



FINANCE COMMITTEE ACTION MINUTES

Special Meeting
May 12, 2021

The Finance Committee of the City of Palo Alto met on this date in virtual teleconference at 9:00 A.M.

Present: Burt, Cormack, Filseth

Absent:

Action Items

1. Fiscal Year 2022 May 11 Budget Hearing Continuation.

NO ACTION TAKEN

2. Community and Library Services
 - a. Community Services
 - b. Library.

The Committee took a break at 10:31 A.M. and returned at 10:38 A.M.

The Committee took a break at 11:27 A.M. and returned at 11:45 A.M.

MOTION: Chair Cormack moved, seconded by Vice Mayor Burt to:

- A. Tentatively approve the Community Services Department (CSD) and Library Department budgets with the exception of Human Services contracts;
- B. Restore Fiscal Year 2022 Library cuts (\$550,000) to the parking lot;
- C. Restore to the parking lot:
 - i. CSD cuts from the below list:

Art Center Operating Hours/Program/fees	(\$226,817)
Eliminate CSD Administrative Support Staffing and Enjoy! Catalog Production	(\$172,200)
Sports and Recreation Reductions, Fees, and Staffing	(\$117,202)

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Junior Museum and Zoo (JMZ) Marketing Reduction	(\$100,000)
Cubberley Theater Administrative Staffing Reduction	(\$94,123)
Children’s Theater Operations and Production Staffing Reduction	(\$68,224)
Eliminate Baylands Interpretive Center Public Hours	(\$15,321)
Eliminate Cubberley Artist Studio Administration Staffing	(\$12,173)

- ii. Addition of \$125,000 to the CSD budget to be allocated at the Director’s discretion;
- iii. CSD Director to provide a small number of free daily passes to the JMZ at the Library;
- iv. Include Children’s Theater outreach programs in discussion with the school district; and

D. Establish a Council uncertainty reserve of \$500,000 to the parking lot.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to change the amounts restored to the parking lot to the below list:

Art Center Operating Hours/Program/Fees	(\$208,025)
Eliminate CSD Administrative Support Staffing	(\$152,200)
Sports and Recreation Reductions, Fees, and Staffing	(\$38,202)
Junior Museum and Zoo (JMZ) Marketing Reduction	(\$50,000)
Cubberley Theater Administrative Staffing Reduction	(\$94,123)
Children’s Theater Operations and Production Staffing Reduction	(\$68,224)
Eliminate Baylands Interpretive Center Public Hours	(\$15,321)
Eliminate Cubberley Artist Studio Administration Staffing	(\$12,173)

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to change Motion, Part C.ii. and Part D to include the phrase “one-time”.

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INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, Part C.ii. "allocated at Staff discretion".

MOTION AS AMENDED: Chair Cormack moved, seconded by Vice Mayor Burt to:

- A. Tentatively approve the Community Services Department (CSD) and Library Department budgets with the exception of Human Services contracts;
- B. Restore Fiscal Year 2022 Library cuts (\$550,000) to the parking lot;
- C. Restoration to the parking lot of:

- i. CSD cuts from the below list:

Art Center Operating Hours/Program/Fees	(\$208,025)
Eliminate CSD Administrative Support Staffing	(\$152,200)
Sports and Recreation Reductions, Fees, and Staffing	(\$38,202)
Junior Museum and Zoo (JMZ) Marketing Reduction	(\$50,000)
Cubberley Theater Administrative Staffing Reduction	(\$94,123)
Children’s Theater Operations and Production Staffing Reduction	(\$68,224)
Eliminate Baylands Interpretive Center Public Hours	(\$15,321)
Eliminate Cubberley Artist Studio Administration Staffing	(\$12,173)

- ii. Addition of a one-time \$125,000 to the CSD budget to be allocated at Staff discretion;
 - iii. CSD Director to provide a small number of free daily passes to the JMZ at the Library;
 - iv. Include Children’s Theater outreach programs in discussion with the school district; and
- D. Establish a one-time Council uncertainty reserve of \$500,000 to the parking lot.

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MOTION AS AMENDED PASSED: 2-1 Filseth no

3. Planning and Transportation
 - a. Planning and Development Services
 - b. Office of Transportation
 - c. Special Revenue Funds.

MOTION: Council Member Filseth moved, seconded by Chair Cormack to recommend tentative approval of the Planning and Transportation and Special Revenue Fund budget with the following to be moved to the parking lot: TMA funding (\$350,000) and the restoration of one Planning Staff (\$138,000).

MOTION PASSED: 3-0

The Finance Committee took a break at 1:24 P.M. and returned at 2:00 P.M.

4. Fiscal Year 2022 Budget Hearing Continuation.

NO ACTION TAKEN

5. FY 2022 Proposed Municipal Fees and Charges.

MOTION: Vice Mayor Burt moved, seconded by Council Member XX to direct Staff to provide an update on the projected Golf Course revenue for 2022 for Council consideration during Budget discussions.

MOTION FAILED DUE TO THE LACK OF A SECOND

MOTION: Chair Cormack moved, seconded by Council Member Filseth to recommend tentative approval of the FY 2022 Proposed Municipal Fees and Charges, including the at places memo provided by Staff.

MOTION PASSED: 3-0

6. Infrastructure and Environment
 - a. Utilities: Operating
 - i. Electric Fund
 - ii. Fiber Optics Fund
 - iii. Gas Fund
 - iv. Wastewater Collection Fund
 - v. Water Fund
 - b. Public Works: Operating
 - i. General Fund

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- ii. Airport Fund
- iii. Refuse Fund
- iv. Stormwater Management Fund
- v. Vehicle Replacement Fund
- vi. Wastewater Treatment Fund

MOTION: Chair Cormack moved, seconded by Council Member Filseth to recommend tentative approval of Infrastructure and Environment, Utilities and Public Works Operating Funds with the addition that the commodity purchase number for gas should be reduced by \$1.6 million.

MOTION PASSED: 3-0

- 7. Citywide Internal Support and Administration
 - a. Information Technology
 - b. Administrative Services (Including Printing and Mailing Fund)
 - c. Human Resources
 - d. City Attorney's Office
 - e. City Auditor's Office
 - f. City Clerk's Office
 - g. City Manager's Office
 - h. City Council
 - i. Non-Departmental Funds
 - i. General Benefits Funds
 - ii. Workers Compensation Fund
 - iii. General Liabilities Insurance Program
 - iv. Retiree Health Benefit Fund
 - v. Debt Service Fund.

MOTION: Chair Cormack moved, seconded by Council Member Filseth to recommend tentative approval of the Citywide Internal Support and Administration Funds; and to place the Council Contingency Fund, Minutes Transcription Services, and the lobbying contract (\$40,000) in the parking lot.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to include the \$45,000 dollars in the budget for the current lobbying budget.

MOTION AS AMENDED: Chair Cormack moved, seconded by Council Member Filseth to recommend tentative approval of the Citywide Internal Support and Administration Funds; and to place the Council Contingency Fund, Minutes Transcription Services, and the lobbying contract (\$45,000) in the parking lot.

MOTION AS AMENDED PASSED: 3-0

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2. Community and Library Services (CONTINUED)
 - a. Community Services
 - b. Library Services.

MOTION: Chair Cormack moved, seconded by Council Member Filseth to recommend tentative approval of the budget for Human Services contracts; and to place in the parking lot \$50,000 for an increase to the Human Services Resource Allocation Process (HSRAP).

AMENDMENT: Vice Mayor Burt moved, second by Council Member XX to place in the parking lot the doubling of funding for HSRAP funds over the next two years.

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

MOTION PASSED: 2-1 Burt no

The Finance Committee took a break at 4:25 P.M. and returned at 4:40 P.M.

8. May 3, 4, 11, and 12 Budget Hearing Summary Discussion.

MOTION: Chair Cormack moved, seconded by Council Member Filseth to recognize 50 percent of the ARPA Allocation and move to the Budget (\$600,000).

MOTION PASSED: 3-0

AMENDMENT: Vice Mayor Burt, seconded by Council Member XX to add 60 percent of the ARPA funds to this year's budget and 40 percent to Fiscal Year 2023.

AMENDMENT FAILED DUE TO LACK OF A SECOND

MOTION: Chair Cormack moved, seconded by Council Member Filseth to reduce the Council Contingency budget by \$100,000.

MOTION PASSED: 2-1 Burt no

MOTION: Council Member Filseth moved, seconded by Chair Cormack to reduce the Budget Stabilization Reserve (BSR) by \$2.5 million.

MOTION PASSED: 3-0

MOTION: Chair Cormack moved, seconded by Council Member Filseth to add \$50,000 to Fire Budget for Diversity Training.

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MOTION PASSED: 3-0

MOTION: Vice Mayor Burt moved, seconded by Council Member Filseth to allocate \$50,000 Stanford University Medical Center funds (Community Health and Safety) toward HSRAP Allocation.

MOTION PASSED: 3-0

MOTION: Chair Cormack moved, seconded by Council Member Filseth to direct the Finance Committee to forward to Council the list of discussion points and adjustments to the Budget on the Staff spreadsheet.

MOTION PASSED: 3-0

Adjournment: The meeting was adjourned at 6:04 P.M.