



City of Palo Alto

Finance Committee Staff Report

(ID # 5946)

Report Type: Action Items

Meeting Date: 8/18/2015

Summary Title: 3rd Quarter FY 2015 Financial Report

Title: Third Quarter Fiscal Year 2015 Financial Report

From: City Manager

Lead Department: Administrative Services

Motion

Staff recommends that Finance Committee review and approve the Third (3rd) Quarter financial report.

Background

The purpose of this report is to provide the Finance Committee with information on the financial status of the City's General Fund and Enterprise Funds as of the end of the 3rd Quarter of fiscal year (FY) 2015.

As reported in the FY 2016-2025 General Fund Long Range Financial Forecast and the FY 2016 Operating Budget, the City's major tax revenue streams continue to exceed expectations. As a result, the mid-year budget changes for FY 2015 included a \$4.8 million upward adjustment in revenues, a 3.2 percent increase over the FY 2015 Adopted Budget. Expenses were also adjusted and, after subtracting Budget Amendments authorized by Council, the net projected surplus for FY 2015 was estimated at \$4.3 million. Attachment A contains a line by line report of major revenues and expenditures, as well as a comparison to the FY 2015 Adopted Budget and Adjusted Budget as of March 31, 2015. The net projected surplus for FY 2015 was increased to \$8.0 million in June 2015 as part of the presentation of the FY 2016 Operating Budget to City Council.

Revenue activity subsequent to the mid-year budget changes in March indicates it is now likely that FY 2015 will end with a surplus in excess of \$8 million due to items such as an extraordinarily large \$3.3 million documentary transfer tax receipt, and one-time receipts for excess Educational Revenue Augmentation Funds (ERAF) and reimbursement of state unfunded mandates. As approved in the FY 2016 Operating Budget, \$2.1 million of the FY 2015 surplus will be used to fund one-time expenditures in FY 2016.

Discussion

GENERAL FUND

Revenue Highlights for FY 2015 3rd Quarter Year to Date (YTD)

Following is a table which highlights the City's major revenue sources for the 3rd Quarter YTD, compared to the same period of the prior year. Revenue for each period is expressed as a percentage of Adjusted/Final Budget.

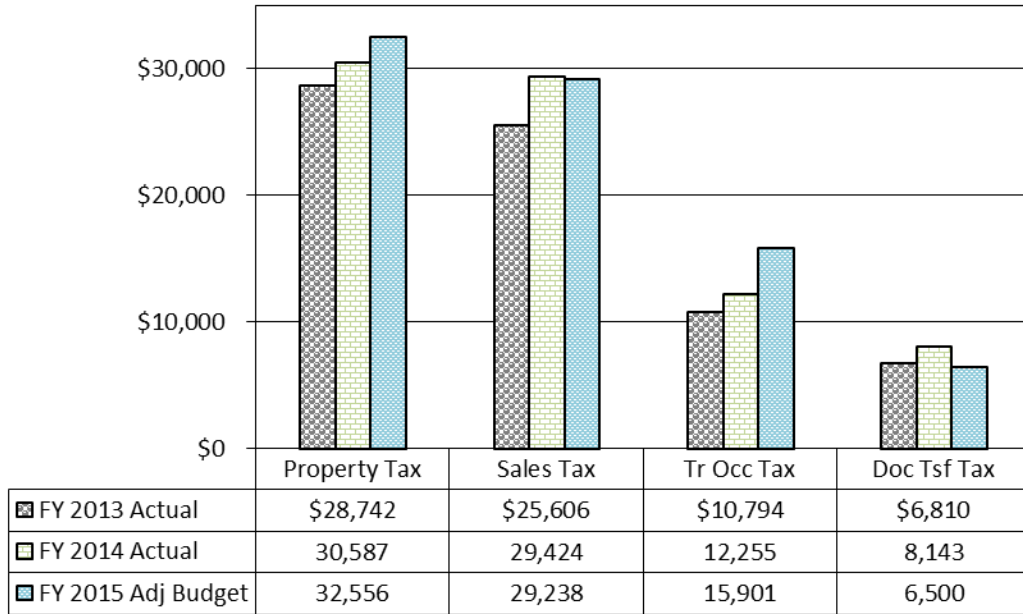
City of Palo Alto General Fund Revenues FY 2015 3rd Quarter YTD (000's)							
	3rd Quarter YTD Actuals			Adjusted Budget		Final Budget	
	FY 2015	FY 2014	% change	FY 2015	%	FY 2014	%
	Inc (Dec)						
Property tax	\$ 20,715	\$ 19,042	9%	\$ 32,556	64%	\$ 30,251	63%
Sales tax	17,703	20,425	(13%)	29,238	61%	27,352	75%
Charges for services	18,052	15,334	18%	24,863	73%	22,445	68%
Utility user tax	8,070	8,048	0%	10,895	74%	11,386	71%
Transient occupancy tax	9,400	7,553	24%	15,901	59%	12,318	61%
Documentary transfer tax	4,744	5,610	(15%)	6,500	73%	7,395	76%
Permits and licences	6,288	4,961	27%	7,738	81%	7,942	62%
All other revenue sources	23,230	21,646	7%	29,652	78%	30,027	72%
Total General Fund Revenues	\$ 108,202	\$ 102,619	5%	\$ 157,343	69%	\$ 149,116	69%

In total, revenue is up \$5.6 million, or 5 percent, from prior year as of the end of the 3rd Quarter YTD. After factoring out a FY 2014 anomaly in the Charges for Services line (\$2.0 million explained later), the "normalized" increase in revenue for the nine month period is \$3.6 million, or 3.5 percent, driven primarily by property tax and transient occupancy tax increases. In total, receipts are at 69 percent of Adjusted Budget, which is typical for the end of the 3rd Quarter due to property tax receipts which spike in the last quarter of the fiscal year. It is important to note that the FY 2015 Adjusted Budget includes the voter approved Transient Occupancy Tax increase from 12% to 14% effective January 1, 2015 and the voter approved Telephone Utility Tax decrease from 5% to 4.75% effective April 1, 2015.

Following is a chart which demonstrates the three year trend for major sources of General Fund tax revenue, and compares FY 2013 and FY 2014 actuals with FY 2015 Adjusted Budget. As detailed in the City's most recent Long Range Financial Forecast, all major tax revenue streams are expected to continue a positive trajectory. Property tax and transient occupancy tax are expected to continue strong growth trends, while sales tax and documentary transfer tax will

advance at a slower rate. The chart is followed by a more detailed discussion of each major revenue category.

General Fund Tax Revenues
FY 2013 and 2014 Actuals Compared to FY 2015 Adjusted Budget
 (000's)



Property tax revenue at the close of 3rd Quarter YTD was \$20.7 million, an increase of 9 percent over the same period prior year. Property tax is received from the County of Santa Clara during the 2nd, 3rd and 4th quarters of the year, and receipts at 64 percent of full-year budget is typical for this line item through March 31. The FY 2015 Adjusted Budget is \$32.6 million, 6.4 percent higher than the prior year's actual revenue of \$30.6 million. Staff expects property tax revenue will exceed FY 2015 Adjusted Budget by \$1.4 million, primarily due to a one-time receipt of \$0.9 million for an excess ERAF distribution from the County of Santa Clara. ERAF is the fund used to collect and disburse property taxes that are shifted to/from cities, the county and special districts prior to their reallocation to K-14 school agencies.

Property tax increases are driven by high demand in the residential sector and robust activity in the commercial property market. Palo Alto's single family home median sale price has doubled since 2008 and currently stands at \$2.5 million. The current trend in real estate activity is expected to continue into FY 2016, as evidenced by continued growth in assessed values resulting from robust sales such as seven large commercial sales in May, 2015, which alone are expected to increase FY 2016 property tax revenue by \$0.5 million.

Sales tax revenue for 3rd quarter YTD has decreased \$2.7 million, or 13 percent, from the same period last year for a total of \$17.7 million in receipts YTD. FY 2014 revenue through 3rd Quarter included a large one-time receipt from a single vendor. After adjusting for this anomaly, sales tax revenue declined \$1.1 million from prior year, a decrease of 6 percent. Through the first three quarters of the fiscal year, receipts are at 61 percent of Adjusted Budget. The FY 2015 Adjusted Budget includes a one-time positive adjustment of \$1.7 million to align the accrual period with the fiscal year. In prior years sales tax was accrued through the period ended May 15. Effective for FY 2015 sales tax will be accrued through June 30, which creates a one-time revenue addition of \$1.7 million for the period May 16 through June 30. This is a one-time accounting adjustment which will be made in the 4th Quarter.

Sales tax revenue continues to show positive growth and has fully recovered from the depths of FY 2010. Staff expects that full-year revenue will be very close to the Adjusted Budget amount of \$29.2 million.

Transient occupancy tax (TOT) revenue reached \$9.4 million through the end of the 3rd Quarter, an increase of \$1.8 million from prior year. Average daily room rates increased 14 percent from prior year - \$202 per day to \$230 per day - while average occupancy rates remained flat at 77 percent. The Epiphany Hotel has been open for a full year, and two new Hilton hotels opened in March, 2015. The Clement Hotel is expected to open at the end of this calendar year.

Effective January 1, 2015, the TOT rate increased from 12 percent to 14 percent. In the first three months, the 2 percent increase generated \$0.6 million in revenue. As part of closing the FY 2015 Budget, staff will bring forward a recommendation to allocate the receipts from both the 2 percent rate increase and the newly opened hotels to the Infrastructure Reserve.

Documentary transfer tax revenue for the nine months ended March 31 totals \$4.7 million, down \$0.9 million or 15 percent from the prior year. An unusually large sale of commercial properties by Hudson Pacific resulted in a \$3.3 million receipt in the 4th Quarter. Staff expects full year revenue will be in excess of \$9.8 million, the highest year on record and 32.5 percent higher than last year.

Charges for services revenue through the first three quarters of FY 2015 is up \$2.7 million from the same period last year, primarily due to a \$2.0 million timing difference in the billings to Stanford University for fire and emergency services. After adjusting for this anomaly, this revenue category is up \$0.7 million from prior year, primarily driven by an increase in the annual charge to Stanford for fire services.

Permits and licenses revenue for 3rd Quarter YTD is up \$1.3 million from the same period prior year due to a 3rd Quarter surge in new construction permits. This revenue category will be adjusted at year-end to defer a portion of revenue to FY 2016 for those permits that are in progress at June 30.

Expense Highlights for FY 2015 3rd Quarter YTD

Following is a table which highlights the City's expenses by function for the 3rd Quarter YTD, and compares expenses to the same period prior year. In addition, the expense for the period is expressed as a percentage of budget for each of the years.

City of Palo Alto General Fund Expenses FY 2015 3rd Quarter YTD (000's)							
	3rd Quarter YTD Actuals			Adjusted Budget		Final Budget	
	FY 2015	FY 2014	% change	FY 2015	%	FY 2014	%
	Inc (Dec)						
Public safety	\$ 45,775	\$ 45,548	0%	\$ 63,460	72%	\$ 63,628	72%
Community services	16,688	16,172	3%	24,339	69%	23,888	68%
Public works	9,777	9,906	(1%)	14,475	68%	14,380	69%
Development services	6,852	0	N/A	10,900	63%	0	N/A
Planning and community env	5,297	8,972	(41%)	9,018	59%	15,150	59%
Library	5,802	5,384	8%	8,301	70%	8,254	65%
Administrative services	5,341	5,276	1%	7,417	72%	7,363	72%
All other departments	14,042	14,499	(3%)	24,509	57%	20,946	69%
Total General Fund Expenses	\$ 109,574	\$ 105,757	4%	\$ 162,419	67%	\$ 153,609	69%

Actual expenses through the first three quarters of the fiscal year total \$109.6 million, a 4 percent increase over prior year. The expenses are right in line with the Adjusted Budget at 67 percent of full-year budgeted amounts.

Effective July 2, 2014, as approved in the FY 2015 Adopted Budget, Development Services was separated from Planning and Community Environment so that development partners could work together more comprehensively and provide a higher quality of service. Salary and non-salary expenses were identified and transferred out of the Planning, Fire, Information Technology, and Public Works departments. The largest expense transfer was from the Planning Department.

Library expenses are up over prior year due to increased staffing costs as a result of the Mitchell Park and Rinconada Libraries both re-opening in FY 2015.

Public Safety comprises the largest portion of General Fund expenditures – 42 percent of actuals as of March 31. Following is the detail for Public Safety overtime expenses through the 3rd Quarter of the current fiscal year:

Public Safety							
Salaries and Overtime Expense							
FY 2015 3rd Quarter YTD							
(000's)							
	3rd Quarter YTD Actuals			Adjusted Budget			
	FY 2015	FY 2014	% change	FY 2015	%	FY 2014	%
	Inc (Dec)						
Police - Salaries	\$ 11,497	\$ 11,147	3%	\$ 15,750	73%	\$ 15,825	70%
Police - Overtime	1,497	1,358	10%	1,500	100%	1,500	91%
Total Police	12,994	12,505	4%	17,250	75%	17,325	72%
Fire - Salaries	8,352	8,920	(6%)	12,364	68%	12,813	70%
Fire - Overtime	1,708	1,768	(3%)	1,475	116%	1,475	120%
Total Fire	10,060	10,688	(6%)	13,839	73%	14,288	75%
Total Public Safety							
Salaries & Overtime	\$ 23,054	\$ 23,193	(1%)	\$ 31,089	74%	\$ 31,613	73%

Police overtime has increased \$0.1 million, or 10 percent, over the same period last year. On a combined basis, salaries and overtime are at 75 percent of budget through the first nine months of the fiscal year. Overtime cost is primarily due to vacancies, which increased from 8 positions to 11 positions. The Department's overtime analysis is included in Attachment B.

Fire overtime has decreased slightly from the same period last year. On a combined basis, salaries and overtime are at 73 percent of budget through the first nine months of the fiscal year. Overtime cost is driven by vacancies. Vacancies increased from 4 to 9, all of which are being held open pending the outcome of negotiations on the Stanford fire services contract. The Department's overtime analysis is included in Attachment B.

General Fund Budget Stabilization Reserve (BSR) Balance

The General Fund BSR balance as of July 1, 2014 was \$35.1 million. Staff anticipates the City could end the year with an \$8 million surplus due to continued upward revenue trends through the 4th Quarter, and items such as one-time receipts for excess ERAF (\$0.9 million) and reimbursement of state unfunded mandates (\$1.0 million). As part of closing the FY 2015 Budget, staff will bring forward recommendations to allocate budget surplus funds, including a transfer to the Infrastructure Reserve.

ENTERPRISE FUNDS

Following is a summary of change in net position for each of the Enterprise Funds for the nine months ended March 31, 2015, including a comparison of results from the same period last year.

Enterprise Funds Operating Revenue					
	3rd Quarter YTD Actuals		% Change Inc(Dec)	Adjusted	%
	FY 2015	FY 2014		Budget FY 2015	
Electric	\$ 90,832	\$ 92,248	(2%)	\$ 124,652	73%
Water	27,040	30,686	(12%)	38,120	71%
Gas	23,995	27,804	(14%)	33,557	72%
Refuse	23,293	22,538	3%	30,570	76%
Wastewater treatment	16,701	16,317	2%	22,353	75%
Wastewater collection	11,743	11,533	2%	16,270	72%
Storm Drainage	4,662	4,550	2%	6,048	77%
Fiber Optic	2,783	2,799	(1%)	4,025	69%
Airport	407	0	N/A	2,060	20%
Operating Revenue YTD	\$ 201,456	\$ 208,475	(3%)	\$ 277,655	73%

Water Fund 3rd Quarter YTD revenue has decreased \$3.6 million, or 12 percent, from same period prior year due to reduced water usage by retail and wholesale customers, as requested by the San Francisco Public Utilities Commission in response to California's fourth year of drought.

Gas Fund 3rd Quarter YTD revenue declined \$3.8 million, or 14 percent, from same period prior year due to markedly reduced consumption over the course of the winter months November through February.

Airport Fund 3rd Quarter YTD revenue is \$0.4 million. City of Palo Alto took over operation of the Airport from County of Santa Clara during the 1st Quarter of FY 2015. Revenue sources include tie-down fees and rental revenue.

Enterprise Funds Operating Expenses					
	3rd Quarter YTD Actuals		% Change Inc(Dec)	Adjusted Budget	
	FY 2015	FY 2014		FY 2015	%
Electric	\$ 78,608	\$ 69,862	13%	\$ 120,603	65%
Water	19,291	18,639	3%	32,043	60%
Refuse	18,668	18,829	(1%)	28,456	66%
Gas	15,683	16,690	(6%)	26,848	58%
Wastewater treatment	13,569	12,864	5%	20,407	66%
Wastewater collection	9,303	9,217	1%	14,227	65%
Storm Drainage	1,866	1,577	18%	3,029	62%
Fiber Optic	1,048	977	7%	2,288	46%
Airport	835	304	175%	1,235	68%
Operating Expenses YTD	\$ 158,871	\$ 148,959	7%	\$ 249,136	64%

Electric Fund operating expenses through the 3rd Quarter total \$78.6 million, or 13 percent higher than the same period last year due to increased spot market purchases as a result of less hydroelectric power.

Gas Fund expenses have declined \$1.0 million, or 6 percent, from prior year due to lower commodity prices.

Wastewater Treatment Fund expenses have increased 5 percent over the same period last year due to increased salaries and benefit expense as a result of filling vacancies, and higher allocated charges.

Storm Drainage Fund expenses have increased \$0.3 million, or 18 percent, over the same period last year, primarily due to an increase in allocated charges.

Fiber Optics Fund expenses are 7 percent higher than the same period last year due to increased salaries and allocated administrative expenses.

Airport Fund expenses have increased due to assumption of active operations from County of Santa Clara in the 1st Quarter. Airport expenses are being partially funded by a loan from the General Fund.

Pension and Retiree Medical Liabilities

Long-term unfunded liabilities for pension and retiree medical continue to be the dominant issue in discussion of the City's long-range financial planning. At the direction of City Council, Staff will bring forward a report in September 2015 which identifies potential strategies to address these unfunded liabilities.

In order to slow the growth of pension costs over the long term, the City implemented a second tier pension formula in 2011 (2% @ 60) and the California Public Employees' Pension Reform Act of 2013 (PEPRA) mandated a third tier pension formula of 2% @ 62 effective January 1, 2013. Following is a table which shows the employee count in each of the Miscellaneous and Safety plans as of June 1, 2015. As of that date, 28 percent of the City's full-time employees were enrolled in Tier 2 and Tier 3 plans.

Miscellaneous Plans			Safety Plans		
Employee Group	# of Employees		Employee Group	# of Employees	
	6/1/2015			6/1/2015	
City Council and Council Appointed Officers	Tier 1	6	IAFF	Tier 1	80
	Tier 2	2		Tier 2	6
	Tier 3	2		Tier 3	6
Sub-total	10		Sub-total	92	
Management and Professional	Tier 1	112	PAPOA	Tier 1	65
	Tier 2	44		Tier 2	3
	Tier 3	27		Tier 3	12
Sub-total	183		Sub-total	80	
Service Employees International Union	Tier 1	377	Police Management	Tier 1	7
	Tier 2	73		Tier 2	1
	Tier 3	95		Tier 3	0
Sub-total	545		Sub-total	8	
Utilities Management	Tier 1	44	Fire Chiefs Association (non-sworn)	Tier 1	5
	Tier 2	0		Tier 2	0
	Tier 3	1		Tier 3	0
Sub-total	45		Sub-total	5	
Total	Tier 1	539	Total	Tier 1	157
	Tier 2	119		Tier 2	10
	Tier 3	125		Tier 3	18
Grand Total Misc Plans		783	Grand Total Safety Plans		185
%	Tier 1	69%	%	Tier 1	85%
	Tier 2	15%		Tier 2	5%
	Tier 3	16%		Tier 3	10%
	Tier 1	2.7% @ 55		Tier 1	3% @ 50
	Tier 2	2% @ 60		Tier 2	3% @ 55
	Tier 3	2% @ 62		Tier 3	2.7% @ 57

As of June 30, 2014 the City's unfunded pension and retiree medical liabilities totaled \$439 million. The Governmental Accounting Standards Board (GASB) passed new accounting standards for the presentation of pension liability which will be effective for FY 2015. The primary changes relate to amortization periods and disclosure, and the impact of these changes will be included in Staff's September 2015 presentation on strategies for funding of long-term liabilities. In addition, new accounting standards for presentation of the retiree medical liability were enacted and will be effective for FY 2018.

Attachments:

- Attachment A: General Fund Third Quarter Financial Report (XLSX)
- Attachment B: Public Safety Overtime Analysis (XLSX)

ATTACHMENT A
CITY OF PALO ALTO
GENERAL FUND THIRD QUARTER FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30, 2015
(in thousands)

Categories	BUDGET		ACTUALS (as of 03/31/2015)			
	Adopted Budget	Adjusted Budget	Pre Encumbr	Encumbr	Actual	% of Adj Budget*
Revenues & Other Sources						
Sales Tax	25,957	29,238	-	-	17,703	61%
Property Tax	31,927	32,556	-	-	20,715	64%
Transient Occupancy Tax	14,156	15,901	-	-	9,400	59%
Documentary Transfer Tax	7,514	6,500	-	-	4,744	73%
Utility Users Tax	11,285	10,895	-	-	8,070	74%
Motor Vehicle Tax, Penalties & Fines	2,164	2,168	-	-	1,340	62%
Charges for Services	23,013	24,863	-	-	18,052	73%
Permits & Licenses	7,804	7,738	-	-	6,288	81%
Return on Investment	685	685	-	-	796	116%
Rental Income	14,254	14,206	-	-	11,110	78%
From Other Agencies	453	453	-	-	603	133%
Charges To Other Funds	10,647	10,647	-	-	8,006	75%
Other Revenues	1,060	1,493	-	-	1,375	92%
Total Revenues	150,919	157,343	-	-	108,202	69%
Operating Transfers-In	18,433	18,620	-	-	13,639	73%
Encumbrances and Reappropriation		6,386	-	-	-	0%
Contribution from Budget Stabilization Reserve As Assumed in the Adopted Budget	1,732	1,732	-	-	-	0%
Total Sources of Funds	171,084	184,081	-	-	121,841	69%
Expenditures & Other Uses						
City Attorney	2,578	2,924	10	455	1,930	82%
City Auditor	1,065	1,075		26	808	78%
City Clerk	1,276	1,286		73	832	70%
City Council	432	517		53	265	62%
City Manager	2,728	2,485		235	1,613	74%
Administrative Services	7,175	7,417	23	160	5,341	74%
Community Services	22,764	24,339	40	1,835	16,688	76%
Development Services	10,535	10,900		208	6,852	65%
Library	7,521	8,301		355	5,802	74%
Office of Sustainability	272	575		121	343	81%
People Strategy and Operations	3,264	3,757	181	222	2,337	73%
Planning and Community Environment	7,015	9,018	75	1,488	5,297	76%
Public Safety	62,054	63,460	285	714	45,775	74%
Public Works	13,397	14,475	38	1,194	9,777	76%
Non-Departmental	13,272	11,890			5,914	50%
Total Expenditures	155,348	162,419	652	7,139	109,574	72%
Operating Transfers-Out	2,077	2,320	-	-	1,708	74%
Transfer to Infrastructure	13,659	14,591	-	-	10,244	70%
Total Use of Funds	171,084	179,330	652	7,139	121,526	72%
Net Change to BSR	-	4,751				
Budget Amendments Authorized by Council thru 9/30/14:						
Shuttle Contract, EPA Contribution (6/23/14)		-				
Golf Course Operating Budget (6/23/14)		-				
Transportation Management Authority (8/4/14)		(30)				
Sustainability and Climate Action Plan (8/18/14)		(137)				
Increase Airport Fund loan for legal counsel (9/22/14)		(200)				
Golf Course Operating Loss Reserve (9/22/14)		-				
Golf Restaurant Lease Revenue (10/6/14)		(23)				
Business Registry (11/3/14)		-				
Comprehensive Plan Fiscal Analysis (3/2/15)		(158)				
Tree Pruning Contract (3/9/15)		(160)				
Residential Preferential Parking Program (3/9/15)		(119)				
Midyear Budget (4/20/15)		(4,330)				
Total Augmentations Authorized by Council	-	(5,157)				
Net Surplus/(Deficit) Excluding BAOs	-	(406)				
BSR Balance						
BSR % of Total Use of Funds, excluding Prior year reappropriations & encumbrances						
Earmarked Reserves, 9/30/15:						
	-	-				
	-	-				

* Including reappropriations and prior year encumbrances.

Attachment B
Public Safety Departments
Overtime Analysis for Fiscal Years 2013 through 2015

	2013	2014	<i>thru 03/31/15</i> 2015
POLICE DEPARTMENT			
Overtime Expense			
Adopted Budget	\$967,900	\$1,500,000	\$1,500,000
Modified Budget	970,382	1,500,000	1,500,000
Net Overtime Cost - see below	(82,849)	593,565	757,380
Variance to Budget	<u>\$1,053,231</u>	<u>\$906,435</u>	<u>\$742,620</u>
Overtime Net Cost			
Actual Expense	<u>\$1,542,754</u>	<u>\$1,711,764</u>	<u>\$1,497,045</u>
Less Reimbursements			
Stanford Communications	51,299	54,552	51,031
Utilities Communications Reimbursement	28,247	29,845	29,949
Local Agencies (A)	16,255	8,905	7,448
Police Service Fees	83,785	73,934	56,352
Total Reimbursements	<u>179,586</u>	<u>167,236</u>	<u>144,780</u>
Less Department Vacancies	<u>1,446,017</u>	<u>950,963</u>	<u>594,884</u>
Net Overtime Cost	<u>(\$82,849)</u>	<u>\$593,565</u>	<u>\$757,380</u>
Department Vacancies (number of days)	5,543	4,251	2,506
Workers' Compensation Cases	10	14	11
Department Disabilities (number of days)	641	776	468
FIRE DEPARTMENT			
Overtime Expense			
Original Budget	\$1,624,415	\$1,424,414	\$1,424,414
Modified Budget (B)	1,624,415	1,750,956	1,608,710
Net Overtime Cost - see below	628,711	1,012,521	95,089
Variance to Budget	<u>\$995,704</u>	<u>\$738,435</u>	<u>\$1,513,621</u>
Overtime Net Cost			
Actual Expense	<u>\$1,812,170</u>	<u>\$2,562,549</u>	<u>\$1,707,952</u>
Less Reimbursements			
Stanford Fire Services (C)	549,088	776,452	517,509
Cal-Fire/FEMA (Strike Teams)	-	50,542	184,269
Total Reimbursements	<u>549,088</u>	<u>826,994</u>	<u>701,778</u>
Less Department Vacancies	<u>634,371</u>	<u>723,034</u>	<u>911,085</u>
Net Overtime Cost	<u>\$628,711</u>	<u>\$1,012,521</u>	<u>\$95,089</u>
Department Vacancies (number of days)	2,340	2,618	2,709
Workers' Compensation Cases	9	18	12
Department Disabilities (number of days)	216	489	175

NOTES:

- (A) Includes Animal Services contract with Los Altos and Los Altos Hills.
- (B) Includes Strike Team Reimbursement of \$184,296 approved by Council in the FY 2015 Midyear Report on 4/20/15.
- (C) Stanford reimburses 30.3% of Fire Service expenditures.