quality, rates, wildfire mitigation, greenhouse gas reduction policies, reporting changes, infrastructure-related mandates, and more. This is in addition to federal agencies involved in regulating or overseeing some of our utility lines.

The unique focus on the Utilities Department from the federal and state governments gives rise to a set of legislative guidelines specific to the Utilities Department and approved by the Utilities Advisory Commission (UAC). These guidelines work in parallel with the City's own legislative guidelines and the City's <u>Advocacy Process Manual</u>, the latter of which specifically notes the distinction of the Utilities Department on page 4.

As per the usual process, on November 3, 2021, the UAC discussed and recommended the City Council approve the 2022 Utilities Legislative Guidelines, found in **Attachment B**. Part of the UAC discussion centered on the fact that the Utilities' guidelines provide direction while allowing for staff discretion and that staff has worked well within the guidelines in the past. Importantly, the 2022 guidelines remain unchanged from the 2021 and 2020 guidelines, which Council approved on February 8, 2021 and January 13, 2020, respectively. While intentionally crafted to remain evergreen, Utilities staff anticipates taking a thorough review of the guidelines this year, to consider any changing policy landscape, any different resource needs, and any change in the needs of the City and the Utilities Department.

#### Timeline, Resource Impact, Policy Implications (If Applicable)

9

There is no direct resource impact associated with approving the City's Legislative guidelines and the Utilities legislative guidelines. However, actions taken that support the efficient use of the City's assets and resources will help control costs, implement the City Council's policies and goals, and protect the interests of the community.

#### Stakeholder Engagement

The City's and the Utilities Department's Legislative Guidelines were informed through an internal and external stakeholder process involving gaining information from City Council referrals, internal departments, State and Federal advocates, various trade associations, and the Northern California Power Agency joint action agency. Additionally, both sets of draft guidelines were reviewed and discussed at noticed, public hearings.

#### **Environmental Review**

This report is not a project for the purposes of the California Environmental Quality Act; an environmental review is not required.

#### Attachments:

- Attachment9.a: Attachment A: Proposed Final 2022 Citywide Legislative Guidelines
- Attachment9.b: Attachment B: 2022 Utilities legislative guidelines

# The City of Palo Alto's 2022 Federal and State Legislative Guidelines

These Guidelines reflect and activate the City Council's priorities; they do not supplant them. They work to guide staff and the City's legislative advocates on issues that are important to the City Council, and fairly likely to become a legislative issue. These Guidelines are not rankordered and are meant to allow for a flexible and quick response by staff and advocates, without the need to return to the City Council to seek guidance. The Guidelines work in conjunction with the City Council-approved Advocacy Process Manual and the City Council action to do "Strategic Weighing in on Issues of Interest" (June 22, 2021 <u>CMR 12344</u>; <u>Minutes</u>).

The below **Foundational Principles** represent the ideals that form the core of the City's policy agenda. The legislative guidelines all rise from and strengthen four foundational principles:

1. Protect local revenue sources and prevent unfunded mandates.

2. Protect, seek, and increase funding for programs, projects, and services; pursue grants.

3. Protect and increase local government discretion. Oppose items that preempt or reduce the authority or ability of local government to determine how to effectively operate local programs, services, activities, and governance.

4. Protect the health and safety of the community.

The **Legislative Guidelines** create the framework for organizing the City's policy interests, while guiding staff and contracted lobbyists in their advocacy efforts on behalf of the City. The items below provide direction for the City's efforts when addressing reasonable government actions.

#### **Transportation**

The City supports government action that:

- Deters single occupancy drivers and alleviates local traffic congestion
- Supports local and regional public transportation
- Regulates technology that diverts traffic into residential neighborhoods
- Provides funding for rail grade separations, rail efficiency improvements, and other means of reducing the local impacts of regional transportation systems

#### **Environmental**

The City supports government action that:

- Reduces GHG emissions
- Reduces airplane noise, health impacts, and/or airplane emissions
- Promotes residential and vehicle electrification programs

- Promotes the use of renewable resources, water conservation, and the flexible use of existing resources
- Supports a statewide ban on polystyrene containers and packaging materials
- Provides opportunities for staff to work with the San Francisquito Creek Joint Powers Authority and other regional stakeholders in efforts to improve the creek's watershed and floodplain
- Supports efforts to protect local communities from sea level rise and other impacts of climate change
- Supports proper disposal of recyclables once removed from Palo Alto

#### <u>Financial</u>

The City supports government action that:

- Supports the long-term stability of CalPERS and the ability of local governments to mitigate and manage with flexibility its pension obligations
- Protects the funding sources and levels of City services
- Provides for COVID-19 related expenses and revenue losses
- Supports the continued deductibility of tax-exempt municipal bonds and the restoration of Advance Refunding of Tax-Exempt Municipal Bonds

#### Public Employment

The City supports government action that:

• Preserves local government's ability to manage its own employment issues, including, but not limited to hiring, evaluating, disciplining, and/or terminating and negotiating collective bargaining agreements with employees' representatives

#### <u>Technology</u>

The City supports government action that:

• Supports reasonable regulatory efforts surrounding policies regarding cybersecurity, drones, shared mobility services, returning to Obama-era net neutrality regulations, and smart city initiatives

#### <u>Housing</u>

The City supports government action that:

• Supports reasonable housing policies that recognize local autonomy to maintain the local public process and preserve local government's ability to determine land use policies and development standards

- Provides funding for (a) affordable housing, (b) homelessness, and (c) infrastructure (such as parks, utilities, roads, and transit) required to support the increased housing production
- Fosters reasonable ratios between jobs and housing
- Supports the development and implementation of efficient and environmentally sustainable land use and building practices

## <u>Police</u>

The City supports government action that:

Supports efforts which seek to modify policing services, including but not limited to
alternative public safety models and funding to address community mental health issues,
expansion of requirements regarding police data and rules regarding prior employment
information transparency, and expansion of data and communications including radio
encryption.

## <u>Other</u>

The City supports government action that:

- Updates, implements, and refines processes, services, and programs affecting the City. This includes, but is not limited to, public safety reform efforts and streamlining reporting mandates
- Protects individual privacy and allows the City to safeguard customer information
- Provides for the equal treatment of all individuals
- Allows the City to support the collaborative work of regional partners, trade associations, other local governments and organizations, and Joint Powers Authorities

# **Utilities Legislative Policy Guidelines: 2022 Update**

City of Palo Alto Utilities Department (CPAU) staff will use the below guidelines as well as the City's guidelines to help determine any advocacy position or action on Utilities-related issues. Formal advocacy, such as submitting written letters or comments and meeting with policymakers and/or staff, requires the approval of the Utilities Director or his designee.

- 1. Seek to preserve local government flexibility, discretion, accountability, and oversight of matters impacting utility programs, services, activities, and rates. Oppose action that could hamper or minimize this flexibility or discretion.
- 2. Where possible, seek funding and program incentives.
- 3. Advocate for reasonable government action with minimal customer impact that allows for flexibility and implementation feasibility.
- 4. Advocate for locally-designed conservation or efficiency programs. Support reasonable State conservation or efficiency requirements that consider local populations, environment, and resources.
- 5. Inform state and federal policymakers about CPAU's current programs, services, goals, and reporting requirements.
- 6. Oppose unnecessary, unreasonable, impractical, or costly rates or mandates.
- 7. Collaborate with and support the efforts of regional agencies and associations whose goals align with ours.
- 8. Advocate for fair cost allocation and support the principle of beneficiary pays.
- 9. Support efforts to maintain or improve the security and reliability of our infrastructure.
- 10. Support government action that cost effectively reduces greenhouse gas emissions.
- 11. Promote locally-designed residential and commercial electrification programs.
- 12. Support government action allowing CPAU to maintain customer confidentiality.



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.

City of Palo Alto

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- 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: 2<sup>nd</sup> 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: 3<sup>rd</sup> 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 (<u>CMR 13439</u>), 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) (<u>CMR 13800</u>). 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 2<sup>nd</sup> 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 (<u>CMR 13439</u>), 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 (<u>CMR 13440</u>): Accept CalPERS Pension Annual Valuation as of June 30, 2020
- October 25, 2021, City Council (<u>CMR 13439</u>): 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 (<u>CMR 13499</u>): *Receive and Discuss Report on Public Safety Long Term Financial Trends*
- November 30, 2021, Finance Committee (<u>CMR 13501</u>): 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 (<u>CMR 13502</u>): 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 (<u>CMR 12394</u>): First Quarter Financial Report FY 2022
- January 10, 2021, City Council (<u>CMR 13800</u>): Review and Accept the FY 2023 FY 2032 Long Range Financial Forecast (LRFF) and FY 2023 Budget Development Guidelines
- January 24, 2021, City Council (<u>CMR 13876</u>): 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 2<sup>nd</sup> 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:

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
Subtotal Reinvestment Actions:	\$(1.8) M
Technical Adjustments:	
Major Tax Revenues (Property Tax)	\$2.0 M
Department Revenues	\$(0.2) M
(Foothills Preserve Entry Fees, County Task Force, Other Grants/Donations)	
Golf Course Revenues and Contract Services Alignment	\$(0.1) M
Supplemental Pension 115 Trust Contribution	\$(2.0) M

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

(Approximately 50% of the excess FY 22	1 Budget Stabilization	Reserve)		
Utility Equity Transfer				\$(0.3) M
Public Safety Employee Apprecia		\$(0.4) M		
Consultancy Services		\$(0.5) M		
(Project Homekey, OPEB valuation, insp	pections and application	on processing)		
Code Enforcement Litigation – E		\$(0.4) M		
Gas Commodity Purchase/Utility Allocated Charges				\$(0.1) M
Subtotal Technical Adjustments				\$(2.0) M
Total Net Im	ustments	\$(3.8) M		
Recommended Use of Reserves				
Development Services Reserve		\$(0.2) M		
Use of Budget	(BSR)	\$(3.6) M		
(BSR remains at 19.0% and \$1.0 M abo		· ·		
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

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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 inquires, 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:	Gei	neral Fund		All Funds
	\$0 est.	\$42,000	\$0 est.	\$425,000
	revenue	expense	revenue	expense
	-0.09 Full-tin	ne Staffing	5.25 Full-ti	me Staffing
Posourcos for contractual work to de	oar bruch and	vogotation alo	ng the read i	n ardar ta

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 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. 10

\$258,000 est. revenue \$362,000 expense

\$2.0 M expense

\$0 est. revenue

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.

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

Utility Equity Transfer:(\$349,000) est. revenue\$0 expenseThis action reduces the equity transfer to the General Fund from the Electric (\$160,000) andGas (\$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) asof 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.

Golf Course Services:

projections for FY 2022 Golf Course operations.

Supplemental Pension Trust Contribution:

### 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 reduces 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 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. 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 2<sup>nd</sup> 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) distributions<sup>1</sup> 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.

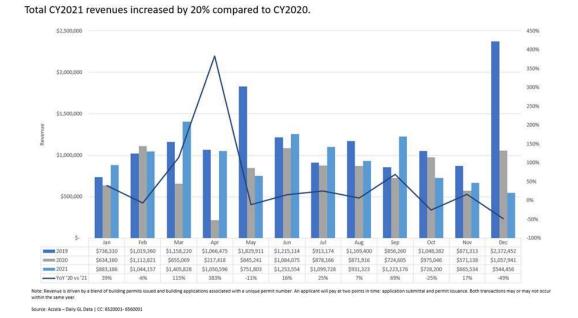
Community Services (CSD): CSD has resumed most programming and operations in accordance with the lifting of many State and County Public Health restrictions. At the end of the second quarter, CSD revenue reached 35 percent of levels assumed in the adopted budget, at approximately \$4.7 million. The department 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

Other Revenues

Rent Forgiveness Program: On June 7, 2021, Council approved a rent forgiveness program (<u>CMR</u> <u>12234</u>) 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 leaves<sup>2</sup> also impacts service capacity. Looking at 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

#### <u>Parking Funds</u>

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 prepandemic 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.

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

# Table 3: Parking Permit Sales as of FY 2022 Q2

#### 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 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. 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 2<sup>nd</sup> 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 in 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:

Fund Type	Fund	Amount
Capital	Capital Improvement Fund	\$69,000
Enterprise	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)
Internal Service	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)
Special Revenue	University Avenue Parking Fund	\$46,000

# Table 4: Resource Impact (Non-General Fund)

#### **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:

- Attachment10.a: Attachment A Recommended Budget Adjustments
- Attachment10.b: Attachment A, Exhibit 1 Central Adjustments in Various Funds
- Attachment10.c: Attachment B Amended Table of Organization
- Attachment10.d: Attachment C Public Safety Overtime Analysis

# CITY OF PALO ALTO

Department		FTE	Revenues djustment	xpenses ljustment
GENERAL FU	ND (102)			
Administrative Services	<b>Project Homekey</b> 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:	0.00	\$ -	\$ 143,000
Administrative Services	\$0) 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	0.00	\$ -	\$ 64,500
City Attorney	Financial Forecasts. (Ongoing costs: \$0) <b>City Attorney's Office Staffing Reclassification</b> 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	0.48	\$ 37,500	\$ 11,968
Community Services	afterschool, weekend and summer camp programs. (Ongoing savings: \$33,000) <b>Art Center Foundation Donation Revenue Estimate</b> 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	<b>Golf Course Green Fee Revenue/Management Contract Services Alignment</b> 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	<b>Foothills Nature Preserve Vehicle Entry Fee Revenue/Supervising Ranger Vacancy Savings</b> 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

# CITY OF PALO ALTO

	FTE	Adjustment	Adjustment
IND (102)			
<b>Temporary Fire Training Facility</b> 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,C
<b>Firefighter Academy Overtime and Personal Protective Equiment (PPE)</b> 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,C
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	\$-	\$ 150,00
<b>Public Safety Employee Appreciation Leave</b> 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	\$-	\$ 150,0
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	\$-	\$ 62,7
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	\$-	\$ 50,6
<b>Community Needs Assessment and Staff Analysis</b> 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	\$-	\$ 50,0
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	\$-	\$ 75,0
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	\$-	\$ 60,0
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	0.00	\$-	\$ 4,3
	<ul> <li><b>Temporary Fire Training Facility</b></li> <li>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 diverse performation training failing vescelses instead of traveling to another juristicion. (Origoing costs: 50)</li> <li><b>Pinefighter Academy Overtime and Personal Protective Equiment (PPE)</b></li> <li>This action appropriates 5682,2000 for backfill overtime costs estimated for the hire of up to 7.0 FTE firefighters planed to be hired and attend the Academy during FV 2022. Backfill overtime is used to maintain minimum staffing levels on assigned units while new firefighters attend the academy. This action ands opprovates 522,500 for corresponding personal protective equipment (PPE) for each of the new employees. This does not contemplate the additional 5.0 new fire fighter position added with the recent award of the SERE gurant as backfill overtime to maintain line staffing. This will help the Department to meet the required proportion of 5000 parametics contail line personal. The Department currently has 59% of parametics for all line personal. The Department currently has 59% of parametics for all line personan line staffing. This will have the Department to meet this required proportion of 5000 parametics for all line personal. The Department currently has 59% of parametics for all line personal to and the start current bas 59% of parametics for all line personal to additional staffic attending and increasing that number. Juning for promotional opportant for the seare evaluation. This action allows the department to fill with employees in the Academy. (Origoing costs: \$13,000)</li> <li><b>Decosters to</b> Additional Sbarnet Vescer Staffic and the start and the staffic attending and the start of work in the Fire Department. To provide essential services and envirgencure to a staffic attending and the start of the lower the addi</li></ul>	ND [102]       Comport Fire Training Facility       0.00         This action approprists 5135,000 for the purchase of a temporary training trailer to provide required training for new incellphases and to meet transping facility are studied and identified. This trailer allows staff to remain in Palo Alto and respond to indicate during training excession isoud of trailering to onder uprotein to 2.0 FIF firefighters accession to an other advances and a construct the Advance of the adv	ND (102)       0.00 \$

#### **CITY OF PALO ALTO**

#### **RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET**

Department		FTE	Revenues Adjustment	Expenses Adjustment
GENERAL FU	IND (102)			
Planning and Development	<b>Code Enforcement Staffing</b> 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
Planning and Development	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
Planning and Development	<ul> <li>Increase Capacity of Building and Fire Inspection Programs</li> <li>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.</li> <li>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)</li> </ul>	0.00	\$-	\$ 240,000
Planning and Development	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
Police	<b>Uniforms and Equipment Funding</b> 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
Police	<b>Technical Services Division Staffing</b> 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	1.00	\$-	\$ 106,211

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)

Police

#### 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)

#### Police

#### 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 \$ (103,004) \$

-

\$

0.00 \$

250,000

#### **CITY OF PALO ALTO**

# **RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET**

Department		FTE	venues ustment	Expenses djustment
GENERAL FU	ND (102)			
Public Works	<b>Foothills Road Brush Clearing</b> 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	0.00	\$ -	\$ 54,800
Public Works	costs: \$55,000) <b>Sustainability and Climate Action Plan (S/CAP) Oversight Staffing</b> 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	<b>Code Enforcement Litigation - Edgewood Plaza</b> 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	<b>Transfer to the General Benefits Fund for Supplemental Pension Contributions</b> 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	<b>Property Tax Revenue</b> 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	<b>Development Services Reserve</b> 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	<b>Employee Parking Permit Transfer to the University Avenue Parking Fund</b> 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 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 also recommended. For the General Fund, this action also includes	0.00	\$ 250,000	\$ 431,645

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)

Various	Gas Commodity Purchase/Utilities Allocated Charges	0.00	\$ -	\$ 82,246
	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)			
Fund Balance	Adjustment to Fund Balance	0.00	\$ -	\$ (3,630,711)
	This action adjusts the fund balance to offset adjustments recommended in this report.			
	GENERAL FUND (102) SUBTOTAL	4.60	\$ 2,057,281	\$ 2,057,281

**CITY OF PALO ALTO** 

Department		FTE	Revenues Adjustment	•	enses stment
CAPITAL IM	PROVEMENT FUNDS				
<u>GENERAL FUND</u> Office of Transportation	<b>CAPITAL IMPROVEMENT FUND (471)</b> <b>Reclassify Traffic Engineering Lead to Senior Engineer</b> 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	<b>Streetlight Repair and Installation</b> 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	<b>Adjustment to Fund Balance</b> 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	\$-	\$	-

# CITY OF PALO ALTO

# RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

2) Archase/Utilities Allocated Charges by mmodity purchases increased by \$7.7 million in the Gas Fund. This stent with the preliminary gas supply forecast, which reflects fluctuating anticipated demand. The City's cost of gas is budgeted as allocated charges nents and funds; therefore, corresponding increases in various departments' re recommended. The impact to the General Fund in FY 2022 is .000; other funds \$29,000. A detailed list of impacts by department and in Attachment A, Exhibit 1. (Ongoing costs: \$1,000) ent Software mation, view and pay their invoices and/or report issues with facilities, and mline their day to day workload, and better track costs of maintenance and so recognizes federal grant funding to offset the cost of the software. 2,000) or mating to purchase a tractor at the Airport. The Airport is currently leasing a approximately 100 acres of land. Long term the cost of leasing a vehicle is	0.00		- 45,000	\$ \$	1,083 45,000
Archase/Utilities Allocated Charges Archase/Utilities Allocated Charges Argent with the preliminary gas supply forecast, which reflects fluctuating anticipated demand. The City's cost of gas is budgeted as allocated charges nents and funds; therefore, corresponding increases in various departments' re recommended. The impact to the General Fund in FY 2022 is (000; other funds \$29,000. A detailed list of impacts by department and in Attachment A, Exhibit 1. (Ongoing costs: \$1,000) Ent Software Inding to purchase software to manage rental and administrative functions software will provide an interactive platform in which customers can view mation, view and pay their invoices and/or report issues with facilities, and mline their day to day workload, and better track costs of maintenance in also recognizes federal grant funding to offset the cost of the software. 2,000) Or	0.00		- 45,000		
Archase/Utilities Allocated Charges Archase/Utilities Allocated Charges Argent with the preliminary gas supply forecast, which reflects fluctuating anticipated demand. The City's cost of gas is budgeted as allocated charges nents and funds; therefore, corresponding increases in various departments' re recommended. The impact to the General Fund in FY 2022 is (000; other funds \$29,000. A detailed list of impacts by department and in Attachment A, Exhibit 1. (Ongoing costs: \$1,000) Ent Software Inding to purchase software to manage rental and administrative functions software will provide an interactive platform in which customers can view mation, view and pay their invoices and/or report issues with facilities, and mline their day to day workload, and better track costs of maintenance in also recognizes federal grant funding to offset the cost of the software. 2,000) Or	0.00		- 45,000		
nding to purchase software to manage rental and administrative functions software will provide an interactive platform in which customers can view mation, view and pay their invoices and/or report issues with facilities, and mline their day to day workload, and better track costs of maintenance in also recognizes federal grant funding to offset the cost of the software. 2,000) or nding to purchase a tractor at the Airport. The Airport is currently leasing a		\$	45,000	\$	45,000
<b>or</b> nding to purchase a tractor at the Airport. The Airport is currently leasing a	0.00				
an purchasing a tractor, and legally the Airport is obligated by Federal ation standards to maintain the infields and movement areas to be kept free d debris in order to keep signs and lighting free from obstructions. This		\$	69,000	\$	69,000
estment actions in the Information Technology Fund cost approximately ng support for security/network managment and the City's Geographic in (GIS), updated security software, new records management software, and equirements. The costs of these services are budgeted as allocated charges ments and funds; therefore, corresponding increases in various departments' for internal services provided by the Information Technology Department are the General Fund, this action also includes technical corrections for direct lanning and Development Services Department (PDS) to support existing c technology (\$324,000). The impact to the General Fund in FY 2022 is 2,000; other funds \$165,000. A detailed list of impacts by department and	0.00	\$	-	\$	1,259
	0.00	\$	-	\$	(2,342
AIRPORT ENTERPRISE FUND (530) SUBTOTAL	0.00	\$	114,000	\$	114,000
nii n n r n f i i r n f i n n n n	nd debris in order to keep signs and lighting free from obstructions. This nizes federal grant funding to offset the cost of the vehicle. (Ongoing costs: <b>nology Reinvestment Actions and Allocated Charges</b> vestment actions in the Information Technology Fund cost approximately ing support for security/network managment and the City's Geographic m (GIS), updated security software, new records management software, and requirements. The costs of these services are budgeted as allocated charges ments and funds; therefore, corresponding increases in various departments' for internal services provided by the Information Technology Department are or the General Fund, this action also includes technical corrections for direct Planning and Development Services Department (PDS) to support existing fic technology (\$324,000). The impact to the General Fund in FY 2022 is 32,000; other funds \$165,000. A detailed list of impacts by department and I in Attachment A, Exhibit 1. (Ongoing costs: \$3,000) <b>nd Balance</b> s the fund balance to offset adjustments recommended in this report.	<ul> <li>bizes federal grant funding to offset the cost of the vehicle. (Ongoing costs:</li> <li>nology Reinvestment Actions and Allocated Charges</li> <li>vestment actions in the Information Technology Fund cost approximately</li> <li>ing support for security/network managment and the City's Geographic</li> <li>m (GIS), updated security software, new records management software, and</li> <li>requirements. The costs of these services are budgeted as allocated charges</li> <li>ments and funds; therefore, corresponding increases in various departments'</li> <li>for internal services provided by the Information Technology Department are</li> <li>or the General Fund, this action also includes technical corrections for direct</li> <li>Planning and Development Services Department (PDS) to support existing</li> <li>fic technology (\$324,000). The impact to the General Fund in FY 2022 is</li> <li>32,000; other funds \$165,000. A detailed list of impacts by department and</li> <li>I in Attachment A, Exhibit 1. (Ongoing costs: \$3,000)</li> <li>nd Balance</li> <li>0.00</li> </ul>	<ul> <li>izes federal grant funding to offset the cost of the vehicle. (Ongoing costs:</li> <li>nology Reinvestment Actions and Allocated Charges</li> <li>vestment actions in the Information Technology Fund cost approximately</li> <li>ing support for security/network managment and the City's Geographic</li> <li>m (GIS), updated security software, new records management software, and</li> <li>requirements. The costs of these services are budgeted as allocated charges</li> <li>ments and funds; therefore, corresponding increases in various departments'</li> <li>for internal services provided by the Information Technology Department are</li> <li>or the General Fund, this action also includes technical corrections for direct</li> <li>Planning and Development Services Department (PDS) to support existing</li> <li>fic technology (\$324,000). The impact to the General Fund in FY 2022 is</li> <li>32,000; other funds \$165,000. A detailed list of impacts by department and</li> <li>I in Attachment A, Exhibit 1. (Ongoing costs: \$3,000)</li> <li>nd Balance</li> <li>of the fund balance to offset adjustments recommended in this report.</li> </ul>	<ul> <li>nology Reinvestment Actions and Allocated Charges</li> <li>nology Reinvestment Actions and Allocated Charges</li> <li>nology Reinvestment Actions in the Information Technology Fund cost approximately</li> <li>ing support for security/network managment and the City's Geographic</li> <li>m (GIS), updated security software, new records management software, and</li> <li>requirements. The costs of these services are budgeted as allocated charges</li> <li>ments and funds; therefore, corresponding increases in various departments'</li> <li>for internal services provided by the Information Technology Department are</li> <li>or the General Fund, this action also includes technical corrections for direct</li> <li>Planning and Development Services Department (PDS) to support existing</li> <li>fic technology (\$324,000). The impact to the General Fund in FY 2022 is</li> <li>32,000; other funds \$165,000. A detailed list of impacts by department and</li> <li>I in Attachment A, Exhibit 1. (Ongoing costs: \$3,000)</li> <li>nd Balance</li> <li>o.00 \$ -</li> </ul>	<ul> <li>nology Reinvestment Actions and Allocated Charges</li> <li>vestment actions in the Information Technology Fund cost approximately ing support for security/network managment and the City's Geographic</li> <li>m (GIS), updated security software, new records management software, and requirements. The costs of these services are budgeted as allocated charges ments and funds; therefore, corresponding increases in various departments' for internal services provided by the Information Technology Department are or the General Fund, this action also includes technical corrections for direct Planning and Development Services Department (PDS) to support existing fic technology (\$324,000). The impact to the General Fund in FY 2022 is 32,000; other funds \$165,000. A detailed list of impacts by department and I in Attachment A, Exhibit 1. (Ongoing costs: \$3,000)</li> <li>nd Balance</li> <li>0.00 \$ - \$</li> </ul>

corresponding revenue decrease in the VRM Fund. (Ongoing costs: \$22,000)

# CITY OF PALO ALTO

Department		FTE	Revenues djustment	Expenses Adjustment
ENTERPRIS	E FUNDS			
Utilities	<b>Net Sales Revenue/Electric Commodity Purchase</b> 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	0.00	\$ 1,558,000	\$ 8,793,600
Utilities	requirements and higher priced resource adequacy products for calendar year 2022 and onwards. (Ongoing cost: \$0) <b>Gas Commodity Purchase/Utilities Allocated Charges</b> 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	0.00	\$ -	\$ 2,999
Utilities	anocated charges are recommended. The impact to the General Fund in FF 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) <b>Tree Line Clearing Contract Adjustment</b> This action increases contract services expenses in the Electric Fund by \$272,000, in	0.00	\$ -	\$ 272,000
	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)			
Utilities	<b>Utilities Equity Transfer to the General Fund</b> 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	<b>Sustainability and Climate Action Plan (S/CAP) Phase I - Electrification Programs</b> 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

# CITY OF PALO ALTO

Department		FTE	Revenues djustment	Expenses Adjustment
ENTERPRISE	FUNDS			
Utilities	<b>Sustainability and Climate Action Plan (S/CAP) Oversight Staffing</b> 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 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,	0.00	\$ (796,533)	\$ -
Fund Balance	commercial fiber, and industrial fiber. (Ongoing costs: \$797,000) 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)
<u>GAS FUND (5:</u> Utilities	<b>Gas Commodity Purchase/Utilities Allocated Charges</b> 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

# **CITY OF PALO ALTO**

Department		FTE	Revenues djustment	Expenses Adjustment	
ENTERPRISE					
Utilities	<b>Utilities Equity Transfer to the General Fund</b> 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	
REFUSE FUND	<u>) (525)</u>				
Public Works	<b>Sustainability and Climate Action Plan (S/CAP) Oversight Staffing</b> 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><b>STORMWATE</b></u> Public Works	<b>R MANGEMENT FUND (528)</b> <b>Sustainability and Climate Action Plan (S/CAP) Oversight Staffing</b> 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	\$ -	\$ 5,73	

# CITY OF PALO ALTO

Department	tment			Revenues FTE Adjustment		
ENTERPRISI	E FUNDS					
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: \$12,000)	0.00	\$	-	\$	6,219
Fund Balance	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	\$	-	\$	-
	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)					
Utilities	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	0.00	\$	-	\$	102,808
	fund can be found in Attachment A, Exhibit 1. (Ongoing costs: \$199,000)					
Various	<b>Employee Parking Permit Transfer to the University Avenue Parking Fund</b> This action appropriates \$36,600 for the Utility Administration Fund's share of City employee	0.00	\$	-	\$	6,298
Various Fund Balance	Employee Parking Permit Transfer to the University Avenue Parking Fund	0.00		-	\$ \$	6,298 (109,106

# CITY OF PALO ALTO

Department		FTE	Revenues Adjustment	Expenses Adjustment
ENTERPRISE	FUNDS			
	R TREATMENT FUND (526)			4
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: \$4,000)	0.00	Ş -	\$ 4,039
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: \$85,000)	0.48	\$ -	\$ 34,381
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: \$73,000)	0.00	\$ -	\$ 37,631
Fund Balance	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	\$-	\$-

# **CITY OF PALO ALTO**

Department		FTE	Revenues djustment	Expenses Adjustment
INTERNAL SE	ERVICE FUNDS			
GENERAL BENI	EFITS FUND (687)			
Non- Departmental	<b>Charges to Other Funds / Healthcare and Pension Expense</b> 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	\$ 756,12
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	\$ 2,000,00
	GENERAL BENEFITS FUND (687) SUBTOTAL	-	\$ 756,128	\$ 756,12
GENERAL LIAB	ILITIES INSURANCE FUND (689)			
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	\$ -	\$ 480,50
Human Resources	<b>Property Loss Insurance Expense</b> 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	\$ -	\$ 220,22
Fund Balance	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	0.00	\$ -	\$ (700,72
	GENERAL LIABILITIES INSURANCE FUND (689) SUBTOTAL	0.00	\$ -	\$ -
INFORMATION	I TECHNOLOGY FUND (682)			
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	\$ -	\$ 164,73
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	\$ -	\$ 64,60
Information Technology	<b>Citywide Geographinc Information System Licensing</b> 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	\$ -	\$ 9,50
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	\$ -	\$ 18,77

CITY OF PALO ALTO

Department		Revenues FTE Adjustment		Expenses Adjustment		
INTERNAL SI	ERVICE FUNDS					
Information Technology	<b>Agenda Management System Software</b> 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	<b>Employee Parking Permit Transfer to the University Avenue Parking Fund</b> 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 HEAL	TH 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	0.00	\$	-	\$	(1,358,000
	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)					
Fund Balance	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	0.00	\$	-	\$	1,358,000

# CITY OF PALO ALTO

Department		FTE	-	evenues justment		Expenses Adjustment
INTERNAL SE	RVICE FUNDS					
	CEMENT & MAINTENANCE FUND (681)					
Public Works	Gas Commodity Purchase/Utilities Allocated Charges	0.00	¢	-	\$	20,694
	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'	0.00	Ŷ		Ŷ	20,00
	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)					
Public Works	<b>Emergency Repair and Replacement (VR-15001)</b> 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	0.00	\$	-	\$	75,000
	more quickly while retaining funding for any other repair or replacement needs in FY 2022.					
Public Works	(Ongoing costs: \$0) <b>Code Enforcement Staffing</b> 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	<b>Cooperatively Owned Back-Up Generator (COBUG)</b> 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 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	\$	-	\$	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	Ś	112,193

**CITY OF PALO ALTO** 

Department		FTE	Revenues Adjustment	kpenses justment
INTERNAL SE	RVICE FUNDS			
PRINT AND MA	AIL SERVICES FUND (683)			
Administrative Services	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: \$2,000)	0.00	\$ -	\$ 971
Fund Balance	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	\$-	\$ -

# **CITY OF PALO ALTO**

Department		FTE		evenues ljustment		Expenses Adjustment
SPECIAL REV	ENUE FUNDS					
	(ENLIE DADVING ELIND (226)					
Office of	<u>/ENUE PARKING FUND (236)</u> Transfer from General Fund	0.00	Ś	36,600	Ś	_
Transportation	This action recognizes \$36,600 in revenue from the General Fund for it's share of City employee		Ŧ		Ŧ	
	parking permit in the University Avenue Parking Fund. (Ongoing savings: \$37,000)					
Office of	Transfer from Utilities Administration Fund	0.00	\$	6,298	\$	-
Transportation	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	Transfer from Technology Fund	0.00	\$	2,820	\$	-
Transportation	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



#### ATTACHMENT A, EXHIBIT 1: Central Adjutments in Various Funds

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

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

Attachment A, Exhibit 1 page 1



#### ATTACHMENT A, EXHIBIT 1: Central Adjutments in Various Funds

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

	Department/	·			
Fund	Fund	Title	Revenue	Expense	Comments
General Fund	Police	Information Technology Adjustment	\$-	\$ 211,034	Technical correction to technology allocated charges.
General Fund	Public Works	Information Technology Adjustment	\$ -	\$ 11,609	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
General Fund	Public Works	Information Technology Adjustment	\$ -	\$ (211,034)	Technical correction to technology allocated charges.
General Fund	Public Works	Utilities Commodity Purchase Adjustments	\$ -	\$ 34,701	Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
	•	GENERAL FUND SUBTOTA	L\$-	\$ 513,891	

		ENTERPRISE FUND	S			
Airport Enterprise Fund	530	Information Technology Adjustment	\$	-	\$ 1,259	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
Airport Enterprise Fund	530	Utilities Commodity Purchase Adjustments	\$	-	\$ 1,083	Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
Electric Supply Fund	513	Utilities Commodity Purchase Adjustments	\$	-	\$ 1,416	Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
Electric Fund	523	Utilities Commodity Purchase Adjustments	\$	-	\$ 1,583	Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
Refuse Fund	525	Information Technology Adjustment	\$	-	\$ 7,945	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
Stormwater Management Fund	528	Information Technology Adjustment	\$	-	\$ 6,219	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
Utilities Administration Fund	521	Information Technology Adjustment	\$	-	\$ 102,808	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
Wastewater Treatment Fund	526	Information Technology Adjustment	\$	-	\$ 37,631	Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
Wastewater Treatment Fund	526	Utilities Commodity Purchase Adjustments	\$	-	\$ 4,039	Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
		ENTERPRISE FUNDS SUBTOTA	L\$	-	\$ 163,982	

		INTERNA	L SERVICE FUND	S		
Printing & Mailing Services Fund	683	Information Technology Adjustment	\$ -	\$		Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
Vehicle Replacement & Maintenance	681	Information Technology Adjustment	\$ -	\$		Adjustment to allocated charges for technology services to align with mid-year restorations in FY 2022.
Vehicle Replacement & Maintenance	681	Utilities Commodity Purchase Adjustments	\$ -	\$		Adjustment to allocated charges for gas commodity purchase adjustment in FY 2022.
		INTERNAL SERVICE FUNDS SUBTOTAL	\$-	\$	29,755	

 TOTAL ADJUSTMENT \$
 - \$
 707,628

Attachment A, Exhibit 1 page 2



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
  - I. 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

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	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)%	

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	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 <sup>a</sup>	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)%

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	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 <sup>a</sup>	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)%

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	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 <sup>b</sup>						
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 <sup>c</sup>						
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 <sup>a</sup>	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	—	—%

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	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 <sup>a</sup>	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	-	-%

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	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 <sup>a</sup>	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	-	-%

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	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	_	-%

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	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	-	-%

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	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 Troubleman	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 <sup>a</sup>	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)%

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	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	-	-%

	1.00	1.00	1.00	1.00		70
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 <sup>a</sup>	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	—	—%

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	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 Fu	und					
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	—	—%

ATTACHMENT B 19

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	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).

#### Attachment C

#### 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 Department Disabilities (number of days)	30 700	18 1324	3 320
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).



### **City of Palo Alto** City Council Staff Report

**Report Type: Action Items** 

Meeting Date: 2/7/2022

Summary Title: California Avenue Temporary and Permanent Street Closure Discussion

Title: California Avenue and Ramona Street Temporary and Permanent Closure: Direct Staff to Issue RFP for a Feasibility Study and Return for Contract Approval, and Provide Direction to Staff on Activities and Programming

From: City Manager

### Lead Department: Planning and Development Services

#### Recommendation:

Staff recommends that the City Council:

- I. Direct staff to issue a Request for Information (RFI) and/or Request For Proposals (RFP) to obtain a consultant to conduct a feasibility study to define the scope and understand the impact of the proposed permanent closure(s) on portions of California Avenue from El Camino Real to Park Blvd. and the section of Ramona Street between Hamilton Avenue and University Avenue.
- II. Direct staff to return to Council for approval of the contract for the feasibility study and to provide a schedule.
- III. Discuss and provide direction regarding activities in the temporarily closed portion of California Avenue (from El Camino Real to Park Blvd.).

#### **Executive Summary:**

This report provides information on next steps that would be necessary to evaluate and determine the feasibility of moving forward with permanent closure(s) of portions of California Avenue and Ramona Street and seeks the City Council's direction on next steps.

#### Background:

On September 13, 2021, City Council authorized staff to extend the closure of California Avenue and Ramona Street through June 2022 (<u>CMR 13540</u>). At the same Council meeting, the Council directed staff to return for discussion on the permanent street closures. On June 22, 2021,

Council also directed staff to return to the City Council for further discussion regarding additional elements on the California Ave street closure, referring to the area closed through June 2022 for outdoor retail and dining (<u>CMR 12354</u>). Specifically, Council directed "Staff to include in its workplan for streetscape design on California Avenue, have Staff return with a process recommendation to pursue a pro-bono design expertise such as AIA, ARB or others, and to include an evaluation of potential sites for permanent performance stages in other potential areas such as downtown."

#### Discussion:

City Council directed staff to return for a discussion on permanent street closures. This report outlines the next steps that would be necessary to proceed forward. While the City's authority to close streets to vehicular traffic is regulated by the State, the decision to pursue closure of a street under the prescribed state processes rests with the Palo Alto City Council. The policy decision incorporates balancing numerous factors to determine the avenue most appropriate for the City. To aid Council in its discussion, staff have outlined several policy considerations.

#### Community and Economic Recovery

The closure of certain public streets to vehicular traffic was a step taken by the City Council near the beginning of the pandemic to provide outdoor areas for retail, dining, and other activities (gyms, etc.). These efforts help maintain access to local goods, services, and dining. The closures of certain streets also aided some businesses in remaining open, especially restaurants, because patrons could dine outdoors.

While the pandemic is not "over", experts have suggested due to highly effective vaccines, the pandemic is shifting into a new phase. In this phase, Americans are working to re-establish normalcy; and normalcy itself has adjusted. The experiment with closed streets proved to be very popular with Palo Alto residents, with thousands corresponding to Council requesting the street closures continue. Continuation of the closures temporarily and contemplation of permanent closures may represent a "new normal" in Palo Alto. Not only loved by many in the community, the potential new normal provides economic benefits to local businesses, especially restaurants. Not only because it creates an enhanced opportunity for al fresco dining, but also because the closed portions of streets contribute to a strong sense of place that attracts diners and shoppers alike, helping generate businesses activity (that in turn generates tax revenue).

#### Maintaining Access

Council is aware, however, that all businesses do not benefit equally from street closures. As the City explores this topic, Council may consider various combinations of closing portions of California Avenue and Ramona Street. The closures may be 24 hours a day, 7 days a week (ongoing and continuous), the closures might occur regularly during certain hours (weekends),

or the ultimate decision could result in maintaining some vehicular access but significantly decreasing the right of way available for motorized vehicles.

In each of these options, the City should aim to improve the conditions for all stakeholders from restaurants to retailers, grocery stores to financial institutions. Ensuring that customers of all abilities and transportation modes can continue to access goods and services throughout the areas is important and can be accomplished through careful and thoughtful planning.

#### Use of Public Space

One of the overarching policy decisions for the Council is how the City should use its public space. There are at least two dimensions of this decision. First, who will be occupying the street? Some cities are closing streets for pedestrian activities, others to promote economic activity. Second, the City will want to determine if and how to allow the use of this public space by private businesses. During the pandemic, the City has allowed the use of public space by private establishments through no cost encroachment permits. If the streets are closed on a more permanent basis, the City will need to determine if space can continue to be used by private establishments and the terms of that use.

These specific decisions do not need to be resolved immediately, as the first overall choice is whether or not to investigate permanent closures. Yet, being clear that a potential use of public right of way by private establishments that provide goods or services is a likely use of spaces, allows staff to work with consultants and other experts as well as stakeholders in future discussions.

Future choices related to this include establishing the cost of using public space; establishing a permitting process for use of public space; and determining procedures to ensure that even if some portions of road include private uses, that the public has ample access to enjoy the street. The City's authority to close streets to vehicular traffic is regulated by the State. The State has preempted the entire field of traffic control (Vehicle Code Section 21). As a result, the right of local authorities to make changes affecting traffic flow, such as closing a street, must be derived from an express delegation of authority from the State. Staff explored various statutes that allow for such authority to the local agencies. The following statutes describe the authority that allows local agencies to close streets on a temporary or permanent basis:

#### • Temporary Street Closures (including regular/frequent closures on long-term basis)

The **State of California's Vehicle Code (CVC) 21101 (e):** <u>CVC Section 21101(e)</u> allows for local authorities to temporarily close a portion of any street for celebrations, parades, local special events, and other purposes by adoption of a resolution when the closing is necessary for the safety and protection of persons who are to use that portion of the street during the temporary closing. The current closure of street is temporary as a

result of the State of Emergency due to the COVID-19 pandemic and the need to support the economic recovery of the businesses on California Street, Ramona Avenue, and University Avenue.

With regards to the permanent closure of streets, staff will consider various available statutes within the State Codes that delegate to the City the authority to permanently close streets. The first step in this process will be conducting a feasibility study, which will help staff determine which statute might be the most feasible.

For reference, the different state statutes describing the process for road closures are listed as follows:

- Permanent Street Closures
  - i. The **State of California's Streets and Highways Code 11100** *et seq.* Provides local agencies with the authority to establish pedestrian malls and to prohibit, in whole or in part, traffic on a pedestrian mall. The legislature found that in certain areas in cities and particularly in retail shopping areas, there is need to separate pedestrian travel from vehicular travel and that such separation is necessary to protect the public safety or otherwise to serve the public interest and convenience. The legislature further found that such objective can, in part, be accomplished by the establishment of pedestrian malls pursuant to this part.
  - ii. The **State of California's Vehicle Code (CVC) 21101(a):** <u>CVC 21101 (a)</u> allows for the permanent closure of a street if the City Council adopts an ordinance or resolution that finds the street is no longer needed for vehicular traffic.
  - iii. The **State of California's Vehicle Code (CVC) 21101 (f)**: <u>CVC 21101 (f)</u> allows for the permanent closure of the streets and prohibiting entry to, or exit from, or both, from any street by means of islands, curbs, traffic barriers, or other roadway design features to implement the circulation element of a general plan adopted pursuant to Article 6 (commencing with Section 65350) of Chapter 3 of Division 1 of Title 7 of the Government Code. The rules and regulations authorized by this subdivision shall be consistent with the responsibility of local government to provide for the health and safety of its citizens.
  - iv. The State of California's AB 773: Recently, on October 6, 2021, the California Legislature passed the Assembly Bill 773 to create a new CVC Section 21101 (f) to authorize a local authority to adopt a rule or regulation by ordinance for implementing a slow streets program. This legislation became effective in January 2022. For purposes of this section, a "slow streets program" may include closures to

vehicular traffic or through vehicular traffic of neighborhood local streets with connections to citywide bicycle networks; destinations, such as a business district, that are within walking distance; or green space. A local authority therefore may implement a slow streets program by adopting an ordinance that provides for the closing of streets to vehicular traffic or limiting access and speed on a street using roadway design features, including, but not limited to, islands, curbs, or traffic barriers.

#### **Street Closure Next Steps:**

**Feasibility Study:** In order to initiate permanent street closure, staff recommends conducting a feasibility study to define the scope and to understand the impact of the proposed closure. This exercise shall also include developing conceptual plans with possible alternatives. The feasibility study shall review the existing conditions, traffic circulation, and its impacts to access for properties in the proposed segments. The traffic analysis shall include but is not limited to analysis of traffic circulation, access to properties, emergency access, parking, loading-unloading, delivery, access for maintenance of utilities, impacts to signal operations, etc. Parking impacts in the area and surrounding areas will need to be studied. In addition, the feasibility study can also include economic analysis to determine the potential impacts on business based on similar implementations in other cities. Outreach to stakeholders and the public should also be considered as part of this feasibility study.

The feasibility study may include a component to review the impacts of long-term temporary closures such as seasonal closures or regular weekend closures, in the event such options are considered for implementation.

**Environmental Documentation Review & Preparation:** After reviewing the feasibility study and selection of preferred closure option by City Council, the next step will be consideration and preparation of the required environmental approval necessary under California Environmental Quality Act (CEQA).

**Resolution of Intent & Public Hearing:** The next step in the process is the adoption of resolution of intent which sets a public hearing date for the consideration of the street closure. The public hearing date must be set for at least 90 days after the adoption of the resolution of intent.

Adoption of the Ordinance: The last step is the introduction of an ordinance to establish the pedestrian mall and any related regulations governing the use of the roadway. Any objections from the abutting property owners must be resolved, and the majority of property owners must not object to moving forward on street closure. Placemaking, such as determining possible locations for permanent performance stages, would occur after a feasibility study during conceptual plan development of the street closure. Considerations such as responsibility for programming, design, and operating costs will also need to be addressed.

#### Actions on Similar Permanent Street Closures in Other Nearby Cities

As the Council considers whether or not to pursue longer-term closures, the actions of nearby cities may provide insight. Staff reviewed actions of several neighboring cities and provide a summary below.

- City of Mountain View: On October 12, 2021, the City Council of Mountain View conducted a study session to review the Castro Street Pedestrian Mall Feasibility Study. The City was considering closure of Castro Street prior to the pandemic and was authorized to conduct a feasibility study on December 10, 2019 (link to City of Mountain View staff report).
- City of San Mateo: On September 20, 2021, City Council adopted a resolution to establish pedestrian malls on B Street between 1st and 2nd Avenues and on B Street between 2<sup>nd</sup> and 3<sup>rd</sup> Avenues and introduced an Ordinance to amend the San Mateo Municipal Code to establish rules and regulations governing pedestrian malls (link to City of San Mateo staff report). The public hearing for resolution of intent to establish a pedestrian mall was conducted on June 21, 2021.
- The City and County of San Francisco has considered making some residential lowvolume streets as "Slow Streets" in post-pandemic times. The information about San Francisco's Slow Street program can be found at San Francisco Municipal Transportation Agency (SFMTA) <u>Post Pandemic Slow Street Program</u>.

#### Temporary California Avenue Street Closures

Currently, California Avenue from El Camino Real to Birch Street remains closed to vehicular traffic. The Public Works Department continues to work with permit holders to ensure their temporary facilities (tables, chairs, canopies, etc.) comply with standards established by the City. Staff recommend continuing to allow the permit holders to continue as-is as the exploration of permanent closure continues. This allows staff energies to focus on that effort.

Stakeholders have provided testimony to City Council regarding a desire for more aesthetic cohesion among the establishments. Creating more cohesion would require aesthetic standards, new applications, review of compliance with the standards, and possibly installation of new temporary facilities by private establishments. Staff recommends focusing California

Avenue energies on the design of the permanent parklet program as well as other public and privately-owned street features. Working with the ARB, local businesses, and community members, the City can create a unique permanent parklet program that enhances the streetscape and pedestrian environment along California Avenue. This discussion could also include consideration of minor streetscape improvements that take into account the significant investment already made in the recent California Avenue Streetscape project.

The permanent closure, if ultimately pursued, could and likely should include development of aesthetic guidelines leading to an even stronger sense of place on California Avenue. The timing of the development of these guidelines may be best placed as part of the permanent closure discussion, instead of the temporary program.

In the interim, the City may continue to collaborate with the local business community by providing street cleaning services, tree and shrub maintenance, public safety services, and by facilitating events and attractions. In the past, public art has been used to attract visitors, the city is currently collaborating with local merchants to place seasonal winter decorations on Cal Ave. Efforts to facilitate public performances of music can also be undertaken in collaboration.

In sum, staff recommend focusing in the short term on flexible opportunities for collaboration that do not entail major capital outlay for the City or for permit holders. Likewise, focusing energies of the Office of Transportation on the exploration of the permanent closure and the energy of Planning and Development Services—and other departments—along with ARB on the permanent parklet standards, can ensure that public resources are sequentially allocated. Perhaps more simply put: establishing long term standards for what remains a temporary closure may be ill-timed.

#### **Policy Implications:**

Overall, the street closure topic reflects a decision about how best to use public space, in this case, the public roadways. Key considerations include determining if the space will include facilities for pedestrians and bicycles and if private businesses will be charged to utilize the public space.

#### **Resource Impact:**

The permanent street closure of California Avenue and Ramona Street is not currently included in the Office of Transportation Work Plan or FY 2022 budget. Should Council wish to pursue studying the feasibility of any street closure options, reprioritization of current work and staff augmentation through contract consultant and additional budgetary amount authority will be necessary. Staff estimates the additional amount to range from \$300K -\$500K for conducting this feasibility study. Staff will return to Council for review and approval of any such contract before awarding.

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Regarding the ongoing street closures that are set to continue through June 2022, the City is challenged to consider how to best allocate existing staff resources to achieve City Council priorities. Community and economic recovery remains a key Council priority in 2021. To further this priority, staff recommend focusing resources on the long term parklet standards. These standards, if adopted, could enhance and enliven California Avenue in 2022 and beyond.

If Council seeks additional efforts for the current closure area, staff request guidance. Staff may return with a resource request depending on the direction expressed by City Council. If funds are allocated, time and availability of human resources—both staff and consultant—may delay the commencement of assigned work.

#### Timeline:

Staff will initiate an RFI/RFP process following Council approval and return for review and approval of the contract.

#### Stakeholder Engagement:

The opinions of stakeholders have not shifted significantly since the Council's last discussion of this matter. Generally speaking, owners of restaurants located within the closed streets along Ramona Street and on California Avenue prefer the closures. Due to the rise in delta variant, they report that fewer diners want to eat indoors. Likewise, retail and retail-like uses generally prefer the streets be opened to vehicular traffic. These businesses feel restaurants have had a chance to use the streets and that now, more balance is needed. These businesses also point out that through parklets, these restaurants can continue outdoor meal service. Retailers continue to report diminished sales and indicate the street closure contributes to these decreased sale volumes. While there are fewer retailers in the Cal Ave closure, retailers within and around the closure report challenges they attribute to the closure. Palo Alto residents continue to support continuation of the street closures.

With the onset of the COVID-19 pandemic in early 2020, the City Council authorized the creation of a Temporary Outdoor Dining program, including the approval of the temporary closure of portions of California Avenue, University Avenue, and Ramona Street. Uplift Local, a Council-supported effort enabling outdoor dining, retail, personal services, and outdoor gyms and fitness options in business districts such as California Avenue and the downtown core and other business areas throughout Palo Alto was created. A dedicated <u>Uplift Local website</u> provided information to the community. This program continues to evolve based on business and community input. Staff has been meeting with the community regularly to seek feedback from the business owners and residents to address concerns associated with outdoor dining program and street closures. While there are fewer retailers in the Cal Ave closure, retailers within and around the closure report challenges they attribute to the closure. Palo Alto residents continue to support continuation of the street closures.

However, during the study of the feasibility of permanent closure, additional stakeholder outreach will be necessary.

#### **Environmental Review:**

The proposed action is part of a planning study for a possible future action, which has not been approved, adopted, or funded and is therefore exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15262. The future decision to approve the construction would be subject to CEQA and require the preparation of an environmental analysis. Environmental review and project design will be performed in the subsequent steps of the project development.



### **City of Palo Alto** City Council Staff Report

12

### Meeting Date: 2/7/2022

#### Title: Investment Activity Report for the Second Quarter, Fiscal Year 2022

#### From: City Manager

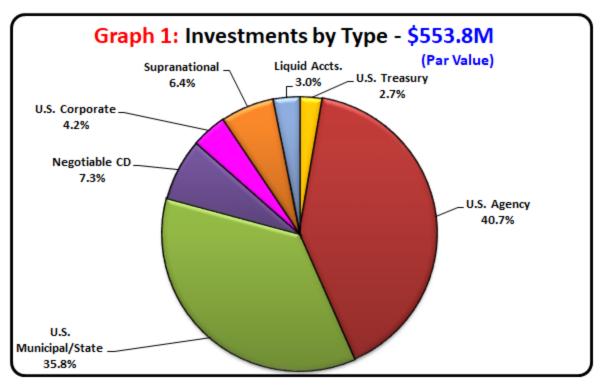
#### Lead Department: Administrative Services

#### Background

The City's <u>Investment Policy</u> requires that staff report to Council quarterly on the City's portfolio composition and performance compared to the Council-adopted policy; discuss overall compliance with the City's Investment Policy; and provide recommendations, if any, for policy changes. In addition, staff provides a detailed list of all securities and report on the City's ability to meet expenditure requirements over the next six months. This report is to inform Council of the City's investment portfolio performance as of the second quarter ending December 31, 2021 and to disclose staff's cash flow projections for the next six months.

#### Discussion

The City's investment portfolio is summarized in Graph 1 and detailed in the Investments by Fund Report (Attachment B). The Investments by Fund Report groups the portfolio's securities by investment type and includes details of the investment issuer, date of maturity, current market value, the book and face (par) value, and the weighted average maturity of each type of investment and of the entire portfolio.



Due to rounding, the above graph's percentage total is greater than 100 percent

The par value of the City's portfolio is \$553.8 million; in comparison, last quarter it was \$542.3 million. The \$11.5 million portfolio growth since the last quarter results from timing of cash flows. Receipts include a \$11.7 million in Public Safety Bldg. bond construction funds drawdown that was partially offset by payments to the construction contractors during this quarter and higher revenue receipts (e.g. sale, transient occupancy, utility user taxes, etc.) due to the COVID-19 recession recovery that began in the fourth quarter of Fiscal Year 2021. In addition, receipts of property taxes started in the second quarter.

The portfolio consists of \$16.7 million in liquid accounts and \$537.1 million in various investment types as detailed in the following Table 1. The investment policy requires that at least \$50 million be maintained in securities maturing in less than two years. The portfolio includes \$120.0 million in investments maturing in less than two years, comprising 21.7 percent of the City's investment portfolio. In addition, the Investment Policy allows up to 30 percent of the portfolio to be invested in securities with maturities beyond five years; actual at the end of the second quarter is 29.5 percent of the portfolio.

Table 1:	FY 2022 Q2 Maturities - Par Value (millions)									
	Up to 1	1 to 2	2 to 3	3 to 5	Over	Portfolio	% of			
Investment Type	Year	Years	Years	Years	5 Years	Total *	Portfolio			
U.S. Treasury	\$ 4.5	\$ 6.0	\$-	\$ 4.5	\$-	\$ 15.0	2.7%			
U.S. Agency Bonds	33.3	20.7	11.1	69.5	90.7	225.3	40.7%			
U.S. Municipal/ State Bonds	14.7	16.0	18.7	79.4	69.2	198.0	35.8%			
Negotiable Certificates of Deposits (NCD)	12.1	7.2	4.9	12.4	3.7	40.3	7.3%			
U.S. Corporate Bonds	0.9	0.6	6.3	15.4	-	23.2	4.2%			
Supranational Organizations Bonds	1.5	2.5	-	31.3	-	35.3	6.4%			
Liquid Accounts (LAIF & Fidelity)	16.7	-	-	-	-	16.7	3.0%			
Grand Total	\$ 83.7	\$ 53.0	\$ 41.0	\$212.5	\$163.6	\$ 553.8	100%			
% of Portfolio	15.1%	9.6%	7.4%	38.4%	29.5%	100.0%				

\* \$76.3 million or 13.8 percent are in investments that support Environmental, Social, and Governace (ESG) Activities (aka "Green", local banks, and Supranational Bonds)

The current market value of the portfolio is 99.3 percent of the book value. The market value of securities fluctuates, depending on how interest rates perform. When interest rates decrease, the market value of the securities in the City's portfolio will likely increase; likewise, when interest rates increase, the market value of the securities will likely decrease. Understanding and showing market values is not only a reporting requirement, but essential to knowing the principal risks in actively buying and selling securities. It is important to note, however, that the City's practice is to buy and hold investments until they mature so changes in market price do not affect the City's investment principal. The market valuation is provided by U.S. Bank, which is the City's safekeeping agent. The average life to maturity of the investment portfolio is 4.28 years compared to 4.21 years last quarter.

#### Investments Made During the Second Quarter

During the second quarter, \$13.2 million of securities with an average yield of 2.2 percent matured. During the same period, per the following Table 2, securities totaling \$37.4 million with an average yield of 1.5 percent were purchased. As expected, as interest rates slowly rose on new investments, the City's portfolio's average yield plateaued in this and the prior two quarters. In the prior two fiscal years or during the height of the COVID-19 economic closures, the portfolio's interest rate had steadily declined. The City's short-term money market and pool account decreased by \$12.6 million compared to the first quarter of Fiscal Year 2022. Staff continually monitors the City's short-term cash flow needs and adjusts liquid funds to meet them. The decline is attributable to new investments in higher yielding securities.

Table 2:	FY 2022 Q2 Security Purchases - Par Value (millions)								
Investment Type	Up to 1 Year	1 to 2 Years	2 to 3 Years	3 to 5 Years	Over 5 Years	Portfolio Total *	% of Purchase		
U.S. Treasury	\$-	\$-	\$-	\$-	\$-	\$ -	0.0%		
U.S. Agency Bonds	-	-	-	7.6	2.5	10.1	26.8%		
U.S. Municipal/ State Bonds	-	0.6	-	15.8	9.5	25.9	69.3%		
Negotiable Certificates of Deposits (NCD)	-	-	-	1.2	0.2	1.4	3.9%		
U.S. Corporate Bonds	-	-	-	-	-	-	0.0%		
Supranational Organizations Bonds	-	-	-	-	-	-	0.0%		
Grand Total	\$-	\$ 0.6	\$-	\$ 24.6	\$ 12.3	\$ 37.4	100%		
% of Purchase	0.0%	<b>1.6%</b>	0.0%	65.5%	32.9%	100.0%			

\* \$7.6 million or 20.2 percent are in investments that support Environmental, Social, and Governace (ESG) Activities (aka "Green", local banks, and Supranational Bonds)

#### Availability of Funds for the Next Six Months

Normally, the flow of revenues from the City's utility billings and General Fund sources is enough to provide funds for ongoing expenditures in those respective funds. Projections indicate receipts will be \$317.2 million and expenditures will be \$289.2 million over the next six months, indicating an overall growth in the portfolio of \$28.0 million. The steady revenue recovery that began in the prior quarters is expected to continue though, possibly at a slower rate due to the recent pandemic surge, so this is expected to contribute to this growth in addition to property tax receipts in the second half of fiscal year 2022.

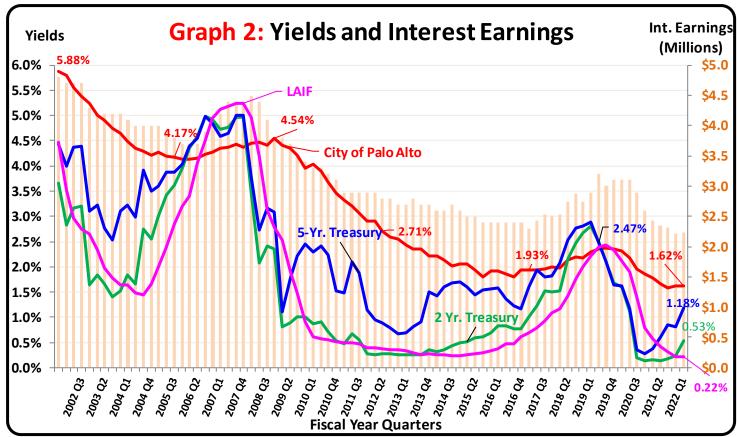
As of December 31, 2021, the City had \$16.7 million deposited in the Local Agency Investment Fund (LAIF) and a money market account that could be withdrawn on a daily basis. In addition, investments totaling \$28.1 million will mature between January 1, 2022 and June 30, 2022. Based on the above and staff's revenue and expenditure forecast for the next six months, staff is confident that the City will have sufficient funds or liquidity to meet expenditure requirements for the next six months.

#### Compliance with City Investment Policy

During the second quarter, staff complied with all aspects of the investment policy. Attachment C lists the major restrictions in the City's investment policy compared with the portfolio's actual performance.

#### Investment Yields

Interest income on an accrual basis for the second quarter was \$2.2 million; same as the prior quarter. As of December 31, 2021, the yield to maturity of the City's portfolio was 1.62 percent; in the prior quarter it was similar or at 1.61 percent. In the second quarter, LAIF's average yield was 0.22 percent while the average yield on the two-year and five-year Treasury bonds was approximately 0.53 percent and 1.18 percent, respectively. In comparison, in the prior quarter LAIF had a similar yield, however, the two-year and five-year Treasury bonds were lower at 0.23 percent and 0.80 percent. The interest rates on new investments have slowly begun to rise. As a result, the portfolio's yields have plateaued and is expected to remain at this level or slowly rise. Historically, the City's portfolio yield has outperformed the two-year and five-year Treasury bond rates and did so again starting over two years ago; this is an expected occurrence during economic downturns. As the City's laddered portfolio investments mature in the next year or two, funds are expected to be reinvested, in both lower and higher yielding securities compared to the yield on the matured investments. Graph 2 shows the City's yields and interest earnings for the past 20+ years.



City's portfolio duration is 4.28 years.

#### Yield Trends

The Federal Open Market Committee (FOMC), for 16 consecutive meeting or since March 2020, held the federal funds rate near zero (0 percent to 0.25 percent) at its December 2021 meeting. However, the expectation is a possibility of several federal funds rate interest rate increases in calendar year 2022, 2023, and 2024. The Committee members feel more confident in the economic recovery helped by "progress on vaccinations and strong policy support" but have acknowledged the "path of the economy continues to depend on the course of the virus." They highlighted the continued strength in the labor market and noted "Job gains have been solid in recent months, and the unemployment rate has declined substantially". The U.S. labor market remains very tight, including near-record rates of guits and job vacancies, as well as a notable pickup in wage growth. FOMC feels stronger to end pandemic induced (economic) support. This has fueled the pressure to potentially raise interest rates in the near future to mitigate persistent high inflation due to "supply chain bottlenecks and labor shortages continued to limit businesses' ability to meet strong demand." The outlook is the U.S. economy no longer needs emergency levels of monetary policy support. As a result, the FOMC's has accelerated the winding down of its asset purchase program which was intended to provide enough liquidity in the market as to keep the federal funds rate low. The wind down by mid-2022 of this program will clear the path for rate hikes.

#### Funds Held by the City or Managed Under Contract

**Attachment A** is a consolidated report of all City investment funds, including those not held directly in the investment portfolio. These include cash in the City's regular bank account with US Bank and Wells Fargo. A description of the City's banking relationships can be found in <u>City</u> <u>Council Staff Report ID # 7858</u> and <u>ID # 11402</u>. The bond proceeds, reserves, and debt service payments being held by the City's fiscal agents are subject to the requirements of the underlying debt indenture. The trustees for the bond funds are U.S. Bank and California Asset Management Program (CAMP). Bond funds with U.S. Bank are invested in federal agency and money market mutual funds that consist exclusively of U.S. Treasury securities. Bond funds in CAMP are invested in banker's acceptance notes, certificates of deposit, commercial paper, federal agency securities, and repurchase agreements. The most recent data on funds held by the fiscal agent is as of December 31, 2021.

In January 2017, the City established a Section 115 Irrevocable Trust (Public Agencies Post-Employment Benefits Trust) administered by Public Agency Retirement Services (PARS). This fund is not governed by the City's Investment Policy; however, it is discussed in this report for administrative ease. It is the City's intent to prefund pension costs and began to address the Net Pension Liabilities (NPL) as calculated by Governmental Accounting Standards Board Pronouncement No. 68 (GASB 68). The Section 115 Trust offered by PARS has five portfolios from which to choose in making investments of City funds. The City has selected the "Moderately Conservative" portfolio which is the second most conservative. Additional information on this trust can be found in City Council <u>Staff Report ID # 7553</u>. Through December 31, 2021, principal investment contributions of \$32.3 million have grown to \$37.7 million and the net return for one and three year has been 5.68 percent and 9.24 percent.

#### **Fiscal Impact**

This is an information report.

#### **Environmental Review**

This information report is not a project under the California Environmental Quality Act; therefore, an environmental review is not required.

#### Attachments:

- Attachment12.a: Attachment A Consolidated Report of Cash Management
- Attachment12.b: Attachment B Investment Portfolio
- Attachment12.c: Attachment C Investment Policy Compliance

### **Attachment A**

#### Consolidated Report of Cash Management City of Palo Alto Cash and Investments Second Quarter, Fiscal Year 2021-22 (Unaudited)

	<b>Book Value</b>	Market Value		
City Investment Portfolio (see Attachment B)	\$ 565,577,285	\$ 561,703,006		
Other Funds Held by the City				
Cash with Wells Fargo Bank (includes general and imprest accounts)	333,681	333,681		
Cash with US Bank (includes general and imprest accounts)	5,013,774	5,013,774		
Petty/Working Cash	11,927	11,927		
Total - Other Funds Held By City	5,359,382	5,359,382		
<u>Funds Under Management of Third Party Trustees *</u>				
Debt Service Proceeds US Bank Trust Services **				
1999 Utility Revenue Bonds Debt Service Fund	-	-		
2009 Water Revenue Bonds (Build America Bonds) Debt Service and Reserve Funds	2,551,100	2,551,100		
2010 General Obligation (Library) Bond Debt Service and Escrow Funds	2,961,465	2,961,465		
2011 Utility Revenue Refunding Bonds Debt Service and Reserve Funds	789,011	789,011		
2012 University Ave. Parking Refunding Bonds Reserve and Escrow Funds	1,704,897	1,704,897		
2018 Capital Improvement (Golf Course & 2002B COP Refinance) (Taxable- Green Bond) Certificates of Participation Debt Service and Cost of Issuance Funds	17,996	17,996		
2019 California Avenue Parking Garage Certificates of Participatio (Tax-Exempt and Taxable Bonds) Construction and Cost of Issuance Funds	n 16,090	16,090		
2021 Public Safety Building Certificates of Participation Construction Debt Svc, Capitalized Interest, and Cost of Issuan	77,811,960	77,811,960		
California Asset Management Program (CAMP) ***				
2012 University Ave. Parking Refunding Bonds Reserve Fund	2,706,022	2,706,022		
2013 General Obligation (Library) Bond Reserve Fund	598,895	598,895		
Public Agencies Post-Employment Benefits Trust **** Public Agency Retirement Services (PARS)	37,744,852	37,744,852		
Total Under Trustee Management	126,902,288	126,902,288		
GRAND TOTAL	\$ 697,838,955	\$ 693,964,676		

\* These funds are subject to the requirements of the underlying debt indenture.

\*\* U.S. Bank investments are in money market mutual funds that exclusively invest in U.S. Treasury securities.

\*\*\* CAMP investments are in money market mutual fund which invest in bankers acceptance, certificate of deposit,

commercial paper, federal agency securities, and repurchase agreements.

\*\*\*\* PARS investments are in moderately conservative index plus funds



#### City of Palo Alto Fund ALL - Portfolio Listings Investments by Fund December 31, 2021

City of Palo Alto Administration Svcs. Dept. 250 Hamilton Ave., 4th Floor Palo Alto, CA 94301 (650)329-2362

12.b

Attachm

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	YTM 365	Maturity Da Date M	
LAIF & Fidelity Ca	sh Accounts										
SYS158	158	Fidelity Investments	07/01/2020	4,162,014.15	4,162,014.15	4,162,014.15	0.010	0.009	0.010		1
SYS159	159	Local Agency Investment Fund	07/01/2020	12,495,913.80	12,495,913.80	12,494,335.08	0.220	0.216	0.220		1
			- Subtotal and Average	16,657,927.95	16,657,927.95	16,656,349.23	-	0.165	0.168	-	1
Negotiable Certifie	cates of Deposits	3									
20033AM86	1959 NCD	Comenity Capital Bank	10/30/2018	245,000.00	245,000.00	257,747.35	3.450	3.404	3.451	10/30/2023	667
02600ADE4	1476 NCD	American Federal Bank	09/30/2015	245,000.00	245,000.00	248,942.05	2.450	2.418	2.451	09/30/2022	272
01748DAW6	1844 NCD	Allegiance Bank - Texas	09/29/2017	245,000.00	245,000.00	248,197.25	2.050	2.022	2.051	09/29/2022	271
02082CBG4	1525 NCD	Alpine Bank	02/16/2016	245,000.00	245,000.00	245,671.30	2.400	2.367	2.400	08/16/2023	592
02554BCN9	2124 NCD	American Eagle Bank	09/27/2019	250,317.21	249,000.00	250,827.66	2.100	1.869	1.895	05/23/2022	142
034577AN6	2298 NCD	Aneca Federal Credit Union	03/20/2020	249,000.00	249,000.00	250,177.77	1.100	1.085	1.100	03/20/2025	1,174
029733BX9	1805 NCD	American State Bank OSCE	05/30/2017	245,000.00	245,000.00	254,084.60	2.300	2.270	2.301	05/30/2024	880
02589AA28	1986 NCD	American Express Centurion Bk	12/04/2018	245,000.00	245,000.00	258,712.65	3.550	3.501	3.550	12/04/2023	702
06654HAA6	2453 NCD	Banner Capital Bank	11/27/2020	248,377.50	249,000.00	242,670.42	0.450	0.493	0.500	11/28/2025	1,427
065847EH4	2455 NCD	Bank of Wisconsin Dells	11/23/2020	254,750.28	249,000.00	249,134.46	1.050	0.542	0.549	07/28/2025	1,304
88241THJ2	2346 NCD	Texas Exchange Bank	06/02/2020	249,000.00	249,000.00	248,905.38	1.000	0.986	1.000	06/13/2025	1,259
063615AX6	1472 NCD	Bank West	09/16/2015	245,000.00	245,000.00	248,403.05	2.250	2.220	2.251	09/16/2022	258
03753XAN0	1693 NCD	Apex Bank	09/30/2016	245,000.00	245,000.00	247,565.15	1.700	1.676	1.700	09/30/2022	272
156634AY3	2074 NCD	Century Next Bank	08/30/2019	245,000.00	245,000.00	250,718.30	1.700	1.678	1.701	08/30/2024	972
066519QC6	2474 NCD	BankUnited NA	01/22/2021	248,377.50	249,000.00	243,123.60	0.550	0.592	0.600	01/22/2026	1,482
05600XBX7	2480 NCD	BMO Harris Bank	01/27/2021	248,377.50	249,000.00	239,468.28	1.000	1.019	1.034	10/27/2028	2,491
05580AXU3	2448 NCD	BMW Bank of North America	11/20/2020	249,000.00	249,000.00	243,248.10	0.500	0.493	0.500	11/20/2025	1,419
06644QAA9	1767 NCD	BankFirst	04/13/2017	245,000.00	245,000.00	246,227.45	2.000	1.973	2.001	04/13/2022	102
05765LAW7	1984 NCD	Balboa Thrift & Loan	11/30/2018	245,000.00	245,000.00	251,529.25	3.250	3.207	3.252	11/30/2022	333
17312QJ67	1950 NCD	Citigroup	04/24/2018	245,000.00	245,000.00	253,197.70	3.000			04/22/2023	476
29260MBH7	2343 NCD	Encore Bank	05/21/2020	249,000.00	249,000.00	246,198.75	1.150	1.134	1.150	05/21/2027	1,966
201282HM5	1772 NCD	Commercial Bank - Alma	04/21/2017	245,000.00	245,000.00	246,359.75	2.050	2.023	2.051	04/21/2022	110
31944MBB0	2389 NCD	First Carolina Bank	08/20/2020	248,000.00	248,000.00	242,695.28	0.450	0.444	0.450	08/20/2025	1,327
15118RRH2	2063 NCD	Celtic Bank	08/30/2019	245,000.00	245,000.00	251,688.50	1.850	1.826	1.852	08/30/2024	972
15524EAA2	1538 NCD	Central State Bank	02/16/2016	245,000.00	245,000.00	245,453.25	1.700	1.678	1.701	02/16/2022	46
15523RCP9	2324 NCD	Central State Bank IOWA	03/27/2020	246,510.00	249,000.00	249,353.58	1.000	1.189	1.206	03/27/2025	1,181

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#### Fund ALL - Portfolio Listings Investments by Fund December 31, 2021

Negatiable Certificates of Deposits         Substance         Substance <th< th=""><th>CUSIP</th><th>Investment #</th><th>Issuer</th><th>Purchase Date</th><th>Remaining Cost</th><th>Par Value</th><th>Market Value</th><th>Current Rate</th><th>ҮТМ 360</th><th>ҮТМ 365</th><th>Maturity Da Date M</th><th>-</th></th<>	CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	ҮТМ 365	Maturity Da Date M	-
170370FT3       184 NCD       Cholce Bank - Oahkosh WI       1223/2017       245,000,00       249,867,00       2,89       2,317       2,50       1223/2022         1722BATAG0       Caloba CE dorrett Union       0,30/4/2021       246,503,00       246,000,00       246,416,8       1.68       1.68       1.68       0.69       0,30/4/2021         1727BATAG0       Caloba CE dorbard Credit Union       0,227/2020       244,510,00       245,000,00       253,83,00       1.75       1.727       1.75       0,217/2022         202291AD2       1686 NCD       Commercial Savings Bank       0/14/2017       245,000,00       245,000,00       251,633,55       1.80       1.77       1.80       1/223/2021         2025WART       2616 NCD       Commercial Savings Bank       0/12/2022       245,000,00       246,619,45       1.00       1.77       1.80       1/22/2021         1780 IGEG1       191 NCD       Copinal Gne Bank USA NA       0/12/2012       246,000,00       246,619,45       1.00       1.83       1.00       1.177       1.00       1.01       1.01       1.01       1.01       1.01       1.01       1.01       1.01       1.01       1.01       1.01       1.01       1.01       1.01       1.01       1.01       1.01 <td< th=""><th>Negotiable Cer</th><th>tificates of Deposits</th><th>S</th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th></td<>	Negotiable Cer	tificates of Deposits	S									
17288MAC1         250 NCD         Clinled Fed Credit Union Bank         03/04/2021         248,253.00         249,401.00         240,411.87         0.650         0.691         0.701         03/04/2021           17280FAC0         1267 NCD         Cliadol Federal Credit Union         02/17/2020         244,010.0         245,000.00         256,000.00         258,000.01         258,300.0         1.750         1.721         1.751         0.717         2717           20221 NCD         Commercial Swings Bank         10/14/2012         245,000.00         246,000.00         246,814.5         2.00         1.761         0.717/2021           20227 ML8         245 NCD         Commercial Swings Bank         10/14/2022         245,000.00         246,819.45         2.00         1.782         1.201         1.018         1.012/2022           2028 VLR1         249 NCD         Commercia State Bank         0.91/5/2017         245,000.00         246,819.45         2.00         1.790         1.731         1.712         245,000.00         246,700.76         1.001         1.68         1.001         1.68         1.701         1.722         2020 NCD         246,702.75         2.000         2.520         2.222         2.250         2.222         2.250         2.222         2.250         2.222	320636AC7	1840 NCD	First Iowa State Bank	07/31/2017	245,000.00	245,000.00	245,347.90	1.900	1.876	1.902	01/31/2022	30
17286TAG02267 NCDCitadel Federal Credit Union02/27/202244,510.00245,000.00250,431.651,6501,6681,69102/27/20217670BAC11541 NCDCitizens State Bank02/19/2016245,000.00250,000.00253,830.001,7501,7271,78102/17/2023220291AD21868 NCDCommercial Savings Bank10/18/2017245,000.00246,000.00246,961.551,8001,7791,80310/28/20262825WRM82215 NCDEnerbank USA01/22/2020245,000.00246,000.00246,619.52,0001,7791,20110/22/20202825WAR12643 NCDConnexus Credit Union12/23/2021248,000.00246,000.00248,977.001,8011,1001,1001,1001,1021,1021,20220014042RCP02069 NCDCapital One Bank USA NA0905/2019245,000.00246,000.00246,702.752,0001,9722,000623,9231,9001,9722,000623,9231,9001,9722,000623,9231,9001,9722,000623,9231,9001,9722,000245,000.00246,702.752,0002,000246,702.752,0002,000246,702.752,0002,000246,702.752,0002,0002,000.022,000.022,000.022,000.022,000.022,000.022,000.022,000.022,000.022,000.022,000.022,000.022,000.022,000.022,000.022,000.022,000.022,000.022,00	17037VBT8	1884 NCD	Choice Bank - Oshkosh WI	12/29/2017	245,000.00	245,000.00	249,865.70	2.350	2.317	2.350	12/29/2022	362
17670BAQ1       1541 NCD       Citizens State Bank       02/19/2016       250,000,00       250,000,00       245,000,00       246,000	17248MAC1	2504 NCD	Cinfed Fed Credtit Union Bank	03/04/2021	248,253.00	249,000.00	240,441.87	0.650	0.691	0.701	03/04/2027	1,888
20291AD2         1688 NCD         Commercial Savings Bank         1018/2017         245,000.00         245,000.00         251,633.55         1,000         1,779         1,000           2927TRMR8         2215 NCD         Enethank USA         01/29/2020         245,000.00         245,000.00         246,614,55         2,000         1,797         1,800         1,792         1,200         01/29/2020           20825WAR1         2643 NCD         Connexus Credit Union         1223/2012         245,000.00         246,000.00         246,270.00         1,800         1,801         1,700 <t< td=""><td>17286TAG0</td><td>2267 NCD</td><td>Citadel Federal Credit Union</td><td>02/27/2020</td><td>244,510.00</td><td>245,000.00</td><td>250,431.65</td><td>1.650</td><td>1.668</td><td>1.691</td><td>02/27/2025</td><td>1,153</td></t<>	17286TAG0	2267 NCD	Citadel Federal Credit Union	02/27/2020	244,510.00	245,000.00	250,431.65	1.650	1.668	1.691	02/27/2025	1,153
29278TMR82215 NCDEnebank USA01/29/2020245,000.00245,000.00251,563.551.8001.7791.80301/29/20121780 108C11791 NCDCity National Bk of Metropolis05/15/2017245,000.00246,010.00246,619.452.0001.7272.00005/16/202214042TCP02089 NCDCapital One Bank USA NA09/05/2019245,000.00245,000.00246,739.081.1001.0841.001.10714042TCP02089 NCDCapital One Bank USA NA11/17/2021249,000.00246,739.081.1001.0841.001.10720070PJA61797 NCDCommenes State Bank0522/2017245,000.00245,000.00246,739.081.1001.0841.1001.0822.000052/202220404MAN11471 NCDCommunity State Bank, IA09/11/2015245,000.00246,000.00248,71.881.1001.1081.1000.920/202222665DN72296 NCDCrescent Bank & Trust0.920/2022246,000.00246,500.00246,571.881.1001.1081.1009.202/202222665DAV71766 NCDDiscover Bank / Delaware10/24/2018245,000.00246,500.00246,820.752.6050.9192.90227004PEV42466 NCDEagle Bank0707/202246,000.00246,800.00246,820.752.6050.9192.902250645DAV71766 NCDDiscover Bank / Delaware01/24/2018245,000.00246,800.00246,801.350.4003.9060.934 <td>17670BAQ1</td> <td>1541 NCD</td> <td>Citizens State Bank</td> <td>02/19/2016</td> <td>250,000.00</td> <td>250,000.00</td> <td>253,830.00</td> <td>1.750</td> <td>1.727</td> <td>1.751</td> <td>02/17/2023</td> <td>412</td>	17670BAQ1	1541 NCD	Citizens State Bank	02/19/2016	250,000.00	250,000.00	253,830.00	1.750	1.727	1.751	02/17/2023	412
17801GBQ1       1791 NCD       City National Bk of Metropolis       05/15/2017       245,000.00       245,000.00       246,619.45       2.000       1.250       1.272       2.000       05/16/2022         20825WAR1       2643 NCD       Connexus Credit Union       12/23/2021       244,500.00       246,000.00       248,070.00       251.992.30       1.250       1.250       1.270       1.000       1.670       1.000       1.670       1.000       1.670       1.000       1.670       1.000       1.670       1.000       1.670       1.000       1.670       1.000       1.670       1.000       1.672       2.000       05/23/2022         200404AN1       1471CD       Commenty State Bank, A       091/2022       246,000.00       246,000.00       246,700.00       <	202291AD2	1868 NCD	Commercial Savings Bank	10/18/2017	245,000.00	245,000.00	248,496.15	2.100	2.071	2.100	10/18/2022	290
2825WAR1         2643 NCD         Connexus Credit Union         12/23/2021         248,020.0         249,000.00         248,077.90         1.250         1.273         1.291         12/23/2021           14042PCP0         2089 NCD         Capital One Bank USA NA         09/05/2019         245,000.00         245,000.00         246,000.00         246,730.80         1.000         1.687         1.000         1.072         1.024         1.000         1.072         1.024         1.000         1.072         1.024         1.000         1.072         1.024         1.000         1.072         1.024         1.000         1.072         2.000         246,700.00         246,700.00         246,702.75         2.000         1.024         1.000         1.022         2.024         2.25         0.92/2022           226645DN7         2296 NCD         Country Club Bank         01/2/2021         246,000.00         248,001.00         248,517.88         1.100         1.054         1.100         01/2/2023           226650AV7         1956 NCD         Discover Bank STBA         0.308/2017         245,000.00         245,000.00         248,820.75         2.050         2.050         2.050         2.050         2.050         2.050         2.050         2.050         2.050         2.050 <td< td=""><td>29278TMR8</td><td>2215 NCD</td><td>Enerbank USA</td><td>01/29/2020</td><td>245,000.00</td><td>245,000.00</td><td>251,563.55</td><td>1.800</td><td>1.779</td><td>1.803</td><td>01/29/2025</td><td>1,124</td></td<>	29278TMR8	2215 NCD	Enerbank USA	01/29/2020	245,000.00	245,000.00	251,563.55	1.800	1.779	1.803	01/29/2025	1,124
14042TCP02089 NCDCapital One Bank USA NA09/05/2019245,000.00245,000.00251,92.301.9001.8731.90009/05/201414042R0B02600 NCDCapital One Bank USA NA11/17/2021249,000.00249,000.00246,703.081.1001.1041.0011/17/202620070PJA61797 NCDCommerce State Bank05/22/2017245,000.00245,000.00248,703.082.2002.2242.2569/12/2022225645DN72296 NCDCrescent Bank & Trust03/20/2020248,000.00248,000.00248,715.041.1001.0851.10003/20/20262254673/J2196 NCDDiscover Bank / Delaware01/29/2021247,000.00245,000.00256,715.043.3043.3043.50110/24/201825665QAV71756 NCDDiscover Bank / Delaware03/08/2017245,000.00245,000.00245,820.752.0502.0212.05003/08/201227004PPV4254 NCDEaglemark Savings Bank07/07/2021248,004.00249,000.00248,840.30.8500.9190.93207/07/2026306822BMA246 NCDFarmers & Merchant State Bank02/12/2021248,004.00249,000.00248,043.50.4000.3940.40003/02/2023387E4E42414 NCDFlagstar Bank FSB0/30/2020249,000.00246,043.50.4000.3940.4000/30/2023387E4E42414 NCDFlagstar Bank FSB0/30/2020249,000.00246,040.52.0002.000.012.10	17801GBQ1	1791 NCD	City National Bk of Metropolis	05/15/2017	245,000.00	245,000.00	246,619.45	2.000	1.972	2.000	05/16/2022	135
14042RQB02609 NCDCapital One Bank USA NA11/17/2021249,000.00246,730.081.1001.0841.1001.107/202120070 PJA61797 NCDCommencity State Bank05/22/2017245,000.00245,000.00246,730.752.001.9722.00005/23/202220404MAN11471 NCDCommunity State Bank, IA09/11/2015245,000.00248,000.00248,050.00 <td< td=""><td>20825WAR1</td><td>2643 NCD</td><td>Connexus Credit Union</td><td>12/23/2021</td><td>248,502.00</td><td>249,000.00</td><td>248,277.90</td><td>1.250</td><td>1.273</td><td>1.291</td><td>12/23/2026</td><td>1,817</td></td<>	20825WAR1	2643 NCD	Connexus Credit Union	12/23/2021	248,502.00	249,000.00	248,277.90	1.250	1.273	1.291	12/23/2026	1,817
20070PJA61797 NCDCommerce State Bank05/22/2017245,000.00245,000.00246,702.752.001.9722.0005/23/20220404MAN11471 NCDCommunity State Bank, IA09/11/2015245,000.00248,000.00248,340.52.2502.2242.25509/12/202225645DN72296 NCDCrescent Bank & Trust03/20/202246,000.00248,000.00249,173.041.1001.0581.1001/29/2032256457JV21956 NCDDiscover Bank / Delaware10/24/2018245,000.00245,000.00257,176.503.3503.043.35010/24/201325665QAV71756 NCDDellar Bank FSB03/08/2017245,000.00246,000.00244,884.030.8500.9190.9207/07/201227002YEL62040 NCDEagle Bank07/07/2021248,004.00249,000.00246,484.030.8500.9190.9201/29/20330862BM42466 NCDFarmers & Merchant State Bank02/12/2021248,004.00249,000.00246,043.550.4000.9340.40009/07/20230862BM42466 NCDFarmers & Merchant State Bank02/12/2021248,000.00246,000.00246,020.552.1060.9340.4000.93/07/20230767A2C41768 NCDFirstBank Puerto Rico0.91/07/2021245,000.00246,000.00246,020.551.1001.0371.0620.162/20230767A2C41768 NCDFirst Farmers & Merchant Bank06/22/2016245,000.00246,000.00246,020.55	14042TCP0	2089 NCD	Capital One Bank USA NA	09/05/2019	245,000.00	245,000.00	251,992.30	1.900	1.873	1.900	09/05/2024	978
20404MAN11471 NCDCommunity State Bank, IA09/11/2015245,000.00246,000.00248,364.052.2502.2242.25509/12/2021225645DN72266 NCDCrescent Bank & Trust03/20/202248,000.00248,000.00248,071.001.1001.0851.10003/20/2020222327AD02477 NCDCountry Cub Bank01/29/2014247,506.00249,000.00255,171.6503.3043.3043.3043.05001/24/2018256650,AV71766 NCDDollar Bank FSB03/08/201724,000.00245,000.00245,802.752.0502.0122.01003/08/201227004PBV42545 NCDEaglemark Savings Bank07/07/2021248,004.00249,000.00248,84.030.8500.9190.93207/07/202127004PBV42468 NCDEaglemark Savings Bank07/07/2021248,004.00249,000.00248,003.00248,001.001.0071.0071.0020.9340.400308682BM42440 NCDEnglemark Savings Bank09/30/2020249,000.00246,003.00246,003.000.9340.000.93/02023387F2421768 NCDFirstBank FSB09/30/2020249,000.00246,000.00246,003.001.0071.0071.0071.0071.000.9340.4003387F2421768 NCDFirstBank Puerto Rico03/18/2020249,000.00246,000.00246,002.00246,002.00246,002.00246,002.001.0761.0761.0000.9340.4000.93/02202	14042RQB0	2609 NCD	Capital One Bank USA NA	11/17/2021	249,000.00	249,000.00	246,739.08	1.100	1.084	1.100	11/17/2026	1,781
225645DN72296 NCDCrescent Bank & Trust03/20/202248,000.00248,000.00249,173.041.1001.0851.10003/20/20222327AD02477 NCDCountry Club Bank01/29/2021247,060.00249,000.00238,571.881.1001.1541.17001/29/203025667SAVJ21956 NCDDiscover Bank / Delaware01/29/201245,000.00245,000.00257,176.503.5003.3043	20070PJA6	1797 NCD	Commerce State Bank	05/22/2017	245,000.00	245,000.00	246,702.75	2.000	1.972	2.000	05/23/2022	142
22327AD0         2477 NCD         Country Club Bank         01/29/2021         247,506.00         249,000.00         238,571.88         1.100         1.154         1.70         01/29/2013           254673VJ2         1956 NCD         Discover Bank / Delaware         10/24/2018         245,000.00         245,000.00         257,176.50         3.350         3.304         3.30         10/24/2013           25665QAV7         1756 NCD         Dolar Bank FSB         03/08/2017         246,000.00         245,000.00         245,820.75         2.050         2.021         2.00         03/08/2012           27004PBV4         2545 NCD         Eaglemark Savings Bank         04/07/201         248,004.00         249,000.00         244,884.03         0.80         0.919         0.302         2/12/2021           308682BM4         2460 NCD         Farmers & Merchant State Bank         02/12/2021         248,004.00         249,000.00         246,049.35         0.400         0.304         0.40         09/0/2024           3387F24E4         2414 NCD         FirstBank Puerto Rico         04/07/2017         245,000.00         246,000.00         246,049.35         0.400         0.407         2012           33767A2C4         1768 NCD         FirstBank Puerto Rico         04/07/2017         245,000.00	20404MAN1	1471 NCD	Community State Bank, IA	09/11/2015	245,000.00	245,000.00	248,354.05	2.250	2.224	2.255	09/12/2022	254
254673VJ21956 NCDDiscover Bank / Delaware10/24/2018245,000.00245,000.00245,0763.3503.3043.3010/24/20325665QAV71756 NCDDollar Bank FSB03/08/2017245,000.00245,000.00245,820.752.0502.0212.05003/08/202227004PBV42545 NCDEaglemark Savings Bank07/07/2021248,004.00249,000.00244,884.030.8500.9190.93207/07/202627002YEL62040 NCDEagle Bank04/30/2019245,000.00245,000.00252,146.652.6502.6152.65104/28/2023308682BM42486 NCDFarmers & Merchant State Bank02/12/2021248,004.00249,000.00246,049.350.4000.3940.40009/30/2024338767A2C41768 NCDFirstBank Puerto Rico04/07/2017245,000.00246,020.00246,220.102.1002.0722.11104/07/202273319FAF62285 NCDPoppy Bank03/18/2020249,000.00249,000.00250,185.241.1001.0851.10003/18/202532018YAW81626 NCDFirst Federal S&L Bank06/22/2016245,000.00245,000.00245,000.00245,000.00245,000.00240,000.00 <td>225645DN7</td> <td>2296 NCD</td> <td>Crescent Bank &amp; Trust</td> <td>03/20/2020</td> <td>248,000.00</td> <td>248,000.00</td> <td>249,173.04</td> <td>1.100</td> <td>1.085</td> <td>1.100</td> <td>03/20/2025</td> <td>1,174</td>	225645DN7	2296 NCD	Crescent Bank & Trust	03/20/2020	248,000.00	248,000.00	249,173.04	1.100	1.085	1.100	03/20/2025	1,174
25665QAV71756 NCDDollar Bank FSB03/08/2017245,000.00245,000.00245,820.752.0502.0212.05003/08/202227004PBV42545 NCDEaglemark Savings Bank07/07/2021248,004.00249,000.00244,844.030.8500.9190.93207/07/202627002YEL62040 NCDEagle Bank04/30/2019245,000.00245,000.00252,146.652.6502.6152.66104/28/2023308682BM42486 NCDFarmers & Merchant State Bank02/12/2021248,004.00249,000.00238,517.101.0001.0371.05202/12/202933876742C41768 NCDFirstBank Park FSB09/30/2020249,000.00249,000.00246,049.350.4000.3940.40009/30/202433767A2C41768 NCDFirstBank Puerto Rico04/07/2017245,000.00249,000.00246,020.102.1001.0551.1000.318/202532018YAW81626 NCDFirst Federal S&L Bank06/22/2016249,000.00246,000.00240,005.001.8001.7761.80006/22/202332018SJKO2076 NCDFirst Federal S&L Bank08/19/2020248,000.00246,000.00240,005.001.8001.7761.80006/22/202332016SJKO2076 NCDFirst Farmers Bank & Trust09/04/2019245,000.00245,000.00241,036.801.7271.75109/04/202432016SJKO2076 NCDFirst Internet Bank07/14/2017245,000.00245,000.00247,652.900.500 <td>222327AD0</td> <td>2477 NCD</td> <td>Country Club Bank</td> <td>01/29/2021</td> <td>247,506.00</td> <td>249,000.00</td> <td>238,571.88</td> <td>1.100</td> <td>1.154</td> <td>1.170</td> <td>01/29/2030</td> <td>2,950</td>	222327AD0	2477 NCD	Country Club Bank	01/29/2021	247,506.00	249,000.00	238,571.88	1.100	1.154	1.170	01/29/2030	2,950
27004PBV42545 NCDEaglemark Savings Bank07/07/2021248,004.00249,000.00244,884.030.8500.9190.93207/07/202627002YEL62040 NCDEagle Bank04/30/2019245,000.00245,000.00252,146.652.6502.6152.6152.61704/28/2023308682BM42486 NCDFarmers & Merchant State Bank02/12/2021248,004.00249,000.00246,049.350.4000.3940.40009/30/202433847E4E42414 NCDFlagstar Bank FSB09/30/2020249,000.00245,000.00246,20.102.1002.0722.10104/07/20273319FAF62285 NCDPoppy Bank09/38/2020249,000.00245,000.00250,185.241.1001.0851.1000.3/88/202332012RNT02390 NCDFirst Federal S&L Bank06/22/216246,000.00245,000.00245,000.00245,000.00245,000.00245,000.001.8000.6/22/2023320165JK02076 NCDFirst Farmers Bank & Trust09/04/2019245,000.00245,000.00247,036.801.7501.7501.90490/04/201232056GCQ11834 NCDFirst Internet Bank07/14/2017245,000.00245,000.00247,763.200.5000.5430.5500.714/202332056GCQ11834 NCDFirst Internet Bank07/14/2017245,000.00245,000.00245,782.900.5000.5430.5500.714/2023335857CK22451 NCDFirst Oklahoma Bank11/30/2020248,53.00249,	254673VJ2	1956 NCD	Discover Bank / Delaware	10/24/2018	245,000.00	245,000.00	257,176.50	3.350	3.304	3.350	10/24/2023	661
27002YEL62040 NCDEagle Bank04/30/2019245,000.00245,000.00252,146.652.6502.6152.65104/28/2023308682BM42486 NCDFarmers & Merchant State Bank02/12/2021248,004.00249,000.00238,517.101.0001.0371.05202/12/202933847E4E42414 NCDFlagstar Bank FSB09/30/2020249,000.00249,000.00246,049.350.4000.3940.40009/30/202033767A2C41768 NCDFirstBank Puerto Rico04/07/2017245,000.00245,000.00246,220.102.1002.0722.10104/07/202273319FAF62285 NCDPoppy Bank03/18/2020249,000.00249,000.00250,185.241.1001.0851.10003/18/202532018YAW81626 NCDFirst Federal S&L Bank06/22/2016245,000.00246,000.00242,705.200.4500.4440.45008/19/2025320165JK02076 NCDFirst Farmers Bank & Trust09/04/2019246,000.00245,000.00242,705.200.4500.4440.45008/19/202532056GCQ11834 NCDFirst Internet Bank07/14/2017245,000.00245,000.00247,364.252.0502.0532.05107/14/2026335857CK22451 NCDFirst Oklahoma Bank11/30/2020248,275.00249,000.00247,364.250.5000.5430.55001/12/2026335857CK22451 NCDFirst Oklahoma Bank11/30/2020248,253.00249,000.00245,20.502.050 <td>25665QAV7</td> <td>1756 NCD</td> <td>Dollar Bank FSB</td> <td>03/08/2017</td> <td>245,000.00</td> <td>245,000.00</td> <td>245,820.75</td> <td>2.050</td> <td>2.021</td> <td>2.050</td> <td>03/08/2022</td> <td>66</td>	25665QAV7	1756 NCD	Dollar Bank FSB	03/08/2017	245,000.00	245,000.00	245,820.75	2.050	2.021	2.050	03/08/2022	66
308682BM42486 NCDFarmers & Merchant State Bank02/12/2021248,004.00249,000.00248,017.101.0001.0371.05202/12/202933847E4E42414 NCDFlagstar Bank FSB09/30/2020249,000.00249,000.00246,049.350.4000.3940.40009/30/202033767A2C41768 NCDFirstBank Puerto Rico04/07/2017245,000.00246,000.00246,020.102.1002.0722.10104/07/202273319FAF62285 NCDPoppy Bank03/18/2020249,000.00249,000.00250,0185.241.1001.0851.1000.3/18/202032018YAW81626 NCDFirst Federal S&L Bank06/22/2016245,000.00245,000.00250,069.051.8001.7761.80006/22/202332022RNT02390 NCD1st Financial Bank06/22/2019245,000.00245,000.00242,705.200.4550.4440.45008/19/2023320165JK02076 NCDFirst Farmers Bank & Trust09/04/2019245,000.00245,000.00247,364.252.0502.0232.05107/14/201232056GCQ11834 NCDFirst Internet Bank07/14/2017245,000.00245,000.00242,578.290.5000.5430.55001/27/2026335857CK22451 NCDFirst Oklahoma Bank11/30/2020248,253.00249,000.00245,20.502.0502.0512.05111/30/202630781TBD91735 NCDFarmers & Merchant Bank01/18/2017245,000.00245,000.00245,20.50	27004PBV4	2545 NCD	Eaglemark Savings Bank	07/07/2021	248,004.00	249,000.00	244,884.03	0.850	0.919	0.932	07/07/2026	1,648
33847E4E42414 NCDFlagstar Bank FSB99/30/202249,000.00249,000.00246,049.350.4000.3940.40009/30/202433767A2C41768 NCDFirstBank Puerto Rico04/07/2017245,000.00245,000.00246,220.102.1002.0722.10104/07/202273319FAF62285 NCDPoppy Bank03/18/2020249,000.00249,000.00250,185.241.1001.0851.10003/18/202032018YAW81626 NCDFirst Federal S&L Bank06/22/2016245,000.00245,000.00245,000.00242,705.200.4500.4440.45008/19/202032022RNT02390 NCD1st Financial Bank08/19/2020248,000.00245,000.00242,705.200.4500.4440.45008/19/202032056GCQ11834 NCDFirst Farmers Bank & Trust09/04/2019245,000.00245,000.00247,364.252.0502.0232.05107/14/201232056GCQ11834 NCDFirst Internet Bank07/14/2017245,000.00245,000.00245,78.290.5000.5430.55001/27/202632056GCQ11834 NCDFirst Oklahoma Bank11/30/2020248,253.00249,000.00241,310.880.6500.6910.70111/30/20263205857CK22451 NCDFirst Oklahoma Bank01/18/2017245,000.00245,000.00245,202.00245,202.00245,202.00245,202.00245,202.00245,202.00240,399.540.6000.6250.63312/31/202632110YRQ0 <td< td=""><td>27002YEL6</td><td>2040 NCD</td><td>Eagle Bank</td><td>04/30/2019</td><td>245,000.00</td><td>245,000.00</td><td>252,146.65</td><td>2.650</td><td>2.615</td><td>2.651</td><td>04/28/2023</td><td>482</td></td<>	27002YEL6	2040 NCD	Eagle Bank	04/30/2019	245,000.00	245,000.00	252,146.65	2.650	2.615	2.651	04/28/2023	482
33767A2C41768 NCDFirst Bank Puerto Rico04/07/2017245,000.00246,000.00246,20.102.1002.0722.10104/07/202273319FAF62285 NCDPoppy Bank03/18/2020249,000.00249,000.00250,185.241.1001.0851.10003/18/202532018YAW81626 NCDFirst Federal S&L Bank06/22/2016245,000.00245,000.00250,069.051.8001.7761.80006/22/202332022RNT02390 NCD1st Financial Bank06/22/2016248,000.00245,000.00242,705.200.4500.4440.45008/19/2025320165JK02076 NCDFirst Farmers Bank & Trust09/04/2019245,000.00245,000.00251,036.801.7501.7271.75109/04/202932056GCQ11834 NCDFirst Internet Bank07/14/2017245,000.00245,000.00242,778.290.5002.0232.0510/14/2022330960QAK32479 NCDFarmers Insurance Group CU01/27/2021248,377.50249,000.00242,788.290.5000.5430.55001/27/2026335857CK22451 NCDFirst Oklahoma Bank11/30/2020248,253.00249,000.00245,20.502.0502.0212.05001/18/202732110YRQ02465 NCDFirst National Bank of America12/31/2020248,502.00249,000.00245,20.502.0502.0512.05312/31/202632110YRQ02465 NCDFirst National Bank of America12/31/2020248,502.00249,000.00	308682BM4	2486 NCD	Farmers & Merchant State Bank	02/12/2021	248,004.00	249,000.00	238,517.10	1.000	1.037	1.052	02/12/2029	2,599
73319FAF62285 NCDPoppy Bank03/18/2020249,000.00249,000.00250,185.241.1001.0851.10003/18/202032018YAW81626 NCDFirst Federal S&L Bank06/22/2016245,000.00245,000.00250,069.051.8001.7761.80006/22/202332022RNT02390 NCD1st Financial Bank08/19/2020248,000.00248,000.00242,705.200.4500.4440.45008/19/2025320165JK02076 NCDFirst Farmers Bank & Trust09/04/2019245,000.00245,000.00251,036.801.7501.7271.75109/04/202432056GCQ11834 NCDFirst Internet Bank07/14/2017245,000.00245,000.00242,782.290.5002.5032.0232.05101/12/202630960QAK32479 NCDFarmers Insurance Group CU01/27/2021248,377.50249,000.00242,578.290.5000.5430.55001/27/2026335857CK22451 NCDFirst Oklahoma Bank11/30/2020248,233.00249,000.00245,205.002.0212.0502.0211.103/202630781TBD91735 NCDFarmers & Merchant Bank01/18/2017245,000.00245,000.00245,220.502.0502.0212.0500.148/202732110YRQ02465 NCDFirst National Bank of America12/31/2020248,502.00249,000.00240,399.540.6000.6250.63312/31/2026	33847E4E4	2414 NCD	Flagstar Bank FSB	09/30/2020	249,000.00	249,000.00	246,049.35	0.400	0.394	0.400	09/30/2024	1,003
32018YAW81626 NCDFirst Federal S&L Bank06/22/2016245,000.00245,000.00250,069.051.8001.7761.80006/22/20332022RNT02390 NCD1st Financial Bank08/19/2020248,000.00248,000.00242,705.200.4500.4440.45008/19/2025320165JK02076 NCDFirst Farmers Bank & Trust09/04/2019245,000.00245,000.00251,036.801.7501.7271.75109/04/202432056GCQ11834 NCDFirst Internet Bank07/14/2017245,000.00245,000.00247,364.252.0502.0232.05107/14/202230960QAK32479 NCDFarmers Insurance Group CU01/27/2021248,377.50249,000.00242,578.290.5000.5430.55001/27/2026335857CK22451 NCDFirst Oklahoma Bank11/30/2020248,253.00245,000.00245,220.502.0502.0212.05011/30/202630781TBD91735 NCDFarmers & Merchant Bank01/18/2017245,000.00245,000.00245,220.502.0502.0212.05001/18/202732110YRQ02465 NCDFirst National Bank of America12/31/2020248,502.00249,000.00240,399.540.6000.6250.63312/31/2026	33767A2C4	1768 NCD	FirstBank Puerto Rico	04/07/2017	245,000.00	245,000.00	246,220.10	2.100	2.072	2.101	04/07/2022	96
32022RNT02390 NCD1st Financial Bank08/19/2020248,000.00248,000.00242,705.200.4500.4440.45008/19/2026320165JK02076 NCDFirst Farmers Bank & Trust09/04/2019245,000.00245,000.00251,036.801.7501.7271.75109/04/202432056GCQ11834 NCDFirst Internet Bank07/14/2017245,000.00245,000.00247,364.252.0502.0232.05107/14/202230960QAK32479 NCDFarmers Insurance Group CU01/27/2021248,377.50249,000.00242,578.290.5000.5430.55001/27/2026335857CK22451 NCDFirst Oklahoma Bank11/30/2020248,253.00249,000.00245,202.00245,202.002.0510.11/130781TBD91735 NCDFarmers & Merchant Bank01/18/2017245,000.00245,000.00245,220.502.0502.0212.05001/18/202232110YRQ02465 NCDFirst National Bank of America12/31/2020248,502.00249,000.00240,399.540.6000.6250.63312/31/2026	73319FAF6	2285 NCD	Poppy Bank	03/18/2020	249,000.00	249,000.00	250,185.24	1.100	1.085	1.100	03/18/2025	1,172
320165JK02076 NCDFirst Farmers Bank & Trust09/04/2019245,000.00245,000.00251,036.801.7501.7271.75109/04/202432056GCQ11834 NCDFirst Internet Bank07/14/2017245,000.00245,000.00247,364.252.0502.0232.05107/14/202230960QAK32479 NCDFarmers Insurance Group CU01/27/2021248,377.50249,000.00242,578.290.5000.5430.55001/27/2026335857CK22451 NCDFirst Oklahoma Bank11/30/2020248,253.00249,000.00241,310.880.6500.6910.70111/30/202630781TBD91735 NCDFarmers & Merchant Bank01/18/2017245,000.00245,000.00245,220.502.0502.0212.05001/18/202232110YRQ02465 NCDFirst National Bank of America12/31/2020248,502.00249,000.00240,399.540.6000.6250.63312/31/2026	32018YAW8	1626 NCD	First Federal S&L Bank	06/22/2016	245,000.00	245,000.00	250,069.05	1.800	1.776	1.800	06/22/2023	537
32056GCQ11834 NCDFirst Internet Bank07/14/2017245,000.00245,000.00247,364.252.0502.0232.05007/14/202230960QAK32479 NCDFarmers Insurance Group CU01/27/2021248,377.50249,000.00242,578.290.5000.5430.55001/27/2026335857CK22451 NCDFirst Oklahoma Bank11/30/2020248,253.00249,000.00241,310.880.6500.6910.70111/30/202630781TBD91735 NCDFarmers & Merchant Bank01/18/2017245,000.00245,200.00245,220.502.0502.0212.05001/18/202232110YRQ02465 NCDFirst National Bank of America12/31/2020248,502.00249,000.00240,399.540.6000.6250.63312/31/2026	32022RNT0	2390 NCD	1st Financial Bank	08/19/2020	248,000.00	248,000.00	242,705.20	0.450	0.444	0.450	08/19/2025	1,326
30960QAK32479 NCDFarmers Insurance Group CU01/27/2021248,377.50249,000.00242,578.290.5000.5430.50001/27/2026335857CK22451 NCDFirst Oklahoma Bank11/30/2020248,253.00249,000.00241,310.880.6500.6910.70111/30/202630781TBD91735 NCDFarmers & Merchant Bank01/18/2017245,000.00245,000.00245,220.502.0502.0212.05001/18/202232110YRQ02465 NCDFirst National Bank of America12/31/2020248,502.00249,000.00240,399.540.6000.6250.63312/31/2026	320165JK0	2076 NCD	First Farmers Bank & Trust	09/04/2019	245,000.00	245,000.00	251,036.80	1.750	1.727	1.751	09/04/2024	977
335857CK2       2451 NCD       First Oklahoma Bank       11/30/2020       248,253.00       249,000.00       241,310.88       0.650       0.691       0.701       11/30/2020         30781TBD9       1735 NCD       Farmers & Merchant Bank       01/18/2017       245,000.00       245,000.00       245,220.50       2.050       2.050       01/18/2022         32110YRQ0       2465 NCD       First National Bank of America       12/31/2020       248,502.00       249,000.00       240,399.54       0.600       0.625       0.633       12/31/2026	32056GCQ1	1834 NCD	First Internet Bank	07/14/2017	245,000.00	245,000.00	247,364.25	2.050	2.023	2.051	07/14/2022	194
30781TBD9       1735 NCD       Farmers & Merchant Bank       01/18/2017       245,000.00       245,000.00       245,220.50       2.050       2.021       2.050       01/18/2022         32110YRQ0       2465 NCD       First National Bank of America       12/31/2020       248,502.00       249,000.00       240,399.54       0.600       0.625       0.633       12/31/2026	30960QAK3	2479 NCD	Farmers Insurance Group CU	01/27/2021	248,377.50	249,000.00	242,578.29	0.500	0.543	0.550	01/27/2026	1,487
32110YRQ0 2465 NCD First National Bank of America 12/31/2020 248,502.00 249,000.00 240,399.54 0.600 0.625 0.633 12/31/2026	335857CK2	2451 NCD	First Oklahoma Bank	11/30/2020	248,253.00	249,000.00	241,310.88	0.650	0.691	0.701	11/30/2026	1,794
	30781TBD9	1735 NCD	Farmers & Merchant Bank	01/18/2017	245,000.00	245,000.00	245,220.50	2.050	2.021	2.050	01/18/2022	17
330459CB2 1863 NCD FNB Bank Inc. 10/13/2017 245,000.00 245,000.00 252,239.75 2.250 2.220 2.251 10/13/2023	32110YRQ0	2465 NCD	First National Bank of America	12/31/2020	248,502.00	249,000.00	240,399.54	0.600	0.625	0.633	12/31/2026	1,825
	330459CB2	1863 NCD	FNB Bank Inc.	10/13/2017	245,000.00	245,000.00	252,239.75	2.250	2.220	2.251	10/13/2023	650

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#### Fund ALL - Portfolio Listings Investments by Fund December 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	YTM 365	Maturity Da Date M	-
Negotiable Cert	ificates of Deposits	S									
35471TCV2	1771 NCD	Franklin Synergy Bank	04/04/2017	103,000.00	103,000.00	103,155.53	2.000	1.972	1.999	01/31/2022	30
33583FAA0	1779 NCD	First Northeast Bank	04/19/2017	245,000.00	245,000.00	248,508.40	2.100	2.072	2.101	10/19/2022	291
336460CH1	1824 NCD	First State Bank - Dequeen	06/30/2017	245,000.00	245,000.00	246,428.35	2.000	1.973	2.000	04/29/2022	118
33715LCM0	1955 NCD	First Technology Federal Credi	10/17/2018	245,000.00	245,000.00	257,306.35	3.400	3.355	3.401	10/17/2023	654
31986JAD3	2554 NCD	First Community Credit Union	07/28/2021	248,253.00	249,000.00	242,981.67	0.850	0.892	0.905	02/26/2027	1,882
33766LAJ7	2061 NCD	Firstier Bank	08/23/2019	245,000.00	245,000.00	252,305.90	1.950	1.925	1.952	08/23/2024	965
32065TAW1	1856 NCD	First Kentucky Bank	10/06/2017	245,000.00	245,000.00	248,366.30	2.100	2.072	2.101	10/06/2022	278
33749VAM0	1770 NCD	First Western Bank & Trust	04/07/2017	245,000.00	245,000.00	246,153.95	2.000	1.973	2.001	04/07/2022	96
37424PAC8	2456 NCD	Gesa Credit Union	11/30/2020	248,377.50	249,000.00	239,988.69	0.800	0.825	0.836	11/30/2027	2,159
39115UBB8	1865 NCD	Great Plains Bank	10/25/2017	245,000.00	245,000.00	247,418.15	2.000	1.972	2.000	07/25/2022	205
387625AA4	2042 NCD	Grant County Bank West V.	05/08/2019	245,000.00	245,000.00	255,363.50	2.550	2.513	2.548	05/08/2024	858
38148PJ81	1951 NCD	Goldman Sachs Bank USA / NY	05/09/2018	245,000.00	245,000.00	253,913.10	3.150	3.106	3.150	05/09/2023	493
404730DA8	2447 NCD	Haddon Savings Bank	11/16/2020	205,137.00	207,000.00	201,315.78	0.350	0.527	0.535	10/20/2025	1,388
06251A2Q2	2457 NCD	Bank Hapoalim BM	12/14/2020	248,377.50	249,000.00	242,989.14	0.500	0.543	0.550	12/15/2025	1,444
46147USQ4	1765 NCD	Investors Community Bank	03/24/2017	245,000.00	245,000.00	248,412.85	2.200	2.172	2.202	09/23/2022	265
45581EAC5	1773 NCD	Industrial & Com Bk of China	04/12/2017	245,000.00	245,000.00	246,318.10	2.150	2.121	2.151	04/12/2022	101
45780PAQ8	2556 NCD	Inst. for Sav in Newburyport	07/29/2021	249,000.00	249,000.00	245,255.04	0.900	0.888	0.900	07/29/2026	1,670
48040PJL0	2452 NCD	Jonesboro State Bank	11/27/2020	248,128.50	249,000.00	239,323.86	0.750	0.790	0.801	11/26/2027	2,155
50116CAX7	1798 NCD	Kansas State Bank Manhattan	05/31/2017	245,000.00	245,000.00	255,253.25	2.500	2.465	2.500	05/31/2024	881
499724AF9	2140 NCD	Knox TVA Empl Credit Union	10/24/2019	258,564.80	248,000.00	260,447.12	3.350	2.210	2.241	10/31/2023	668
51210SLR6	1686 NCD	Lakeside Bank	09/16/2016	245,000.00	245,000.00	245,815.85	1.800	1.775	1.800	09/18/2023	625
52470QAN4	2469 NCD	Legacy Bank & Trust Company	12/30/2020	248,004.00	249,000.00	236,373.21	0.850	0.889	0.901	12/21/2028	2,546
52465JGM3	1533 NCD	Legends Bank	02/12/2016	245,000.00	245,000.00	245,602.70	1.700	1.678	1.701	02/11/2022	41
538036SS4	2599 NCD	Live Oak Banking Company	10/18/2021	248,253.00	249,000.00	244,532.94	1.100	1.135	1.151	10/18/2027	2,116
063248KR8	2335 NCD	Bank Leumi USA NY	03/31/2020	249,000.00	249,000.00	252,167.28	1.450	1.430	1.449	03/31/2023	454
56102AAQ9	2402 NCD	Malaga Bank FSB	08/31/2020	249,000.00	249,000.00	243,718.71	0.400	0.394	0.400	06/30/2025	1,276
56585YAA8	1818 NCD	Marathon Savings Bank	06/28/2017	245,000.00	245,000.00	247,178.05	2.050	2.023	2.051	06/28/2022	178
55266CUF1	1730 NCD	MB Financial Bank NA	01/13/2017	245,000.00	245,000.00	245,164.15	2.100	2.072	2.101	01/13/2022	12
58740XZF0	1793 NCD	Mercantile Bank of Michigan	05/12/2017	245,000.00	245,000.00	246,661.10	2.100	2.071	2.100	05/12/2022	131
583626AC0	1803 NCD	Mechanics Coop Bank	05/26/2017	245,000.00	245,000.00	246,788.50	2.050	2.023	2.051	05/26/2022	145
58404DDB4	2010 NCD	Medallion Bank - Salt Lake	01/10/2019	245,000.00	245,000.00	257,940.90	3.300	3.254	3.299	01/03/2024	732
51507LBU7	2123 NCD	Landmark Community Bank	09/27/2019	252,037.80	249,000.00	251,569.68	2.350	1.868	1.894	06/27/2022	177

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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	ҮТМ 365	Maturity Da Date M	
Negotiable Cert	tificates of Deposit	ts									
589227AG2	2059 NCD	Merchants State Bank	08/30/2019	245,000.00	245,000.00	251,343.05	1.800	1.775	1.800	08/30/2024	972
59013KPS9	2610 NCD	Merrick Bank	11/19/2021	248,253.00	249,000.00	247,901.91	1.000	1.053	1.068	05/19/2026	1,599
588806AV1	1534 NCD	Merchants National Bank OH	02/17/2016	245,000.00	245,000.00	245,656.60	1.800	1.776	1.801	02/17/2022	47
59541KBL0	1806 NCD	Mid-Missouri Bank	06/12/2017	245,000.00	245,000.00	246,972.25	2.050	2.023	2.051	06/10/2022	160
60425SJQ3	2478 NCD	Minwest Bank MV	01/28/2021	248,253.00	249,000.00	238,561.92	1.000	1.024	1.039	01/29/2029	2,585
560507AN5	2144 NCD	Maine Savings Credit Union	11/08/2019	245,000.00	245,000.00	252,158.90	1.900	1.875	1.902	11/08/2024	1,042
56065GAG3	2038 NCD	Mainstreet Bank	04/26/2019	245,000.00	245,000.00	255,547.25	2.600	2.567	2.602	04/26/2024	846
62384RAC0	2202 NCD	Mountain America FD Credit Uni	01/08/2020	251,365.50	249,000.00	253,200.63	2.300	1.928	1.955	11/08/2022	311
61747MF63	1890 NCD	Morgan Stanley Bank NA	01/11/2018	245,000.00	245,000.00	250,752.60	2.650	2.613	2.650	01/11/2023	375
61760ASZ3	1993 NCD	Morgan Stanley Bank NA	12/06/2018	245,000.00	245,000.00	258,744.50	3.550	3.501	3.550	12/06/2023	704
625925AP7	1800 NCD	Municipal Trust and Savings	05/22/2017	245,000.00	245,000.00	254,177.70	2.350	2.317	2.349	05/02/2024	852
63969ABL7	1466 NCD	Nebraska State Bank & Trust	08/26/2015	245,000.00	245,000.00	248,885.70	2.250	2.220	2.251	08/26/2022	237
67054NAN3	1991 NCD	Numerica Credit Union	11/28/2018	245,000.00	245,000.00	258,617.10	3.550	3.503	3.551	11/28/2023	696
839145AA7	1851 NCD	South Ottumwa Savings Bank	09/29/2017	245,000.00	245,000.00	248,197.25	2.050	2.022	2.051	09/29/2022	271
68956HAC7	1892 NCD	Ottawa Savings Bank	01/19/2018	245,000.00	245,000.00	250,220.95	2.400	2.368	2.401	01/19/2023	383
69506YSA8	2420 NCD	Pacific Western Bank	09/30/2020	249,000.00	249,000.00	243,292.92	0.450	0.443	0.450	09/30/2025	1,368
70320KAR2	2429 NCD	Pathfinder Bank	10/13/2020	248,502.00	249,000.00	243,599.19	0.500	0.533	0.540	10/14/2025	1,382
710665GD6	2468 NCD	People's Bank	12/30/2020	247,257.00	249,000.00	235,016.16	0.900	0.967	0.981	12/31/2029	2,921
732333AH2	1795 NCD	Ponce De Leon Federal Bank	05/26/2017	245,000.00	245,000.00	246,837.50	2.100	2.072	2.101	05/26/2022	145
70962LAE2	2565 NCD	Pentagon Fed Cred Union	09/01/2021	248,377.50	249,000.00	244,433.34	0.850	0.889	0.901	09/01/2026	1,704
740367HP5	2047 NCD	Preferred Bank LA California	08/16/2019	245,000.00	245,000.00	252,599.90	2.000	1.972	2.000	08/16/2024	958
70147ACE2	1833 NCD	Parkside Financial Bank	07/19/2017	245,000.00	245,000.00	249,951.45	2.100	2.072	2.101	03/15/2023	438
732770BJ0	2488 NCD	Pony Express Bank	02/24/2021	247,506.00	249,000.00	236,554.98	1.000	1.055	1.070	02/25/2030	2,977
743738BQ8	1445 NCD	Providence Bank	02/26/2015	245,000.00	245,000.00	245,918.75	2.100	2.072	2.101	02/25/2022	55
75472RAU5	2188 NCD	Rayond James Bank NA	12/30/2019	245,000.00	245,000.00	251,884.50	1.850	1.824	1.850	12/30/2024	1,094
7954504D4	2102 NCD	Sallie Mae Bank	09/18/2019	245,000.00	245,000.00	252,026.60	1.900	1.873	1.900	09/18/2024	991
856285UJ8	2403 NCD	State Bank of India	09/04/2020	249,000.00	249,000.00	243,995.10	0.500	0.493	0.500	09/04/2025	1,342
86063QAK1	1953 NCD	Stifel Bank & Trust	05/15/2018	245,000.00	245,000.00	253,344.70	2.950	2.911	2.951	05/15/2023	499
79772FAF3	2297 NCD	San Francisco Credit Union	03/27/2020	249,000.00	249,000.00	250,150.38	1.100	1.085	1.100	03/27/2025	1,181
86604XMN3	1888 NCD	Summit Community Bank	01/26/2018	245,000.00	245,000.00	245,352.80	2.250	2.220	2.251	01/26/2022	25
86804DCQ9	2491 NCD	Sunwest Bank	02/17/2021	247,755.00	249,000.00	239,191.89	0.800	0.861	0.873	02/17/2028	2,238
835104BL3	1616 NCD	Somerset Trust Company Bank	06/10/2016	245,000.00	245,000.00	250,002.90	1.800	1.776	1.800	06/12/2023	527

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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	ҮТМ 365	Maturity Da Date M	ays To Iaturity
Negotiable Cert	ificates of Deposits	6									
83158TAA0	1872 NCD	Slovak Savings Bank	10/20/2017	245,000.00	245,000.00	248,520.65	2.100	2.072	2.101	10/20/2022	292
814107AQ1	1777 NCD	Security Bank	04/19/2017	245,000.00	245,000.00	246,298.50	2.000	1.973	2.001	04/19/2022	108
84485EAG2	2333 NCD	Southwest Financial Fed. Credi	03/31/2020	249,000.00	249,000.00	251,437.71	1.150	1.134	1.150	03/28/2024	817
87165FZN7	2563 NCD	Synchrony Bank	08/20/2021	249,000.00	249,000.00	245,095.68	0.900	0.887	0.900	08/20/2026	1,692
882214AA7	2464 NCD	Texas Bank Henderson	12/23/2020	248,502.00	249,000.00	242,154.99	0.450	0.483	0.490	12/23/2025	1,452
88413QCK2	2157 NCD	Third Federal Savings and Loan	11/25/2019	245,000.00	245,000.00	252,528.85	1.950	1.923	1.950	11/25/2024	1,059
22766ABF1	1804 NCD	Crossfirst Bank of Leawood	06/09/2017	245,000.00	245,000.00	250,860.40	2.150	2.121	2.151	06/09/2023	524
89235MLC3	2551 NCD	Toyota Financial Savings Bank	07/15/2021	249,000.00	249,000.00	245,917.38	0.950	0.936	0.950	07/15/2026	1,656
894333FF5	1820 NCD	Traverse City State Bank	06/28/2017	245,000.00	245,000.00	247,129.05	2.000	1.972	2.000	06/28/2022	178
90348JBR0	1815 NCD	UBS Bank USA	06/15/2017	250,000.00	250,000.00	250,277.50	2.250	2.219	2.249	01/20/2022	19
90984P5A9	1749 NCD	United Community Bank GA	03/01/2017	245,000.00	245,000.00	245,735.00	2.050	2.021	2.050	03/01/2022	59
903572BC8	1639 NCD	Uinta Bank	06/24/2016	245,000.00	245,000.00	251,330.80	1.700	1.676	1.700	12/26/2023	724
39573LBM9	2552 NCD	Greenstate Credit Union	07/21/2021	249,000.00	249,000.00	245,867.58	0.950	0.937	0.950	07/21/2026	1,662
90352RAU9	2325 NCD	USAlliance Federal Credit Unio	03/31/2020	248,751.00	249,000.00	249,199.20	1.150	1.154	1.170	03/31/2025	1,185
90353EAR4	2546 NCD	USF Federal Credit Union	07/15/2021	247,257.00	249,000.00	247,364.07	1.750	1.801	1.826	07/15/2031	3,482
92891CCE0	2136 NCD	Vystar Credit Union	10/18/2019	259,087.50	245,000.00	259,295.75	3.650	2.170	2.200	12/11/2023	709
938828BJ8	2049 NCD	Washington Federal	08/23/2019	245,000.00	245,000.00	252,945.35	2.050	2.024	2.052	08/23/2024	965
95960NKE6	2342 NCD	Western State Bank	05/13/2020	248,000.00	248,000.00	247,491.60	1.050	1.035	1.050	11/13/2025	1,412
940727AH3	1745 NCD	Washington First Bank	02/23/2017	245,000.00	245,000.00	245,661.50	2.050	2.021	2.050	02/23/2022	53
98321PAJ9	2446 NCD	Wyoming Bank & Trust	11/27/2020	248,626.50	249,000.00	243,155.97	0.500	0.515	0.522	11/28/2025	1,427
979424AA6	1459 NCD	Woodford State Bank	08/12/2015	245,000.00	245,000.00	248,405.50	2.350	2.317	2.349	07/29/2022	209
93754PAN7	1842 NCD	Washington County Bank	08/11/2017	245,000.00	245,000.00	246,604.75	2.050	2.021	2.050	05/11/2022	130
				35,334,247.59	35,325,000.00	35,523,719.38	-	1.680	1.704	-	901
Corporate Medi	um Term Bonds										
037833AK6	2082 MTN	Apple, Inc.	08/29/2019	562,672.00	550,000.00	563,117.50	2.400	1.726	1.750	05/03/2023	487
037833AY6	2323 MTN	Apple, Inc.	03/19/2020	757,567.50	750,000.00	751,342.50	2.150	1.583	1.605	02/09/2022	39
037833DF4	2401 MTN	Apple, Inc.	08/28/2020	1,637,094.00	1,500,000.00	1,567,050.00	2.750	0.620	0.628	01/13/2025	1,108
037833EB2	2489 MTN	Apple, Inc.	02/08/2021	700,201.31	700,000.00	685,706.00	0.700	0.684	0.694	02/08/2026	1,499
02079KAH0	2507 MTN	Alphabet (Google) Inc.	03/01/2021	198,001.92	200,000.00	195,404.00	0.450	0.668	0.678	08/15/2025	1,322
478160CN2	2466 MTN	Johnson & Johnson	12/23/2020	2,005,913.30	2,000,000.00	1,957,800.00	0.550	0.479	0.486	09/01/2025	1,339
478160BY9	2508 MTN	Johnson & Johnson	03/01/2021	2,151,231.80	2,000,000.00	2,086,800.00	2.450	0.812	0.823	03/01/2026	1,520
478160BY9	2509 MTN	Johnson & Johnson	03/01/2021	1,075,596.51	1,000,000.00	1,043,400.00	2.450	0.812	0.824	03/01/2026	1,520

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594918BX1         2412 MTN         Microsoft Corporation         11/12/2020         1.873.476.00         2.875         1.727         1.751         02/08/2024         766           594918BJ2         2450 MTN         Microsoft Corporation         0.301/2021         198.447.74         180.000.000         1.827.476.00         2.875         1.727         1.751         0.763         1.103/2024         761           525555AB4         2046 MTN         Stanford University         0.217/2019         2.396.400.00         2.206.600.00         6.875         2.367         0.763         1.032/024         761           59455AB4         2162 MTN         Stanford University         0.217/20219         2.202.800         2.000.000.00         1.979.600.00         8.873         0.616         0.65         0.4155/2025         1.200           9845BLAA1         276 MTN         Yale University         0.701/2020         2.022.200.00         2.000.000.00         2.454.061.00         1.034         0.668         0.4155/2025         1.200           9845BLAA1         276 MTN         Yale University         0.301/2021         3.027.000.00         1.561.400.00         1.562.255.00         2.850         1.986         2.050         0.191         1.024         461           31315PUE7         11134<	CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	ҮТМ 365	Maturity Da Date M	ays To Iaturity
594918BX1         2412 MTN         Microsoft Corporation         11/12/2020         1.873.476.00         2.875         1.727         1.751         02/08/2024         766           594918BJ2         2450 MTN         Microsoft Corporation         0.301/2021         198.447.74         180.000.000         1.827.476.00         2.875         1.727         1.751         0.763         1.103/2024         761           525555AB4         2046 MTN         Stanford University         0.217/2019         2.396.400.00         2.206.600.00         6.875         2.367         0.763         1.032/024         761           59455AB4         2162 MTN         Stanford University         0.217/20219         2.202.800         2.000.000.00         1.979.600.00         8.873         0.616         0.65         0.4155/2025         1.200           9845BLAA1         276 MTN         Yale University         0.701/2020         2.022.200.00         2.000.000.00         2.454.061.00         1.034         0.668         0.4155/2025         1.200           9845BLAA1         276 MTN         Yale University         0.301/2021         3.027.000.00         1.561.400.00         1.562.255.00         2.850         1.986         2.050         0.191         1.024         461           31315PUE7         11134<	Corporate Med	ium Term Bonds										
59491 BBJ/2         2450 MTN         Microsoft Corporation         1/11/2/020         3,246,251,00         3,114,251,60         3,125         0,757         0,580         1/1002/025         1,400           59491 BBJ/2         2966 MTN         Stanford University         0514/2019         1,984,447,74         180,000,00         2,236,660,00         6,875         2,387         2,400         02/01/2024         761           525555A84         2182 MTN         Stanford University         0514/2019         2,022,200,00         2,000,000,00         1,979,500,00         6,875         1,834         1,960         02/01/2024         761           525555A84         2182 MTN         Yale University         03/01/2021         3,027,000,00         3,000,000,00         2,969,400,00         0,873         0,683         0,646         04/15/2025         1,200           707833CU2         2053 MTN         Apple, Inc.         08/06/2019         1,554,000,00         1,500,000,00         1,514,895.00         2,285         1,998         2,025         0,5111/2024         861           31315PDE7         1130         Federal Agricultural Mortgage         1/1/3/2012         1/42,855.00         1,500,000,00         1,527,465.00         2,189         2,185         2,189         2,227         12,271/2022 <td< th=""><th>594918BW3</th><th>1878 MTN</th><th>Microsoft Corporation</th><th>12/11/2017</th><th>100,297.00</th><th>100,000.00</th><th>100,012.00</th><th>2.400</th><th>2.292</th><th>2.324</th><th>02/06/2022</th><th>36</th></td<>	594918BW3	1878 MTN	Microsoft Corporation	12/11/2017	100,297.00	100,000.00	100,012.00	2.400	2.292	2.324	02/06/2022	36
594918bL2         2566 MTN         Microsoft Corporation         03/01/2021         198,447.74         180,000.00         192,011.40         3.125         0.763         0.763         0.103         11/03/2025         1,402           52555AB4         2046 MTN         Stanford University         05/14/2019         2.386,80.00         2.000,000.00         1,118,03.00         6.675         1.381         0.661         0.625         1.240         00         0.012/2024         761           98459LA1         2376 MTN         Yale University         0.701/2020         2.022,020.00         2.000,000.00         1,118,03.00         6.616         0.625         1.200           98459LA1         2376 MTN         Yale University         0.301/2021         3.027,000.00         2.268,400.00         0.873         0.616         0.625         1.200           98459LA1         2301 MTN         Apple, Inc.         Subtolal and Average         2.167,859.8         2.1700,000.00         1.562,250.00         2.001         1.031         50/11/2024         841           31315PUS1         1130         Federal Agricultural Mortgage         10/04/2013         1.493,810.00         1.501,000.00         1.527,450.00         2.101         2.1112/212         324           31315PUS7         1141 <t< td=""><td>594918BX1</td><td>2212 MTN</td><td>Microsoft Corporation</td><td>01/22/2020</td><td>1,875,420.00</td><td>1,800,000.00</td><td>1,873,476.00</td><td>2.875</td><td>1.727</td><td>1.751</td><td>02/06/2024</td><td>766</td></t<>	594918BX1	2212 MTN	Microsoft Corporation	01/22/2020	1,875,420.00	1,800,000.00	1,873,476.00	2.875	1.727	1.751	02/06/2024	766
S2555AB4         2046 MTN         Stanford University         05/14/2019         2,396,540.00         2,236,060.00         6.875         2.367         2.400         02/01/2024         761           S2555AB4         2182 MTN         Stanford University         12/12/2019         1.148,280.00         1.000,000.00         1.118,030.00         6.875         1.934         1.960         02/01/2024         761           S455LA1         2511 MTN         Yale University         03/01/2021         3.027,000.00         3.000,000.00         2.969,400.00         0.873         0.638         0.640         04/15/2025         1.200           S07833CU2         2053 MTN         Apple, Inc.         08/06/2019         1.554,000.00         1.560,000.00         1.562,295.00         2.850         1.985         2.025         05/11/2024         8.13           31315PUZ         2053 MTN         Apple, Inc.         08/06/2019         1.554,000.00         1.562,295.00         2.850         1.980         2.200         1.930         1.957         70/05/2022         1.853           31315PUZ         1130         Federal Agricultural Mortgage         12/13/2012         1.424,642.50         1.500,000.00         1.527,465.00         2.180         2.186         2.186         2.186         2.186         2.18	594918BJ2	2450 MTN	Microsoft Corporation	11/18/2020	3,264,676.80	2,920,000.00	3,114,851.60	3.125	0.572	0.580	11/03/2025	1,402
S25555AB4         2182 MTN         Stanford University         12/12/2019         1.194,280.00         1.000,000.00         1.118,030.00         6.875         1.934         1.960         02/01/2024         761           9845BLAA1         2376 MTN         Yale University         03/01/2021         3.027.000.00.00         1.979.800.000         0.873         0.861         0.825         0.416         0.825         0.416         0.873         0.861         0.825         0.416         0.415         0.416         0.415         0.416         0.415         0.416         0.415         0.416         0.415	594918BJ2	2506 MTN	Microsoft Corporation	03/01/2021	198,447.74	180,000.00	192,011.40	3.125	0.753	0.763	11/03/2025	1,402
98459LAA1         2376 MTN         Yale University         0701/2020         2,022,920.00         2,000,000.00         1,979,600.00         0.873         0.616         0.625         0.415/2025         1,200           98459LAA1         2311 MTN         Yale University         0301/2021         3,000,000.00         2,489,400.00         0.873         0.616         0.625         0.415/2025         1,200           Subtotal and Average         23167,859.88         21,700,000.00         2,489,400.00         1.019         1.034         1,303           Subtotal and Average         23167,859.88         21,700,000.00         1,562,295.00         2.860         1.998         2.025         05/11/2024         861           Subtotal and Average         21/92/12         742,642.50         750,000.00         1,562,295.00         2.860         1.998         2.025         05/11/2024         861           Subtotal and Average         21/92/12         742,642.50         750,000.00         1,567,465.00         2.160         2.170         1/27/2022         363           Subtotal and Average         01/04/2013         1.497,653.50         1,560,000.00         1,527,465.00         2.160         2.110         2.111         2.111         2.127/2022	525555AB4	2046 MTN	Stanford University	05/14/2019	2,396,540.00	2,000,000.00	2,236,060.00	6.875	2.367	2.400	02/01/2024	761
98459LAA1         2511 MTN         Yale University         03/01/202         3.027.000.00         3.000.000.00         2.969.400.00         0.673         0.638         0.646         0.4/15/202         1.200           Bubtal and Average         23.167.659.88         21.700.000.00         22.643.4061.00         1.019         1.034         0.648         0.4/15/202         1.132           Federal Agricultural Mortgage         02/05/02/12/2012         1.554.000.00         1.500.000.00         1.562.255.00         2.800         1.898         2.05         0/11/202         323           31315PB2         1134         Federal Agricultural Mortgage         01/04/2013         1.447.453.50         1.500.000.00         1.527.465.00         2.108         2.116         2.117         2.117         2.112         2.112/2022         360           31315PUE7         1144         Federal Agricultural Mortgage         01/02/2013         1.497.453.50         1.500.000.00         1.527.465.00         2.108         2.118         2.118         2.127/2022         360           31315PUE7         1144         Federal Agricultural Mortgage         01/02/2013         2.583.691.15         2.590.000.00         1.627.465.00         2.108         2.118         2.141         2.127/2022         360           31315PUE7	525555AB4	2182 MTN	Stanford University	12/12/2019	1,194,280.00	1,000,000.00	1,118,030.00	6.875	1.934	1.960	02/01/2024	761
Subtotal and Average         23,167,859.8         21,700,000.00         22,434,061.00         1.019         1.034         1,132           Federal Agency Bonds         037833CU2         2053 MTN         Apple, Inc.         08/06/2019         1.554,000.00         1.500,000.00         1,562,295.00         2.850         1.988         2.025         05/11/2024         861           31315PPX1         1130         Federal Agricultural Mortgage         12/13/2012         742,442.50         750,000.00         760,927.50         2.000         2.081         2.110         11/21/2022         342           31315PUE7         1134         Federal Agricultural Mortgage         01/04/2013         1.497,853.50         1.500,000.00         1.527,465.00         2.180         2.195         2.225         12/27/2022         360           31315PUE7         1141         Federal Agricultural Mortgage         01/28/2013         1.605,190.00         1.527,465.00         2.180         2.119         2.121         1.211         1.211         1.211         1.211         1.211         1.211         1.211         1.211         1.211         1.211         1.211         1.211         1.211         1.211         1.211         1.211         1.211         1.211         1.2111         1.211         1.2111	98459LAA1	2376 MTN	Yale University	07/01/2020	2,022,920.00	2,000,000.00	1,979,600.00	0.873	0.616	0.625	04/15/2025	1,200
Federal Agency Bonds           037833CU2         2053 MTN         Apple, Inc.         08/06/2019         1,554,000.00         1,500,000.00         1,562,295.00         2.850         1.998         2.025         05/11/2024         861           31315PEX1         1130         Federal Agricultural Mortgage         12/13/2012         742,642.50         750,000.00         1,514,985.00         2.000         2.081         2.110         11/21/2022         324           31315PUE7         1137         Federal Agricultural Mortgage         01/04/2013         1,497,855.50         1,500,000.00         1,527,465.00         2.180         2.116         1/21/2022         360           31315PUE7         1141         Federal Agricultural Mortgage         01/08/2013         1,501,900.00         1,527,465.00         2.180         2.111         1/21/2022         360           31315PUE7         1144         Federal Agricultural Mortgage         01/28/2013         2.583,504.15         2.555,000.00         2,642,514.45         2.180         2.111         2.141         1/21/2022         360           31315PUE7         1147         Federal Agricultural Mortgage         01/28/2013         2,853,504.15         2,555,00.00         2,642,514.45         2.180         2.191         2/27/2022         360	98459LAA1	2511 MTN	Yale University	03/01/2021	3,027,000.00	3,000,000.00	2,969,400.00	0.873	0.638	0.646	04/15/2025	1,200
37383CU2         2053 MTN         Apple, Inc.         08/06/2019         1,554,000.00         1,500,000.00         1,562,295.00         2.850         1.998         2.025         05/11/2024         861           31315PEX1         1130         Federal Agricultural Mortgage         12/13/2012         742,642.50         750,000.00         1,562,050.0         2.081         2.101         11/21/2022         364           31315PUE7         1137         Federal Agricultural Mortgage         01/04/2013         1,497,853.50         1,500,000.00         1,527,465.00         2.180         2.181         2.181         2.195         2.225         1227/2022         360           31315PUE7         1144         Federal Agricultural Mortgage         01/23/2013         1,501,000.00         1,527,465.00         2.180         2.191         2.225         1227/2022         360           31315PUE7         1144         Federal Agricultural Mortgage         01/23/2013         1,583,090.00         1,262,412.50         2.200         2.889         2.90         07/05/2022         363           31315PUE7         1144         Federal Agricultural Mortgage         01/23/2014         1,183,888.32         1,250,000.00         1,262,412.50         2.200         2.889         2.90         07/05/2022         363				Subtotal and Average	23,167,859.88	21,700,000.00	22,434,061.00		1.019	1.034		1,132
31315PPX1       1130       Federal Agricultural Mortgage       12/13/2012       1,531,633.50       1,500,000.00       1,514,895.00       2.200       1.930       1.957       07/05/2022       185         31315PB32       1134       Federal Agricultural Mortgage       12/19/2012       742,642.50       750,000.00       760.927.50       2.000       2.081       2.110       11/21/2022       324         31315PUE7       1141       Federal Agricultural Mortgage       01/08/2013       1,493,910.00       1,500,000.00       1,527,465.00       2.180       2.185       2.225       12/27/2022       360         31315PUE7       1144       Federal Agricultural Mortgage       01/28/2013       2,583,504.15       2,585,000.00       2,642,514.45       2.180       2.189       2.229       12/27/2022       360         31315PUE7       1147       Federal Agricultural Mortgage       01/28/2013       2,583,504.15       2,585,000.00       2,642,514.45       2.180       2.189       2.291       12/27/2022       360         31315PUE7       1147       Federal Agricultural Mortgage       01/28/2013       1,888.32       1,250,000.00       1,662,412.50       2.00       2.889       2.330       76.00       2,77022       360         31315PD8       1447       Fe	Federal Agency	y Bonds										
31315PB32       1134       Federal Agricultural Mortgage       12/19/2012       742,642.50       750,000.00       760,927.50       2.000       2.081       2.110       11/21/2022       324         31315PUE7       1137       Federal Agricultural Mortgage       01/04/2013       1,497,853.50       1,500,000.00       1,527,465.00       2.180       2.195       2.225       12/27/2022       360         31315PUE7       1144       Federal Agricultural Mortgage       01/28/2013       1,505,190.00       1,500,000.00       1,527,465.00       2.180       2.195       2.225       12/27/2022       360         31315PUE7       1144       Federal Agricultural Mortgage       01/28/2013       2,565,000.00       2,642,514.45       2.180       2.199       2.291       12/27/2022       360         31315PUE7       1147       Federal Agricultural Mortgage       01/28/2014       1,183,888.32       1,250,000.00       1,262,412.50       2.00       2.889       2.930       07/05/2022       186         31315PUE3       1428       Federal Agricultural Mortgage       01/09/2015       428,46.00       404,000.00       428,389.68       3.330       2.400       6.07/2023       527         31315PUE3       1447       Federal Agricultural Mortgage       02/09/2015       1	037833CU2	2053 MTN	Apple, Inc.	08/06/2019	1,554,000.00	1,500,000.00	1,562,295.00	2.850	1.998	2.025	05/11/2024	861
31315PUE7       1137       Federal Agricultural Mortgage       01/04/2013       1,497,853.50       1,500,00.00       1,527,465.00       2.180       2.195       2.225       12/27/2022       360         31315PUE7       1141       Federal Agricultural Mortgage       01/02/2013       1,493,910.00       1,500,00.00       1,527,465.00       2.180       2.195       2.225       12/27/2022       360         31315PUE7       1144       Federal Agricultural Mortgage       01/22/2013       2,583,504.15       2,590,000.00       1,527,465.00       2.180       2.195       2.229       12/27/2022       360         31315PUE7       1147       Federal Agricultural Mortgage       01/22/2013       2,583,504.15       2,590,000.00       1,262,412.50       2.00       2.889       2.930       07/05/2022       185         31315PUE3       1428       Federal Agricultural Mortgage       01/02/2015       4,481,594.55       1,604,000.00       1,602,660.36       2.610       2.670       3/27/2024       860         31315PUE3       1447       Federal Agricultural Mortgage       02/09/2015       1,471,764.50       1,460,000.00       1,602,660.36       2.610       2.377       6/10       2.120       2.120       2.120       2.120       2.120       0/12/2023       527	31315PPX1	1130	Federal Agricultural Mortgage	12/13/2012	1,531,633.50	1,500,000.00	1,514,895.00	2.200	1.930	1.957	07/05/2022	185
3135PUE7       1141       Federal Agricultural Mortgage       01/08/2013       1,493,910.00       1,500,000.00       1,527,465.00       2,180       2,195       2,225       12/27/2022       360         31315PUE7       1144       Federal Agricultural Mortgage       01/28/2013       2,583,504.15       2,595,000.00       2,642,514.45       2,180       2,199       2,229       12/27/2022       360         31315PUE7       1147       Federal Agricultural Mortgage       01/28/2013       2,583,504.15       2,595,000.00       2,642,514.45       2,180       2,199       2,229       12/27/2022       360         31315PUE7       1147       Federal Agricultural Mortgage       01/08/2015       428,846.00       404,000.00       426,839.68       3.330       2,540       2,575       03/27/2024       816         31315PD89       1433       Federal Agricultural Mortgage       01/02/2015       1,461,594.55       1,604,000.00       1,605,660.36       2,610       2,269       2,301       06/12/2023       527         31315PD89       1447       Federal Agricultural Mortgage       02/09/2015       1,471,764.50       1,450,000.00       1,003,000.00       1,003,000.00       2,150       03/01/2022       589         31315PEX1       1576       Federal Agricultural Mortgage	31315PB32	1134	Federal Agricultural Mortgage	12/19/2012	742,642.50	750,000.00	760,927.50	2.000	2.081	2.110	11/21/2022	324
3135PUE7       1144       Federal Agricultural Mortgage       01/23/2013       1,505,190.00       1,500,000.00       1,527,465.00       2.180       2.111       2.141       12/27/2022       360         31315PUE7       1147       Federal Agricultural Mortgage       01/28/2013       2,583,504.15       2,595,000.00       2,642,514.45       2.180       2.199       2.229       12/27/2022       360         31315PUE3       1428       Federal Agricultural Mortgage       01/09/2015       428,846.00       404,000.00       426,389.68       3.20       2.569       2.301       05/12/2024       816         31315PUE3       1428       Federal Agricultural Mortgage       01/22/215       1,641,594.55       1,604,000.00       1,650,660.36       2.610       2.377       2.410       06/12/2023       527         31315PD89       1447       Federal Agricultural Mortgage       02/09/2015       1,471,764.50       1,450,000.00       1,003,000.00       2.160       2.377       2.410       06/12/2023       527         31315PD81       1576       Federal Agricultural Mortgage       02/09/2015       1,000,000.00       1,000,000.00       1,003,000.00       2.160       2.377       2.410       06/12/2023       527         31315PD81       1576       Federal Agricultu	31315PUE7	1137	Federal Agricultural Mortgage	01/04/2013	1,497,853.50	1,500,000.00	1,527,465.00	2.180	2.165	2.196	12/27/2022	360
31315PUE71147Federal Agricultural Mortgage01/28/20132,583,504.152,595,000.002,642,514.452.1802.1992.22912/27/202236031315PX11279Federal Agricultural Mortgage04/23/20141,183,888.321,250,000.001,262,412.502.2002.8892.93007/05/202218531315PL231428Federal Agricultural Mortgage01/02/2015428,846.00404,000.00426,389.683.3302.5402.57503/27/202481631315PD891433Federal Agricultural Mortgage01/02/20151,641,594.551,604,000.001,650,660.362.6102.2692.30106/12/202352731315PD891447Federal Agricultural Mortgage02/09/20151,471,764.501,450,000.001,003,000.002.1502.1202.1800/01/20225931315P2811576Federal Agricultural Mortgage04/06/20161,016,839.001,000,000.001,018,220.002.1301.8391.6640/124/202338831315P2M71580Federal Agricultural Mortgage04/06/2016553,883.22474,000.00527,609.404.3502.2962.32808/04/20251,31131315P2M71595Federal Agricultural Mortgage04/26/20161,621,770.001,500,000.001,584,540.003.3002.1692.1892.1902.1801.8441.87012/27/202236031315P2M71604Federal Agricultural Mortgage05/2/20165.09,540.00500,000.00<	31315PUE7	1141	Federal Agricultural Mortgage	01/08/2013	1,493,910.00	1,500,000.00	1,527,465.00	2.180	2.195	2.225	12/27/2022	360
31315PPX11279Federal Agricultural Mortgage04/23/20141,183,888.321,250,000.001,262,412.502.2002.8892.93007/05/202218531315PL231428Federal Agricultural Mortgage01/09/2015428,846.00404,000.00426,389.683.3302.5402.57503/27/202481631315PD891433Federal Agricultural Mortgage01/22/20151,641,594.551,604,000.001,650,660.362.6102.3772.41006/12/202352731315PD891447Federal Agricultural Mortgage02/09/20151,471,764.501,450,000.001,003,000.002.1502.1202.15003/01/20225931315PZS11576Federal Agricultural Mortgage03/05/20151,000,000.001,000,000.001,018,220.002.1301.8391.86401/24/202338831315PEM71580Federal Agricultural Mortgage04/08/2016553,883.22474,000.00527,609.404.3502.2962.32888/04/20251,31131315P2J71595Federal Agricultural Mortgage04/08/20161,621,770.001,500,000.001,584,540.003.3002.1592.18005/01/202485131315PL671604Federal Agricultural Mortgage05/26/20165.09,540.00500,000.001,584,540.003.3002.1592.18005/01/202485131315PL571604Federal Agricultural Mortgage05/26/20165.09,540.00500,000.00509,155.002.1801.8441.870<	31315PUE7	1144	Federal Agricultural Mortgage	01/23/2013	1,505,190.00	1,500,000.00	1,527,465.00	2.180	2.111	2.141	12/27/2022	360
31315PL231428Federal Agricultural Mortgage01/09/2015428,846.00404,000.00426,389.683.3302.5402.57503/27/202481631315PL891433Federal Agricultural Mortgage01/22/20151,641,594.551,604,000.001,650,660.362.6102.2692.30106/12/202352731315PD891447Federal Agricultural Mortgage02/09/20151,471,764.501,450,000.001,003,000.002.1502.1202.15003/01/20225931315PZ811576Federal Agricultural Mortgage03/05/20151,000,000.001,000,000.001,018,220.002.1301.8391.84601/2/202338831315PEM71580Federal Agricultural Mortgage04/06/20161,016,839.001,000,000.001,584,540.003.0002.0182.11205/01/202485131315P2J71595Federal Agricultural Mortgage04/26/20161,621,770.001,500,000.001,584,540.003.0002.0182.11205/01/202485131315P2J71604Federal Agricultural Mortgage04/26/20161,621,770.001,500,000.001,584,540.003.0002.1502.1800.501/202485131315P2M71604Federal Agricultural Mortgage05/26/2016509,540.00500,000.001,584,540.003.0002.1502.1800.501/202485131315P2M71604Federal Agricultural Mortgage05/26/2016509,540.00500,000.001,584,540.003.0302.1801.2	31315PUE7	1147	Federal Agricultural Mortgage	01/28/2013	2,583,504.15	2,595,000.00	2,642,514.45	2.180	2.199	2.229	12/27/2022	360
31315PD891433Federal Agricultural Mortgage01/22/20151,641,594.551,604,000.001,650,660.362.6102.2692.30106/12/202352731315PD891447Federal Agricultural Mortgage02/09/20151,471,764.501,450,000.001,492,180.502.6102.3772.41006/12/20235273130H0AJ21452Federal Agricultural Mortgage03/05/20151,000,000.001,000,000.001,003,000.002.1502.1202.15003/01/20225931315PZS11576Federal Agricultural Mortgage04/06/20161,016,839.001,000,000.001,018,220.002.1301.8391.86401/24/202338831315PEM71580Federal Agricultural Mortgage04/08/2016553,883.22474,000.00527,609.404.3502.2962.32808/04/20251,31131315P2J71595Federal Agricultural Mortgage04/26/20161,621,770.001,500,000.001,584,540.003.3002.1592.18905/01/202485131315P2J71604Federal Agricultural Mortgage05/26/2016509,540.00509,155.002.1801.8441.87012/27/20223603132NBH31665Federal Agricultural Mortgage07/25/20162,097,820.002,000,000.00509,155.002.1801.4941.87012/27/20223603132NBH31665Federal Agricultural Mortgage07/25/20162,097,820.002,000,000.001,716,180.004.8102.1312.16002/03/2	31315PPX1	1279	Federal Agricultural Mortgage	04/23/2014	1,183,888.32	1,250,000.00	1,262,412.50	2.200	2.889	2.930	07/05/2022	185
31315PD891447Federal Agricultural Motage02/09/20151,471,764.501,450,000.001,492,180.502.6102.3772.41006/12/20235273130H0AJ21452Federal Agricultural Motage03/05/20151,000,000.001,000,000.001,003,000.002.1502.1202.15003/01/20225931315PZS11576Federal Agricultural Motage04/06/20161,016,839.001,000,000.001,018,220.002.1301.8391.86401/24/202338831315PEM71580Federal Agricultural Motage04/08/2016553,883.22474,000.00527,609.404.3502.2962.32808/04/20251,31131315P2J71595Federal Agricultural Motage04/26/20161,630,830.001,500,000.001,584,540.003.3002.0842.11205/01/202485131315P2J71604Federal Agricultural Motage04/26/20161,621,770.001,500,000.001,584,540.003.3002.1592.18905/01/202485131315PUE71617Federal Agricultural Motage05/26/2016509,540.00500,000.00509,155.002.1801.8441.87012/27/20223603132NDBH31665Federal Agricultural Motage07/25/20162,097,820.002,000,000.002,022,840.002.3801.4991.52007/15/202219531315PL671617Federal Agricultural Motage07/25/20162,097,820.002,000,000.002,022,840.002.3801.4911.52007	31315PL23	1428	Federal Agricultural Mortgage	01/09/2015	428,846.00	404,000.00	426,389.68	3.330	2.540	2.575	03/27/2024	816
1330H0AJ21452Federal Agricultural Mortgage03/05/20151,000,000.001,000,000.001,003,000.002.1502.1202.15003/01/20225931315PZS11576Federal Agricultural Mortgage04/06/20161,016,839.001,000,000.001,018,220.002.1301.8391.86401/24/202338831315PEM71580Federal Agricultural Mortgage04/08/2016553,883.22474,000.00527,609.404.3502.2962.32808/04/20251,31131315P2J71595Federal Agricultural Mortgage04/26/20161,621,770.001,500,000.001,584,540.003.3002.1592.18905/01/202485131315PL271604Federal Agricultural Mortgage05/26/2016509,540.00500,000.001,584,540.003.3002.1592.18905/01/202485131315PUE71617Federal Agricultural Mortgage05/26/2016509,540.00500,000.00509,155.002.1801.8441.87012/27/202236031315PUE71617Federal Agricultural Mortgage07/25/20162,097,820.002,000,000.002,022,840.002.3801.4991.52007/15/202219531315PRA91710Federal Agricultural Mortgage02/23/20171,001,745.001,000,000.001,012,500.002.1002.0342.6802/23/2022533132X0PX31758Federal Agricultural Mortgage03/02/20171,498,950.001,500,000.001,503,750.002.1002.0852.11	31315PD89	1433	Federal Agricultural Mortgage	01/22/2015	1,641,594.55	1,604,000.00	1,650,660.36	2.610	2.269	2.301	06/12/2023	527
131315PZS11576Federal Agricultural Mortgage04/06/20161,016,839.001,000,000.001,018,220.002.1301.8391.86401/24/202338831315PEM71580Federal Agricultural Mortgage04/08/2016553,883.22474,000.00527,609.404.3502.2962.32808/04/20251,31131315P2J71595Federal Agricultural Mortgage04/21/20161,630,830.001,500,000.001,584,540.003.3002.0842.11205/01/202485131315P2J71604Federal Agricultural Mortgage04/26/20161,621,770.001,500,000.001,584,540.003.3002.1592.18905/01/202485131315PUE71617Federal Agricultural Mortgage05/26/2016509,540.00500,000.00509,155.002.1801.8441.87012/27/20223603132X0BH31665Federal Agricultural Mortgage07/25/20162,097,820.002,000,000.002,022,840.002.3801.4991.52007/15/202219531315PRA91710Federal Agricultural Mortgage02/23/20171,001,745.001,000,000.001,002,500.002.1002.0342.06302/23/2022533132X0PX31758Federal Agricultural Mortgage03/02/20171,498,950.001,500,000.001,503,750.002.1002.0852.11402/23/2022533132X0PX31758Federal Agricultural Mortgage03/02/20171,498,950.001,500,000.001,503,750.002.1002.085 <t< td=""><td>31315PD89</td><td>1447</td><td>Federal Agricultural Mortgage</td><td>02/09/2015</td><td>1,471,764.50</td><td>1,450,000.00</td><td>1,492,180.50</td><td>2.610</td><td>2.377</td><td>2.410</td><td>06/12/2023</td><td>527</td></t<>	31315PD89	1447	Federal Agricultural Mortgage	02/09/2015	1,471,764.50	1,450,000.00	1,492,180.50	2.610	2.377	2.410	06/12/2023	527
31315PEM71580Federal Agricultural Mortgage04/08/2016553,883.22474,000.00527,609.404.3502.2962.32808/04/20251,31131315P2J71595Federal Agricultural Mortgage04/21/20161,630,830.001,500,000.001,584,540.003.3002.0842.11205/01/202485131315P2J71604Federal Agricultural Mortgage04/26/20161,621,770.001,500,000.001,584,540.003.3002.1592.18905/01/202485131315PUE71617Federal Agricultural Mortgage05/26/2016509,540.00500,000.00509,155.002.1801.8441.87012/27/20223603132X0BH31665Federal Agricultural Mortgage07/25/20162,097,820.002,000,000.002,022,840.002.3801.4991.52007/15/202219531315PRA91710Federal Agricultural Mortgage02/23/20171,001,745.001,000,000.001,002,500.002.1002.0342.06302/23/2022533132X0PX31758Federal Agricultural Mortgage03/02/20171,498,950.001,500,000.001,503,750.002.1002.0852.11402/23/202253	3130H0AJ2	1452	Federal Agricultural Mortgage	03/05/2015	1,000,000.00	1,000,000.00	1,003,000.00	2.150	2.120	2.150	03/01/2022	59
31315P2J71595Federal Agricultural Mortgage04/21/20161,630,830.001,500,000.001,584,540.003.3002.0842.11205/01/202485131315P2J71604Federal Agricultural Mortgage04/26/20161,621,770.001,500,000.001,584,540.003.3002.1592.18905/01/202485131315PUE71617Federal Agricultural Mortgage05/26/2016509,540.00500,000.00509,155.002.1801.8441.87012/27/20223603132X0BH31665Federal Agricultural Mortgage07/25/20162,097,820.002,000,000.002,022,840.002.3801.4991.52007/15/202219531315PRA91710Federal Agricultural Mortgage02/23/20171,001,745.001,000,000.001,002,500.002.1002.0342.06302/23/2022533132X0PX31758Federal Agricultural Mortgage03/02/20171,498,950.001,500,000.001,503,750.002.1002.0852.11402/23/202253	31315PZS1	1576	Federal Agricultural Mortgage	04/06/2016	1,016,839.00	1,000,000.00	1,018,220.00	2.130	1.839	1.864	01/24/2023	388
31315P2J71604Federal Agricultural Mortgage04/26/20161,621,770.001,500,000.001,584,540.003.3002.1592.18905/01/202485131315PUE71617Federal Agricultural Mortgage05/26/2016509,540.00500,000.00509,155.002.1801.8441.87012/27/20223603132X0BH31665Federal Agricultural Mortgage07/25/20162,097,820.002,000,000.002,022,840.002.3801.4991.52007/15/202219531315PRA91710Federal Agricultural Mortgage10/18/20161,832,850.001,500,000.001,716,180.004.8102.1312.16002/03/20261,4943132X0PX31755Federal Agricultural Mortgage02/23/20171,001,745.001,000,000.001,002,500.002.1002.0342.06302/23/2022533132X0PX31758Federal Agricultural Mortgage03/02/20171,498,950.001,500,000.001,503,750.002.1002.0852.11402/23/202253	31315PEM7	1580	Federal Agricultural Mortgage	04/08/2016	553,883.22	474,000.00	527,609.40	4.350	2.296	2.328	08/04/2025	1,311
31315PUE71617Federal Agricultural Mortgage05/26/2016509,540.00509,000.00509,155.002.1801.8441.87012/27/20223603132X0BH31665Federal Agricultural Mortgage07/25/20162,097,820.002,000,000.002,022,840.002.3801.4991.52007/15/202219531315PRA91710Federal Agricultural Mortgage10/18/20161,832,850.001,500,000.001,716,180.004.8102.1312.16002/03/20261,4943132X0PX31755Federal Agricultural Mortgage02/23/20171,001,745.001,000,000.001,002,500.002.1002.0342.06302/23/2022533132X0PX31758Federal Agricultural Mortgage03/02/20171,498,950.001,500,000.001,503,750.002.1002.0852.11402/23/202253	31315P2J7	1595	Federal Agricultural Mortgage	04/21/2016	1,630,830.00	1,500,000.00	1,584,540.00	3.300	2.084	2.112	05/01/2024	851
3132X0BH31665Federal Agricultural Mortgage07/25/20162,097,820.002,000,000.002,022,840.002.3801.4991.52007/15/202219531315PRA91710Federal Agricultural Mortgage10/18/20161,832,850.001,500,000.001,716,180.004.8102.1312.16002/03/20261,4943132X0PX31755Federal Agricultural Mortgage02/23/20171,001,745.001,000,000.001,002,500.002.1002.0342.06302/23/2022533132X0PX31758Federal Agricultural Mortgage03/02/20171,498,950.001,500,000.001,503,750.002.1002.0852.11402/23/202253	31315P2J7	1604	Federal Agricultural Mortgage	04/26/2016	1,621,770.00	1,500,000.00	1,584,540.00	3.300	2.159	2.189	05/01/2024	851
31315PRA9       1710       Federal Agricultural Mortgage       10/18/2016       1,832,850.00       1,500,000.00       1,716,180.00       4.810       2.131       2.160       02/03/2026       1,494         3132X0PX3       1755       Federal Agricultural Mortgage       02/23/2017       1,001,745.00       1,000,000.00       1,002,500.00       2.100       2.034       2.063       02/23/2022       53         3132X0PX3       1758       Federal Agricultural Mortgage       03/02/2017       1,498,950.00       1,500,000.00       1,503,750.00       2.100       2.085       2.114       02/23/2022       53	31315PUE7	1617	Federal Agricultural Mortgage	05/26/2016	509,540.00	500,000.00	509,155.00	2.180	1.844	1.870	12/27/2022	360
3132X0PX3       1755       Federal Agricultural Mortgage       02/23/2017       1,001,745.00       1,000,000.00       1,002,500.00       2.100       2.034       2.063       02/23/2022       53         3132X0PX3       1758       Federal Agricultural Mortgage       03/02/2017       1,498,950.00       1,500,000.00       1,503,750.00       2.100       2.085       2.114       02/23/2022       53	3132X0BH3	1665	Federal Agricultural Mortgage	07/25/2016	2,097,820.00	2,000,000.00	2,022,840.00	2.380	1.499	1.520	07/15/2022	195
3132X0PX3 1758 Federal Agricultural Mortgage 03/02/2017 1,498,950.00 1,500,000.00 1,503,750.00 2.100 2.085 2.114 02/23/2022 53	31315PRA9	1710	Federal Agricultural Mortgage	10/18/2016	1,832,850.00	1,500,000.00	1,716,180.00	4.810	2.131	2.160	02/03/2026	1,494
	3132X0PX3	1755	Federal Agricultural Mortgage	02/23/2017	1,001,745.00	1,000,000.00	1,002,500.00	2.100	2.034	2.063	02/23/2022	53
3132X0RS2 1769 Federal Agricultural Mortgage 04/06/2017 1,500,000.00 1,500,000.00 1,507,020.00 2.075 2.046 2.075 04/06/2022 95	3132X0PX3	1758	Federal Agricultural Mortgage	03/02/2017	1,498,950.00	1,500,000.00	1,503,750.00	2.100	2.085	2.114	02/23/2022	53
	3132X0RS2	1769	Federal Agricultural Mortgage	04/06/2017	1,500,000.00	1,500,000.00	1,507,020.00	2.075	2.046	2.075	04/06/2022	95

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Federal Agency	Bonds										
3132X0NZ0	1788	Federal Agricultural Mortgage	05/04/2017	1,005,980.00	1,000,000.00	1,000,000.00	2.100	1.938	1.965	01/03/2022	2
31315PPX1	1817	Federal Agricultural Mortgage	06/14/2017	1,012,720.00	1,000,000.00	1,009,930.00	2.200	1.908	1.934	07/05/2022	185
3132X0UA7	1830	Federal Agricultural Mortgage	06/29/2017	1,496,430.00	1,500,000.00	1,512,105.00	1.880	1.903	1.930	06/29/2022	179
3132X0UA7	1831	Federal Agricultural Mortgage	06/29/2017	996,681.00	1,000,000.00	1,008,070.00	1.880	1.923	1.949	06/29/2022	179
3132X0WL1	1867	Federal Agricultural Mortgage	10/06/2017	992,720.00	1,000,000.00	1,033,940.00	2.250	2.332	2.365	08/23/2024	965
3132X0ZZ7	1877	Federal Agricultural Mortgage	12/12/2017	1,500,000.00	1,500,000.00	1,527,720.00	2.260	2.229	2.260	12/12/2022	345
3130H0AU7	1893	Federal Agricultural Mortgage	01/09/2018	1,002,590.00	1,000,000.00	1,043,170.00	2.625	2.546	2.581	08/01/2024	943
3130H0AU7	1901	Federal Agricultural Mortgage	01/11/2018	1,496,847.90	1,500,000.00	1,564,755.00	2.625	2.623	2.660	08/01/2024	943
3132X0G39	1912	Federal Agricultural Mortgage	01/30/2018	1,999,320.00	2,000,000.00	2,044,960.00	2.500	2.472	2.507	01/30/2023	394
3132X0G39	1915	Federal Agricultural Mortgage	01/30/2018	1,498,887.00	1,500,000.00	1,533,720.00	2.500	2.481	2.515	01/30/2023	394
3132X0G39	1921	Federal Agricultural Mortgage	01/31/2018	1,991,412.00	2,000,000.00	2,044,960.00	2.500	2.556	2.592	01/30/2023	394
31315PZS1	1924	Federal Agricultural Mortgage	02/08/2018	1,075,360.00	1,100,000.00	1,120,042.00	2.130	2.578	2.614	01/24/2023	388
3132X0H87	1928	Federal Agricultural Mortgage	02/22/2018	1,500,000.00	1,500,000.00	1,537,110.00	2.600	2.564	2.600	02/22/2023	417
3132X0L33	1936	Federal Agricultural Mortgage	02/23/2018	1,500,000.00	1,500,000.00	1,539,915.00	2.770	2.732	2.770	02/21/2023	416
31315P4B2	1999	Federal Agricultural Mortgage	12/14/2018	559,334.93	549,000.00	579,310.29	3.460	3.018	3.060	01/30/2024	759
31422BEJ5	2034	Federal Agricultural Mortgage	04/09/2019	997,730.00	1,000,000.00	1,034,030.00	2.350	2.365	2.398	04/09/2024	829
31315PCY3	2035	Federal Agricultural Mortgage	04/08/2019	776,872.74	678,000.00	759,217.62	5.250	2.420	2.454	11/20/2024	1,054
31315PEM7	2098	Federal Agricultural Mortgage	09/09/2019	632,086.95	550,000.00	612,205.00	4.350	1.659	1.683	08/04/2025	1,311
31315PB99	2301	Federal Agricultural Mortgage	03/11/2020	1,775,240.34	1,569,000.00	1,697,579.55	2.850	1.050	1.064	11/19/2027	2,148
31422BZS2	2340 Call	Federal Agricultural Mortgage	05/13/2020	2,000,000.00	2,000,000.00	1,958,180.00	1.500	1.479	1.500	05/13/2030	3,054
31422BF54	2366 Call	Federal Agricultural Mortgage	06/24/2020	1,750,000.00	1,750,000.00	1,703,432.50	1.400	1.380	1.400	06/24/2030	3,096
31422BF54	2367 Call	Federal Agricultural Mortgage	06/24/2020	2,000,000.00	2,000,000.00	1,946,780.00	1.400	1.380	1.400	06/24/2030	3,096
31422BH78	2381 Call	Federal Agricultural Mortgage	07/08/2020	1,500,000.00	1,500,000.00	1,459,725.00	1.400	1.380	1.400	07/08/2030	3,110
31422BX54	2425 Call	Federal Agricultural Mortgage	10/08/2020	2,000,000.00	2,000,000.00	1,931,520.00	1.300	1.286	1.304	09/27/2030	3,191
31422BZ45	2435 Call	Federal Agricultural Mortgage	10/21/2020	2,000,000.00	2,000,000.00	1,929,100.00	1.280	1.262	1.280	10/21/2030	3,215
31422B2E9	2439 Call	Federal Agricultural Mortgage	10/29/2020	2,000,000.00	2,000,000.00	1,935,320.00	1.340	1.321	1.340	10/29/2030	3,223
31422B3D0	2449	Federal Agricultural Mortgage	11/20/2020	1,500,000.00	1,500,000.00	1,431,945.00	1.150	1.134	1.150	11/20/2030	3,245
31422B4A5	2458 Call	Federal Agricultural Mortgage	12/11/2020	1,500,000.00	1,500,000.00	1,452,390.00	1.300	1.282	1.300	12/11/2030	3,266
31422B3W8	2459 Call	Federal Agricultural Mortgage	12/16/2020	2,000,000.00	2,000,000.00	1,948,520.00	1.450	1.430	1.450	12/16/2030	3,271
31422B3D0	2461	Federal Agricultural Mortgage	12/09/2020	999,000.00	1,000,000.00	954,630.00	1.150	1.144	1.160	11/20/2030	3,245
31422B6K1	2471	Federal Agricultural Mortgage	01/15/2021	1,498,500.00	1,500,000.00	1,458,915.00	0.480	0.493	0.500	01/15/2026	1,475
31422B6A3	2473 Call	Federal Agricultural Mortgage	01/15/2021	1,493,250.00	1,500,000.00	1,444,650.00	1.290	1.319	1.338	01/15/2031	3,301

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Federal Agency	Bonds										
31422B7E4	2484 Call	Federal Agricultural Mortgage	01/28/2021	1,000,000.00	1,000,000.00	964,590.00	1.320	1.301	1.320	01/28/2031	3,314
31422XAW2	2496 Call	Federal Agricultural Mortgage	02/25/2021	1,500,000.00	1,500,000.00	1,462,425.00	1.530	1.509	1.530	02/25/2031	3,342
31422XCB6	2513	Federal Agricultural Mortgage	03/04/2021	987,760.00	1,000,000.00	977,790.00	1.470	1.581	1.602	03/04/2031	3,349
31422XDX7	2519	Federal Agricultural Mortgage	03/29/2021	1,499,250.00	1,500,000.00	1,477,155.00	0.830	0.828	0.840	03/27/2026	1,546
31422XDX7	2524	Federal Agricultural Mortgage	03/31/2021	1,492,950.00	1,500,000.00	1,477,155.00	0.830	0.913	0.926	03/27/2026	1,546
31422XEE8	2527 Call	Federal Agricultural Mortgage	04/07/2021	1,495,500.00	1,500,000.00	1,494,855.00	2.070	2.074	2.103	04/07/2031	3,383
31422XEL2	2529	Federal Agricultural Mortgage	04/15/2021	2,005,980.00	2,000,000.00	1,992,820.00	1.375	1.311	1.330	04/13/2028	2,294
31422XFJ6	2530	Federal Agricultural Mortgage	04/29/2021	1,501,350.00	1,500,000.00	1,488,660.00	1.660	1.627	1.650	04/29/2031	3,405
31422XDX7	2533	Federal Agricultural Mortgage	05/20/2021	1,496,725.50	1,500,000.00	1,477,155.00	0.830	0.864	0.876	03/27/2026	1,546
31422XDX7	2540	Federal Agricultural Mortgage	06/08/2021	254,979.09	255,000.00	251,116.35	0.830	0.820	0.831	03/27/2026	1,546
31422XNM0	2593	Federal Agricultural Mortgage	10/05/2021	1,000,000.00	1,000,000.00	990,010.00	1.050	1.035	1.050	10/05/2026	1,738
31422XPS5	2621	Federal Agricultural Mortgage	11/17/2021	993,220.00	1,000,000.00	993,800.00	1.150	1.272	1.290	11/17/2026	1,781
31422XQM7	2625	Federal Agricultural Mortgage	12/01/2021	1,000,000.00	1,000,000.00	1,001,670.00	1.320	1.301	1.320	12/01/2026	1,795
31422XRY0	2640 Call	Federal Agricultural Mortgage	12/29/2021	1,500,000.00	1,500,000.00	1,497,090.00	2.150	2.120	2.150	12/29/2031	3,649
3133ECRH9	1241	Federal Farm Credit Bank .	01/09/2014	460,870.00	500,000.00	515,070.00	2.450	3.383	3.430	06/06/2023	521
3133EAA65	1526	Federal Farm Credit Bank .	01/27/2016	628,150.00	625,000.00	642,068.75	2.125	2.024	2.052	07/26/2023	571
31331XSS2	1563	Federal Farm Credit Bank .	03/17/2016	591,815.50	500,000.00	504,920.00	5.160	1.876	1.902	03/14/2022	72
3133ECPF5	1596	Federal Farm Credit Bank .	04/21/2016	1,015,820.00	1,000,000.00	1,006,260.00	1.875	1.578	1.600	05/13/2022	132
3133EC7D0	1615	Federal Farm Credit Bank .	05/13/2016	1,013,220.00	1,000,000.00	1,037,720.00	2.125	1.930	1.956	12/13/2024	1,077
31331XSS2	1659	Federal Farm Credit Bank .	07/08/2016	607,470.00	500,000.00	504,920.00	5.160	1.215	1.232	03/14/2022	72
3133EEVD9	1787	Federal Farm Credit Bank .	05/04/2017	899,631.00	900,000.00	933,993.00	2.300	2.274	2.306	03/25/2024	814
3133EDWX6	1822	Federal Farm Credit Bank .	06/21/2017	524,725.00	500,000.00	529,230.00	2.910	2.143	2.172	10/07/2024	1,010
3133ED6R8	1843	Federal Farm Credit Bank .	09/14/2017	467,436.90	445,000.00	455,568.75	2.930	1.870	1.896	11/07/2022	310
3133EJDE6	1932	Federal Farm Credit Bank .	02/16/2018	1,494,972.47	1,500,000.00	1,539,285.00	2.570	2.605	2.642	02/16/2023	411
3133EEG79	2016	Federal Farm Credit Bank .	01/15/2019	488,198.50	500,000.00	514,505.00	2.150	2.656	2.693	09/07/2023	614
3133EC2C7	2017	Federal Farm Credit Bank .	01/15/2019	633,373.65	650,000.00	669,851.00	2.130	2.662	2.699	11/09/2023	677
3133ELJU9	2226 Call	Federal Farm Credit Bank .	01/29/2020	999,850.00	1,000,000.00	1,001,280.00	1.980	1.955	1.982	01/27/2026	1,487
3133EAG44	2314	Federal Farm Credit Bank .	03/13/2020	1,093,840.00	1,000,000.00	1,060,320.00	2.630	1.089	1.104	08/03/2026	1,675
3133ELQ31	2371 Call	Federal Farm Credit Bank .	07/01/2020	1,500,000.00	1,500,000.00	1,453,470.00	1.330	1.311	1.330	07/01/2030	3,103
3133ELQ31	2372 Call	Federal Farm Credit Bank .	07/01/2020	1,500,000.00	1,500,000.00	1,453,470.00	1.330	1.311	1.330	07/01/2030	3,103
3133EL3H5	2391 Call	Federal Farm Credit Bank .	08/12/2020	1,498,125.00	1,500,000.00	1,466,865.00	0.570	0.587	0.595	08/12/2025	1,319
3133EL4W1	2406 Call	Federal Farm Credit Bank .	09/03/2020	1,499,250.00	1,500,000.00	1,468,140.00	0.610	0.611	0.620	08/25/2025	1,332

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Federal Agency	Bonds										
3133EL4W1	2408 Call	Federal Farm Credit Bank .	09/10/2020	1,499,250.00	1,500,000.00	1,468,140.00	0.610	0.611	0.620	08/25/2025	1,332
3133EL7K4	2416 Call	Federal Farm Credit Bank .	09/22/2020	1,500,000.00	1,500,000.00	1,461,480.00	0.550	0.542	0.549	09/16/2025	1,354
3133EMBH4	2417 Call	Federal Farm Credit Bank .	09/29/2020	1,500,000.00	1,500,000.00	1,463,055.00	0.530	0.522	0.530	09/29/2025	1,367
3133EMBJ0	2423 Call	Federal Farm Credit Bank .	09/29/2020	1,498,875.00	1,500,000.00	1,460,595.00	0.530	0.537	0.545	09/29/2025	1,367
3133EMAZ5	2427 Call	Federal Farm Credit Bank .	10/01/2020	1,997,500.00	2,000,000.00	1,909,840.00	1.250	1.246	1.263	06/24/2030	3,096
3133EMFG2	2442 Call	Federal Farm Credit Bank .	11/04/2020	1,500,000.00	1,500,000.00	1,452,690.00	1.370	1.351	1.370	11/04/2030	3,229
3133EMFG2	2443 Call	Federal Farm Credit Bank .	11/04/2020	1,500,000.00	1,500,000.00	1,452,690.00	1.370	1.351	1.370	11/04/2030	3,229
3133EMNB4	2472 Call	Federal Farm Credit Bank .	01/14/2021	1,500,000.00	1,500,000.00	1,453,275.00	1.380	1.361	1.380	01/14/2031	3,300
3133EMRE4	2525 Call	Federal Farm Credit Bank .	04/01/2021	1,440,675.00	1,500,000.00	1,440,240.00	1.420	1.834	1.859	02/18/2031	3,335
3133EMUG5	2538 Call	Federal Farm Credit Bank .	05/27/2021	1,005,890.00	1,000,000.00	997,100.00	1.980	1.887	1.913	03/24/2031	3,369
313378LA7	1041	Federal Home Loan Bank	03/20/2012	1,500,000.00	1,500,000.00	1,504,395.00	2.330	2.298	2.330	02/25/2022	55
3133827E7	1699	Federal Home Loan Bank	10/05/2016	515,900.00	500,000.00	509,115.00	2.130	1.578	1.600	02/06/2023	401
313378CR0	1780	Federal Home Loan Bank	04/12/2017	1,014,910.00	1,000,000.00	1,004,050.00	2.250	1.903	1.930	03/11/2022	69
3130A3VC5	1886	Federal Home Loan Bank	01/03/2018	992,160.00	1,000,000.00	1,029,090.00	2.250	2.359	2.392	12/08/2023	706
3130A3DL5	1896	Federal Home Loan Bank	01/09/2018	998,192.50	1,000,000.00	1,029,230.00	2.375	2.376	2.409	09/08/2023	615
3130ADEV0	1903	Federal Home Loan Bank	01/18/2018	499,100.00	500,000.00	510,145.00	2.380	2.385	2.418	01/17/2023	381
3130AJMF3	2347 Call	Federal Home Loan Bank	05/28/2020	1,500,000.00	1,500,000.00	1,476,975.00	1.320	1.301	1.320	11/28/2028	2,523
3130AJP78	2358 Call	Federal Home Loan Bank	06/11/2020	1,000,000.00	1,000,000.00	977,270.00	1.400	1.380	1.400	06/11/2029	2,718
3130AJP78	2361 Call	Federal Home Loan Bank	06/11/2020	996,000.00	1,000,000.00	977,270.00	1.400	1.427	1.447	06/11/2029	2,718
3130AJR76	2368 Call	Federal Home Loan Bank	06/29/2020	900,000.00	900,000.00	875,628.00	1.250	1.232	1.250	06/29/2029	2,736
3130AJRG6	2369 Call	Federal Home Loan Bank	06/24/2020	1,500,000.00	1,500,000.00	1,458,405.00	1.360	1.341	1.360	06/24/2030	3,096
3130AJSR1	2375 Call	Federal Home Loan Bank	07/09/2020	1,500,000.00	1,500,000.00	1,457,460.00	1.390	1.370	1.390	07/09/2030	3,111
3130AJSR1	2377 Call	Federal Home Loan Bank	07/09/2020	1,500,000.00	1,500,000.00	1,457,460.00	1.390	1.370	1.390	07/09/2030	3,111
3130AJSR1	2384 Call	Federal Home Loan Bank	07/09/2020	1,498,350.00	1,500,000.00	1,457,460.00	1.390	1.382	1.401	07/09/2030	3,111
3130AJZ36	2395 Call	Federal Home Loan Bank	08/27/2020	1,498,500.00	1,500,000.00	1,470,600.00	0.600	0.611	0.620	08/27/2025	1,334
3130AJZ36	2399 Call	Federal Home Loan Bank	08/27/2020	1,498,500.00	1,500,000.00	1,470,600.00	0.600	0.611	0.620	08/27/2025	1,334
3130AK3Z7	2405 Call	Federal Home Loan Bank	09/29/2020	1,498,500.00	1,500,000.00	1,474,605.00	0.570	0.582	0.590	09/29/2025	1,367
3130AJZ36	2411 Call	Federal Home Loan Bank	09/16/2020	1,180,000.00	1,180,000.00	1,156,872.00	0.600	0.591	0.599	08/27/2025	1,334
3130AKAZ91	2419 Call	Federal Home Loan Bank	09/29/2020	1,500,000.00	1,500,000.00	1,472,340.00	0.520	0.512	0.520	09/29/2025	1,367
3130AJQS1	2445 Call	Federal Home Loan Bank	11/04/2020	1,199,616.00	1,200,000.00	1,165,560.00	1.350	1.334	1.353	06/25/2030	3,097
3130AKQN9	2475 Call	Federal Home Loan Bank	01/28/2021	1,500,000.00	1,500,000.00	1,453,545.00	1.400	1.380	1.400	01/09/2031	3,295
3130AKQV1	2476 Call	Federal Home Loan Bank	01/28/2021	1,500,000.00	1,500,000.00	1,453,005.00	1.400	1.380	1.400	01/28/2031	3,314

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Federal Agency Bonds           3130AKVH6         2485 Call         Federal Home Loan Bank         02/10/2021         1,500,000.00         1,455,315.00         1.350         1.330           3130AKYB6         2490 Call         Federal Home Loan Bank         02/18/2021         2,000,000.00         2,000,000.00         1,936,520.00         1.400         1.380           3130ALYB6         2490 Call         Federal Home Loan Bank         02/26/2021         1,500,000.00         1,600,070.00         1.400         1.360           3130ALF36         2500 Call         Federal Home Loan Bank         02/25/2021         1,500,000.00         1,402,070.00         1.605         1.602           3130ALF33         2520 Call         Federal Home Loan Bank         02/25/2021         1,914,220.00         1,925,000.00         1,890,927.50         0.750         0.853           3130APV37         2613 Call         Federal Home Loan Bank         11/04/2021         1,000,000.00         1,998,000.00         2.000         1.473           3130APV37         2613 Call         Federal Home Loan Bank         12/10/2021         1,000,000.00         1,000,000.00         999,860.00         1.500         1.473           3130APW84         2616 Call         Federal Home Loan Bank         12/17/2021         1,000,000.00 <th>0 1.400 9 1.500 2 1.625</th> <th>,</th>	0 1.400 9 1.500 2 1.625	,
3130AKYB62490 CallFederal Home Loan Bank02/18/20212,000,000.002,000,000.001,936,520.001.4001.3803130AL2J22494 CallFederal Home Loan Bank02/26/20211,500,000.001,500,000.001,460,070.001.5001.4003130ALF662500 CallFederal Home Loan Bank02/25/20211,500,000.001,500,000.001,472,580.001.6251.6023130ALF332520 CallFederal Home Loan Bank03/25/20211,914,220.001,925,000.001,890,927.500.7500.8523130APJ82607 CallFederal Home Loan Bank03/25/20211,000,000.001,000,000.00998,000.002.0001.9723130APV772613 CallFederal Home Loan Bank12/10/20211,000,000.001,000,000.00999,250.001.5001.4763130APX022616 CallFederal Home Loan Bank12/03/20211,000,000.001,000,000.001,000,740.001.5501.5263130APWY72619 CallFederal Home Loan Bank12/17/20211,000,000.001,000,000.001,000,830.001.3501.3363130APWY72619 CallFederal Home Loan Bank12/07/20211,000,000.001,000,000.001,000,430.001.6001.5003130APX772620 CallFederal Home Loan Bank12/17/20211,000,000.001,000,430.001.6001.5763130APX772620 CallFederal Home Loan Bank12/17/20211,000,000.001,000,430.001.6001.5763130APX772620 Call <th>0 1.400 9 1.500 2 1.625</th> <th>0 02/18/2031 3,3 0 02/26/2031 3,3</th>	0 1.400 9 1.500 2 1.625	0 02/18/2031 3,3 0 02/26/2031 3,3
3130AL2J22494 CallFederal Home Loan Bank02/26/20211,500,000.001,500,000.001,460,070.001.5001.4793130AL2J22500 CallFederal Home Loan Bank02/25/20211,500,000.001,500,000.001,472,580.001.6251.6023130ALF332520 CallFederal Home Loan Bank03/25/20211,914,220.001,925,000.001,890,927.500.7500.8523130APPJ82607 CallFederal Home Loan Bank01/20211,000,000.001,000,000.00998,000.002.0001.9723130APV772613 CallFederal Home Loan Bank12/10/20211,000,000.001,000,000.00999,250.001.5001.4793130APW842616 CallFederal Home Loan Bank12/03/20211,000,000.001,000,000.00999,860.001.5001.4793130APXD22618 CallFederal Home Loan Bank12/17/20211,000,000.001,000,000.001,000,740.001.5501.5283130APW772619 CallFederal Home Loan Bank12/07/20211,000,000.001,000,000.001,000,830.001.3501.3373130APW772602 CallFederal Home Loan Bank12/07/20211,000,000.001,000,000.001,000,430.001.6001.5783130APW772619 CallFederal Home Loan Bank12/17/20211,000,000.001,000,000.001.000,430.001.6001.5783130APW772602 CallFederal Home Loan Bank12/17/20211,000,000.001,000,000.001.6001.5783130APW77	9 1.500 2 1.625	0 02/26/2031 3,3
3130ALF66         2500 Call         Federal Home Loan Bank         02/25/2021         1,500,000.00         1,500,000.00         1,472,580.00         1,625         1,602           3130ALF33         2520 Call         Federal Home Loan Bank         03/25/2021         1,914,220.00         1,925,000.00         1,890,927.50         0.750         0.853           3130ALF33         2607 Call         Federal Home Loan Bank         11/04/2021         1,000,000.00         1,000,000.00         998,000.00         2.000         1.972           3130APV37         2613 Call         Federal Home Loan Bank         12/10/2021         1,000,000.00         1,000,000.00         999,250.00         1.500         1.479           3130APV84         2616 Call         Federal Home Loan Bank         12/03/2021         1,000,000.00         1,000,000.00         999,860.00         1.500         1.479           3130APV37         2618 Call         Federal Home Loan Bank         12/17/2021         1,000,000.00         1,000,740.00         1.500         1.500         1.500           3130APW37         2619 Call         Federal Home Loan Bank         12/07/2021         1,000,000.00         1,000,830.00         1.300         1.300           3130APX17         2620 Call         Federal Home Loan Bank         12/17/2021         1,000	2 1.625	
3130ALF332520 CallFederal Home Loan Bank03/25/20211,914,220.001,925,000.001,890,927.500.7500.8503130APPJ82607 CallFederal Home Loan Bank11/04/20211,000,000.001,000,000.00998,000.002.0001.9723130APV772613 CallFederal Home Loan Bank12/10/20211,000,000.001,000,000.00999,250.001.5001.4733130APW842616 CallFederal Home Loan Bank12/03/20211,000,000.001,000,000.00999,860.001.5001.4733130APW842618 CallFederal Home Loan Bank12/17/20211,000,000.001,000,740.001.5001.5263130APW772618 CallFederal Home Loan Bank12/07/20211,000,000.001,000,740.001.5501.5263130APW772619 CallFederal Home Loan Bank12/07/20211,000,000.001,000,830.001.3501.3373130APW772620 CallFederal Home Loan Bank12/17/20211,000,000.001,000,430.001.6001.576		. 00/05/0004 0.0
3130APPJ82607 CallFederal Home Loan Bank11/04/20211,000,000.001,000,000.00998,000.002.0001.9723130APV772613 CallFederal Home Loan Bank12/10/20211,000,000.001,000,000.00999,250.001.5001.4733130APW842616 CallFederal Home Loan Bank12/03/20211,000,000.001,000,000.00999,860.001.5001.4733130APV772618 CallFederal Home Loan Bank12/17/20211,000,000.001,000,740.001.5501.5263130APW772619 CallFederal Home Loan Bank12/07/20211,000,000.001,000,830.001.3501.3373130APW772620 CallFederal Home Loan Bank12/17/20211,000,000.001,000,430.001.6001.576	3 0.865	5 02/25/2031 3,3
3130APV77         2613 Call         Federal Home Loan Bank         12/10/2021         1,000,000.00         1,000,000.00         999,250.00         1.500         1.479           3130APW84         2616 Call         Federal Home Loan Bank         12/03/2021         1,000,000.00         1,000,000.00         999,860.00         1.500         1.479           3130APW84         2616 Call         Federal Home Loan Bank         12/07/2021         1,000,000.00         1,000,740.00         1.500         1.500         1.479           3130APW84         2618 Call         Federal Home Loan Bank         12/17/2021         1,000,000.00         1,000,740.00         1.550         1.528           3130APWY7         2619 Call         Federal Home Loan Bank         12/07/2021         1,000,000.00         1,000,830.00         1.350         1.337           3130APX77         2620 Call         Federal Home Loan Bank         12/17/2021         1,000,000.00         1,000,430.00         1.600         1.576		5 03/16/2026 1,5
3130APW84         2616 Call         Federal Home Loan Bank         12/03/2021         1,000,000.00         999,860.00         1.500         1.473           3130APW84         2618 Call         Federal Home Loan Bank         12/17/2021         1,000,000.00         1,000,000.00         1,000,740.00         1.550         1.528           3130APWY7         2619 Call         Federal Home Loan Bank         12/07/2021         1,000,000.00         1,000,830.00         1.350         1.333           3130APXT7         2620 Call         Federal Home Loan Bank         12/17/2021         1,000,000.00         1,000,430.00         1.600         1.576	2 2.000	0 11/04/2031 3,5
3130APXD2         2618 Call         Federal Home Loan Bank         12/17/2021         1,000,000.00         1,000,740.00         1.550         1.528           3130APWY7         2619 Call         Federal Home Loan Bank         12/07/2021         1,000,000.00         1,000,000.00         1,000,830.00         1.350         1.333           3130APXT7         2620 Call         Federal Home Loan Bank         12/17/2021         1,000,000.00         1,000,430.00         1.600         1.576	9 1.500	0 12/10/2026 1,8
3130APWY7         2619 Call         Federal Home Loan Bank         12/07/2021         1,000,000.00         1,000,830.00         1.350         1.333           3130APXT7         2620 Call         Federal Home Loan Bank         12/17/2021         1,000,000.00         1,000,000.00         1,000,430.00         1.350         1.357	9 1.500	0 12/03/2026 1,7
3130APXT7         2620 Call         Federal Home Loan Bank         12/17/2021         1,000,000.00         1,000,430.00         1.600         1.578	3 1.550	0 12/17/2026 1,8
	1 1.350	0 12/07/2026 1,8
3134GVI IA4 2345 Call Fed Home Loan Mortgage Corp 05/18/2020 455 000 00 455 000 00 446 650 75 1 200 1 183	B 1.600	0 12/17/2026 1,8
	3 1.200	0 05/18/2028 2,3
3134GV3B2         2370 Call         Fed. Home Loan Mortgage Corp.         06/30/2020         1,500,000.00         1,500,000.00         1,458,795.00         1.400         1.380	0 1.400	0 06/28/2030 3,1
3134GV3U0         2373 Call         Fed. Home Loan Mortgage Corp.         06/29/2020         1,500,000.00         1,500,000.00         1,448,685.00         1.250         1.232	2 1.250	0 06/29/2029 2,7
3134GV4E5         2379 Call         Fed. Home Loan Mortgage Corp.         07/01/2020         1,500,000.00         1,500,000.00         1,460,910.00         1.200         1.183	3 1.199	9 12/29/2028 2,5
3134GV5D6         2380 Call         Fed. Home Loan Mortgage Corp.         07/08/2020         1,500,000.00         1,500,000.00         1,452,870.00         1.200         1.182	3 1.200	0 01/08/2029 2,5
3134GV5A2         2382 Call         Fed. Home Loan Mortgage Corp.         07/15/2020         1,500,000.00         1,500,000.00         1,454,835.00         1.375         1.356	6 1.375	5 07/15/2030 3,1
3134GV7L6         2386 Call         Fed. Home Loan Mortgage Corp.         07/29/2020         1,500,000.00         1,500,000.00         1,451,835.00         1.350         1.330	1 1.350	0 07/29/2030 3,1
3134GV7L6         2387 Call         Fed. Home Loan Mortgage Corp.         07/29/2020         1,500,000.00         1,451,835.00         1.350         1.330	1 1.350	0 07/29/2030 3,1
3134GWNC6 2396 Call Fed. Home Loan Mortgage Corp. 08/20/2020 1,000,000.00 1,000,000.00 981,580.00 0.625 0.616	6 0.625	5 08/19/2025 1,3
3134GWC53         2400 Call         Fed. Home Loan Mortgage Corp.         09/15/2020         1,500,000.00         1,500,000.00         1,472,280.00         0.650         0.641	1 0.650	0 09/15/2025 1,3
3134GWA55 2404 Call Fed. Home Loan Mortgage Corp. 09/09/2020 1,447,000.00 1,447,000.00 1,427,668.08 0.650 0.64	1 0.650	0 09/09/2025 1,3
3134GWD52         2407 Call         Fed. Home Loan Mortgage Corp.         09/04/2020         1,500,000.00         1,500,000.00         1,477,185.00         0.680         0.670	0.679	9 09/02/2025 1,3
3134GWP75         2409 Call         Fed. Home Loan Mortgage Corp.         09/23/2020         1,500,000.00         1,500,000.00         1,470,780.00         0.625         0.616	6 0.625	5 09/23/2025 1,3
3134GWP75         2410 Call         Fed. Home Loan Mortgage Corp.         09/23/2020         1,000,000.00         1,000,000.00         980,520.00         0.625         0.616	6 0.625	5 09/23/2025 1,3
3134GWVV5 2418 Call Fed. Home Loan Mortgage Corp. 10/15/2020 1,500,000.00 1,500,000.00 1,460,910.00 0.500 0.493	3 0.500	0 10/15/2025 1,3
3134GWW93         2421 Call         Fed. Home Loan Mortgage Corp.         09/30/2020         2,000,000.00         2,000,000.00         1,955,660.00         0.550         0.542	2 0.550	0 09/30/2025 1,3
3134GWW93         2422 Call         Fed. Home Loan Mortgage Corp.         09/30/2020         1,500,000.00         1,466,745.00         0.550         0.542	2 0.550	0 09/30/2025 1,3
3134GWXK7 2424 Call Fed. Home Loan Mortgage Corp. 09/30/2020 1,500,000.00 1,500,000.00 1,466,745.00 0.550 0.542	2 0.550	0 09/30/2025 1,3
3134GWXX9         2426 Call         Fed. Home Loan Mortgage Corp.         10/15/2020         1,500,000.00         1,500,000.00         1,466,085.00         0.550         0.542	2 0.550	0 10/15/2025 1,3
3134GWY26 2428 Call Fed. Home Loan Mortgage Corp. 10/08/2020 1,500,000.00 1,500,000.00 1,467,420.00 0.570 0.562	2 0.570	0 10/08/2025 1,3
3134GWYZ3         2430 Call         Fed. Home Loan Mortgage Corp.         10/28/2020         1,500,000.00         1,500,000.00         1,464,585.00         0.530         0.522		0 10/28/2025 1,3

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3134GW2L3         2432 Call         Fed. Home Loan Morgage Corp.         10292220         1,500,000.00         1,800,000.00         1,466,550.00         0,570         0,562         0,570         1           3134GW3T1         2433 Call         Fed. Home Loan Morgage Corp.         1028/2020         2,000,000.00         2,000,000.00         1,482,080.00         0,601         0,600         0,600,000         1,466,470.00         1,400         1,400         1,400         1,400         1,400         1,400         1,400         1,400         1,400         1,400         1,400         1,400         1,400         1,400         1,400         1,400         1,400         1,400         1,400	CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	ҮТМ 365	Maturity Da Date Ma	-
3134GWZL3       2432 Call       Fed. Home Loan Mortgage Corp.       10/29/2020       1,500,000.00       1,600,000.00       1,942,080.00       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,480       1,400       1,300       1,480       1,400       1,300       1,480       1,400       1,300       1,480       1,400       1,300       1,480       1,480       1,480       1,480       1,480       1,480       1,480       1,480       1,480       1,480       1,400       1,300       1,480       1,400       1,300       1,480       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,400       1,300       1,300       1,400       1,300       1,300       1,300       1,300       1,300       1,3000       1,3	Federal Agency	y Bonds										
3134GW3T1       243 Call       Fed. Home Laan Morgage Cop.       1028/2020       2,000,000.00       1,902,080.00       1,408,080.00       1,400       1.300       1.300       1.300       1.301       3134       3134       3134       3134       3134       3134       3134       3134       2433 Call       Fed. Home Laan Morgage Cop.       1028/2020       2,000,000.00       2,000,000.00       750,000.00       750,000.00       750,000.00       750,000.00       1,469,980.00       1.400       1.30       1.30       1.400       1.30       1.30       1.400       1.30       1.301       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.401       1.301       1.301       1.401       1.301       1.301       1.401       1.301       1.301       1.301       1.301       1.301       1.301       1.301       1.301       1.301       1.301       1.301       1.301	3134GWZ33	2431 Call	Fed. Home Loan Mortgage Corp.	10/22/2020	1,500,000.00	1,500,000.00	1,442,040.00	1.250	1.232	1.250	10/22/2030	3,216
3134GW3H7       2434 Call       Fed. Home Loan Mortgage Corp.       10/29/202       1,500,000.00       1,500,000.00       1,27,560.00       1.300       1.282       1.300       1.282       1.300       1.282       1.300       1.282       1.300       1.282       1.300       1.282       1.300       1.282       1.300       1.282       1.300       1.282       1.300       1.282       1.300       1.282       1.300       1.282       1.300       1.282       1.300       1.282       1.300       1.282       1.300       1.469,465.00       0.425       0.616       0.625       0.616       0.625       0.616       0.625       0.616       0.625       0.616       0.625       0.616       0.625       1.400       1.301       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400       1.331       1.400 <td< td=""><td>3134GWZL3</td><td>2432 Call</td><td>Fed. Home Loan Mortgage Corp.</td><td>10/29/2020</td><td>1,500,000.00</td><td>1,500,000.00</td><td>1,466,550.00</td><td>0.570</td><td>0.562</td><td>0.570</td><td>10/29/2025</td><td>1,397</td></td<>	3134GWZL3	2432 Call	Fed. Home Loan Mortgage Corp.	10/29/2020	1,500,000.00	1,500,000.00	1,466,550.00	0.570	0.562	0.570	10/29/2025	1,397
3134GWZZ2       2436 Call       Fed. Home Loan Morgage Corp.       10/28/2020       2,000,000.00       1,927,360.00       1,300       1,282       1,300       10/00         3134GWXZ7       2437 Call       Fed. Home Loan Morgage Corp.       10/27/202       1,500,000.00       1,600,000.00       1,469,470.00       1,400       1,380       1,400       1         3134GWX12       2436 Call       Fed. Home Loan Morgage Corp.       11/05/2020       1,500,000.00       1,450,470.00       1,400       1,380       1,400       1         3134GWX12       2444 Call       Fed. Home Loan Morgage Corp.       11/05/2020       1,500,000.00       1,456,470.00       1,400       1,380       1,400       1         3136GUT4       1883       Federal National Morgage Asso       11/02/16       699,100.99       500,000.00       505,680.00       2.000       2,248       2,270       01         3136GUT78       1894       Federal National Morgage Asso       01/09/2018       980,384.20       1,000,000.00       1,012,680.00       2.000       2,439       2,431       1336GUT4       1266       Federal National Morgage Asso       02/02/202       1,600,000.00       1,430,720.00       0,550       0,641       0,650       0,641       0,650       0,641       0,650       0,641	3134GW3T1	2433 Call	Fed. Home Loan Mortgage Corp.	10/28/2020	2,000,000.00	2,000,000.00	1,942,080.00	1.400	1.380	1.400	10/28/2030	3,222
3134GW3Z7       2437 Call       Fed. Home Loan Mortgage Corp.       1028/2020       750,000.00       750,000.00       1,469,985.00       0.602       5.616       0.625         3134GW3X2       2438 Call       Fed. Home Loan Mortgage Corp.       11027/2020       1,500,000.00       1,450,470.00       1.400       1380       1.400       1         3134GW811       2444 Call       Fed. Home Loan Mortgage Corp.       1105/2020       1,500,000.00       1,550,000.00       1,456,470.00       1.400       1.380       1.400       1         3134GW811       2444 Call       Fed. Home Loan Mortgage Asso       11/02/216       699,100.09       500,000.00       624,015.00       7.12       2.387       2.400       0         3136G05178       1894       Federal National Mortgage Asso       11/92/218       985,700.00       1,000,000.00       1,012,680.00       2.000       2.288       2.320       11         3136G05178       1994       Federal National Mortgage Asso       02/02/218       1,483,722.85       1,600,000.00       1,501,200.00       2.372       2.574       2.544       6.666       0.625       0.616       0.625       0.616       0.625       0.616       0.625       0.616       0.625       0.616       0.650       0.3136G437       2393 Call	3134GW3H7	2434 Call	Fed. Home Loan Mortgage Corp.	10/29/2020	1,500,000.00	1,500,000.00	1,468,605.00	0.610	0.601	0.610	10/29/2025	1,397
3134GW3X2       2438 Call       Fed. Home Lean Mortgage Cop.       10/27/2020       1,500,000.00       1,469,985.00       0.652       0.616       0.625       1.400         3134GW8N1       2440 Call       Fed. Home Lean Mortgage Cop.       11/05/2020       1,500,000.00       1,466,470.00       1.400       1.330       1.400       1.33         3134GW8N1       2444 Call       Fed. Home Lean Mortgage Cop.       11/05/2020       1,500,000.00       1,500,000.00       1,646,470.00       1.400       1.330       1.400       1.33         3134GW8N1       2444 Call       Fed. Home Laan Mortgage Cop.       11/05/2020       1,500,000.00       1,650,000.00       505,800.0       2.000       2.282       2.270       0.3360074         3136G0T78       1894       Federal National Mortgage Asso       0.208/2018       980,384.20       1,000,000.00       1,012,880.00       2.000       2.375       2.574       2.610       0.31360478         3136G0T44       1926       Federal National Mortgage Asso       0.208/2120       1,000,000.00       1,000,000.00       1,900,000.00       1,900,000.00       1,900,000.00       1,900,000.00       1,900,000.00       1,472,320.00       0.650       0.641       0.650       0.651       0.657       0.657       0.656       0.641       0.650 </td <td>3134GWZZ2</td> <td>2436 Call</td> <td>Fed. Home Loan Mortgage Corp.</td> <td>10/28/2020</td> <td>2,000,000.00</td> <td>2,000,000.00</td> <td>1,927,360.00</td> <td>1.300</td> <td>1.282</td> <td>1.300</td> <td>10/28/2030</td> <td>3,222</td>	3134GWZZ2	2436 Call	Fed. Home Loan Mortgage Corp.	10/28/2020	2,000,000.00	2,000,000.00	1,927,360.00	1.300	1.282	1.300	10/28/2030	3,222
3134GW8N1       2440 Call       Fed. Home Loan Mortgage Corp.       11/05/2020       1,500,000.00       1,500,000.00       1,456,470.00       1.400       1.380       1.400       1         3134GW8N1       2444 Call       Fed. Home Loan Mortgage Corp.       11/05/2020       1,500,000.00       1,500,000.00       1,456,470.00       1.400       1.380       1.400       1         313GC05L1       1883       Federal National Mortgage Asso       11/20/2016       699,100.09       500,000.00       1.01,2680.00       2.000       2.288       2.237       0         313GC05L1       1884       Federal National Mortgage Asso       01/09/2018       980,384.20       1,000,000.00       1.012,680.00       2.000       2.288       2.320       10         313GC0778       1904       Federal National Mortgage Asso       01/09/2018       980,384.20       1,000,000.00       1.530,720.00       2.375       2.474       2.400       0         313GC0778       1904       Federal National Mortgage Asso       0.828/2020       1,000,000.00       1.500,000.00       1.530,720.00       2.375       2.474       2.400       0         313GC4462       2.392 Call       Federal National Mortgage Asso       0.828/2020       1,000,000.00       1.472,325.00       0.650       0.641	3134GW3Z7	2437 Call	Fed. Home Loan Mortgage Corp.	10/28/2020	750,000.00	750,000.00	734,032.50	0.600	0.591	0.600	10/28/2025	1,396
3134GW6N1       2444 Call       Fed. Home Loan Morgage Cop.       11/05/2020       1,500,000.00       1,500,000.00       1,456,470.00       1,400       1.380       1,400       1         3134GW6N1       2444 Call       Federal National Mortgage Asso       11/10/2016       699,100.09       500,000.00       624,015.00       7.125       2.387       2.400       0         313GG0T78       1894       Federal National Mortgage Asso       01/09/2018       985,700.00       1,000,000.00       1,012,680.00       2.000       2.288       2.270       00         313GG0T78       1904       Federal National Mortgage Asso       01/19/2018       980,384.20       1,000,000.00       1,012,680.00       2.000       2.288       2.676       0.655       0.616       0.625       0       3136G478       2392 Call       Federal National Mortgage Asso       08/27/2020       1,000,000.00       1,900,000.00       980,690.00       0.625       0.616       0.625       0.3136G497       2394 Call       Federal National Mortgage Asso       08/27/2020       1,500,000.00       1,472,325.00       0.650       0.641       0.650       0.3136G495       2142 Call       Federal National Mortgage Asso       08/27/2020       1,500,000.00       1,464,705.00       0.515       0.515       0.515       0.515       0.	3134GW3X2	2438 Call	Fed. Home Loan Mortgage Corp.	10/27/2020	1,500,000.00	1,500,000.00	1,469,985.00	0.625	0.616	0.625	10/27/2025	1,395
31364CCC0       1715       Federal National Mortgage Asso       11/10/2016       699,100.09       500,000.00       624,015.00       7.125       2.367       2.400       0.         31360CSL1       1883       Federal National Mortgage Asso       11/2/9/2017       494,058.00       500,000.00       505,880.00       2.000       2.238       2.270       0.         313500T78       1904       Federal National Mortgage Asso       01/09/2018       3985,700.00       1,000,000.00       1,012,680.00       2.000       2.428       2.320       1.03         31360T78       1904       Federal National Mortgage Asso       02/08/2018       1,483,732.85       1,500,000.00       1,502,720.00       2.375       2.574       2.610       0.         3136G478       2393 Call       Federal National Mortgage Asso       08/27/2020       1,000,000.00       1,000,000.00       980,690.00       0.655       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641	3134GW6N1	2440 Call	Fed. Home Loan Mortgage Corp.	11/05/2020	1,500,000.00	1,500,000.00	1,456,470.00	1.400	1.380	1.400	11/05/2030	3,230
3136G05L1       1883       Federal National Mortgage Asso       12/29/2017       494,058.00       500,000.00       505,680.00       2.000       2.238       2.200       0         3135G0778       1994       Federal National Mortgage Asso       01/09/2018       980,384.20       1,000,000.00       1,012,680.00       2.000       2.248       2.320       10         3135G0774       1926       Federal National Mortgage Asso       02/06/2018       1,483,732.85       1,500,000.00       1,502,600.00       0.625       0.616       0.6	3134GW6N1	2444 Call	Fed. Home Loan Mortgage Corp.	11/05/2020	1,500,000.00	1,500,000.00	1,456,470.00	1.400	1.380	1.400	11/05/2030	3,230
3136G0T78       1894       Federal National Mortgage Asso       01/09/2018       985,700.00       1,000,000.00       1,012,680.00       2.000       2.488       2.320       10         3135G0T78       1904       Federal National Mortgage Asso       02/09/2018       1,483,732.85       1,500,000.00       1,612,680.00       2.000       2.409       2.443       10         3136G0T4       1926       Federal National Mortgage Asso       02/02/2018       1,483,732.85       1,500,000.00       1,600,000.00       980,690.00       0.625       0.616       0.625       0.616       0.625       0.614       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.570       0.515       0.570       0.515       0.570       0.515       0.570       0.515       0.570       0.515       0.570       0.515       0.570       0.516	31364CCC0	1715	Federal National Mortgage Asso	11/10/2016	699,100.09	500,000.00	624,015.00	7.125	2.367	2.400	04/30/2026	1,580
3135G0T78       1904       Federal National Mortgage Asso       01/19/2018       980,384.20       1,000,000.00       1,012,680.00       2.000       2.409       2.443       10         3135G0T74       126       Federal National Mortgage Asso       02/08/2018       1,483,732.85       1,500,000.00       1,530,720.00       2.375       2.574       2.610       0         3136G4R62       2392 Call       Federal National Mortgage Asso       08/27/2020       1,000,000.00       1,000,000.00       980,690.00       0.650       0.641       0.650       0         3136G4X97       2393 Call       Federal National Mortgage Asso       08/27/2020       1,500,000.00       1,500,000.00       1,471,005.00       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.507       0.515       0.507       0.515       0.507       0.515       0.507       0.515       0.542       0.550       0.542       0.550       0.542       0.550       0.542       0.550       0.542	3136G05L1	1883	Federal National Mortgage Asso	12/29/2017	494,058.00	500,000.00	505,680.00	2.000	2.238	2.270	08/26/2022	237
3135G0T94       1926       Federal National Mortgage Asso       02/08/2018       1,483,732.85       1,500,000.00       1,530,720.00       2.375       2.674       2.610       0         3136G4R62       2392 Call       Federal National Mortgage Asso       08/28/2020       1,000,000.00       1,000,000.00       980,690.00       0.6650       0.641       0.650       0         3136G4X87       2393 Call       Federal National Mortgage Asso       08/27/2020       1,500,000.00       1,000,000.00       981,550.00       0.650       0.641       0.650       0         3136G4V59       2397 Call       Federal National Mortgage Asso       08/27/2020       1,500,000.00       1,471,005.00       0.625       0.616       0.625<	3135G0T78	1894	Federal National Mortgage Asso	01/09/2018	985,700.00	1,000,000.00	1,012,680.00	2.000	2.288	2.320	10/05/2022	277
3136G4R62       2392 Call       Federal National Mortgage Asso       08/28/2020       1,000,000.00       1,000,000.00       980,690.00       0.625       0.616       0.625       0.616       0.625       0.616       0.625       0.616       0.625       0.616       0.625       0.616       0.625       0.611       0.650       0.642       0.551       0.550       0.515       0.515       0.515       0.515       0.550       0.542       0.550       0.542       0.550       0.542       0.550       0.542       0.550       0.542       0.550       0.542       0.550       0.542       0.550       0.542       0.550       0.542       0.550       0.550       0.542	3135G0T78	1904	Federal National Mortgage Asso	01/19/2018	980,384.20	1,000,000.00	1,012,680.00	2.000	2.409	2.443	10/05/2022	277
3136G4S87       2393 Call       Federal National Mortgage Asso       08/27/2020       1,000,000.00       1,000,000.00       981,550.00       0.650       0.641       0.650       0.651       0.507       0.515       0.507       0.515       0.507       0.515       0.507       0.515       0.507       0.515       0.507       0.515       0.507       0.515       0.507       0.503       0.500	3135G0T94	1926	Federal National Mortgage Asso	02/08/2018	1,483,732.85	1,500,000.00	1,530,720.00	2.375	2.574	2.610	01/19/2023	383
3136G4Q97       2394 Call       Federal National Mortgage Asso       08/27/2020       1,500,000.00       1,500,000.00       1,472,325.00       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.641       0.650       0.651       0.651       0.650       0.641       0.650       0.641       0.650       0.515       0.507       0.515       0.5	3136G4R62	2392 Call	Federal National Mortgage Asso	08/28/2020	1,000,000.00	1,000,000.00	980,690.00	0.625	0.616	0.625	08/28/2025	1,335
3136G4V59       2397 Call       Federal National Mortgage Asso       08/27/2020       1,500,000.00       1,471,005.00       0.625       0.616       0.625       0.515       0.507       0.515	3136G4S87	2393 Call	Federal National Mortgage Asso	08/27/2020	1,000,000.00	1,000,000.00	981,550.00	0.650	0.641	0.650	08/27/2025	1,334
3136G44G5       2412 Call       Federal National Mortgage Asso       09/22/2020       1,500,000.00       1,500,000.00       1,464,705.00       0.515       0.507       0.5	3136G4Q97	2394 Call	Federal National Mortgage Asso	08/27/2020	1,500,000.00	1,500,000.00	1,472,325.00	0.650	0.641	0.650	08/27/2025	1,334
3136G43L5       2413 Call       Federal National Mortgage Asso       09/30/2020       1,500,000.00       1,466,595.00       0.550       0.542       0.550       0.531         3136G44L4       2415 Call       Federal National Mortgage Asso       09/25/2020       1,500,000.00       1,600,000.00       1,466,595.00       0.600       0.591       0.600       0.597       0.605       1.20       0.550       0.550       0.521       0.50       0.550       0.521       0.50       0.550       0.521       0.50       0.550       0.521       0.50       0.550       0.550	3136G4V59	2397 Call	Federal National Mortgage Asso	08/27/2020	1,500,000.00	1,500,000.00	1,471,005.00	0.625	0.616	0.625	08/27/2025	1,334
3136G44L4       2415 Call       Federal National Motgage Asso       09/25/2020       1,500,000.00       1,609,370.00       0.600       0.591       0.605       1.500       0.601       1.500,000.00       1,454,115.00       1.400       1.380       1.400       1.500,000.00       1,454,415.00       1.400       1.500       1.500,000.00       1,454,415.00       0.605       1.500,000.00       1,456,981.00       0.597       0.605       1.500       1.500,000.00       1,416,698.40       2.237       2.447       2.480       0.595       1.50	3136G44G5	2412 Call	Federal National Mortgage Asso	09/22/2020	1,500,000.00	1,500,000.00	1,464,705.00	0.515	0.507	0.515	09/22/2025	1,360
3135G05Q22460Federal National Mortgage Asso12/07/20201,948,940.002,000,000.001,884,680.000.8751.1391.1550.003135GAAS02463 CallFederal National Mortgage Asso12/23/20201,500,000.001,500,000.001,454,115.001.4001.3801.4001.33135G06Q12467 CallFederal National Mortgage Asso12/30/20201,001,690.001,000,000.00973,100.000.6400.5970.6051.2799017WD62153 MUNSan Mateo Foster City SCH Dist11/07/20191,333,888.001,360,000.001,416,698.402.2372.4472.4800.8880591EN81133Tennessee Valley Authority12/14/20121,005,995.331,010,000.001,203,920.006.7502.8072.8461.2880591EN91519Tennessee Valley Authority01/15/2016765,892.50750,000.00787,402.502.8752.5642.6000.9880591CJ91589Tennessee Valley Authority04/18/20161,063,199.25775,000.00933,038.006.7502.3372.3701.4880591EN81703Tennessee Valley Authority10/07/20161,516,149.501,490,000.001,504,900.001,504,900.001,504,900.001.504,900.00880591CJ91744Tennessee Valley Authority11/10/20161,692,700.001,250,000.001,504,900.001,504,900.001.5381.5600.4880591CJ91744Tennessee Valley Authority11/10/20161,692,700.0	3136G43L5	2413 Call	Federal National Mortgage Asso	09/30/2020	1,500,000.00	1,500,000.00	1,466,595.00	0.550	0.542	0.550	09/30/2025	1,368
3135GAAS0       2463 Call       Federal National Mortgage Asso       12/23/2020       1,500,000.00       1,500,000.00       1,454,115.00       1.400       1.380       1.400       1         3135GAAS0       2467 Call       Federal National Mortgage Asso       12/30/2020       1,001,690.00       1,000,000.00       973,100.00       0.640       0.597       0.605       12         799017WD6       2153 MUN       San Mateo Foster City SCH Dist       11/07/2019       1,333,888.00       1,360,000.00       1,416,698.40       2.237       2.447       2.480       02         880591EN8       1133       Tennessee Valley Authority       12/14/2012       1,005,995.33       1,010,000.00       1,203,920.00       6.750       2.807       2.846       14         880591EN9       1508       Tennessee Valley Authority       11/20/2015       1,336,070.00       1,000,000.00       1,203,920.00       6.750       2.807       2.846       14         880591EN9       1519       Tennessee Valley Authority       01/15/2016       765,892.50       750,000.00       787,402.50       2.875       2.564       2.600       02         880591CJ9       1589       Tennessee Valley Authority       04/18/2016       1,603,199.25       775,000.00       933,038.00       6.750       2.	3136G44L4	2415 Call	Federal National Mortgage Asso	09/25/2020	1,500,000.00	1,500,000.00	1,469,370.00	0.600	0.591	0.600	09/25/2025	1,363
3135G06Q12467 CallFederal National Mortage Asso12/30/20201,001,690.001,000,000.00973,100.000.6400.5970.60512/12/14/2012799017WD62153 MUNSan Mateo Foster City SCH Dist11/07/20191,333,888.001,360,000.001,416,698.402.2372.4472.48008880591EN81133Tennessee Valley Authority12/14/20121,005,995.331,010,000.001,020,049.501.8751.8931.92008880591CJ91508Tennessee Valley Authority11/20/20151,336,070.001,000,000.001,203,920.006.7502.8072.8461880591ER91519Tennessee Valley Authority01/15/2016765,892.50750,000.00787,402.502.8752.5642.60009880591CJ91589Tennessee Valley Authority04/18/20161,063,199.25775,000.00933,038.006.7502.3372.3701880591EN81703Tennessee Valley Authority10/07/20161,516,149.501,490,000.001,504,825.501.8751.5381.56000880591CJ91714Tennessee Valley Authority11/10/20161,692,700.001,250,000.001,504,900.006.7502.3172.3501	3135G05Q2	2460	Federal National Mortgage Asso	12/07/2020	1,948,940.00	2,000,000.00	1,884,680.00	0.875	1.139	1.155	08/05/2030	3,138
799017WD6       2153 MUN       San Mateo Foster City SCH Dist       11/07/2019       1,333,888.00       1,360,000.00       1,416,698.40       2.237       2.447       2.480       08         880591EN8       1133       Tennessee Valley Authority       12/14/2012       1,005,995.33       1,010,000.00       1,020,049.50       1.875       1.893       1.920       04         880591CJ9       1508       Tennessee Valley Authority       11/20/2015       1,336,070.00       1,000,000.00       1,203,920.00       6.750       2.807       2.846       1         880591ER9       1519       Tennessee Valley Authority       01/15/2016       765,892.50       750,000.00       787,402.50       2.875       2.564       2.600       05         880591CJ9       1589       Tennessee Valley Authority       04/18/2016       1,063,199.25       775,000.00       933,038.00       6.750       2.337       2.370       1         880591EN8       1703       Tennessee Valley Authority       10/07/2016       1,516,149.50       1,490,000.00       1,504,900.00       6.750       2.317       2.350       1         880591CJ9       1714       Tennessee Valley Authority       11/10/2016       1,692,700.00       1,250,000.00       1,504,900.00       6.750       2.317 <td< td=""><td>3135GAAS0</td><td>2463 Call</td><td>Federal National Mortgage Asso</td><td>12/23/2020</td><td>1,500,000.00</td><td>1,500,000.00</td><td>1,454,115.00</td><td>1.400</td><td>1.380</td><td>1.400</td><td>12/23/2030</td><td>3,278</td></td<>	3135GAAS0	2463 Call	Federal National Mortgage Asso	12/23/2020	1,500,000.00	1,500,000.00	1,454,115.00	1.400	1.380	1.400	12/23/2030	3,278
880591EN8       1133       Tennessee Valley Authority       12/14/2012       1,005,995.33       1,010,000.00       1,020,049.50       1.875       1.893       1.920       04         880591CJ9       1508       Tennessee Valley Authority       11/20/2015       1,336,070.00       1,000,000.00       1,203,920.00       6.750       2.807       2.846       1         880591ER9       1519       Tennessee Valley Authority       01/15/2016       765,892.50       750,000.00       787,402.50       2.875       2.64       2.600       05         880591CJ9       1589       Tennessee Valley Authority       04/18/2016       1,063,199.25       775,000.00       933,038.00       6.750       2.337       2.370       1         880591EN8       1703       Tennessee Valley Authority       10/07/2016       1,516,149.50       1,490,000.00       1,504,825.50       1.875       1.538       1.560       04         880591CJ9       1714       Tennessee Valley Authority       11/10/2016       1,692,700.00       1,250,000.00       1,504,900.00       6.750       2.317       2.350       14	3135G06Q1	2467 Call	Federal National Mortgage Asso	12/30/2020	1,001,690.00	1,000,000.00	973,100.00	0.640	0.597	0.605	12/30/2025	1,459
880591CJ9       1508       Tennessee Valley Authority       11/20/2015       1,336,070.00       1,000,000.00       1,203,920.00       6.750       2.807       2.846       1         880591ER9       1519       Tennessee Valley Authority       01/15/2016       765,892.50       750,000.00       787,402.50       2.875       2.64       2.600       05         880591CJ9       1589       Tennessee Valley Authority       04/18/2016       1,063,199.25       775,000.00       933,038.00       6.750       2.337       2.370       1         880591EN8       1703       Tennessee Valley Authority       10/07/2016       1,516,149.50       1,490,000.00       1,504,825.50       1.875       1.538       1.560       04         880591CJ9       1714       Tennessee Valley Authority       11/10/2016       1,692,700.00       1,250,000.00       1,504,900.00       6.750       2.317       2.350       1.4	799017WD6	2153 MUN	San Mateo Foster City SCH Dist	11/07/2019	1,333,888.00	1,360,000.00	1,416,698.40	2.237	2.447	2.480	09/01/2028	2,435
880591ER9         1519         Tennessee Valley Authority         01/15/2016         765,892.50         750,000.00         787,402.50         2.875         2.564         2.600         09           880591CJ9         1589         Tennessee Valley Authority         04/18/2016         1,063,199.25         775,000.00         933,038.00         6.750         2.337         2.370         1           880591EN8         1703         Tennessee Valley Authority         10/07/2016         1,516,149.50         1,490,000.00         1,504,825.50         1.875         1.538         1.560         04           880591CJ9         1714         Tennessee Valley Authority         11/10/2016         1,692,700.00         1,250,000.00         1,504,900.00         6.750         2.317         2.350         1	880591EN8	1133	Tennessee Valley Authority	12/14/2012	1,005,995.33	1,010,000.00	1,020,049.50	1.875	1.893	1.920	08/15/2022	226
880591CJ9         1589         Tennessee Valley Authority         04/18/2016         1,063,199.25         775,000.00         933,038.00         6.750         2.337         2.370         1           880591CJ9         1703         Tennessee Valley Authority         10/07/2016         1,516,149.50         1,490,000.00         1,504,825.50         1.875         1.538         1.560         04           880591CJ9         1714         Tennessee Valley Authority         11/10/2016         1,692,700.00         1,250,000.00         6.750         2.317         2.350         1	880591CJ9	1508	Tennessee Valley Authority	11/20/2015	1,336,070.00	1,000,000.00	1,203,920.00	6.750	2.807	2.846	11/01/2025	1,400
880591EN8         1703         Tennessee Valley Authority         10/07/2016         1,516,149.50         1,490,000.00         1,504,825.50         1.875         1.538         1.560         04           880591CJ9         1714         Tennessee Valley Authority         11/10/2016         1,692,700.00         1,250,000.00         1,504,900.00         6.750         2.317         2.350         1	880591ER9	1519	Tennessee Valley Authority	01/15/2016	765,892.50	750,000.00	787,402.50	2.875	2.564	2.600	09/15/2024	988
880591CJ9         1714         Tennessee Valley Authority         11/10/2016         1,692,700.00         1,250,000.00         1,504,900.00         6.750         2.317         2.350         1	880591CJ9	1589	Tennessee Valley Authority	04/18/2016	1,063,199.25	775,000.00	933,038.00	6.750	2.337	2.370	11/01/2025	1,400
	880591EN8	1703	Tennessee Valley Authority	10/07/2016	1,516,149.50	1,490,000.00	1,504,825.50	1.875	1.538	1.560	08/15/2022	226
Subtotal and Average 238,200,117.93 235,590,000.00 234,772,721.93 1.471 1.492	880591CJ9	1714	Tennessee Valley Authority	11/10/2016	1,692,700.00	1,250,000.00	1,504,900.00	6.750	2.317	2.350	11/01/2025	1,400
			S	ubtotal and Average	238,200,117.93	235,590,000.00	234,772,721.93		1.471	1.492		1,781

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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	ҮТМ 365	Maturity Da Date M	ays To laturity
Treasury Secur	ities (Notes)										
912828J43	1761 TB	U.S. Treasury	03/09/2017	1,475,316.29	1,500,000.00	1,503,930.00	1.750	2.071	2.100	02/28/2022	58
912828L57	1866 TB	U.S. Treasury	10/06/2017	1,486,450.50	1,500,000.00	1,515,990.00	1.750	1.914	1.941	09/30/2022	272
912828P38	1898 TB	U.S. Treasury	01/11/2018	1,458,030.00	1,500,000.00	1,521,030.00	1.750	2.308	2.340	01/31/2023	395
912828N30	1905 TB	U.S. Treasury	01/22/2018	1,479,492.19	1,500,000.00	1,524,900.00	2.125	2.387	2.420	12/31/2022	364
912828P38	1923 TB	U.S. Treasury	02/05/2018	1,441,003.50	1,500,000.00	1,521,030.00	1.750	2.560	2.596	01/31/2023	395
912828P38	1925 TB	U.S. Treasury	02/08/2018	964,101.56	1,000,000.00	1,014,020.00	1.750	2.487	2.521	01/31/2023	395
912828P79	1929 TB	U.S. Treasury	02/09/2018	949,599.00	1,000,000.00	1,011,840.00	1.500	2.534	2.570	02/28/2023	423
912828P79	1934 TB	U.S. Treasury	02/15/2018	946,659.00	1,000,000.00	1,011,840.00	1.500	2.601	2.638	02/28/2023	423
91282CBC4	2505 TB	U.S. Treasury	02/26/2021	1,473,861.00	1,500,000.00	1,453,950.00	0.375	0.731	0.742	12/31/2025	1,460
91282CBQ3	2516 TB	U.S. Treasury	03/09/2021	1,475,835.00	1,500,000.00	1,457,400.00	0.500	0.819	0.831	02/28/2026	1,519
91282CCP4	2587 TB	U.S. Treasury	09/24/2021	1,480,392.00	1,500,000.00	1,458,570.00	0.625	0.888	0.901	07/31/2026	1,672
			- Subtotal and Average	14,630,740.04	15,000,000.00	14,994,500.00	-	1.878	1.904	_	693
Municipal Bond	s										
004284ZY4	2334 MUN	Acalanes Union High School Dis	03/25/2020	498,337.50	485,000.00	491,843.35	2.900	1.677	1.700	08/01/2022	212
010878AS5	2173 MUN	County of Alameda	12/05/2019	322,741.00	290,000.00	324,829.00	4.000	2.139	2.168	08/01/2026	1,673
010831DS1	2005 MUN	Alameda County Joint Pws Auth.	12/24/2018	509,216.75	505,000.00	538,824.90	3.365	3.175	3.220	06/01/2025	1,247
010831DT9	2566 MUN	Alameda County Joint Pws Auth.	08/13/2021	122,643.40	110,000.00	118,776.90	3.395	0.925	0.938	06/01/2026	1,612
03667PFL1	1790 MUN	Antelope Valley Community Coll	05/09/2017	223,315.40	220,000.00	222,763.20	2.608	2.266	2.298	08/01/2022	212
03667PFN7	2069 MUN	Antelope Valley Community Coll	08/16/2019	526,460.00	500,000.00	524,345.00	3.026	1.876	1.902	08/01/2024	943
041042ZW5	1913 MUN	State of Arkansas	01/26/2018	324,643.20	320,000.00	323,324.80	2.875	2.486	2.520	06/01/2022	151
072024XC1	2558 MUN	Bay Area Toll Authority	07/26/2021	1,776,425.00	1,750,000.00	1,720,915.00	1.079	0.739	0.750	04/01/2026	1,551
088006KA8	2612 MUN	Beverly Hills Public Fing Auth	11/15/2021	349,181.00	350,000.00	344,795.50	1.147	1.183	1.200	06/01/2026	1,612
121457EQ4	1548 MUN	Burlingame School District	02/24/2016	568,154.80	470,000.00	517,300.80	6.238	3.557	3.606	08/01/2025	1,308
12082SDN1	2570 MUN	Burbank Unified School Distri.	08/30/2021	1,019,500.00	1,000,000.00	998,620.00	1.367	0.947	0.960	08/01/2026	1,673
127109QD1	2119 MUN	Cabrillo Community College Dis	10/08/2019	2,000,000.00	2,000,000.00	2,048,760.00	2.385	2.342	2.375	08/01/2027	2,038
142665DJ4	1857 MUN	Carlsbad Unified School Dist .	09/27/2017	360,430.70	305,000.00	350,676.80	5.234	2.850	2.890	08/01/2026	1,673
13067WRC8	2633 MUN	CA ST Dept of WTR Resources	12/13/2021	176,324.40	180,000.00	176,392.80	0.790	1.301	1.320	12/01/2025	1,430
13067WRD6	2645 MUN	CA ST Dept of WTR Resources	12/23/2021	292,446.00	300,000.00	291,954.00	0.920	1.430	1.450	12/01/2026	1,795
15722TJR3	2564 MUN	Chabot-Las Positas CCD	08/16/2021	287,342.70	285,000.00	280,744.95	1.080	0.897	0.910	08/01/2026	1,673
15722TJQ5	2589 MUN	Chabot-Las Positas CCD	09/29/2021	124,857.50	125,000.00	123,363.75	0.880	0.897	0.910	08/01/2025	1,308
13124MCE3	2544 MUN	Calleguas Municipal Water Dist	07/01/2021	567,391.00	550,000.00	552,183.50	1.865	1.425	1.445	07/01/2029	2,738
13124MCB9	2646 MUN	Calleguas Municipal Water Dist	12/27/2021	595,980.00	600,000.00	592,956.00	1.097	1.233	1.250	07/01/2026	1,642

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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	YTM 365	Maturity Da Date M	ays To Iaturity
Municipal Bonds											
21969AAJ1	2601 MUN	City of Corona	10/14/2021	506,270.00	500,000.00	502,665.00	2.242	2.052	2.081	05/01/2030	3,042
156792GW7	1876 MUN	Cerritos Community College Dis	11/30/2017	56,255.65	55,000.00	55,789.25	2.971	2.416	2.450	08/01/2022	212
212204JJ1	2103 MUN	Contra Costa Community College	09/12/2019	403,640.00	400,000.00	410,976.00	2.213	2.071	2.100	08/01/2028	2,404
212204JK8	2120 MUN	Contra Costa Community College	09/20/2019	966,220.20	990,000.00	1,017,264.60	2.263	2.505	2.539	08/01/2029	2,769
212204JK8	2244 MUN	Contra Costa Community College	02/07/2020	1,517,040.00	1,500,000.00	1,541,310.00	2.263	2.100	2.130	08/01/2029	2,769
212204JF9	2291 MUN	Contra Costa Community College	03/09/2020	332,924.80	320,000.00	327,724.80	1.918	1.128	1.143	08/01/2025	1,308
212204LM1	2555 MUN	Contra Costa Community College	08/02/2021	1,025,680.00	1,000,000.00	994,340.00	1.300	0.764	0.775	08/01/2026	1,673
2463807H6	1952 MUN	State of Delaware	05/03/2018	1,530,990.00	1,500,000.00	1,523,940.00	3.500	2.927	2.967	07/01/2022	181
250375JX1	2611 MUN	Desert Community Clg Dist	11/12/2021	196,382.00	200,000.00	194,984.00	1.169	1.479	1.500	08/01/2027	2,038
250433UA5	2635 MUN	Desert Sands Unif Sch District	12/16/2021	902,448.80	880,000.00	897,582.40	1.982	1.390	1.410	08/01/2026	1,673
357172VA0	1646 MUN	Fremon Union High School Distr	06/28/2016	658,875.00	525,000.00	600,558.00	6.080	2.994	3.035	02/01/2026	1,492
357172C52	2595 MUN	Fremon Union High School Distr	10/01/2021	238,546.15	235,000.00	239,267.60	2.020	1.825	1.851	08/01/2031	3,499
359819DN6	1916 MUN	Fullerton School District	02/14/2018	1,001,616.75	995,000.00	1,066,938.50	3.160	3.028	3.070	08/01/2026	1,673
359819DM8	1917 MUN	Fullerton School District	02/14/2018	751,980.00	750,000.00	792,855.00	3.040	2.959	3.000	08/01/2025	1,308
359819DN6	2085 MUN	Fullerton School District	08/29/2019	393,710.90	365,000.00	391,389.50	3.160	1.913	1.940	08/01/2026	1,673
373384RU2	1613 MUN	State of Georgia	05/17/2016	549,880.00	500,000.00	511,280.00	3.570	1.878	1.904	10/01/2022	273
373384W69	1645 MUN	State of Georgia	06/27/2016	394,809.55	365,000.00	375,190.80	3.250	1.898	1.925	02/01/2023	396
3733844V5	1666 MUN	State of Georgia	07/29/2016	1,878,271.75	1,825,000.00	1,890,773.00	2.375	1.972	1.999	02/01/2025	1,127
373384RU2	1691 MUN	State of Georgia	09/26/2016	427,153.65	385,000.00	393,685.60	3.570	1.630	1.653	10/01/2022	273
373384RX6	1775 MUN	State of Georgia	04/10/2017	272,945.00	250,000.00	274,162.50	4.000	2.739	2.777	10/01/2025	1,369
373384RY4	1919 MUN	State of Georgia	01/26/2018	1,202,112.90	1,095,000.00	1,236,452.10	4.310	2.979	3.020	10/01/2026	1,734
373384RY4	1945 MUN	State of Georgia	03/19/2018	215,686.00	200,000.00	225,836.00	4.310	3.204	3.248	10/01/2026	1,734
373384SP2	1962 MUN	State of Georgia	10/25/2018	400,682.10	390,000.00	409,289.40	3.740	3.093	3.136	10/01/2023	638
373385BU6	1967 MUN	State of Georgia	10/31/2018	331,537.50	350,000.00	370,118.00	2.720	3.412	3.460	02/01/2027	1,857
373384PB6	1980 MUN	State of Georgia	11/30/2018	1,318,824.00	1,200,000.00	1,427,220.00	5.014	3.649	3.700	11/01/2027	2,130
373384RV0	2086 MUN	State of Georgia	08/29/2019	1,614,615.00	1,500,000.00	1,573,665.00	3.720	1.749	1.774	10/01/2023	638
373384RY4	2229 MUN	State of Georgia	01/31/2020	489,897.50	425,000.00	479,901.50	4.310	1.837	1.863	10/01/2026	1,734
373384RW8	2332 MUN	State of Georgia	03/23/2020	1,082,110.00	1,000,000.00	1,071,570.00	3.820	1.889	1.915	10/01/2024	1,004
378612AL9	2109 MUN	City of Glendora	09/16/2019	1,336,015.40	1,345,000.00	1,382,135.45	2.265	2.318	2.350	06/01/2028	2,343
378612AL9	2137 MUN	City of Glendora	10/02/2019	401,248.00	400,000.00	411,044.00	2.265	2.194	2.225	06/01/2028	2,343
378612AJ4	2590 MUN	City of Glendora	09/29/2021	1,428,117.60	1,365,000.00	1,398,688.20	2.108	1.075	1.090	06/01/2026	1,612
419792DA1	1685 MUN	State of Hawaii	10/19/2016	1,107,773.15	1,045,000.00	1,113,447.50	3.150	2.431	2.465	10/01/2026	1,734

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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	ҮТМ 365	Maturity Da Date M	ays To laturity
Municipal Bonds											
419791YP7	1852 MUN	State of Hawaii	09/21/2017	250,184.25	225,000.00	225,776.25	4.800	2.071	2.100	02/01/2022	31
419792NH5	1944 MUN	State of Hawaii	03/20/2018	970,310.00	1,000,000.00	1,010,890.00	1.921	2.584	2.620	10/01/2022	273
419791YP7	1946 MUN	State of Hawaii	03/21/2018	380,801.40	355,000.00	356,224.75	4.800	2.761	2.800	02/01/2022	31
419792NH5	1947 MUN	State of Hawaii	03/29/2018	1,450,725.00	1,500,000.00	1,516,335.00	1.921	2.663	2.700	10/01/2022	273
419791YS1	1961 MUN	State of Hawaii	10/25/2018	275,462.50	250,000.00	280,340.00	5.230	3.363	3.410	02/01/2025	1,127
419791YV4	1981 MUN	State of Hawaii	11/30/2018	567,020.00	500,000.00	608,985.00	5.480	3.687	3.739	02/01/2028	2,222
419791YT9	1995 MUN	State of Hawaii	12/06/2018	899,968.00	800,000.00	923,680.00	5.330	3.304	3.350	02/01/2026	1,492
419792NH5	2019 MUN	State of Hawaii	01/17/2019	730,807.50	750,000.00	758,167.50	1.921	2.613	2.650	10/01/2022	273
446201AE5	2560 MUN	City of Huntington Beach	08/12/2021	1,019,930.00	1,000,000.00	989,390.00	1.344	0.909	0.921	06/15/2026	1,626
446201AE5	2562 MUN	City of Huntington Beach	08/13/2021	1,019,060.00	1,000,000.00	989,390.00	1.344	0.927	0.939	06/15/2026	1,626
544351KS7	1748 MUN	City of Los Angeles	02/14/2017	1,001,780.00	1,000,000.00	1,029,500.00	2.640	2.784	2.823	09/01/2023	608
544351KR9	1879 MUN	City of Los Angeles	12/11/2017	1,092,496.10	1,090,000.00	1,104,562.40	2.440	2.355	2.388	09/01/2022	243
544351NP0	1969 MUN	City of Los Angeles	11/02/2018	289,392.05	295,000.00	318,405.30	3.300	3.530	3.579	09/01/2026	1,704
544351MS5	2008 MUN	City of Los Angeles	01/07/2019	1,025,650.00	1,000,000.00	1,088,300.00	3.500	3.077	3.119	09/01/2026	1,704
544351NQ8	2200 MUN	City of Los Angeles	01/06/2020	898,800.00	840,000.00	918,607.20	3.400	2.360	2.393	09/01/2027	2,069
544351LQ0	2213 MUN	City of Los Angeles	01/22/2020	1,035,599.45	985,000.00	1,051,260.95	3.050	2.413	2.446	09/01/2029	2,800
544351KV0	2283 MUN	City of Los Angeles	03/05/2020	1,098,990.00	1,000,000.00	1,072,620.00	3.150	1.519	1.541	09/01/2026	1,704
54438CYN6	2487 MUN	Los Angeles Community College	01/28/2021	1,031,330.00	1,000,000.00	992,480.00	1.806	1.432	1.452	08/01/2030	3,134
54438CYL0	2592 MUN	Los Angeles Community College	09/30/2021	251,117.50	250,000.00	247,745.00	1.174	1.064	1.078	08/01/2026	1,673
54438CYL0	2614 MUN	Los Angeles Community College	11/15/2021	1,494,780.00	1,500,000.00	1,486,470.00	1.174	1.233	1.250	08/01/2026	1,673
54438CYL0	2642 MUN	Los Angeles Community College	12/21/2021	273,451.75	275,000.00	272,519.50	1.174	1.282	1.300	08/01/2026	1,673
5447122K7	2641 MUN	Los Angeles Cnty Met Tran Auth	12/21/2021	1,135,840.00	1,000,000.00	1,128,790.00	5.130	1.085	1.100	06/01/2025	1,247
544495VX9	1949 MUN	Los Angeles Dept. of WTR & PWR	03/29/2018	1,763,160.00	1,500,000.00	1,787,370.00	5.516	3.254	3.300	07/01/2027	2,007
544495VX9	1965 MUN	Los Angeles Dept. of WTR & PWR	10/29/2018	483,475.75	425,000.00	506,421.50	5.516	3.600	3.650	07/01/2027	2,007
544525NW4	1975 MUN	Los Angeles Dept. of WTR & PWR	11/07/2018	320,199.00	300,000.00	307,131.00	5.181	3.166	3.210	07/01/2022	181
57582PUT5	2227 MUN	State of Massachusetts	01/30/2020	302,632.50	250,000.00	299,190.00	4.910	2.331	2.363	05/01/2029	2,677
57582PUT5	2543 MUN	State of Massachusetts	07/01/2021	1,251,110.00	1,000,000.00	1,196,760.00	4.910	1.484	1.505	05/01/2029	2,677
5741925C0	1689 MUN	State of Maryland	09/16/2016	554,544.15	485,000.00	488,191.30	4.300	1.534	1.555	03/01/2022	59
574193NC8	1762 MUN	State of Maryland	03/22/2017	1,000,000.00	1,000,000.00	1,004,000.00	2.250	2.219	2.250	03/15/2022	73
5741925D8	1943 MUN	State of Maryland	03/20/2018	1,381,964.80	1,280,000.00	1,337,011.20	4.400	2.633	2.670	03/01/2023	424
5741926L9	1958 MUN	State of Maryland	10/19/2018	1,754,896.00	1,690,000.00	1,828,360.30	4.200	3.413	3.461	08/01/2024	943
5741926N5	2184 MUN	State of Maryland	12/16/2019	558,850.00	500,000.00	552,625.00	4.350	2.089	2.118	08/01/2025	1,308

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CUSIP	Investment #	lssuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	ҮТМ 365	Maturity Da Date M	
Municipal Bonds				<u></u>				300	305	2 410 11	
5741926N5	2581 MUN	State of Maryland	09/23/2021	278,954.55	245,000.00	270,786.25	4.350	0.690	0.700	08/01/2025	1,308
574204WH2	2134 MUN	State of Maryland - Dept/Trans	10/15/2019	1,089,140.00	1,000,000.00	1,055,070.00	4.450	1.893		06/15/2023	530
5946108C4	2002 MUN	State of Michigan	12/21/2018	843,653.25	825,000.00	834,784.50	3.850	3.452	3.500	05/15/2026	1,595
586840ND8	2104 MUN	Menlo Park City School Dist.	10/08/2019	1,000,000.00	1,000,000.00	1,033,600.00	2.214	2.183	2.214	07/01/2027	2,007
56781RGU5	1858 MUN	Marin Community College Dist.	09/28/2017	518,855.00	500,000.00	545,765.00	3.272	2.791	2.830	08/01/2027	2,038
56781RGT8	1973 MUN	Marin Community College Dist.	11/05/2018	117,346.80	120,000.00	129,622.80	3.172	3.452	3.500	08/01/2026	1,673
56781RJL2	2084 MUN	Marin Community College Dist.	08/29/2019	276,175.00	250,000.00	273,795.00	3.330	1.874	1.900	08/01/2027	2,038
56781RJJ7	2287 MUN	Marin Community College Dist.	03/06/2020	371,262.20	310,000.00	351,149.40	5.000	1.193	1.210	08/01/2025	1,308
56781RKH9	2495 MUN	Marin Community College Dist.	02/25/2021	1,000,000.00	1,000,000.00	971,130.00	1.451	1.431	1.451	08/01/2030	3,134
56781RKH9	2499 MUN	Marin Community College Dist.	02/25/2021	707,515.00	710,000.00	689,502.30	1.451	1.470	1.490	08/01/2030	3,134
56781RKU0	2568 MUN	Marin Community College Dist.	09/14/2021	1,000,000.00	1,000,000.00	979,440.00	0.893	0.880	0.893	08/01/2026	1,673
56781RKD8	2588 MUN	Marin Community College Dist.	09/29/2021	280,155.00	285,000.00	276,441.45	0.679	1.025	1.040	08/01/2026	1,673
623040GX4	1489 MUN	Mt. San Antonio Community Coll	10/26/2015	1,482,637.65	1,335,000.00	1,407,850.95	4.103	2.490	2.525	08/01/2023	577
623040KQ4	2208 MUN	Mt. San Antonio Community Coll	02/04/2020	230,000.00	230,000.00	243,119.20	2.569	2.533	2.569	08/01/2029	2,769
605581LM7	1968 MUN	State of Mississippi	11/07/2018	1,533,885.00	1,500,000.00	1,662,570.00	3.751	3.377	3.424	11/01/2026	1,765
605581LM7	1972 MUN	State of Mississippi	11/07/2018	510,420.00	500,000.00	554,190.00	3.751	3.401	3.449	11/01/2026	1,765
605581HL4	2087 MUN	State of Mississippi	08/30/2019	795,577.50	750,000.00	790,515.00	2.987	1.745	1.770	12/01/2024	1,065
605581HL4	2090 MUN	State of Mississippi	09/04/2019	529,350.00	500,000.00	527,010.00	2.987	1.783	1.807	12/01/2024	1,065
6055805W5	2096 MUN	State of Mississippi	09/09/2019	174,010.50	150,000.00	169,129.50	4.681	1.888	1.914	11/01/2025	1,400
6055805V7	2189 MUN	State of Mississippi	12/19/2019	277,642.50	250,000.00	273,815.00	4.511	2.079	2.108	11/01/2024	1,035
605581LJ4	2329 MUN	State of Mississippi	03/20/2020	1,061,410.00	1,000,000.00	1,046,816.75	3.408	1.626	1.649	11/01/2023	669
605581QR1	2626 MUN	State of Mississippi	12/09/2021	1,008,580.00	1,000,000.00	1,021,610.00	2.117	1.992	2.020	10/01/2031	3,560
605581LL9	2629 MUN	State of Mississippi	12/06/2021	274,297.50	250,000.00	272,247.50	3.646	1.080	1.095	11/01/2025	1,400
630337AL7	2055 MUN	City of Napa Solid Waste	08/08/2019	600,723.90	595,000.00	607,863.90	2.200	1.968	1.996	08/01/2024	943
64985HWS2	2007 MUN	New York St Envrnmntl Facs	01/04/2019	432,180.00	450,000.00	460,827.00	2.120	2.860	2.900	07/15/2024	926
6500357D4	2097 MUN	New York State Urban Dev Corp.	09/09/2019	741,146.00	700,000.00	745,458.00	3.070	2.071	2.100	03/15/2026	1,534
64986DEE1	1933 MUN	New York State Envrnmntl Corp	02/15/2018	1,981,800.00	2,000,000.00	2,017,680.00	2.438	2.624	2.661	06/15/2022	165
649791CN8	2022 MUN	New York State Envrnmntl Corp	01/22/2019	1,073,200.00	1,000,000.00	1,043,360.00	4.690	2.752	2.791	03/01/2023	424
649791CN8	2024 MUN	New York State Envrnmntl Corp	02/08/2019	1,072,500.00	1,000,000.00	1,043,360.00	4.690	2.751	2.790	03/01/2023	424
649791PQ7	2146 MUN	New York State Envrnmntl Corp	10/31/2019	1,502,205.00	1,500,000.00	1,543,170.00	2.120	2.063	2.091	02/15/2025	1,141
649791PS3	2224 MUN	New York State Envrnmntl Corp	01/30/2020	595,184.40	580,000.00	604,673.20	2.360	1.933	1.960	02/15/2027	1,871
649791PR5	2575 MUN	New York State Envrnmntl Corp	09/13/2021	1,594,620.00	1,500,000.00	1,555,170.00	2.260	0.794	0.805	02/15/2026	1,506

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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	ҮТМ 365	Maturity Da Date M	
Municipal Bonds											
672240WY0	2293 MUN	City of Oakland	03/09/2020	1,589,580.00	1,500,000.00	1,520,550.00	2.110	1.436	1.456	01/15/2030	2,936
672240WY0	2307 MUN	City of Oakland	03/13/2020	1,560,885.00	1,500,000.00	1,520,550.00	2.110	1.638	1.661	01/15/2030	2,936
672240WY0	2313 MUN	City of Oakland	03/16/2020	1,063,897.20	1,080,000.00	1,094,796.00	2.110	2.247	2.279	01/15/2030	2,936
672240WX2	2316 MUN	City of Oakland	03/16/2020	1,486,500.00	1,500,000.00	1,523,895.00	2.070	2.151	2.181	01/15/2029	2,571
672319CF5	2630 MUN	City of Oakland Pension	12/06/2021	504,036.90	450,000.00	499,896.00	4.676	1.562	1.584	12/15/2025	1,444
677765GY9	2165 MUN	Ohlone Community College Distr	11/22/2019	597,204.00	600,000.00	621,552.00	2.237	2.271	2.303	08/01/2027	2,038
677765GY9	2175 MUN	Ohlone Community College Distr	12/06/2019	277,597.60	280,000.00	290,057.60	2.237	2.327	2.360	08/01/2027	2,038
677765HA0	2179 MUN	Ohlone Community College Distr	12/11/2019	963,501.00	970,000.00	1,007,335.30	2.337	2.382	2.415	08/01/2029	2,769
677765GZ6	2341 MUN	Ohlone Community College Distr	05/08/2020	1,222,031.25	1,185,000.00	1,228,169.55	2.287	1.849	1.875	08/01/2028	2,404
677522JB1	1688 MUN	State of Ohio	09/13/2016	816,000.00	800,000.00	814,984.00	2.110	1.764	1.788	05/01/2023	485
677522JB1	1742 MUN	State of Ohio	01/31/2017	1,952,820.00	2,000,000.00	2,037,460.00	2.110	2.485	2.520	05/01/2023	485
6775207G7	1832 MUN	State of Ohio	06/30/2017	1,040,382.00	900,000.00	979,416.00	4.971	2.416	2.450	04/01/2024	821
677521CT1	2308 MUN	State of Ohio	03/13/2020	607,440.00	500,000.00	586,075.00	5.262	1.710	1.734	09/01/2026	1,704
68442CCY0	2578 MUN	Orange Cnty Water District	09/16/2021	331,934.40	315,000.00	323,111.25	2.095	0.690	0.700	08/15/2025	1,322
685585FD8	1910 MUN	Orchard School District	01/25/2018	197,966.00	200,000.00	210,472.00	3.125	3.208	3.253	08/01/2027	2,038
68609BGH4	1682 MUN	State of Oregon	08/29/2016	599,286.60	570,000.00	574,069.80	2.500	1.528	1.550	05/01/2022	120
68607LXQ5	1974 MUN	State of Oregon	11/06/2018	572,923.88	500,000.00	585,655.00	5.892	3.516	3.565	06/01/2027	1,977
68608USE7	2003 MUN	State of Oregon	12/21/2018	294,261.00	300,000.00	310,377.00	2.877	3.156	3.200	08/01/2025	1,308
68607LXQ5	2015 MUN	State of Oregon	01/16/2019	518,611.90	445,000.00	521,232.95	5.892	3.537	3.587	06/01/2027	1,977
68609TDT2	2223 MUN	State of Oregon	01/30/2020	606,411.60	570,000.00	600,420.90	3.227	1.641	1.664	05/01/2024	851
68607LXQ5	2230 MUN	State of Oregon	01/31/2020	602,415.00	495,000.00	579,798.45	5.892	2.583	2.619	06/01/2027	1,977
68607LXQ5	2266 MUN	State of Oregon	02/24/2020	1,222,870.00	1,000,000.00	1,171,310.00	5.892	2.482	2.517	06/01/2027	1,977
68609BXT9	2310 MUN	State of Oregon	03/13/2020	391,776.00	350,000.00	378,847.00	3.080	1.302	1.320	05/01/2027	1,946
68609TVS4	2378 MUN	State of Oregon	07/02/2020	362,156.80	355,000.00	353,306.65	1.672	1.433	1.452	06/01/2030	3,073
68608KA24	2542 MUN	State of Oregon	07/01/2021	1,112,088.81	870,000.00	1,075,363.50	5.332	1.943	1.970	08/01/2030	3,134
68609TU30	2549 MUN	State of Oregon	07/08/2021	1,252,672.75	1,225,000.00	1,210,189.75	1.484	1.134	1.150	08/01/2028	2,404
68609TT81	2584 MUN	State of Oregon	09/24/2021	266,033.50	265,000.00	260,818.30	0.803	0.690	0.700	08/01/2025	1,308
68609TZT8	2624 MUN	State of Oregon	11/19/2021	246,295.00	250,000.00	245,317.50	0.984	1.292	1.310	08/01/2026	1,673
68609T3M8	2627 MUN	State of Oregon	11/26/2021	899,028.00	900,000.00	918,747.00	2.037	2.020	2.048	11/01/2031	3,591
69511AAS3	2138 MUN	City of Pacifica	10/23/2019	1,018,095.75	1,015,000.00	1,052,514.40	2.563	2.469	2.503	06/01/2025	1,247
69511AAT1	2139 MUN	City of Pacifica	10/23/2019	580,522.00	580,000.00	605,462.00	2.663	2.611	2.647	06/01/2026	1,612
702274CP4	1985 MUN	Pasadena CA Public Finance Aut	12/06/2018	670,705.70	665,000.00	696,527.65	3.438	3.205	3.250	12/01/2023	699

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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	ҮТМ 365	Maturity Da Date M	ays To Iaturity
Municipal Bonds											
70227RBM1	2573 MUN	Pasadena CA Public Finance Aut	09/09/2021	125,818.80	120,000.00	121,586.40	1.984	0.903	0.915	05/01/2026	1,581
702274CS8	2615 MUN	Pasadena CA Public Finance Aut	12/01/2021	605,583.00	550,000.00	600,809.00	3.500	1.380	1.400	12/01/2026	1,795
697511FU2	2582 MUN	Polomar Community Clge Distri	10/13/2021	1,000,000.00	1,000,000.00	981,600.00	1.031	1.016	1.031	08/01/2026	1,673
757710UE6	2388 MUN	Redondo Beach Unified School D	08/06/2020	763,980.00	750,000.00	738,975.00	1.660	1.439	1.459	08/01/2030	3,134
76222RYN6	2192 MUN	State of Rhode Island	12/20/2019	259,435.80	260,000.00	265,941.00	2.000	2.231	2.262	01/15/2025	1,110
76222RXB3	2219 MUN	State of Rhode Island	01/27/2020	1,628,190.00	1,500,000.00	1,627,530.00	3.250	2.077	2.106	04/01/2028	2,282
76222RXB3	2239 MUN	State of Rhode Island	02/06/2020	600,671.50	550,000.00	596,761.00	3.250	1.990	2.018	04/01/2028	2,282
76886PJP9	2596 MUN	Riverside Cmnty College Distt.	10/04/2021	1,371,661.20	1,365,000.00	1,343,692.35	1.124	1.006	1.020	08/01/2026	1,673
752147HH4	2522 MUN	Rancho Santiago Comm College D	03/29/2021	450,000.00	450,000.00	446,485.50	0.634	0.625	0.633	09/01/2024	974
757889EH9	2130 MUN	Redwood City School District	10/16/2019	1,000,000.00	1,000,000.00	1,035,160.00	2.284	2.252	2.284	08/01/2027	2,038
757889EG1	2253 MUN	Redwood City School District	02/13/2020	1,122,188.85	1,095,000.00	1,125,900.90	2.159	1.727	1.751	08/01/2026	1,673
801139AE6	2603 MUN	City of Santa Ana	10/18/2021	174,480.25	175,000.00	171,524.50	1.176	1.223	1.240	08/01/2026	1,673
801315KU5	2385 MUN	Santa Barbara Unified School D	07/21/2020	496,120.10	490,000.00	484,531.60	1.653	1.483	1.504	08/01/2029	2,769
796720NC0	2166 MUN	San Bernardino Cmty College Di	12/12/2019	1,500,000.00	1,500,000.00	1,581,855.00	2.590	2.554	2.590	08/01/2028	2,404
796720NV8	2365 MUN	San Bernardino Cmty College Di	07/07/2020	2,000,000.00	2,000,000.00	1,996,720.00	1.848	1.822	1.848	08/01/2029	2,769
801546PH9	1897 MUN	County of Santa Clara	01/11/2018	1,342,063.60	1,340,000.00	1,378,230.20	2.500	2.436	2.470	08/01/2023	577
801546PJ5	1899 MUN	County of Santa Clara	01/12/2018	1,460,000.00	1,460,000.00	1,523,612.20	2.680	2.643	2.680	08/01/2024	943
801686TF3	2557 MUN	Santa Clarita Community Colleg	08/02/2021	1,274,225.00	1,250,000.00	1,237,725.00	1.146	0.742	0.752	08/01/2026	1,673
80168ACV7	2181 MUN	Santa Clara Valley Water Dist.	12/12/2019	1,553,087.35	1,555,000.00	1,619,516.95	2.434	2.416	2.450	06/01/2028	2,343
80181PCT2	1906 MUN	Santa Cruz County Capital Fin.	01/25/2018	451,375.50	465,000.00	480,842.55	2.500	2.968	3.010	06/01/2024	882
80181PCU9	1907 MUN	Santa Cruz County Capital Fin.	01/25/2018	455,862.75	465,000.00	487,440.90	2.750	3.008	3.050	06/01/2025	1,247
80181PCV7	1908 MUN	Santa Cruz County Capital Fin.	01/25/2018	464,844.10	470,000.00	500,648.70	3.000	3.107	3.150	06/01/2026	1,612
80181PCW5	1909 MUN	Santa Cruz County Capital Fin.	01/25/2018	269,486.25	275,000.00	294,954.00	3.000	3.205	3.250	06/01/2027	1,977
797356DL3	2602 MUN	San Diego Unified Sch District	10/21/2021	1,011,830.00	1,000,000.00	998,690.00	1.984	1.824	1.850	07/01/2031	3,468
797356DL3	2606 MUN	San Diego Unified Sch District	10/23/2021	894,600.00	900,000.00	898,821.00	1.984	2.024	2.053	07/01/2031	3,468
797356DH2	2617 MUN	San Diego Unified Sch District	11/17/2021	267,691.50	270,000.00	267,462.00	1.599	1.712	1.736	07/01/2028	2,373
797272QS3	2550 MUN	San Diego Community College Di	07/09/2021	275,718.75	255,000.00	267,023.25	2.407	1.007	1.021	08/01/2027	2,038
797272RN3	2639 MUN	San Diego Community College Di	12/28/2021	2,000,710.80	1,980,000.00	1,990,236.60	1.445	1.193	1.210	08/01/2026	1,673
797400MR6	2632 MUN	San Diego Regl Trans Commissio	12/08/2021	197,708.00	200,000.00	197,380.00	1.036	1.292	1.310	04/01/2026	1,551
797412DN0	2580 MUN	San Diego Cnty Wtr Authority	09/17/2021	877,800.00	875,000.00	856,196.25	0.971	0.887	0.900	05/01/2026	1,581
797412DM2	2600 MUN	San Diego Cnty Wtr Authority	10/08/2021	209,212.50	210,000.00	206,455.20	0.743	0.838	0.850	05/01/2025	1,216
797412DN0	2604 MUN	San Diego Cnty Wtr Authority	10/20/2021	248,027.50	250,000.00	244,627.50	0.971	1.134	1.150	05/01/2026	1,581

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	623 MUN 536 MUN	San Diego Cnty Wtr Authority									
		San Diego Cnty Wtr Authority									
797508 IW/9 25	536 MUN		11/19/2021	739,357.50	750,000.00	733,882.50	0.971	1.282	1.300	05/01/2026	1,581
151000000 20		San Dieguito Union High Sch Di	06/09/2021	430,000.00	430,000.00	423,279.10	1.074	1.059	1.074	08/01/2026	1,673
797508JX7 25	537 MUN	San Dieguito Union High Sch Di	06/09/2021	435,000.00	435,000.00	430,610.85	1.372	1.353	1.372	08/01/2027	2,038
817409N35 23	320 MUN	Sequoia Union High School Dist	03/18/2020	406,800.00	400,000.00	404,392.00	1.735	1.381	1.400	07/01/2025	1,277
817409N76 25	531 MUN	Sequoia Union High School Dist	04/30/2021	258,000.00	250,000.00	253,035.00	2.103	1.658	1.681	07/01/2029	2,738
797646NL6 14	441 MUN	City & County of San Francisco	02/09/2015	420,188.40	360,000.00	367,264.80	4.950	2.416	2.450	06/15/2022	165
797646NC6 15	509 MUN	City & County of San Francisco	11/27/2015	1,192,040.00	1,000,000.00	1,134,930.00	5.450	3.067	3.110	06/15/2025	1,261
797646T48 17	711 MUN	City & County of San Francisco	11/01/2016	2,111,525.50	2,105,000.00	2,170,360.25	2.290	2.219	2.249	06/15/2025	1,261
797646T55 17	712 MUN	City & County of San Francisco	11/01/2016	244,576.15	245,000.00	253,388.80	2.390	2.376	2.410	06/15/2026	1,626
797646T48 18	839 MUN	City & County of San Francisco	07/14/2017	222,991.90	230,000.00	237,141.50	2.290	2.682	2.720	06/15/2025	1,261
797646ND4 20	014 MUN	City & County of San Francisco	01/16/2019	1,628,157.80	1,420,000.00	1,663,402.20	5.600	3.304	3.350	06/15/2026	1,626
7976466C5 21	148 MUN	City & County of San Francisco	10/31/2019	1,094,094.40	1,120,000.00	1,141,291.20	2.100	2.337	2.369	06/15/2029	2,722
79772EBC2 19	937 MUN	San Francisco Cmnty Facs Dist	03/02/2018	666,400.00	680,000.00	737,378.40	3.250	3.451	3.499	09/01/2027	2,069
79772ECL1 21	132 MUN	San Francisco Cmnty Facs Dist	10/11/2019	387,201.50	350,000.00	388,027.50	3.648	2.398	2.431	09/01/2029	2,800
79772ECJ6 23	309 MUN	San Francisco Cmnty Facs Dist	03/13/2020	147,026.10	130,000.00	142,493.00	3.468	1.577	1.599	09/01/2027	2,069
79772ECF4 25	571 MUN	San Francisco Cmnty Facs Dist	08/30/2021	320,964.00	300,000.00	315,318.00	3.108	0.741	0.752	09/01/2024	974
79772EDY2 26	608 MUN	San Francisco Cmnty Facs Dist	11/03/2021	587,747.75	575,000.00	586,810.50	2.591	2.305	2.337	09/01/2031	3,530
79772EDA4 26	628 MUN	San Francisco Cmnty Facs Dist	11/29/2021	1,341,840.15	1,295,000.00	1,336,025.60	2.236	1.425	1.445	09/01/2026	1,704
797669XW3 20	029 MUN	SF Bay Area Rapid Transit Dist	02/25/2019	199,270.00	200,000.00	205,582.00	2.621	2.672	2.710	07/01/2023	546
797669ZJ0 25	572 MUN	SF Bay Area Rapid Transit Dist	09/08/2021	521,585.00	500,000.00	511,260.00	1.971	0.419	0.425	07/01/2024	912
797669ZR2 26	636 MUN	SF Bay Area Rapid Transit Dist	12/16/2021	517,406.40	480,000.00	507,268.80	2.768	1.846	1.872	07/01/2031	3,468
797669XW3 26	638 MUN	SF Bay Area Rapid Transit Dist	12/20/2021	618,630.00	600,000.00	616,746.00	2.621	0.572	0.580	07/01/2023	546
826239GD1 25	501 MUN	Sierra Joint Com. College Dist	03/09/2021	585,000.00	585,000.00	572,750.10	1.445	1.425	1.445	08/01/2029	2,769
826239GD1 25	535 MUN	Sierra Joint Com. College Dist	05/27/2021	498,600.00	500,000.00	489,530.00	1.445	1.461	1.481	08/01/2029	2,769
798153NF5 26	622 MUN	San Jose Financing Authority	11/18/2021	342,450.45	345,000.00	341,398.20	1.311	1.459	1.480	06/01/2026	1,612
798189PK6 19	966 MUN	San Jose Evergreen Cmnty Colll	10/29/2018	315,000.00	315,000.00	347,800.95	3.728	3.676	3.727	09/01/2027	2,069
798189QA7 21	105 MUN	San Jose Evergreen Cmnty Colll	10/01/2019	500,000.00	500,000.00	522,710.00	2.350	2.317	2.350	08/01/2028	2,404
798186C83 14	435 MUN	San Jose Unified School Dist.	01/29/2015	571,236.20	580,000.00	596,269.00	2.500	2.663	2.700	08/01/2023	577
798186N81 25	518 MUN	San Jose Unified School Dist.	03/15/2021	991,740.00	1,000,000.00	976,370.00	0.558	0.739	0.750	08/01/2025	1,308
802385QW7 20	025 MUN	Santa Monica Cmnty College Dis	02/19/2019	216,107.25	215,000.00	218,182.00	2.908	2.714	2.752	08/01/2022	212
802385RC0 20	091 MUN	Santa Monica Cmnty College Dis	09/05/2019	352,648.80	315,000.00	350,434.35	3.472	1.972	2.000	08/01/2028	2,404
802385RV8 24	481 MUN	Santa Monica Cmnty College Dis	01/22/2021	578,863.50	570,000.00	563,239.80	1.696	1.499	1.520	08/01/2030	3,134

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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	ҮТМ 365	Maturity Da Date M	ays To Iaturity
Municipal Bonds											
802385RT3	2482 MUN	Santa Monica Cmnty College Dis	01/22/2021	617,112.00	600,000.00	593,934.00	1.496	1.085	1.100	08/01/2028	2,404
802498VW2	2561 MUN	Santa Monica-Malibu USD	08/12/2021	653,068.00	650,000.00	639,600.00	0.989	0.877	0.890	07/01/2026	1,642
802498ZA6	2637 MUN	Santa Monica-Malibu USD	12/20/2021	211,525.60	215,000.00	210,065.75	0.849	1.193	1.210	08/01/2026	1,673
799038NP5	2521 MUN	San Mateo Cnty Comm. College D	04/14/2021	2,003,340.00	2,000,000.00	1,974,760.00	0.500	0.444	0.450	09/01/2024	974
799038NP5	2523 MUN	San Mateo Cnty Comm. College D	04/14/2021	1,502,505.00	1,500,000.00	1,481,070.00	0.500	0.444	0.450	09/01/2024	974
799017UW6	1902 MUN	San Mateo Foster City SCH Dist	01/16/2018	991,390.00	1,000,000.00	1,052,410.00	2.699	2.786	2.825	09/01/2025	1,339
799017UW6	1940 MUN	San Mateo Foster City SCH Dist	03/09/2018	979,960.00	1,000,000.00	1,052,410.00	2.699	2.959	3.000	09/01/2025	1,339
799017VM7	2178 MUN	San Mateo Foster City SCH Dist	12/11/2019	1,589,304.45	1,565,000.00	1,659,291.25	2.542	2.311	2.343	09/01/2028	2,435
799017XW3	2567 MUN	San Mateo Foster City SCH Dist	09/21/2021	500,000.00	500,000.00	490,910.00	0.925	0.912	0.925	09/01/2026	1,704
799055QV3	2585 MUN	San Mateo Foster City SCH Dist	09/27/2021	182,355.25	175,000.00	177,553.25	1.799	0.897	0.910	08/01/2026	1,673
799055ME5	2591 MUN	San Mateo Foster City SCH Dist	09/29/2021	1,540,440.00	1,320,000.00	1,507,519.20	6.000	2.297	2.329	08/01/2026	1,673
83412PFQ0	2176 MUN	Solano Cnty Community Clg Dist	12/09/2019	1,169,584.50	1,150,000.00	1,218,850.50	2.717	2.462	2.496	08/01/2028	2,404
83412PHQ8	2579 MUN	Solano Cnty Community Clg Dist	10/06/2021	750,000.00	750,000.00	736,980.00	1.025	1.011	1.025	08/01/2026	1,673
83412PGZ9	2583 MUN	Solano Cnty Community Clg Dist	10/06/2021	201,174.00	200,000.00	196,528.00	1.025	0.887	0.900	08/01/2026	1,673
83412PHE5	2594 MUN	Solano Cnty Community Clg Dist	10/06/2021	386,022.00	390,000.00	382,601.70	1.861	1.948	1.975	08/01/2031	3,499
83412PHU9	2597 MUN	Solano Cnty Community Clg Dist	10/06/2021	743,977.50	750,000.00	737,332.50	1.761	1.834	1.860	08/01/2030	3,134
83412PHW5	2598 MUN	Solano Cnty Community Clg Dist	10/06/2021	821,739.60	825,000.00	809,349.75	1.861	1.879	1.905	08/01/2031	3,499
835569GT5	2577 MUN	Sonoma Cnty Jr. College Distr.	09/15/2021	166,762.95	155,000.00	162,179.60	2.447	0.843	0.855	08/01/2026	1,673
839278JM1	1914 MUN	South Pasadena Unified School	02/15/2018	178,531.20	180,000.00	193,372.20	3.000	3.057	3.100	08/01/2027	2,038
839278KC1	2161 MUN	South Pasadena Unified School	12/12/2019	444,059.20	370,000.00	454,330.40	5.000	2.598	2.634	08/01/2029	2,769
839278KB3	2162 MUN	South Pasadena Unified School	12/12/2019	296,475.00	250,000.00	300,960.00	5.000	2.549	2.584	08/01/2028	2,404
839278KA5	2163 MUN	South Pasadena Unified School	12/12/2019	169,679.00	145,000.00	171,178.30	5.000	2.500	2.534	08/01/2027	2,038
839278JZ2	2164 MUN	South Pasadena Unified School	12/12/2019	451,565.40	390,000.00	450,726.90	5.000	2.378	2.411	08/01/2026	1,673
799289MR1	2150 MUN	San Rafael City High Sch Distr	11/13/2019	1,755,000.00	1,755,000.00	1,796,014.35	1.965	1.938	1.965	08/01/2024	943
7994082K4	2605 MUN	San Ramon Vly Unif Sch Dist.	11/03/2021	1,510,110.00	1,500,000.00	1,495,035.00	1.914	1.805	1.830	08/01/2030	3,134
867578UT1	2100 MUN	Sunnyvale Elementary Sch Distr	09/19/2019	135,000.00	135,000.00	138,932.55	2.190	2.157	2.187	09/01/2028	2,435
867578US3	2101 MUN	Sunnyvale Elementary Sch Distr	09/19/2019	135,000.00	135,000.00	138,932.55	2.090	2.061	2.090	09/01/2027	2,069
892404CN2	2493 MUN	Tracy Unified School District	02/08/2021	507,420.00	500,000.00	488,815.00	1.644	1.437	1.457	08/01/2029	2,769
87970GPS0	2539 MUN	Temecula Valley Unified School	06/16/2021	250,000.00	250,000.00	246,042.50	1.503	1.482	1.503	08/01/2028	2,404
87970GPQ4	2569 MUN	Temecula Valley Unified School	08/27/2021	357,577.30	355,000.00	347,697.65	1.051	0.887	0.900	08/01/2026	1,673
880541XY8	1673 MUN	State of Tennessee	08/25/2016	1,014,910.00	1,000,000.00	1,040,740.00	2.116	1.923	1.950	08/01/2026	1,673
880541XX0	1674 MUN	State of Tennessee	08/25/2016	1,669,668.00	1,650,000.00	1,708,327.50	2.066	1.893	1.920	08/01/2025	1,308

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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	ҮТМ 365	Maturity D Date M	ays To Iaturity
Municipal Bonds											
880541XX0	1676 MUN	State of Tennessee	08/25/2016	708,344.00	700,000.00	724,745.00	2.066	1.893	1.920	08/01/2025	1,308
880541QU4	2001 MUN	State of Tennessee	12/20/2018	213,728.90	205,000.00	219,815.35	3.728	2.860	2.900	08/01/2024	943
882722VJ7	1708 MUN	State of Texas	10/19/2016	120,348.80	110,000.00	110,948.20	3.673	1.825	1.850	04/01/2022	90
882723EN5	1855 MUN	State of Texas	09/22/2017	268,337.50	250,000.00	254,257.50	3.832	2.747	2.785	08/01/2025	1,308
8827237P8	2195 MUN	State of Texas	12/23/2019	1,585,230.00	1,500,000.00	1,601,715.00	3.051	1.975	2.003	10/01/2025	1,369
8827237T0	2225 MUN	State of Texas	01/30/2020	1,045,750.00	940,000.00	1,042,657.40	3.521	2.191	2.221	10/01/2029	2,830
8827237T0	2255 MUN	State of Texas	02/14/2020	1,406,680.00	1,265,000.00	1,403,150.65	3.521	2.192	2.222	10/01/2029	2,830
8827237N3	2311 MUN	State of Texas	03/16/2020	268,165.00	250,000.00	262,737.50	2.899	1.231	1.248	10/01/2024	1,004
8827235K1	2541 MUN	State of Texas	06/30/2021	268,309.30	245,000.00	260,459.50	2.922	0.641	0.650	10/01/2025	1,369
882724RF6	2548 MUN	State of Texas	07/02/2021	1,079,570.00	1,000,000.00	1,053,010.00	2.426	1.480	1.501	10/01/2030	3,195
882723A90	2631 MUN	State of Texas	12/07/2021	533,320.00	500,000.00	529,890.00	2.831	1.030	1.045	10/01/2025	1,369
91412GQG3	2077 MUN	University of California	08/26/2019	1,588,215.00	1,500,000.00	1,590,195.00	3.050	1.930	1.957	05/15/2025	1,230
91412GQG3	2095 MUN	University of California	09/09/2019	1,066,000.00	1,000,000.00	1,060,130.00	3.050	1.797	1.821	05/15/2025	1,230
917542QR6	1731 MUN	State of Utah	01/04/2017	498,361.50	450,000.00	473,904.00	4.554	2.904	2.944	07/01/2024	912
917542QV7	2306 MUN	State of Utah	03/13/2020	1,617,435.00	1,500,000.00	1,567,860.00	3.539	1.948	1.975	07/01/2025	1,277
93974DHW1	1672 MUN	State of Washington	08/08/2016	267,297.50	250,000.00	253,327.50	2.740	1.504	1.524	08/01/2022	212
93974CPH7	1721 MUN	State of Washington	12/05/2016	572,664.55	515,000.00	527,880.15	4.636	2.465	2.500	08/01/2022	212
93974CRC6	1802 MUN	State of Washington	05/23/2017	555,523.85	485,000.00	529,823.70	4.669	2.416	2.450	08/01/2024	943
93974CRC6	2196 MUN	State of Washington	12/24/2019	558,265.00	500,000.00	546,210.00	4.669	1.978	2.005	08/01/2024	943
97705MNU5	2547 MUN	State of Wisconsin	07/02/2021	2,158,960.00	2,000,000.00	2,111,840.00	2.451	1.553	1.575	05/01/2031	3,407
97705MNP6	2574 MUN	State of Wisconsin	09/09/2021	1,591,500.00	1,500,000.00	1,546,050.00	2.089	0.739	0.750	05/01/2026	1,581
97705MNP6	2576 MUN	State of Wisconsin	09/13/2021	1,059,440.00	1,000,000.00	1,030,700.00	2.089	0.769	0.780	05/01/2026	1,581
			- Subtotal and Average	202,237,857.49	194,245,000.00	202,585,977.15	-	1.997	2.025	-	1,696
Supranationals (W	Norld Bank) Bond	ls									
4581X0CZ9	1978 IADB	Inter-American Dev. Bank	11/09/2018	1,424,448.00	1,500,000.00	1,514,175.00	1.750	3.106	3.150	09/14/2022	256
4581X0DV7	2528 IADB	Inter-American Dev. Bank	04/20/2021	1,995,300.00	2,000,000.00	1,968,180.00	0.875	0.910	0.923	04/20/2026	1,570
45818WDH6	2586 IADB	Inter-American Dev. Bank	09/27/2021	1,988,270.54	2,000,000.00	1,967,860.00	0.800	0.914	0.927	06/17/2026	1,628
459056LD7	1976 IBRD	Intl Bk Recon & Development	11/08/2018	1,761,554.16	1,500,000.00	1,611,030.00	7.625	3.111	3.155	01/19/2023	383
459058GL1	1982 IBRD	Intl Bk Recon & Development	11/27/2018	997,297.93	1,000,000.00	1,039,170.00	3.000	3.018	3.060	09/27/2023	634
459058JL8	2470 IBRD	Intl Bk Recon & Development	01/08/2021	1,500,897.00	1,500,000.00	1,461,120.00	0.500	0.480	0.487	10/28/2025	1,396
459058JS3	2492 IBRD	Intl Bk Recon & Development	02/10/2021	1,500,000.00	1,500,000.00	1,462,065.00	0.650	0.641	0.650	02/10/2026	1,501
45905U5Y6	2497 IBRD	Intl Bk Recon & Development	02/18/2021	1,500,000.00	1,500,000.00	1,456,995.00	0.600	0.591	0.600	02/18/2026	1,509

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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	ҮТМ 360	ҮТМ 365	Maturity Da Date Ma	-
Supranationals	(World Bank) Bond	ls									
459058JL8	2498 IBRD	Intl Bk Recon & Development	02/18/2021	1,493,065.50	1,500,000.00	1,461,120.00	0.500	0.591	0.600	10/28/2025	1,396
459058JL8	2510 IBRD	Intl Bk Recon & Development	03/01/2021	1,479,585.00	1,500,000.00	1,461,120.00	0.500	0.787	0.798	10/28/2025	1,396
459058JS3	2534 IBRD	Intl Bk Recon & Development	05/26/2021	1,486,531.50	1,500,000.00	1,462,065.00	0.650	0.833	0.845	02/10/2026	1,501
459058JS3	2553 IBRD	Intl Bk Recon & Development	07/15/2021	1,486,500.00	1,500,000.00	1,462,065.00	0.650	0.839	0.851	02/10/2026	1,501
459058JS3	2559 IBRD	Intl Bk Recon & Development	08/12/2021	1,484,620.50	1,500,000.00	1,462,065.00	0.650	0.871	0.883	02/10/2026	1,501
45950VNR3	2217 IFC	International Finance Corp.	01/27/2020	1,266,000.00	1,266,000.00	1,245,402.18	1.625	2.186	2.216	01/15/2025	1,110
45950VPE0	2441 IFC	International Finance Corp.	10/30/2020	1,000,000.00	1,000,000.00	969,060.00	0.250	0.497	0.504	10/15/2025	1,383
45950VPH3	2454 IFC	International Finance Corp.	11/30/2020	1,500,000.00	1,500,000.00	1,456,755.00	0.250	0.683	0.692	11/15/2025	1,414
45950VPJ9	2483 IFC	International Finance Corp.	01/25/2021	1,505,250.00	1,500,000.00	1,454,400.00	0.580	0.501	0.508	01/15/2026	1,475
45950VPJ9	2502 IFC	International Finance Corp.	02/11/2021	1,503,630.00	1,500,000.00	1,454,400.00	0.580	0.522	0.530	01/15/2026	1,475
45950VPS9	2503 IFC	International Finance Corp.	02/26/2021	1,490,784.14	1,500,000.00	1,461,675.00	0.500	0.616	0.625	02/26/2026	1,517
45950VPT7	2514 IFC	International Finance Corp.	03/15/2021	2,000,000.00	2,000,000.00	1,964,440.00	0.500	0.808	0.819	03/15/2026	1,534
45950VPU4	2515 IFC	International Finance Corp.	03/23/2021	1,499,460.00	1,500,000.00	1,480,485.00	0.750	0.746	0.757	03/23/2026	1,542
45950VPU4	2517 IFC	International Finance Corp.	03/23/2021	1,985,340.00	2,000,000.00	1,973,980.00	0.750	0.887	0.900	03/23/2026	1,542
45950VPY6	2532 IFC	International Finance Corp.	05/28/2021	1,500,000.00	1,500,000.00	1,486,050.00	0.500	1.006	1.020	05/15/2026	1,595
			Subtotal and Average	35,348,534.27	35,266,000.00	34,735,677.18		1.059	1.074		1,359
		Total Ir	vestments and Average	565,577,285.15	553,783,927.95	561,703,005.87		1.599	1.622		1,561

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Portfolio CPA AP FI (PRF\_FI) 7.3.11 Report Ver. 7.3.11

## Attachment C

## Investment Policy Compliance As of December 31, 2021

	Investment Policy Requirements	Compliance Check / Actual
1	General Investment Guidelines:	Full Compliance
	a) The max. stated final maturity of individual securities in the portfolio should be 10 years.	
	b) A max. of 30 percent of the par value of the portfolio shall be invested in securities with maturities	29.54%
	beyond 5 years.	
	c) The City shall maintain a minimum of one month's cash needs in short term investments.	
	d) At least \$50 million shall be maintained in securities maturing in less than 2 years.	\$120 million
	Plus two managed pool accounts which provide instant liquidity:	
	- Local Agency Investment Fund (LAIF) - maximum investment limit i \$75 million	\$12.5 million
	- Fidelity Investments	\$4.2 million
	<ul> <li>e) Should market value of the portfolio fall below 95 percent of the book value, report this fact within a reasonable time to the City Council and evaluate if there are risk of holding securities to maturity.</li> </ul>	99.31%
	d) Commitments to purchase securities newly introduced on the market shall be made no more than	
	three (3) working days before pricing.	
	f) Whenever possible, the City will obtain three or more quotations on the purchase or sale of	
	comparable securities (excludes new issues, LAIF, City of Palo Alto bonds, money market	
	accounts, and mutual funds).	
2	U.S. Government Securities:	Full Compliance
	a) There is no limit on purchase of these securities.	
	b) Securities will not exceed 10 years maturity.	2.71%
3	U.S. Government Agency Securities:	Full Compliance
	a) There is no limit on purchase of these securities except for:	
	Callable and Multi-step-up securities provided that:	
	- The potential call dates are known at the time of purchase;	
	- the interest rates at which they "step-up" are known at the time of purchase; and	
	- the entire face value of the security is redeemed at the call date.	
	- No more than 25 percent of the par value of portfolio.	24.85%
	b) Securities will not exceed 10 years maturity.	
4	California State, California Local Government Agencies, and other United States State Bonds:	Full Compliance
	a) Having at time of investment a minimum Double A (AA/Aa2) rating as provided by a nationally	
	recognized rating service (e.g., Moody's, Fitch, and/or Standard and Poor's).	
	b) May not exceed 40 percent of the par value of the portfolio.	35.77%
5	Certificates of Deposit (CD):	Full Compliance
	a) May not exceed 20 percent of the par value of the portfolio;	None Held
	b) No more than 10 percent of the par value of the portfolio in collateralized CDs in any institution.	
	c) Purchase collateralized deposits only from federally insured large banks that are rated by	
	a nationally recognized rating agency (e.g. Moody's, Fitch, and/or Standard & Poor's).	
	<ul><li>d) For non-rated banks, deposit should be limited to amounts federally insured (FDIC)</li><li>e) Rollovers are not permitted without specific instruction from authorized City staff.</li></ul>	
6		Eull Communication
6	Banker's Acceptance Notes (BA):	Full Compliance None Held
	<ul><li>a) No more than 30 percent of the par value of the portfolio.</li><li>b) Not to exceed 180 days maturity.</li></ul>	None Held
	b) Not to exceed 100 days maturity.	

## Attachment C

## Investment Policy Compliance As of December 31, 2021

	Investment Policy Requirements	Compliance Check / Actual
7	<ul> <li>Commercial Paper:</li> <li>a) No more than 15 percent of the par value of the portfolio.</li> <li>b) Having highest letter or numerical rating from a nationally recognized rating service.</li> <li>c) Not to exceed 270 days maturity.</li> <li>d) No more than \$3 million or 10 percent of the outstanding commercial paper of any one institution, whichever is lesser.</li> </ul>	Full Compliance None Held
8	<ul> <li>Short-Term Repurchase Agreement (REPO):</li> <li>a) Not to exceed 1 year.</li> <li>b) Market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities.</li> </ul>	Full Compliance None Held
9	<ul><li>Money Market Deposit Accounts</li><li>a) Liquid bank accounts which seek to maintain a net asset value of \$1.00.</li></ul>	Full Compliance
10	<ul><li>Mutual Funds:</li><li>a) No more than 20 percent of the par value of the portfolio.</li><li>b) No more than 10 percent of the par value with any one institution.</li></ul>	Full Compliance None Held
11	<ul><li>Negotiable Certificates of Deposit (NCD):</li><li>a) No more than 20 percent of the par value of the portfolio.</li><li>b) No more than \$5 million in any one institution.</li></ul>	Full Compliance 7.28% Federally Insured
12	<ul> <li>Medium-Term Corporate Notes: <ul> <li>a) No more than 10 percent of the par value of the portfolio.</li> <li>b) Not to exceed 5 years maturity.</li> <li>c) Securities eligible for investment shall have a minimum rating of AA or Aa2 from a nationally recognized rating service.</li> <li>d) No more than \$5 million of the par value may be invested in securities of any single issuer, other than the U.S. Government, its agencies and instrumentality.</li> <li>e) If securities owned by the City are downgraded by either rating agencies to a level below AA it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities.</li> </ul> </li> </ul>	Full Compliance 4.19%
13	<ul> <li>Supranational Organizations Securities:</li> <li>a) Securities will not exceed 5 years maturity</li> <li>b) No more than 20 percent of the par value of the portfolio.</li> <li>c) No more than 10 percent in any one institution.</li> <li>d) Securities eligible for investment shall have a minimum rating of AA or Aa2 from a nationally recognized rating service.</li> </ul>	Full Compliance 6.37%
14	<ul> <li>Prohibited Investments:</li> <li>a) Reverse Repurchase Agreements</li> <li>b) Derivatives as defined in Appendix B of the Investment Policy</li> </ul>	Full Compliance None Held
15	All securities shall be delivered to the City's safekeeping custodian, and held in the name of the City, with the exception of : - Certificates of Deposit, Mutual Funds, and Local Agency Investment Fund (LAIF)	Full Compliance



### Meeting Date: 2/7/2022

### Title: Informational Report on Valley Water's Implementation of a new Model Water Efficient New Development Ordinance

### From: City Manager

#### Lead Department: Utilities

#### **Executive Summary**

This report is to inform Council of Santa Clara Valley Water District's (Valley Water) Model Water Efficient New Development Ordinance (MWENDO) and staff's approach to reviewing and evaluating water efficiency measures for Palo Alto.

#### Background

Valley Water developed the MWENDO to provide a resource to assist jurisdictions in Santa Clara County to improve water efficiency in new developments. Valley Water manages groundwater, provides flood protection and stream stewardship and supplies imported water to some jurisdictions in Santa Clara County. Palo Alto obtains 100% of its potable water supply from San Francisco Public Utilities Commission (SFPUC) and does not currently use groundwater or imported water from Valley Water.

#### Discussion

California is facing drought conditions, and our state, county, and water supplier have declared drought emergencies. Palo Alto has permanent water use restrictions in place focusing on eliminating water waste regardless of drought or rain conditions. Palo Alto requires a variety of water efficient measures for new construction and partners with Valley Water to provide free consultation services and rebates for water efficient landscaping upgrades and resources for residents and businesses to improve water efficiency. Palo Alto regularly conducts outreach to water customers encouraging the wise use of water through email, social media, bill inserts and other communication channels.

Since 2015, Palo Alto City Council has approved updated Green Building Ordinances (<u>Palo Alto</u> <u>Municipal Code Chapter 16.14</u>) that incorporate the State's Green Building Standards Code (CALGreen), Mandatory, Tier I and Tier II requirements, which set permit requirements for water efficiency design, including irrigation systems, in new development and alteration construction projects. In addition to the CALGreen standards, the City requires the installation of a "laundry to landscape ready" irrigation system for all residential new construction projects.

The State Water Efficient Landscape Ordinance went into effect February 1, 2016 in Palo Alto per Governor Brown's Drought Executive Order EO-29-15 and pursuant to the California Water Conservation in Landscaping Act, also known as the State Landscape Model Ordinance, Government Code §§ 65591, et seq. as amended, see Palo Alto Municipal Code 12.32.040.

MWENDO includes measures that primarily target indoor water use efficiency for new development such as hot water recirculation and drain water heat recovery. MWENDO also includes some outdoor measures such as water meters and pool/spa covers.<sup>1</sup> Staff will likely not recommend MWENDO as written but will consider elements of MWENDO in the appropriate municipal and building code updates for Palo Alto. Staff from the appropriate departments (including Urban Forestry, Development Services, and Public Works) will compare the various measures in MWENDO to Palo Alto's existing code requirements and to the new state requirements under the CalGreen Building Code updates. Staff will evaluate the water efficiency measures in MWENDO as appropriate and make recommendations to Council as part of the regular cycle of code updates.

#### **Fiscal Impact**

This is an informational report.

#### **Environmental Review**

This information report does not meet the definition of a project under the California Environmental Quality Act (<u>Public Resources Code 21065</u>); therefore, an environmental review is not required.

<sup>&</sup>lt;sup>1</sup> Valley Water's 10/27/21 presentation on the MWENDO to the Santa Clara Valley Water Commission is available at this <u>link</u>.



## **City of Palo Alto** City Council Staff Report

14

Meeting Date: 2/7/2022

Title: Sales Tax Digest Summary Calendar 2021 Q3

### From: City Manager

### Lead Department: Administrative Services

#### DISCUSSION

This report transmits information regarding the City of Palo Alto's sales tax receipts for the third quarter (July to September) of 2021.

There are two attachments to this report that provide further level of information:

- City of Palo Alto Sales Tax Digest Summary (Attachment A)
- Policy and Capitol Update December 2021 (Attachment B)

The City's sales tax cash receipts of \$6.8 million for the third quarter (July to September 2021) is \$251 thousand (3.8 percent) higher than the same quarter of the prior year (see Attachment A, Table 5). In contrast, the third quarter of 2020 compared to the same quarter of 2019 declined by \$2 million (23.8 percent). It is important to recognize that the state of California offered small businesses a 90-day extension to pay their first quarter of 2020 taxes due to the economic impact of the pandemic. This resulted in some businesses paying their first quarter economic payments in the third quarter of 2020. After adjustments made for the non-period related payments, the overall economic quarter over quarter sales tax activity (Q3 2020 to Q3 2021) increased by 17.6 percent. It should be noted that Q3 2020 saw significant impacts from COVID-19 due to it being the first full quarter after the pandemic began.

For the year ending in the third quarter of 2021, cash receipts (including county pools) for the City increased by 1.9 percent from the prior year. In comparison, statewide increased by 17.6 percent, Northern California increased by 16.7 percent, and Southern California by 18.4 percent.

After adjustments for non-period related payments, the overall economic sales tax activity (local business excluding pools) in Palo Alto for the year increased by 4.0 percent, while it increased 9.5 percent for the state, increased 7.7 percent in Northern California and increased 10.8 percent in Southern California.

The third quarter includes \$1.3 million of sales tax receipts from the county pool. The City's share of the county pool for this quarter is 5 percent, down from 5.3 percent in the third quarter of 2020. County pools are primarily from online purchases from out of state companies, remote sellers who ship merchandise to California/County destinations, and private vehicle sales that are not directly allocated to a jurisdiction. County pools are allocated to local jurisdictions based on each jurisdiction's' share of total sales taxes.

#### Attachments:

- Attachment14.a: Attachment A City of Palo Alto Sales Tax Digest Summary
- Attachment14.b: Attachment B Policy and Capitol Update December 2021

14.a

## **City of Palo Alto Sales Tax Digest Summary** Collections through December 2021 Sales July through September 2021 (2021Q3)

#### **California Overview**

For the year ending in third quarter of 2021, cash receipts increased 17.6% statewide, 16.7% in Northern California and 18.4% in Southern California. However, when adjusted for non-period related payments, the overall economic sales tax activity for the year ending in third quarter of 2021 increased by 9.5% statewide, 10.8% in Southern California, and up 7.7% in Northern California.

#### **City of Palo Alto**

For the year ending in the third quarter of 2021, sales tax cash receipts for the city increased by 1.9% from the prior year. However, when adjusted for non-period related payments, the overall economic sales tax activity in Palo Alto for the year ending in third quarter of 2021 increased by 4.0%.

On a quarterly basis, sales tax cash receipts increased by 3.8% from Quarter 3 of 2020 to Quarter 3 of 2021. However, this increase includes late payment anomalies related to a state sales tax extension program (see note below). The period's cash receipts include tax from business activity during the period, payments for prior periods and other cash adjustments. When adjusted for non-period related payments, the overall economic quarter over quarter sales tax activity (Q3 2020 to Q3 2021) in Palo Alto increased by 17.6%.

<u>Note:</u> It is important to recognize that the state offered small businesses a 90-day extension to pay their first quarter of 2020 taxes (to alleviate some of the short-term economic difficulties of the pandemic), and some businesses had partial or no payments for the first quarter of 2020. As a result of this extension program, some payments for first quarter economic activity were paid in the third quarter of 2020. While Palo Alto experienced a 26.6% cash decrease for the first quarter of 2020 (from Q1 2019), this includes late payment decreases related to the state 90-day extension program, actual first quarter of 2020 economic activity did not decline to this extent.

#### **Regional Overview**

The first chart on page two shows adjusted economic benchmark year amounts, which means that it shows a full calendar year from the third quarter of 2020 through third quarter of 2021 compared to third quarter of 2019 through third quarter of 2020 (benchmark years are rolling annual comparisons through the current quarter). The decrease is different between the state and Palo Alto because the sales tax from businesses in Palo Alto were more impacted than those statewide.

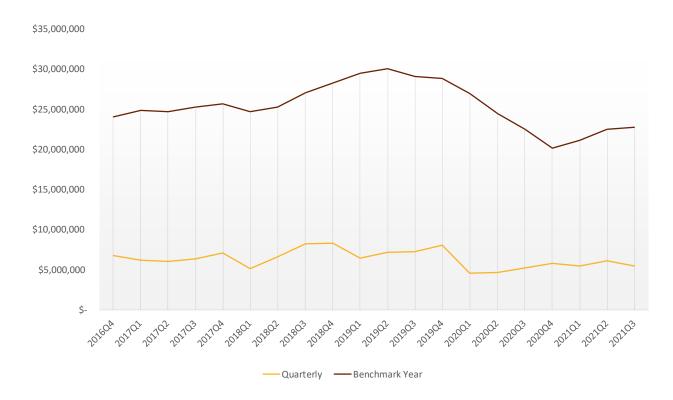
Table 1

		ECC	NOMIC CATEGOR	RY ANALYSIS FOR	YEAR ENDED 3rd Q	uarter 2021				
% of Total / % Change	Palo Alto	California Statewide	S.F. Bay Area	Sacramento Valley	Central Valley	South Coast	Inland Empire	North Coast	Central Coast	
General Retail	28.5 / 10.4	28.6/15.4	26.6 / 7.0	28.1/32.7	38.8/33.6	27.0/14.0	31.5 / 9.0	30.4 / 12.0	30.0 / 6.3	
Food Products	13.7/-5.4	18.8/7.6	18.2 / -5.5	15.2 / 7.7	13.5/-1.3	20.8/6.1	17.7 / 12.8	16.1/-29.4	31.0/-4.1	
Transportation	23.9 / 30.5	23.9/13.8	21.6/8.3	28.0/18.0	21.0/1.0	24.6/17.1	13.6/11.2	27.6/8.5	22.7 / 11.4	
Business to Business	30.1/-15.2	16.8/4.2	21.3/3.6	14.1/6.6	15.1/1.8	16.7 / 4.9	26.0/19.3	9.4 / 8.0	7.5/-19.4	
Misc/Other	27.8/35.6	11.8/7.1	12.3 / 2.8	14.7/16.7	11.6/3.1	10.8 / 7.8	14.2 / 10.9	16.5 / 7.7	8.8/4.9	
Total	100.0 / 4.0	100.0/9.5	100.0 / 3.5	100.0 / 18.0	100.0 / 11.6	100.0 / 10.7	100.0 / 11.8	100.0/0.5	100.0/1.4	
ECONOMIC SEGMENT ANALYSIS FOR YEAR ENDED 3rd Quarter 2021										
	Palo Alto	California Statewide	S.F. Bay Area	Sacramento Valley	Central Valley	South Coast	Inland Empire	North Coast	Central Coast	
Largest Segment	Auto Sales - New	Restaurants	Auto Sales - New	Auto Sales - New	Miscellaneous Retail	Restaurants	Auto Sales - New	Auto Sales - New	Restaurants	
% of Total / % Change	20.3 / 34.9	12.5 / 2.4	11.9/13.6	12.4/22.9	13.2 / 150.0	14.2 / 5.9	13.0/17.9	11.9/17.8	21.1/-4.9	
2nd Largest Segment	Leasing	Auto Sales - New	Restaurants	Restaurants	Department Stores	Auto Sales - New	Miscellaneous Retail	Department Stores	Auto Sales - New	
% of Total / % Change	19.6 / 33.3	12.2 / 20.4	11.8/-6.3	9.8/9.7	10.9/-0.4	13.1/27.1	12.4 / 65.1	11.9/8.9	12.9/14.9	
3rd Largest Segment	Restaurants	Miscellaneous Retail	Miscellaneous Retail	Miscellaneous Retail	Restaurants	Department Stores	Restaurants	Bldg.Matls- Retail	Miscellaneous Retail	
% of Total / % Change	11.8/-4.8	8.9/32.9	9.8/8.7	9.5 / 106.5	8.7/0.6	8.4/7.1	10.9 / 7.1	10.0 / 10.0	9.1/6.5	

#### Regional Overview Chart (Economic)

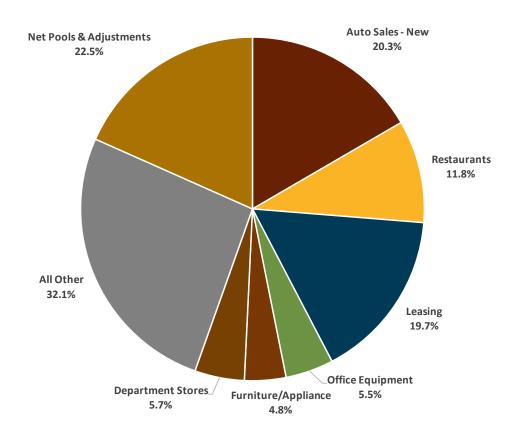
Table 2

#### Gross Historical Sales Tax Cash Receipts by Benchmark Year and Quarter (Before Adjustments)



#### Net Cash Receipts for Benchmark Year third Quarter 2021: \$28,375,417

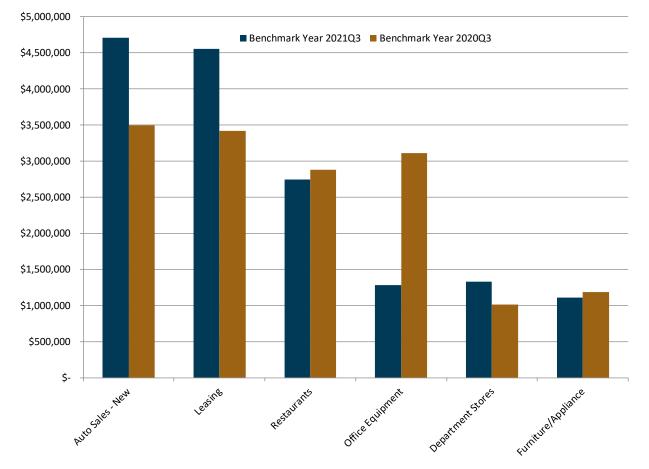
\*Benchmark year (BMY) is the sum of the current and 3 previous quarters (2021Q3 BMY is sum of 2021 Q3, 2021 Q2, 2021 Q1, 2020 Q4)



#### **TOP 25 SALES/USE TAX CONTRIBUTORS**

The following list identifies Palo Alto's Top 25 Sales/Use Tax contributors. The list is in alphabetical order and represents the year ended third quarter of 2021. The Top 25 Sales/Use Tax contributors generate 62.3% of Palo Alto's total sales and use tax revenue.

Anderson Honda Apple Stores Arco AM/PM Mini Marts Atila Biosystems Incorporated Audi Palo Alto Bloomingdale's Crate & Barrel Hengehold Trucks Hermes HP Enterprise Services Louis Vuitton Lucile Packard Children's Hospital Macy's Department Store Magnussen's Toyota of Palo Alto Neiman Marcus Nordstrom Department Store Richemont Shell Service Stations Shreve & Co. Stanford Outpatient Clinic Pharmacy Tesla Tesla Lease Trust Tiffany & Company Varian Medical Systems Volvo Cars Palo Alto 14.a



#### Sales Tax from Largest Non-Confidential Sales Tax Segments (Economic)

#### **Historical Analysis by Calendar Quarter**

Economic Category	%	2021Q3	2021Q2	2021Q1	2020Q4	2020Q3	2020Q2	2020Q1	2019Q4	2019Q3	2019Q2	2019Q1
Business To Business	26.0%	1,762,093	1,652,745	1,765,043	2,060,217	2,022,479	1,851,601	2,000,210	2,375,333	1,942,593	1,958,591	2,244,140
Miscellaneous/Other	25.1%	1,702,838	1,620,383	1,467,407	1,679,573	1,322,172	997,005	1,227,541	1,693,416	1,516,049	1,784,443	1,464,642
General Retail	26.5%	1,798,257	1,803,297	1,262,756	1,746,602	1,300,645	660,300	1,450,820	2,579,412	2,416,101	1,993,425	1,887,330
Food Products	14.3%	970,873	897,222	619,501	668,640	650,152	439,540	990,266	1,256,287	1,205,242	1,268,595	1,176,607
Subtotal Economic (Local Business)	92.0%	6,234,061	5,973,646	5,114,708	6,155,031	5,295,448	3,948,447	5,668,837	7,904,447	7,079,986	7,005,054	6,772,720
Net Pools & Adjustments	8.0%	539,929	1,496,795	1,675,094	1,186,152	1,227,876	1,877,921	-2,287	1,937,461	1,477,413	1,741,608	942,435
Total Cash Receipts	100.0%	6,773,990	7,470,441	6,789,802	7,341,183	6,523,324	5,826,368	5,666,550	9,841,908	8,557,399	8,746,661	7,715,155
Economic Segment	%	2021Q3	2021Q2	2021Q1	2020Q4	2020Q3	2020Q2	2020Q1	2019Q4	2019Q3	2019Q2	2019Q1
Miscellaneous/Other	56.7%	3,837,648	3,654,707	3,499,781	4,170,752	3,682,918	3,181,367	3,551,274	4,677,431	4,315,212	4,044,495	4,097,694
Restaurants	12.7%	857,066	785,086	527,203	552,176	545,728	342,533	867,027	1,105,719	1,073,522	1,123,322	1,041,119
Miscellaneous Retail	6.0%	407,467	456,685	327,729	479,041	326,777	108,953	280,493	499,697	384,397	392,196	333,960
Apparel Stores	5.9%	400,589	395,779	264,322	358,744	263,940	72,307	305,737	552,735	469,447	486,790	408,476
Department Stores	5.7%	388,703	384,763	237,473	315,453	186,316	29,842	245,948	552,822	431,717	453,675	356,943
Service Stations	2.7%	181,448	152,565	116,258	111,241	108,840	70,063	146,291	181,082	175,309	185,969	159,032
Food Markets	1.3%	87,521	89,669	71,321	89,396	81,580	77,803	102,026	118,952	104,192	113,363	106,194
Business Services	1.1%	73,620	54,393	70,621	78,228	99,348	65,579	170,042	216,011	126,190	205,245	269,302
Subtotal Economic (Local Business)	92.0%	6,234,061	5,973,646	5,114,708	6,155,031	5,295,448	3,948,447	5,668,837	7,904,447	7,079,986	7,005,054	6,772,720
Net Pools & Adjustments	8.0%	539,929	1,496,795	1,675,094	1,186,152	1,227,876	1,877,921	-2,287	1,937,461	1,477,413	1,741,608	942,435
Total Cash Receipts	100.0%	6,773,990	7,470,441	6,789,802	7,341,183	6,523,324	5,826,368	5,666,550	9,841,908	8,557,399	8,746,661	7,715,155

The chart above shows the categories and segments in quarterly economic basis amounts. The total amount is the net cash receipts, and it was obtained by adding up the categories/segments with the "Net Pools & Adjustments" amount.

Economic Category	%	2021Q3	2020Q3	2019Q3	2018Q3	2017Q3	2016Q3	2015Q3	2014Q3	2013Q3	2012Q3
Business To Business	24.7%	6,999,219	8,253,250	8,055,541	6,763,767	5,531,447	5,274,809	4,252,383	4,537,394	4,206,253	4,530,832
Miscellaneous/Other	22.5%	6,372,414	4,712,030	7,171,279	6,980,525	5,906,596	6,045,883	5,685,238	5,340,922	9,283,251	3,646,358
General Retail	23.3%	6,619,559	5,993,272	8,856,399	8,591,732	8,426,080	8,235,548	8,097,731	8,085,021	7,813,954	7,813,144
Food Products	11.2%	3,178,556	3,361,012	4,895,601	4,798,957	4,627,887	4,622,126	4,411,228	4,126,302	3,731,703	3,459,735
Subtotal Economic (Local Business)	81.7%	23,169,747	22,319,564	28,978,821	27,134,981	24,492,011	24,178,367	22,446,580	22,089,640	25,035,161	19,450,069
Net Pools & Adjustments	18.3%	5,205,669	5,538,585	5,948,180	4,835,355	5,055,052	4,110,642	4,201,030	3,612,493	3,626,104	2,339,062
Total	100.0%	28,375,417	27,858,150	34,927,001	31,970,337	29,547,063	28,289,009	26,647,610	25,702,133	28,661,265	21,789,131
Economic Segment	%	2021Q3	2020Q3	2019Q3	2018Q3	2017Q3	2016Q3	2015Q3	2014Q3	2013Q3	2012Q3
Miscellaneous/Other	52.3%	14,838,334	14,569,551	17,209,047	15,271,633	12,784,979	12,449,507	11,022,846	11,018,397	14,405,546	9,179,741
Restaurants	9.7%	2,741,388	2,879,829	4,321,305	4,196,864	4,027,179	4,020,785	3,835,898	3,602,981	3,200,200	2,951,772
Miscellaneous Retail	5.9%	1,677,314	1,216,140	1,655,675	1,687,520	2,033,076	1,992,497	1,519,840	1,518,777	1,394,483	1,307,501
Apparel Stores	5.0%	1,421,321	1,194,935	1,964,304	1,930,814	1,721,788	1,630,972	1,656,560	1,663,440	1,617,661	1,610,052
Department Stores	4.7%	1,326,441	1,014,928	1,842,132	2,085,700	2,032,059	2,188,368	2,402,334	2,376,717	2,466,909	2,463,373
Service Stations	2.0%	561,512	506,276	693,647	671,528	601,794	554,825	668,928	784,615	760,477	749,389
Food Markets	1.2%	339,229	386,305	448,033	482,100	502,234	508,991	500,731	454,455	466,036	450,222
Business Services	0.9%	264,209	551,601	844,677	808,822	788,902	832,423	839,442	670,259	723,849	738,017
Subtotal Economic (Local Business)	81.7%	23,169,747	22,319,564	28,978,821	27,134,981	24,492,011	24,178,367	22,446,580	22,089,640	25,035,161	19,450,069
Net Pools & Adjustments	18.3%	5,205,669	5,538,585	5,948,180	4,835,355	5,055,052	4,110,642	4,201,030	3,612,493	3,626,104	2,339,062
Total	100.0%	28,375,417	27,858,150	34,927,001	31,970,337	29,547,063	28,289,009	26,647,610	25,702,133	28,661,265	21,789,131

#### Historical Analysis by Calendar BMY from 2012Q3 to 2021Q3

The chart above shows the categories and segments in benchmark year economic basis amounts. The total amount is the net cash receipts, and it was obtained by adding up the categories/segments with the "Net Pools & Adjustments" amount. Benchmark year (BMY) is the sum of the current and 3 previous quarters (2021Q3 BMY is sum of 2021 Q3, 2021 Q2, 2021 Q1, 2020 Q4).

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Quarterly Analysis by Sales Tax Category	: Change from 2020Q3 to 2021Q3 (Economic)
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	General Retail	Food Products	Transportation	Business to Business	Misc/Other	2021/3 Total	2020/3 Total	% Chg	Largest Gain	Second Largest Gain	Largest Decline	Second Largest Dedine
Campbell	5.9%	41.9%	31.8%	-21.5%	3.4%	2,343,797	2,071,441	13.1%	Restaurants	Service Stations	Office Equipment	Florist/Nursery
Cupertino	16.1%	51.4%	65.5%	-4.7%	1.8%	10,031,062	10,151,803	-1.2%	I.T. Infrastructure	Restaurants	Office Equipment	Heavy Industry
Gilroy	21.6%	23.0%	62.7%	9.3%	-0.2%	4,197,465	3,309,845	26.8%	Auto Sales - New	Service Stations	Light Industry	Bldg.Matls-Retail
Los Altos	37.2%	27.2%	49.6%	7.9%	13.1%	551,214	421,926	30.6%	Restaurants	Service Stations	Business Services	Bldg.Matls-Retail
Los Gatos	16.3%	17.2%	19.8%	27.9%	-17.0%	1,369,505	1,200,384	14.1%	Restaurants	Service Stations	Food Processing Eqp	Miscellaneous Other
Milpitas	74.9%	64.0%	26.2%	-0.6%	-8.2%	5,242,698	4,311,523	21.6%	Apparel Stores	Restaurants	Office Equipment	Bidg.Matis-Whsle
Morgan Hill	7.8%	22.3%	26.4%	0.6%	14.8%	2,414,955	2,060,075	17.2%	Service Stations	Restaurants	Light Industry	Auto Parts/Repair
Mountain View	5.7%	28.8%	50.6%	63.0%	-31.2%	4,188,404	3,303,760	26.8%	Restaurants	Business Services	Bldg.Matls-Whsle	Miscellaneous Retail
Palo Alto	38.1%	49.2%	38.6%	-12.9%	-29.8%	6,234,061	5,302,548	17.6%	Leasing	Auto Sales - New	Office Equipment	Green Energy
San Jose	3.3%	28.2%	31.2%	19.8%	5.0%	51,823,853	45,460,288	14.0%	Restaurants	Auto Sales - New	Miscellaneous Retail	Auto Sales - Used
Santa Clara	47.4%	57.0%	14.7%	12.5%	31.2%	12,275,721	10,046,392	22.2%	Office Equipment	Restaurants	Business Services	Leasing
County of Santa Clara	60.8%	93.4%	-10.7%	-6.3%	26.3%	1,190,957	868,291	37.2%	Food Processing Eqp	Miscellaneous Retail	Misc. Vehicle Sales	Business Services
Saratoga	49.9%	40.7%	67.1%	83.2%	-43.4%	261,278	179,605	45.5%	Restaurants	Service Stations	Furniture/Appliance	Bldg.Matls-Whsle
Sunnyvale	27.8%	27.5%	27.5%	7.2%	20.4%	5,736,796	4,779,402	20.0%	Light Industry	Auto Sales - New	Office Equipment	Business Services

Unlike the chart on page one which showed a 'benchmark year' through third quarter of 2021, the chart above shows a comparison of one quarter only – third quarter of 2021 to third quarter of 2020. This chart is for local 'brick and mortar' businesses and it excludes county pools and adjustments.

#### City of Palo Alto Geo Areas & Citywide Chart Data: Change from 2020Q3 to 2021Q3 (Economic)

California Avenue	% CHANGE QoQ	2021Q3 QE	2020Q3 QE	21Q3 % OF TOTAL	20Q3 % OF TOTAL
FOOD PRODUCTS	70.3%	48,380	28,412	41.8%	35.6%
GENERAL RETAIL	8.8%	34,833	32,026	30.1%	40.2%
ALL OTHER	68.7%	32,519	19,279	28.1%	24.2%
TOTAL	45.2%	115,733	79,717	100.0%	100.0%

El Camino Real and Midtown	% CHANGE QoQ	2021Q3 QE	2020Q3 QE	21Q3 % OF TOTAL	20Q3 % OF TOTAL
FOOD PRODUCTS	44.8%	125,775	86,839	38.2%	34.2%
GENERAL RETAIL	11.5%	35,937	32,232	10.9%	12.7%
ALLOTHER	24.4%	167,486	134,602	50.9%	53.1%
TOTAL	29.8%	329,197	253,673	100.0%	100.0%

Greater Downtown	% CHANGE QoQ	2021Q3 QE	2020Q3 QE	21Q3 % OF TOTAL	20Q3 % OF TOTAL
FOOD PRODUCTS	64.9%	366,469	222,282	55.9%	51.3%
GENERAL RETAIL	42.9%	232,977	162,996	35.5%	37.6%
BUSINESS TO BUSINESS	44.2%	33,753	23,403	5.1%	5.4%
CONSTRUCTION	-23.9%	11,823	15,535	1.8%	3.6%
MISCELLANEOUS	21.6%	7,126	5,862	1.1%	1.4%
TRANSPORTATION	27.3%	3,957	3,109	0.6%	0.7%
TOTAL	51.5%	656,105	433,188	100.0%	100.0%

Stanford Shopping Center	% CHANGE QoQ	2021Q3 QE	2020Q3 QE	21Q3 % OF TOTAL	20Q3 % OF TOTAL
GENERAL RETAIL	62.2%	1,049,142	646,676	72.1%	68.3%
FOOD PRODUCTS	40.6%	133,926	95,278	9.2%	10.1%
ALL OTHER	32.9%	272,815	205,215	18.7%	21.7%
TOTAL	53.7%	1,455,883	947,169	100.0%	100.0%

#### City of Palo Alto Geo Areas & Citywide Chart Data: Change from 2020Q3 to 2021Q3 (Economic) Cont.

Town And Country Shopping Center	% CHANGE QoQ	2021Q3 QE	2020Q3 QE	21Q3 % OF TOTAL	20Q3 % OF TOTAL
GENERAL RETAIL	27.3%	54,803	43,038	37.6%	42.6%
ALLOTHER	57.0%	91,082	58,014	62.4%	57.4%
TOTAL	44.4%	145,885	101,052	100.0%	100.0%

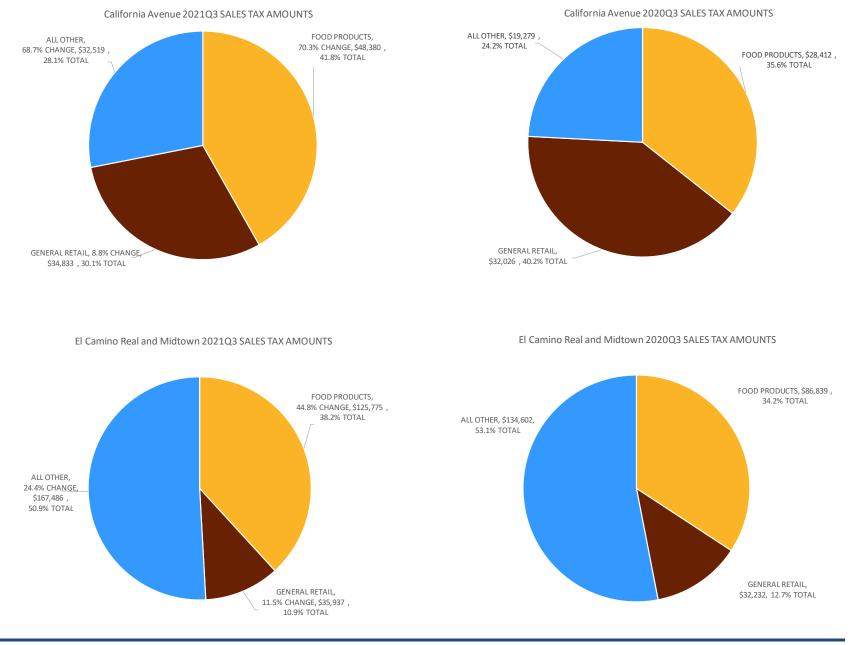
All Other Geos combined with Balance of Jurisdiction	% CHANGE QoQ	2021Q3 QE	2020Q3 QE	21Q3 % OF TOTAL	20Q3 % OF TOTAL
BUSINESS TO BUSINESS	-11.4%	1,611,066	1,819,100	29.5%	39.4%
GENERAL RETAIL	38.8%	1,604,631	1,155,676	29.4%	25.1%
TRANSPORTATION	40.1%	1,330,344	949,355	24.4%	20.6%
FOOD PRODUCTS	52.9%	805,274	526,836	14.8%	11.4%
MISCELLANEOUS	17.2%	54,951	46,885	1.0%	1.0%
CONSTRUCTION	-58.7%	47,547	115,103	0.9%	2.5%
TOTAL	18.2%	5,453,814	4,612,954	100.0%	100.0%

All Geo Area Totals Comparison 21Q3 & 20Q3	% CHANGE QoQ	2021Q3 QE	2020Q3 QE	21Q3 % OF TOTAL	20Q3 % OF TOTAL
Balance of Jurisdiction	-1.7%	2,751,011	2,798,156	50.4%	60.7%
Stanford Shopping Center	53.7%	1,455,883	947,169	26.7%	20.5%
Greater Downtown	51.5%	656,105	433,188	12.0%	9.4%
El Camino Real and Midtown	29.8%	329,197	253,673	6.0%	5.5%
Town And Country Shopping Center	44.4%	145,885	101,052	2.7%	2.2%
California Avenue	45.2%	115,733	79,717	2.1%	1.7%
TOTAL	18.2%	5,453,814	4,612,954	100.0%	100.0%

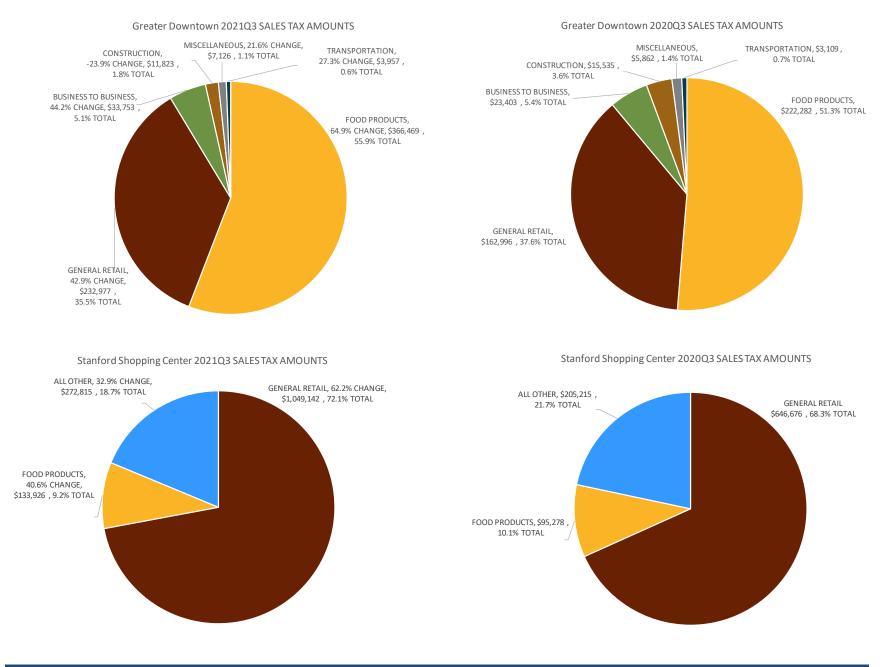
Palo Alto citywide QE 21Q3 & 20Q3	% CHANGE QoQ	2021Q3 QE	2020Q3 QE	21Q3 % OF TOTAL	20Q3 % OF TOTAL
GENERAL RETAIL	38.1%	1,798,257	1,301,799	28.8%	24.6%
BUSINESS TO BUSINESS	-12.9%	1,762,093	2,024,034	28.3%	38.2%
TRANSPORTATION	38.6%	1,558,372	1,124,734	25.0%	21.2%
FOOD PRODUCTS	49.2%	970,873	650,744	15.6%	12.3%
MISCELLANEOUS	16.0%	91,461	78,840	1.5%	1.5%
CONSTRUCTION	-56.7%	53,005	122,397	0.9%	2.3%
TOTAL	17.6%	6,234,061	5,302,548	100.0%	100.0%

Table 10

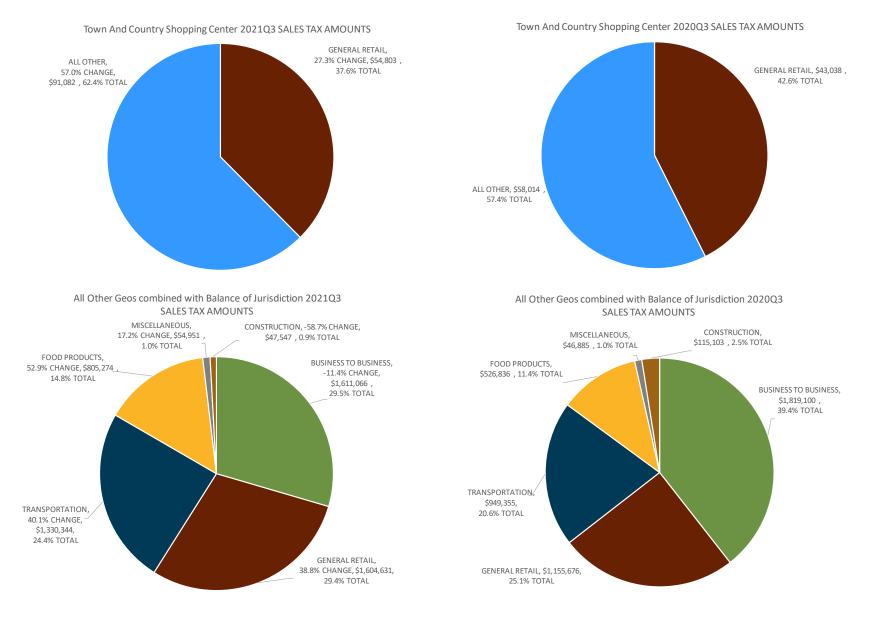




#### **City of Palo Alto Geo Areas Pie Charts**



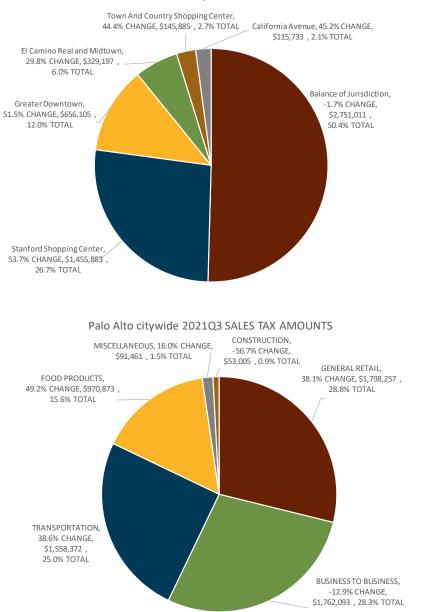
#### City of Palo Alto Geo Area Pie Charts

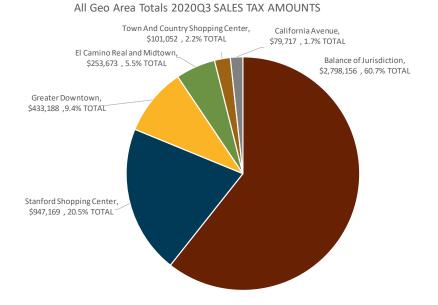




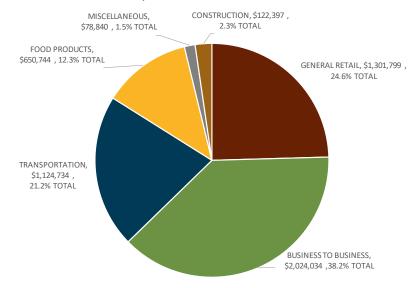
#### City of Palo Alto Geo Area & Citywide Pie Charts

All Geo Area Totals 2021Q3 SALES TAX AMOUNTS





#### Palo Alto citywide 2020Q3 SALES TAX AMOUNTS



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# Policy and Capitol Update – December 2021

The Muniservices/Avenu teams sends our very best to you for a safe and enjoyable holiday season. It is a pleasure and an honor to collaborate with all of you. Please feel free to contact us at any time as we come to the close of 2021 and as things gear up in 2022.

#### Please feel free to contact me with any questions.

Fran Mancia, Vice President of Government Relations <a href="mailto:Fran.Mancia@AvenuInsights.com">Fran.Mancia@AvenuInsights.com</a>

### What lies ahead in 2022?

We are anticipating another busy legislative and budget year in 2022, with the Legislature reconvening to begin their work for 2022 on January 3rd. As the second year in a two-year session, legislation introduced in 2021 that has not yet moved to the second house must move forward in January or will die, with exceptions for measures requiring a  $\frac{2}{3}$  vote. This means that in January there will be a rush of policy and fiscal committee hearings in addition to the release of the governor's 2022-23 budget proposal on or by January 10.

#### **Important Dates in early 2021:**

January 3: Legislature reconvenes

January 10: Budget must be submitted by governor

**January 14:** Last day for policy committees to hear and report to fiscal committees on fiscal bills introduced in their house in 2021

**January 21:** Last day for any committee to hear and report to the Floor bills introduced in their house in 2021

January 21: Last day to submit bill requests to the Office of Legislative Counsel

January 31: Last day for each house to pass bills introduced in 2021 in their house

February 18: Last day for bills to be introduced

During December, legislators, their staff, the governor, and his staff are all completing their office moves over to the "swing space" at 10th and O Street to allow for the rebuilding of the Capitol annex which is estimated to be completed in 2025. This will necessitate a number of adjustments both as it pertains to lobbying, as well as to the location of committee hearings. The new swing space has four committee rooms, which will be utilized for larger hearings traditionally taking place in the Capitol annex.

**Budget Updates:** Both the Senate and Assembly Budget Committees released overviews of their priorities for 2022 last week, in advance of the governor's January 10 proposal.

The <u>Senate's Key Values</u> document was a preview of their detailed Senate budget priorities to be released early next year. Below are their high-level areas of focus.

Attachment B

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#### Strengthen Equity/Meet Gann Limit Requirements

- Maximize infrastructure investment.
- Build on targeted tax relief programs for families.
- Ensure ongoing commitments can be made to health, safety net, and higher education programs, and
- Consider reforms to modernize the Gann Limit.

#### Build a More Equitable Economy

- Support childcare, small businesses, and the essential workforce.
- Support aging Californians.
- Improve public health, mental health, and health access and affordability.
- Balance public safety and justice.
- Address housing challenges.
- Boost infrastructure including transportation, education, broadband, and climate/disaster resiliency.
- Protect school budgets.
- Improve higher education quality, affordability, and accessibility.
- Enhance climate, environment, and resource protection, and
- Strengthen wildfire mitigation and response.

The <u>Assembly Budget Blueprint</u> reviewed actions taken in the 2021-22 budget and prioritized the following for 2022:

- Implementation of 2021 investments including climate resilience, wildfires, broadband, and behavioral health.
- Addressing the State Appropriations (Gann) limit.
- Increased funding for education, particularly as it relates to mental health and learning loss.
- Ensuring homelessness and affordable housing funding are providing additional permanent and temporary housing.
- Oversight of the Employment Development Department's progress in implementing improvements.
- Preventing tenant evictions.
- Funding wildfire prevention and climate investments promptly.
- Improve public health infrastructure.
- Accountability measures for CalAIM and the Children and Youth Behavioral Health initiatives.
- Address disparities and needs in the child welfare and foster care system.
- Drought response and water resilience funding to the most vulnerable communities.
- Broadband access to inaccessible communities.
- Scrutinize prison operations and restore independent oversight in the Office of the Inspector General.
- Promote the creation of living wage jobs.

Attachment E

- Fund the Department of Toxic Substances Control to ensure resources to clean toxic sites.
- Major infrastructure investments:
  - \$10 billion for school facilities; \$10 billion for transportation projects including transit infrastructure; more affordable housing and homelessness prevention; modernize courthouses and leverage federal infrastructure funds.
  - Create an ongoing funding stream for supportive housing of indigent adults.
  - Bolster enrollment growth at UC and CSU.
  - $\circ$   $\;$  Attract new workers to health care, education, and childcare occupations.
  - Increase access to Medi-Cal, CalFresh, and CalWORKs through program simplification and expanded eligibility.
  - $\circ$   $\;$  More resources for violence and suicide prevention.
  - Focus on providing second chances for formerly incarcerated individuals.

*Legislative Prospective:* With the new legislative cycle a few weeks away, many lawmakers have already signaled their legislative priorities for 2022. These include existing issues like the COVID-19 pandemic, broadband funding, and the implementation of large-scale behavioral health programs.

Though we don't know much about the new Omicron strain of COVID-19, a number of bills are likely to be introduced relating to the ongoing pandemic. These include both legislation allowing personal belief exemptions as well as conflicting legislation mandating vaccinations or testing. Cal/OSHA is scheduled to meet on <u>December 16</u> and could expand worker protections related to COVID-19 that employers have been fighting throughout the pandemic. In addition, the State's \$6 billion investment in broadband will now be enhanced by more than \$100 million in federal funding which must be programmed.

Legislation that stalled in 2021 may also be revived in 2022, including attempts to decriminalize hallucinogens, the implementation of public injection sites in an effort to address substance abuse, development of a single-payer health system, and the regulation of social media platforms.

The continued fight for environmental protections could ramp up in 2022 with the recent oil spill off the coast of Orange County and a number of legislators' attendance at the Glasgow Climate Change Conference. Legislators have already committed to introducing bills that would ban oil drilling in state waters. Additionally, we could see administrative action on <u>battery-powered engines</u>, rules to prohibit wasteful water use, and <u>CPUC proposals</u> on Net Energy Metering reform.

Additionally, the upcoming legislative cycle could prove extra challenging for legislators, as revised maps from the California Citizens Redistricting Commission will greatly change some lawmakers' districts. Legislators will need to be cognizant of their new constituents, which could influence their voting and the legislation they choose to pursue. Competitive districts will change, making for a unique legislative year as legislators not only adjust to new Sacramento offices, but new districts with new priorities.

*LAO Fiscal Outlook: 2022-23 Budget:* November 17, the Legislative Analyst's Office (LAO) published a <u>report</u> on California's fiscal outlook for the 2022-23 budget. This report is an early projection of California's economic status for the upcoming fiscal year.

*Surplus*: Due to continued growing state revenues, the LAO projects a surplus of \$31 billion for the 2022-23 fiscal year. Retail sales have doubled in growth in 2021, stock prices have doubled since the pandemic low in Spring 2020, and major firms posted historically high earnings. As a result of this unexpected

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growth, the Legislature will need to allocate roughly \$14 billion to meet the constitutional requirement under State Appropriations Limit (SAL) by reducing taxes, spending more on excluded purposes like infrastructure, or making additional payments to schools and community colleges.

Spending to meet SAL: Prop 98 guarantees K-14 funding through a combination of state General Fund dollars and local property tax revenues. In remaining consistent with revenue increases, spending on K-14 schools is likely to increase by almost \$11 billion. Additionally, with the expansion of Transitional Kindergarten, a \$421 million spending increase in 2022-23 is anticipated. This leaves the Legislature with an estimated \$9.5 billion in ongoing discretionary funds available, and \$10.2 billion in one-time funds available, totaling \$19.7 billion for K-14 over the next 3 years in order to meet the constitutional requirement under SAL.

Spending in the rest of the budget is lower than projected by \$5 billion due to a number of factors, including savings associated with an enhanced federal share of certain Medicaid programs. The federal match increased 6.2% during the pandemic, and the continued enhanced share is assumed through March 2022. This means that General Fund spending will increase beginning the 4th quarter of the current fiscal year 2021-22 to fully cover Medi-Cal. Additionally, \$3.3 billion of spending set aside for transportation infrastructure that ultimately did not pass the Legislature will revert to the General Fun. As a result, the state may end up with an additional \$5.2 billion surplus in 2022-23 which is included in the total surplus projection of \$31 billion. The LAO suggests that the Legislature should plan to meet the SAL early to avoid adjustments during the governor's May revise.

*Reserves*: With the current LAO estimates, the state's constitutional reserves could reach 10% of revenues and transfers in the 2022-23 fiscal year, which is about \$21 billion in the Budget Stabilization Account. Pre-pandemic reserves were 13% of the state's revenues and transfers, so the state would need to make additional, discretionary deposits into one of the reserves to meet the state's reserves prior to the pandemic. The LAO recommends that the Legislature increase total reserves by more than the constitutionally mandated level to return to pre-pandemic levels sooner. Because the bulk of revenue and spending projections are dependent on legislative action, the LAO projects a surplus range between \$3 and \$8 billion through the 2025-26 budget.

*26<sup>th</sup> UN Climate Change Conference of the Parties:* This week, members of the Legislature and Lieutenant Governor Eleni Kounalakis traveled to and have been reporting from the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow, Scotland. Governor Newsom was originally scheduled to participate in the conference, however canceled his plans sending the Lieutenant Governor in his stead. Over the past year, the governor has signed executive orders to phase out internal-combustion vehicles, preserve 30 percent of the state's land and water by 2030, and phase out fracking by 2024 and oil extraction by 2045. \$15 billion was allocated in the 2021-22 Budget Act over the next three years by the governor and Legislature for climate programs.

Although California legislators originally branded the trip as one to showcase California's leadership in climate change, it became clear quickly that we still have a lot to learn from other countries and states as well as additional work to do in California.

Assembly Speaker Anthony Rendon (D-Lakewood), said that he anticipates reconsideration of AB 1395 or a similar measure in 2022 as a follow-up to the conference. AB 1395 (Muratsuchi), which failed passage on the Senate Floor in September, declares it is the policy of the state to achieve net zero greenhouse gas (GHG) emissions as soon as possible, but no later than 2045, and to achieve and maintain net negative GHG emissions thereafter. Additionally, it declares that it is a policy of the state to ensure

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that by 2045, statewide anthropogenic (originating from human activity) GHG emissions are reduced by at least 90% below 1990 levels, which includes emissions prevented by carbon capture and storage.

Senator Josh Becker (D-Menlo Park) also announced his intent this week to introduce a bill requiring California to reduce its emissions from state-owned vehicles, buildings, and other sectors to net zero by 2035, 10 years before the economy-wide target of 2045. He is additionally exploring legislation to streamline the building of low-carbon construction projects.

On Monday November 8, the California Air Resources Board, on behalf of the state of California, signed a <u>Joint Declaration</u> of cooperation in the fight against climate change with the governments of New Zealand and Québec. AB 32 (Chapter 488, Statutes of 2006) requires consultation with other states, the federal government, and other nations to identify the most effective strategies and methods to reduce greenhouse gases, manage greenhouse gas control programs, and to facilitate the development of integrated and cost-effective regional, national, and international greenhouse gas reduction programs. The Joint Declaration states the intent to:

- Share information, experiences, and best practices on the implementation of strategies, policies, and programs on the design of cap-and-trade systems for greenhouse gas emissions, measurement, reporting and verification systems, sustainable mobility, forestry, agriculture, and aligning incentives and investments to support and bolster climate action.
- Foster research, development, deployment, and exchange of clean technologies including in renewable energy, energy efficiency, energy storage, agriculture, and zero-emission transportation.
- Promote environmental integrity of carbon pricing instruments to reduce greenhouse gas emissions worldwide.
- Explore opportunities for potential future alignment of our respective cap-and-trade programs through focused information sharing and discussions related to cap setting, scope, auctions, allocation, market rules, and other key program design features.

Legislators attending the conference included Senators Josh Becker, Lena Gonzalez (D-Long Beach), Bob Hertzberg (D-Van Nuys), John Laird (D-Santa Cruz) and Bob Wieckowski (D-Fremont), Assembly Speaker Anthony Rendon, and Assemblymembers Isaac Bryan (D-Los Angeles), Lisa Calderon (D-Whittier), Laura Friedman (D-Glendale), Tasha Boerner Horvath (D-Encinitas), Eduardo Garcia (D-Coachella), Al Muratsuchi (D-Torrance), Luz Rivas (D-North Hollywood), Mark Stone (D-Scotts Valley), and Christopher Ward (D-San Diego).

*Select Committee on Ports and Goods Movement:* On November 3, the Assembly and Senate Select Committees on Ports and Goods Movement held a joint hearing to discuss recent issues contributing to delays in our national supply chain. The panelists consisted of experts representing ports in California, the retail industry, labor groups, and various agricultural organizations who provided feedback to lawmakers on factors hindering business operations as well as temporary solutions currently being utilized to address port congestion.

*Background:* Port congestion is detrimental to both the California and national economy. About 40% of all shipping containers entering the country come through the twin Los Angeles and Long Beach ports. Manufacturers are struggling to acquire products to meet consumer demand and farmers are struggling to secure empty containers to ship agricultural goods. Record demand for imported goods and labor shortages are contributing to the backlog of container ships, and these delays will ultimately lead to higher

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prices for consumers, greater wait times for goods, and could hinder California's post-pandemic economic recovery. The agriculture industry alone is experiencing a cancelation rate of about 80% of their bookings, leading to a \$7.5 million loss in sales for the industry.

*Labor Shortage:* As of October 19, 62 container ships were anchored off the coast waiting to unload at the Los Angeles and Long Beach ports. Current wait time for ships is now approximately ten days, over 3.8 days longer than the wait time during September. Before the backlog, containers were typically left at terminals for less than four days, however, recently, approximately 40% of containers are left for nine or more days. Both ports are now implementing fines for containers left for long periods of time in hopes of expediting the process.

The nation's transportation industry is also facing an unprecedented worker shortage. According to the Labor Department, job openings in the transportation, warehousing, and utilities sector have steadily increased this year and reached 537,000 in August - a 67% increase from February 2020. Older employees have retired or decided to transfer into other industries, and replacements are not forthcoming. As a result, ports lack truckers, dock workers, and other utility driver workers that are essential to the expedient unloading of materials into the United States.

*State Action:* The administration and ports have already taken some actions to address the supply chain backlog to try and improve it, and we anticipate further action when the Legislature returns in January. Earlier this year, GO-Biz launched the California Supply Chain Success Initiative, a partnership with the California State Transportation Agency, the Port of Long Beach, and the CSU Long Beach Center for International Trade and Transportation to engage stakeholders along the supply chain to discuss key challenges and identify creative solutions. This effort, which brought together federal, state, and local leaders, is focused on both short-term and long-term steps to address port congestion, improving collaboration, and exploring policies to remove obstacles and improve the movement of goods.

On Wednesday, October 20, Governor Newsom signed Executive Order N-19-21 formalizing efforts already underway to address supply chain shortfalls. The Executive Order directs that within 30 days, the Department of Transportation and the California State Transportation Agency, in collaboration with industry stakeholders, shall evaluate and identify priority freight routes to be considered for a temporary exemption to current gross vehicle weight limits; GO-Biz shall identify non-state sites, including private, locally owned, and federally owned parcels, that could be available to address short-term storage needs; the Department of General Services shall complete its review of state owned property in proximity to impacted ports that may be made available to address short-term storage needs by December 15, 2021 and shall collaborate with other state agencies to expedite leasing for the purpose of storing cargo containers on state-owned parcels; and the California Labor and Workforce Development Agency shall identify potential high road training partnerships to increase education, career technical education, skilled job training, and workforce development opportunities for port workers and other workers across the supply chain.

Additionally, the Executive Order directs the California Labor and Workforce Development Agency to announce the membership of the industry panel established by AB 639 (Cervantes, 2020) by December 31, 2021 and convene the panel for its first meeting by March 1, 2022. AB 639 requires that the Labor and Workforce Development Agency and California Workforce Investment Board oversee a stakeholder process to develop recommendations on how to address automation at the Port of Los Angeles and the Port of Long Beach.

*Emerging Projects Agreement:* Last week, the U.S. Department of Transportation and Governor Newsom announced a federal-state partnership, dubbed the Emerging Projects Agreement, to identify funding for infrastructure projects at California ports. There is currently an imbalance in the investments in ports in California versus ports on the east coast that receive eleven times more funding from the federal government. \$5 billion in loans will be issued to the Long Beach and Los Angeles port authorities in part through two Department of Transportation credit assistance programs: the Transportation Infrastructure Finance and Innovation Act and Railroad Rehabilitation and Improvement Financing.

The loans are intended to expedite a network of projects including expanding rail capacity, developing inland port facilities for increased warehouse storage, and highway upgrades. However, these are longer term projects and will do little to alleviate the current backlog.

On October 20, President Biden announced an agreement with the Port of Los Angeles to increase operations to 24 hours, seven days per week as a short-term solution. FedEx, Walmart, and UPS also reportedly plan to increase operations to 24 hours. Long Beach officials have even suspended a portion of the city's municipal code limiting container stacking heights outside the port complex to immediately increase storage capacity within our California ports.

The California Business Roundtable, along with a number of statewide business associations, requested that an Extraordinary Session of the Legislature be called for the purpose of repealing, suspending, or reforming state laws and regulations hindering expeditious service at California ports. A group of ten Assembly Republicans, led by Kevin Kiley, echoed that request. Newsom's senior advisor and director of GO-Biz said she'd received the letter and that there would be no state of emergency, however the governor has yet to publicly address whether a special session will be called.

*Housing Strike Force:* This fall, Attorney General Rob Bonta announced the formation of a Housing Strike Force made up of deputy attorneys general with expertise in housing and related matters to work with state agencies and other partners in addressing the housing crisis and to enforce state laws aimed at increasing housing supply and providing housing security. In part, this action came as a result of <u>AB 215</u> (Chiu, Chapter 342, Statutes of 2021) which provides the Department of Housing and Community Development and the Attorney General with additional enforcement authority for local agency violations of housing laws.

Specifically, the Housing Strike Force will:

- Enforce state housing and development laws in the Attorney General's independent capacity and on behalf of the Department of Justice's client agencies;
- Enforce tenant rights, mortgage servicing, and other consumer protection laws;
- Issue consumer alerts advising tenants and homeowners on their protections under state and federal law;
- Issue guidance letters to local governments on state housing laws;
- Defend state housing and tenant protection laws from legal challenges; and
- Advocate with the state legislature, federal agencies, and other state agencies to advance a right to housing.

As an Assemblymember, Bonta introduced <u>ACA 10</u>, which if passed and approved by California voters, would have declared in the California Constitution that housing is a fundamental human right and is the shared responsibility of both state and local governments. ACA 10 did not move forward, however, <u>AB</u>

## **Schedule of Meetings**

#### Published January 27, 2022

This is a courtesy notice only. Meeting dates, times, and locations are subject to change. Almost all Palo Alto Council and some Standing Committee meetings are cablecast live on Channel 26. If there happens to be concurrent meetings, one meeting will be broadcast on Channel 29.

Until further notice, all meetings will be held virtually.

**THURSDAY, JANUARY 27** Historic Resources Board Meeting, 8:30 a.m.

**MONDAY, JANUARY 31** Sp. City Council Meeting, 5 p.m.

**TUESDAY, FEBRUARY 1** Sp. Finance Committee Meeting, 6 p.m.

WEDNESDAY, FEBRUARY 2 Sp. Utilities Advisory Commission Meeting, 5 p.m.

**THURSDAY, FEBRUARY 3** Architectural Review Board Meeting, 8:30 a.m.

**SATURDAY, FEBRUARY 5** City Council Retreat, 8:30 a.m.

**MONDAY, FEBRUARY 7** Sp. City Council Meeting, 5 p.m.

**TUESDAY, FEBRUARY 8** Policy & Services Committee Meeting, 7 p.m.

**WEDNESDAY, FEBRUARY 9** Planning & Transportation Commission Meeting, 6 p.m.

**THURSDAY, FEBRUARY 10** Historic Resources Board Meeting, 8:30 a.m. Human Relations Commissions Meeting, 6 p.m.

**FRIDAY, FEBRUARY 11** Parks and Recreation Commissions Retreat, 10:30 a.m.

**MONDAY, FEBRUARY 14** Sp. City Council Meeting, 5 p.m.

**TUESDAY, FEBRUARY 15** Finance Committee Meeting, 7 p.m.

**THURSDAY, FEBRUARY 17** City/School Liaison Committee Meeting, 8:30 a.m. Architectural Review Board Meeting, 8:30 a.m. Public Art Commission Meeting, 7 p.m.

MONDAY, FEBRUARY 21 City Council Meeting, 6 p.m. (CANCELLED DUE TO HOLIDAY)

Persons with disabilities who require auxiliary aids or services in using City facilities or programs, or who would like information on the City's compliance with the Americans with Disabilities Act (ADA) of 1990, may contact: ADA Coordinator, City of Palo Alto, 650-329-2550 (voice) or 329-1199 (TDD), ada@cityofpaloalto.org. Listening assistive devices are available in the Council Chambers. Sign language interpreters will be provided upon request with 72 hours advance notice. Please advise the City Clerk's Office (650-329-2571) of meetings or changes by 3:00 p.m. on Wednesdays for inclusion in the following week's

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