



# City of Palo Alto

## City Council Staff Report

(ID # 10658)

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**Report Type: Consent Calendar**

**Meeting Date: 10/21/2019**

**Council Priority: Fiscal Sustainability**

**Summary Title: Approval of Fiscal Year 2019 Reappropriation Requests to be Carried Forward into Fiscal Year 2020**

**Title: Approval of Fiscal Year 2019 Reappropriation Requests to be Carried Forward Into Fiscal Year 2020 and Budget Amendments in Various Funds**

**From: City Manager**

**Lead Department: Administrative Services**

### **Recommendation**

Staff recommends that the City Council amend the Fiscal Year 2020 Budget Appropriation Ordinance for various funds as identified in Attachment A, and various capital projects as identified in Attachment B and Attachment C.

### **Background**

As a part of the fiscal year-end process, staff reviews the City's unencumbered and unspent appropriations of the fiscal year just ended, along with the City's spending plans. Encumbered amounts are those subject to the legal claims of other parties due to contractual obligations (for example, commitments made through purchase orders), which are carried forward from one fiscal year to the next. Each year there are a small number of important projects which staff was not able to complete or encumber funds against. The reappropriation process allows staff to bring forward funding recommendations to City Council to continue these projects into the next fiscal year.

On September 22, 2014, the City Council approved a recommendation to amend Chapter 2.28, Section 2.28.090 of the Municipal Code, reducing the previous two-step reappropriations process (preliminary and final reappropriation authorization) to one step as long as the Administrative Services Director certifies that sufficient unencumbered and unexpended funds are available in the Fiscal Year that just ended to be carried forward to the subsequent Fiscal Year.

Additionally, the City Council amended the Municipal Code to eliminate the provision allowing for the automatic reappropriation of capital project funds. However, capital projects may still

be delayed or deferred for various reasons. Therefore, there remains a need to reappropriate funds for capital projects in some instances. This reappropriation is completed through a review of the status of projects as part of the annual budget process and built into the annual adopted budget. Now that Fiscal Year 2019 has closed and staff has processed necessary accounting transactions, unexpended and unencumbered funds for each capital project have been reviewed one final time. Based on that review, staff recommends capital dollars remaining for some projects in various funds through Fiscal Year 2019 are reappropriated to Fiscal Year 2020. Also, as part of this review, staff realized that for some projects too much funding was recommended for reappropriation as additional expenditures occurred in Fiscal Year 2019. Therefore, this staff report also recommends reversing a portion of previously authorized reappropriations. In a few capital projects, more funding was spent in FY 2019 than was recommended for reappropriation. In these projects, staff is recommending technical clean-up actions to reduce the funds appropriated in FY 2020 in order to increase the funding appropriated in FY 2019 while maintaining the overall total project budget.

### **Discussion**

Attachment A identifies those operating budget requests that staff recommends for approval, while Attachment B lists recommended capital project requests. Attachment C includes the recommended technical clean-up items for a few capital projects. With the submission of this report for City Council consideration, the Administrative Services Director certifies sufficient unencumbered and unexpended funds are available from Fiscal Year 2019 to be reappropriated to Fiscal Year 2020.

### Operating Budget Reappropriations

The projects recommended for budget reappropriations are outlined in more detail in Attachment A and can generally be grouped into the following categories:

- **Timing and Workload Delays:** Projects in this category were delayed due to competing workload demands, appropriation of funds late in the fiscal year, or other unanticipated delays. Examples of projects in this category include: Special Funds Assessment Program (\$50,000), Sea Level Rise Adaptation Plan (\$200,000), GEMT Quality Assurance Fee Program (\$50,000 in both expense and revenue), Labor Negotiation Contract Services (\$20,000), Sea Scout operations (\$65,000) and California Avenue Parking Valet Services (\$150,000).
- **Technology Services:** Projects in this category include approved technology system evaluation and upgrades where the associated contracts were not awarded before the end of the fiscal year: Geographical Information System (GIS) Modernization Project (\$700,000), SharePoint Training Academy (\$50,000), Police Public Safety Server Replacement (\$27,500), and Planning and Development Services Technology Enhancements (\$23,959).

- **Human Services Resource Allocation Process (HSRAP) Reserve:** As part of the FY 2015 Adopted Budget, the City Council established a one-time reserve of \$50,000 for HSRAP funding requests. In FY 2019, \$10,000 was allocated to Heart and Home Collaborative, a non-profit organization that provides shelter and services to unhoused women in Palo Alto. The remaining balance of \$40,000 is recommended to be reappropriated to FY 2020.
- **Think Fund Teen Services Programs (formerly Bryant Street Garage Teen Program):** In 2001, the City Council voted to lease out a garage property located at 455 Bryant Street. Since this site was formerly the location of the Bryant Street Teen Center, a stipulation in the lease required that seventy five percent of the rental revenues would be used to fund programs specifically for Palo Alto youth and teens. In prior years, Staff has returned the Policy and Services Committee and City Council for guidance on community engagement and potential uses of this funding (CMR 4776, CMR 8887). Teen Services programs include but are not limited to: Think Fund grants, ClickPA website, Teen Arts Council, MakeX, Art Center, Think Fund Gala, and the Buoyancy Teen Festival. The unspent balance of \$351,000 is recommended to be reappropriated to FY 2020 to ensure resources are available to continue providing teen services to the community and develop a long-term approach to maintain delivery of these services.
- **Multi-year Funding Agreements:** Projects in this category include approved donations, grants, loans, and other funding agreements that are anticipated to continue in the coming year. Examples in this category include: Palo Alto Library Foundation Grant for Training and Customer Service (\$18,000), Palo Alto Library Partnership Grant for Cybersecurity Training (\$29,635), Art Center Ceramics Studio Bequest for Equipment Repairs (\$37,581), Palo Alto Housing Corporation Loan for Affordable Housing at 3705 El Camino Real (\$10.0 million) and El Dorado (\$225,032), North Ventura Grant and Sobrato Funding Agreement for the North Ventura Coordinated Area Plan (\$20,515), and an Agreement with the County of Santa Clara for Street Intersection Improvements at Page Mill Road and El Camino Real/Hanover (\$2.2 million).
- **Management Training Program:** The Management Training Program provides \$1,000 per eligible employee under the terms outlined in the MGMT and PAPMA labor agreements. The purpose of this program is to provide employees with resources to improve and supplement their job and professional skills. In total, \$385,000 in unused funding is requested to be reappropriated to FY 2020 for various training programs, including: ethics, civics and citizen engagement, leadership and management, budget, finance, procurement, interpersonal communication, presentation skills, business writing, time management, project management, change management, online based education, and safety & security.

## Capital Budget Reappropriations

As discussed in the Background section of this report, starting with the Fiscal Year 2016 capital budget, all capital project reappropriations require City Council approval. The FY 2020 Adopted Budget included \$71.4 million in reappropriated expenditure funds, partially offset by \$21.3 in reappropriated revenue, across all City funds based on estimates of anticipated spending and revenue collections in FY 2019. Since the adoption of the capital budget, some adjustments and refinements to project reappropriations are required since FY 2019 year-end actuals and projects costs have been updated to reflect actual experience. These primarily reflect either increases or decreases to assumed reappropriations in the FY 2020 Adopted Budget:

- Additional reappropriations are recommended when project expenditures originally anticipated to occur before the end of FY 2019 will now likely occur in FY 2020. Similarly, revenue that was anticipated to be collected in FY 2019 will be reappropriated to FY 2020 to align with the actual collections;
- Downward adjustments to reappropriations are recommended when expenses were not anticipated to occur until FY 2020 and funding was reappropriated in the budget document to FY 2020. However, the expenses were realized in FY 2019, so an adjustment to reduce the budgeted reappropriation is needed because the activity no longer needs funding in FY 2020. The reappropriation of revenue is treated similarly; if it was assumed revenue would not be collected in FY 2019 and was reappropriated to FY 2020 an adjustment to reduce the reappropriated revenue is needed to align collections in the appropriate fiscal year.

Table 1 summarizes the recommended net adjustments as detailed in Attachment B. These Fiscal Year 2020 adjustments represent the final step in the City Council-approved change to the reappropriation process. There are sufficient expenditure savings in Fiscal Year 2019 to support all recommended adjustments.

It should be noted that the revised process and active review of all project reappropriations results in a reduced level of reappropriated funding from one year to the next, compared to the process of automatically reappropriating unspent capital funding, better reflecting the needs of the various capital projects and of the overall program.

Table 1: Year-End Capital Project Reappropriation Summary – By Fund

<b>Fund</b>	<b>Number of Projects</b>	<b>Recommended Revenue Reappropriation Adjustment</b>	<b>Recommended Expense Reappropriation Adjustment</b>
Capital Improvement Fund	51	\$4,478,661	\$6,926,600
Airport Fund	1	\$10,714,400	\$ 0
Electric Fund	16	\$ 0	\$(1,804,100)
Gas Fund	3	\$ 0	\$517,100
Storm Drainage Fund	2	\$ 0	\$750,900
Wastewater Collection Fund	3	\$ 0	\$403,300
Wastewater Treatment Fund	3	\$ 0	\$4,214,200
Water Fund	4	\$ 0	\$1,639,700
Technology Fund	3	\$ 0	\$(29,700)
Vehicle Replacement and Maintenance Fund	3	\$ 0	\$(256,200)
<b>Total All Funds</b>	<b>89</b>	<b>\$15,193,061</b>	<b>\$12,361,800</b>

Technical Clean-up Actions

As detailed in Attachment C, there were four capital projects in the Capital Improvement Fund that were overspent in FY 2019 by a total of \$680,400; they did not have funding reappropriated from FY 2019 to FY 2020 as part of the FY 2020 budget process. In order to fund the overages for these projects in FY 2019 and maintain the projects’ total budgets over the life of the projects, staff is recommending technical clean-up actions to reduce the funds appropriated in FY 2020 for these projects by \$680,400 in order to shift the funding back into FY 2019. This would align the budget by year with the actual expenses by year.

In addition, as part of the Adopted FY 2020 Capital Budget, it was estimated that \$3.0 million would be encumbered for the New Public Safety Building project (PE-15001) in FY 2019. However, this contract was unable to be completed before the end of FY 2019, so \$3.0 million is recommended to be appropriated to this project in FY 2020 in order to maintain the total approved project budget of \$115.5 million. In total, \$2.3 million in technical clean-up actions are recommended in FY 2020 and corresponding adjustments will be done in FY 2019 as part of the FY 2019 Year-End clean-up process (currently scheduled for review by the Finance Committee on November 19, 2019) in order to maintain the projects’ total budgets over the life of the projects. See Attachment C for further detail on these projects.

**Resource Impact**

All projects, programs and corresponding funding contained within this report were previously approved by the City Council for FY 2019, this report simply realigns funding between fiscal years to align with the status of projects and programs. The Director of Administrative Services

has certified that sufficient funds exist for the recommended Fiscal Year 2019 Operating Budget adjustments (Attachment A), and Capital Budget adjustments (Attachment B and Attachment C). For Operating reappropriations, staff recommends expense reappropriations of \$1.2 million in the General Fund, \$12.6 million in Special Revenue Funds, \$0.5 million in Enterprise Funds, and \$0.8 million in Internal Service Funds. Additionally, staff recommends revenue reappropriations of \$0.08 million in the General Fund. For capital projects, staff recommends a net \$9.2 million in expenses be reappropriated to FY 2020 in the Capital Improvement Funds and that \$4.5 million in revenue be reappropriated. Also recommended is a net \$5.7 million increase in expenditures in the various Enterprise Funds with reappropriated revenue of \$10.7 million, and a net reduction of \$0.3 million in expenditures in the Internal Service Funds. The results of the reappropriations and technical clean-up actions will have a net zero impact to the total projects' budgets over the life of the projects.

### **Policy Implications**

This recommendation is consistent with adopted Council policy.

### **Environmental Review**

The action recommended is not a project for the purposes of the California Environmental Quality Act.

### **Attachments:**

- Attachment A - FY 2019 Reappropriation Requests
- Attachment B - FY 2019 Capital Improvement Program (CIP) Reappropriations
- Attachment C - FY 2020 Technical Clean Up Items

Fund Name	Department	Title	Description	Recommended Revenue Appropriation	Recommended Expense Appropriation
General Fund	Administrative Services	Special Funds Assessment Program	This action reappropriates funding to develop a special funds assessment program. The program aligns with the City Council's Fiscal Sustainability Policy (CMR 10267) and will use consultancy services to conduct an assessment of three Special Funds, including the review of reserve levels, identification of best practices related to authorizations, and review of internal controls over each fund. Additionally, the consultant will provide "real time" training to City staff to facilitate continued assessments of the City's Funds in the future by City staff. The solicitation and selection of the contract were not completed prior to the end of FY 2019, this action ensures sufficient funding is available to award the contract in FY 2020.	\$ -	\$ 50,000
General Fund	City Manager/Office of Sustainability	Sea Level Rise Adaptation Plan	This action reappropriates funding for the development of a Sea Level Rise Adaptation Plan. On March 18, 2019 the City Council accepted the Sea Level Rise Policy and directed staff to return to Council with a Sea Level Rise Adaptation Plan by December 2020 (CMR 9576). The plan aligns with the City Council's Climate Change priority, and will serve as the Sustainability and Climate Action Plan (S/CAP) Sea Level Rise chapter. Staff's preliminary estimate is a one-time cost of \$275,000 for development of the Seal Level Rise Adaptation Plan including an initial Vulnerability Assessment and will be jointly funded by the Wastewater Treatment Fund Watershed Protection Group (\$150,000), the City Manager's Office (\$50,000), and the Utilities Department (\$75,000). Due to delays in contract solicitation and selection, the process to award a contract was not completed in FY 2019. A total of \$200,000 is recommended for reappropriation in the Wastewater Treatment Fund and City Manager's Office in FY 2020. The Utilities Department has sufficient funding available in FY 2020 to support this cost and does not require a reappropriation.	\$ -	\$ 50,000

Fund Name	Department	Title	Description	Recommended Revenue Appropriation	Recommended Expense Appropriation
General Fund	Community Services	Think Fund Teen Services (Formerly Bryant Street Garage Teen Program)	This action reappropriates funds in the Think Fund (formerly the Bryant Street Garage Teen Program). In 2001, the City Council voted to lease out a garage property located at 455 Bryant Street. Since this site was formerly the location of the Bryant Street Teen Center, a stipulation in the lease required that seventy five percent of the rental revenues would be used to fund programs specifically for Palo Alto youth and teens. In prior years, Staff has returned the Policy and Services Committee and City Council for guidance on community engagement and potential uses of this funding (CMR 4776, CMR 8887). Teen Services programs include but are not limited to: Think Fund grants, ClickPA website, Teen Arts Council, MakeX, Art Center, Think Fund Gala and the Buoyancy Teen Festival. This action will reappropriate \$351,000, including \$338,500 previously reappropriated from FY 2018 to FY 2019, a to ensure resources are available to continue providing quality teen services to the community and develop a long-term approach to maintain delivery of these services.	\$ -	\$ 351,000
General Fund	Community Services	Human Services Resource Allocation Program (HSRAP) Reserve	This action reappropriates the remaining balance in the Human Services Resource Allocation Program (HSRAP) Reserve. As part of the FY 2015 Adopted Budget, the City Council established a one-time reserve of \$50,000 for HSRAP funding requests. In FY 2019, \$10,000 was allocated to Heart and Home Collaborative, a non-profit organization that provides shelter and services to unhoused women in Palo Alto. The remaining balance of \$40,000 is recommended to be reappropriated to FY 2020 for future HSRAP use.	\$ -	\$ 40,000
General Fund	Community Services	Art Center Ceramics Studio Bequest	This action reappropriates a bequest from the Sherrie Innis Estate. On June 19, 2017, the City Council approved a bequest of \$54,350 from the Sherrie Innis Estate to maintain and upgrade the ceramic studio at the Palo Alto Art Center (CMR 8187). The ceramics studio maintains kilns, wheels, and several other large pieces of equipment that will need repair or replacement in the near future. The program does not have funding appropriated for major repairs and replacements and uses the bequest for these needs. At the close of FY 2019, \$37,581 remained unspent and is recommended to be reappropriated for repair and replacement needs in FY 2020.	\$ -	\$ 37,581



Fund Name	Department	Title	Description	Recommended Revenue Appropriation	Recommended Expense Appropriation
General Fund	Fire	Ground Emergency Medical Transports (GEMT) Quality Assurance Fee (QAF)	This action reappropriates funding for the State GEMT QAF Program. The QAF program is mandatory under SB523 and levies a fee on ground emergency transports to fund and provide reimbursement for Medi-Cal transports. This program was approved late in FY 2019 with an effective date retroactive to July 1, 2018; therefore, funding to support this program was not included in the FY 2019 Budget. The Fire Department utilized savings in FY 2019 to pay invoices for the last two quarters of CY 2018, this action ensures sufficient funding is available in FY 2020 for payment of the first two quarters of CY 2019. With the payment of these invoices, the City will be current on all retroactive charges. Funding for the QAF Program has been included on an ongoing basis in the FY 2020 Adopted Budget at an anticipated amount of \$100,000 annually.	\$ 50,000	\$ 50,000
General Fund	Human Resources	Labor Negotiation Contractual Support	This action reappropriates funding for the Utilities Management and Professional Association of Palo Alto (UMPAPA) and Management and Professional (MGMT) labor negotiations. In FY 2018, \$100,000 in one-time funding was appropriated for labor negotiations of contracts nearing expiration. At the close of FY 2019, the City reached agreements with all seven represented units; however, the UMPAPA and Management and Professional agreements were only extended for a one-year term ending on June 30, 2020 (CMR 10326, CMR 10488). This action ensures that sufficient funding is available for outside counsel, salary surveys, and other expenses expected in upcoming labor negotiations in FY 2020.	\$ -	\$ 20,000
General Fund	Library	Palo Alto Library Foundation Donation for Training and Customer Service	This action reappropriates Palo Alto Library Foundation donation funds for training and customer service. In June 2015, Council approved a \$320,000 donation from the Palo Alto Library Foundation for technology and services to improve workflow efficiency, provide staff training, and provide customer service improvements (CMR 6343). The Library has utilized this funding for the purchase of additional technology, such as tablets, e-readers, and other devices for staff development and customer instruction; databases for digital services; and contractual services to improve workflow efficiency, staffing training, and customer service improvements for new facilities and products. This action ensures that the unspent donation balance is available to continue staff training and development efforts in FY 2020.	\$ -	\$ 18,000

Fund Name	Department	Title	Description	Recommended Revenue Appropriation	Recommended Expense Appropriation
General Fund	Library	Palo Alto Library Partnership (PLP) Grant for Cybersecurity Training	This action reappropriates grant funds from the Palo Alto Library Partnership (PLP) for cybersecurity training. On February 4, 2019 the City Council approved a \$39,000 grant from the PLP for Cybersecurity Training for Youth using Minecraft, aka Minecraft Project (CMR 9946). Using gamification, this project will teach cybersecurity to youth through the creation of an interactive, vendor neutral cybersecurity learning platform in the videogame Minecraft. Funds from this grant are used to cover the costs of staff hours to create the program. Due to delays in the timeline, the Minecraft Project was not completed prior to the end of FY 2019. This action ensures that the unspent grant balance is available to complete the project in FY 2020.	\$ 29,635	\$ 29,635
General Fund	Non-Departmental	City Council Contingency for Sea Scouts	This action reappropriates funding from the City Council Contingency for Sea Scouts. On December 17, 2018 the City Council approved the transfer of \$665,000 of Sea Scout Building Transferable Development Rights (TDRs) proceeds to the Roth Building Rehabilitation project (CMR 9767). In addition, the City Council appropriated \$65,000 (ten percent of the TDR transfer) from the City Council Contingency to fund Sea Scout operating and maintenance costs. As part of this action, Staff was directed to return to the City Council with a recommendation to dedicate this funding. Staff anticipates returning to the City Council with that recommendation in FY 2020. This action ensures that funds will be available to appropriate to the Sea Scouts in FY 2020.	\$ -	\$ 65,000
General Fund	Non-Departmental	Management Training Program	This action reappropriates funding for management training and professional development. The Management Training Program provides \$1,000 per eligible employee under the terms outlined in the labor agreements with the Management and Professional group and the Palo Alto Police Management Association. The purpose of this program is to provide employees with resources to improve and supplement their job and professional skills. In total, \$305,000 of this funding was reappropriated from the prior year and an additional savings of \$80,000 was realized in FY 2019 across departments in the General Fund. This action is recommended for the continuation of the program and will include the following training programs: ethics, civics and citizen engagement, leadership and management, budget, finance, procurement, interpersonal communication, presentation skills, business writing, time management, project management, change management, online based education, and safety & security.	\$ -	\$ 385,000

Fund Name	Department	Title	Description	Recommended Revenue Appropriation	Recommended Expense Appropriation
General Fund	Planning and Development Services	North Ventura Grant and Sobrato Funding Agreement: North Ventura Coordinated Area Plan (NVCAP)	This action reappropriates funding from the North Ventura Grant and Sobrato for the North Ventura Coordinated Area Plan (NVCAP). In total, \$888,000 was appropriated on March 5, 2018 to the Planning and Development Services Department for the development of coordinated area plans that will guide development of the North Ventura area and the completion of the associated environmental clearance (CMR 8986). The Department initiated the procurement process for this project, including consultancy services to assist staff with the planning and urban design of the area, and a feasibility analysis to integrate Matadero Creek into an open space area within the NVCAP project boundary. At the close of FY 2019, \$20,815 of this funding remains unspent and is recommended to be reappropriated for public outreach and other work obligated under the funding agreement in FY 2020.	\$ -	\$ 20,815
General Fund	Police Department	Police Department Server Replacement	This action reappropriates funding for the purchase and replacement of two servers. The current servers are well beyond their useful life and are necessary to host the network infrastructure and operational databases for criminal investigations, field operations, and parking enforcement managed by the Police Department. The total estimated cost is \$39,500, and will be jointly funded by the Information Technology Department (\$27,500) and the Police Department (\$12,000). The solicitation and selection of the contract were not completed prior to the end of FY 2019, this action ensures sufficient funding is available to award the contract in FY 2020.	\$ -	\$ 12,000
General Fund	Public Works Department	Urban Forestry Technology Implementation	This action reappropriates funding for Urban Forestry Master Plan (UFMP) projects. On May 11, 2015, the City Council approved the UFMP to guide the future of the City's urban forest over a ten year phased implementation period (CMR 5554). Year 4 projects (FY 2019) focused on technology enhancement programs such as a tree canopy cover tool, inventory systems integration, and public facing data portals. However, these project are dependent on the implementation of the new Environmental Systems Research Institute (ESRI) enterprise Geographic Information System (GIS) which was not completed in FY 2019. Due to delays with the ESRI GIS implementation, the department was unable to complete Year 4 projects. This action ensures sufficient funding is available to complete those projects in FY 2020.	\$ -	\$ 100,000
<b>Total General Fund Reappropriation</b>				<b>\$ 79,635</b>	<b>\$ 1,229,031</b>

FY 2019 TO FY 2020 OPERATING BUDGET REAPPROPRIATIONS

ATTACHMENT A

Fund Name	Department	Title	Description	Recommended Revenue Appropriation	Recommended Expense Appropriation
Traffic Impact Fund: Stanford Research Park and El Camino Real	City Manager/Office of Transportation	County of Santa Clara Agreement: Page Mill Road and El Camino Real/Hanover Street Intersection Improvements	This action reappropriates funding for an agreement with the County of Santa Clara to improve intersections on Page Mill Road. In total, \$3.2 million was approved by the City Council on August 28, 2017 for improvements at the intersections of Page Mill Road at El Camino Real and Page Mill Road at Hanover Street to improve operations for bicyclists, pedestrians, and efficiency of vehicular operations (CMR 7990). Under the terms of the agreement, the City is to provide funding in two stages; first for the pre-construction costs, and second for construction costs. In 2018, the City paid \$1.0 million for pre-construction costs that included project design, environmental review, and permitting. The remaining \$2.2 million is recommended to be reappropriated for construction costs in FY 2020.	\$ -	\$ 2,200,000
California Avenue Parking Permit Fund	City Manager/Office of Transportation	Temporary Valet Parking Services - California Avenue Parking Garage	This action reappropriates funding for valet parking services during construction of the new California Avenue parking garage. In FY 2019, a total of \$150,000 was appropriated for temporary valet services to offset lost parking spaces during garage construction. Due to construction delays, this funding remained unspent in FY 2019. This action ensures that sufficient funding is available to support valet services in FY 2020.	\$ -	\$ 150,000
Housing In-Lieu Fund: Commercial	Planning and Development Services	PAHC Affordable Housing Loan Agreement: 3705 El Camino Real (Wilton Court)	This action reappropriates funding for an agreement with the Palo Alto Housing Corporation (PAHC) to develop and construct an 100% affordable housing project at 3705 El Camino Real (Wilton Court). In total, \$10.0 million was approved by the City Council at the June 3, 2019 meeting (CMR 10143); \$9.0 million from the Commercial Housing Fund and \$1.0 million from the Residential Housing Fund. Due to the limited timeframe between City Council approval and the close of the fiscal year, no expenses were incurred in FY 2019. The full \$10.0 million is recommended to be reappropriated to continue the project in FY 2020.	\$ -	\$ 9,000,000

Fund Name	Department	Title	Description	Recommended Revenue Appropriation	Recommended Expense Appropriation
Housing In-Lieu Fund: Residential	Planning and Development Services	PAHC Affordable Housing Loan Agreement: 3705 El Camino Real (Wilton Court)	This action reappropriates funding for an agreement with the Palo Alto Housing Corporation (PAHC) to develop and construct an 100% affordable housing project at 3705 El Camino Real (Wilton Court). In total, \$10.0 million was approved by the City Council at the June 3, 2019 meeting (CMR 10143); \$1.0 million from the Residential Housing Fund and \$9.0 million from the Commercial Housing Fund. Due to the limited timeframe between City Council approval and the close of the fiscal year, no expenses were incurred in FY 2019. The full \$10.0 million is recommended to be reappropriated to continue the project in FY 2020.		\$ 1,000,000
Housing In-Lieu Fund: Residential	Planning and Development Services	PAHC Affordable Housing Loan Agreement: El Dorado	This action reappropriates funding for the El Dorado affordable housing agreement. In total, \$375,000 was approved by the City Council on June 22, 2015 for the Palo Alto Housing Corporation (PAHC) to deed restrict and rehabilitate property at 110-1030 El Dorado Avenue (CMR 5712). The deed restriction ensures that the three units on this property are leased only to qualifying low income households. At the close of FY 2019, PAHC had drawn down a total of \$149,968. This action ensures that the unspent balance is available to continue the rehabilitation of the properties in FY 2020.	\$ -	\$ 225,032
<b>Total Special Revenue Fund Reappropriation</b>				\$ -	\$ 12,575,032

Fund Name	Department	Title	Description	Recommended Revenue Appropriation	Recommended Expense Appropriation
Wastewater Treatment Fund	Public Works	Sea Level Rise Adaptation Plan	This action reappropriates funding for the development of a Sea Level Rise Adaptation Plan. On March 18, 2019 the City Council accepted the Sea Level Rise Policy and directed staff to return to Council with a Sea Level Rise Adaptation Plan by December 2020 (CMR 9576). The plan aligns with the City Council's Climate Change priority, and will serve as the Sustainability and Climate Action Plan (S/CAP) Sea Level Rise chapter. Staff's preliminary estimate is a one-time cost of \$275,000 for development of the Seal Level Rise Adaptation Plan including an initial Vulnerability Assessment and will be jointly funded by the Wastewater Treatment Fund Watershed Protection Group (\$150,000), the City Manager's Office (\$50,000), and the Utilities Department (\$75,000). Due to delays in contract solicitation and selection, the process to award a contract was not completed in FY 2019. A total of \$200,000 is recommended for reappropriation in the Wastewater Treatment Fund and City Manager's Office in FY 2020. The Utilities Department has sufficient funding available in FY 2020 to support this cost and does not require a reappropriation.	\$ -	\$ 150,000
Stormwater Management Fund	Public Works	Green Stormwater Infrastructure Technical Support	This action reappropriates funding for the Green Stormwater Infrastructure (GSI) Plan. The GSI Plan was accepted by the City Council at the May 13, 2019 meeting to comply with the State's Municipal Regional Stormwater National Pollutant Discharge Elimination System (MRP) Permit and outline a plan to integrate GSI features into the City's urban landscapes and stormwater systems (CMR 9883). As part of this plan, consultancy services will be used to develop an Engineering Specifications document for citywide GSI standards and a GSI Maintenance and Monitoring Manual. The solicitation and selection of the vendors were not completed prior to the end of FY 2019, this action ensures sufficient funding is available to award the contracts in FY 2020.	\$ -	\$ 115,000
Water Fund	Utilities	Santa Clara Valley Water District (SCVWD) Agreement: Barron Creek Contract Lining Repair	This action reappropriates funding for an agreement with Santa Clara Valley Water District (SCVWD) to repair the creek bottom concrete slab along Barron Creek at the crossing of Bryant Street. The need for repair resulted from a ruptured water line that damaged the concrete liner in the creek bed. The agreement with SCVWD for this project was approved by the City Council at the June 24, 2019 meeting (CMR 10387); however, the procurement process was not completed due to the limited timeframe between City Council approval and the close of the fiscal year. This action ensures that funding is available to complete the project in FY 2020.	\$ -	\$ 258,450
<b>Total Enterprise Fund Reappropriation</b>				<b>\$ -</b>	<b>\$ 523,450</b>

Fund Name	Department	Title	Description	Recommended Revenue Appropriation	Recommended Expense Appropriation
Technology Fund	Information Technology	Geographical Information System (GIS) Modernization Project	This action reappropriates funding for the Geographical Information System (GIS) Modernization Project. As part of the FY 2018 Adopted Budget, a total of \$750,000 was appropriated for advanced GIS mapping tools that capture, store, manipulate, analyze, manage, and present spatial or geographic data. The Department selected Esri as the new GIS vendor and spent \$50,000 to acquire the new Esri platform. This is a multi-year project with many components and a full integration anticipated in FY 2021. This action ensures that remaining funding is available to continue the project in FY 2020.	\$ -	\$ 700,000
Technology Fund	Information Technology	SharePoint Training Academy	This action reappropriates funding to establish a training solution for the deployment of SharePoint (City Center 2). The SharePoint Academy provides a framework for understanding SharePoint features, functions, administration, and collaboration. This course will provide attendees with professionally delivered training classes. Funding was initially appropriated as part of the FY 2018 Adopted Budget and due to other competing priorities the Department extended the anticipated timeline. This action ensures that sufficient funding is available to complete the project in FY 2020.	\$ -	\$ 50,000
Technology Fund	Information Technology	Police Department Server Replacement	This action reappropriates funding for the purchase and replacement of two servers. The current servers are well beyond their useful life and are necessary to host the network infrastructure and operational databases for criminal investigations, field operations, and parking enforcement managed by the Police Department. The total estimated cost is \$39,500, and will be jointly funded by the Information Technology Department (\$27,500) and the Police Department (\$12,000). The solicitation and selection of the contract were not completed prior to the end of FY 2019, this action ensures sufficient funding is available to award the contract in FY 2020.	\$ -	\$ 27,500

Fund Name	Department	Title	Description	Recommended Revenue Appropriation	Recommended Expense Appropriation
Technology Fund	Information Technology	Planning and Development Services Technology Enhancements	This action reappropriates funding for various technology projects in the Planning and Development Services department. As part of the FY 2019 Adopted Budget and Municipal Fee Schedule, a three percent increase to Planning fees was recommended to recover \$75,000 for ongoing technical support of the City's centralized permitting system (Accela) and other technological enhancements. Current priorities include various Graphical Information System (GIS) projects and the migration of department specific workflows, reporting, and integrations from the Geodesy system to the new ESRI GIS platform. At the close of FY 2019, \$23,959 of this funding remains unspent and is recommended to be reappropriated for planned projects in FY 2020.	\$ -	\$ 23,959
			<b>Total Internal Service Fund Reappropriation</b>	\$ -	\$ 801,459
			<b>Total All Funds</b>	\$ 79,635	\$ 15,128,972



Project ID	Project Title	Fund	Revenue Reappropriation Adjustment	Expense Reappropriation Adjustment
AC-18001	JMZ Renovation	Capital Improvement Fund	\$ 240,200	\$ 269,100
AC-86017	Art In Public Spaces	Capital Improvement Fund	\$ -	\$ 247,000
CB-16001	Cubberley Community Center Master Plan	Capital Improvement Fund	\$ -	\$ (155,100)
CB-16002	Cubberley Roof Replacements	Capital Improvement Fund	\$ -	\$ (10,500)
CB-17001	Cubberley Repairs	Capital Improvement Fund	\$ -	\$ (12,300)
CB-17002	Cubberley Field Restroom	Capital Improvement Fund	\$ -	\$ 238,400
CB-19000	Cubberley Track and Field Replacement	Capital Improvement Fund	\$ -	\$ (11,300)
FD-14002	Fire Ringdown System Replacement	Capital Improvement Fund	\$ -	\$ (46,700)
OS-00001	Open Space Trails and Amenities	Capital Improvement Fund	\$ -	\$ (41,000)
OS-00002	Open Space Lakes And Pond Maintenance	Capital Improvement Fund	\$ -	\$ 48,800
PE-09003	City Facility Parking Lot Maintenance	Capital Improvement Fund	\$ -	\$ 10,100
PE-11011	Highway 101 Pedestrian/Bicycle Overpass Project	Capital Improvement Fund	\$ 650,000	\$ 1,693,400
PE-12011	Newell Road/San Francisquito Creek Bridge Replacement	Capital Improvement Fund	\$ 100,200	\$ 126,400
PE-12017	City Hall First Floor Renovations	Capital Improvement Fund	\$ -	\$ 188,400
PE-13011	Charleston/Arastradero Corridor Project	Capital Improvement Fund	\$ (314,319)	\$ -
PE-14018	Baylands Boardwalk Improvements	Capital Improvement Fund	\$ -	\$ 22,200
PE-15011	Ventura Buildings Improvements	Capital Improvement Fund	\$ -	\$ (2,000)
PE-15020	Civic Center Waterproofing Study and Repairs	Capital Improvement Fund	\$ -	\$ 49,400
PE-17009	City Hall Floor 5 Remodel	Capital Improvement Fund	\$ -	\$ 32,000
PE-17010	Civic Center Electrical Upgrade & EV Charger Installation	Capital Improvement Fund	\$ 203,000	\$ 41,800
PE-18000	New California Avenue Area Parking Garage	Capital Improvement Fund	\$ -	\$ 1,201,800
PE-18002	High and Bryant Street Garages Waterproofing and Repairs	Capital Improvement Fund	\$ -	\$ (9,000)
PE-18006	Byxbee Park Completion	Capital Improvement Fund	\$ -	\$ 214,600
PE-19001	Water, Gas, Wastewater Office Remodel	Capital Improvement Fund	\$ -	\$ (3,300)
PE-19002	Animal Shelter Renovation	Capital Improvement Fund	\$ -	\$ 188,700
PE-86070	Street Maintenance	Capital Improvement Fund	\$ (76,020)	\$ 549,400
PF-00006	Roofing Replacement	Capital Improvement Fund	\$ -	\$ 36,100
PF-02022	Facility Interior Finishes Replacement	Capital Improvement Fund	\$ -	\$ (1,200)
PF-14002	Fire Station 1 Improvements	Capital Improvement Fund	\$ -	\$ 28,800
PF-14003	University Avenue Parking Improvements	Capital Improvement Fund	\$ -	\$ 345,100
PF-16003	Charleston/Arastradero Corridor Project	Capital Improvement Fund	\$ 25,600	\$ -
PF-93009	Americans With Disabilities Act Compliance	Capital Improvement Fund	\$ -	\$ (4,800)
PG-06001	Athletic Courts Resurfacing	Capital Improvement Fund	\$ -	\$ 12,200
PG-13003	Golf Reconfiguration & Baylands Athletic Center Improvements	Capital Improvement Fund	\$ 2,250,000	\$ 408,500
PG-17000	Baylands Comprehensive Conservation Plan	Capital Improvement Fund	\$ -	\$ 6,500
PG-19001	Baylands Athletic Center 10.5 Acre Expansion Plan	Capital Improvement Fund	\$ -	\$ (5,900)

Project ID	Project Title	Fund	Revenue Reappropriation Adjustment	Expense Reappropriation Adjustment
PL-00026	Safe Routes To School	Capital Improvement Fund	\$ -	\$ 8,100
PL-04010	Bicycle and Pedestrian Transportation Plan Implementation	Capital Improvement Fund	\$ -	\$ 231,200
PL-05030	Traffic Signal and Intelligent Transportation Systems	Capital Improvement Fund	\$ 400,000	\$ 104,700
PL-14000	Churchill Avenue Enhanced Bikeway	Capital Improvement Fund	\$ -	\$ 57,400
PL-14001	Midtown Connector	Capital Improvement Fund	\$ -	\$ 53,100
PL-15002	Downtown Automated Parking Guidance Systems, Access Controls & Revenue Collection Equip.	Capital Improvement Fund	\$ -	\$ 130,400
PL-15003	Parking District Implementation	Capital Improvement Fund	\$ -	\$ 118,100
PL-15004	Downtown Parking Wayfinding	Capital Improvement Fund	\$ -	\$ 20,100
PL-16001	Downtown Mobility and Safety Improvements	Capital Improvement Fund	\$ -	\$ 25,700
PL-17001	Railroad Grade Separation and Safety Improvements	Capital Improvement Fund	\$ 1,000,000	\$ 70,800
PL-19000	Emergency Vehicle Traffic Signal Preemption System Pilot	Capital Improvement Fund	\$ -	\$ 597,500
PO-05054	Street Lights Improvements	Capital Improvement Fund	\$ -	\$ (29,800)
PO-11000	Sign Reflectivity Upgrade	Capital Improvement Fund	\$ -	\$ 57,200
PO-12001	Curb and Gutter Repairs	Capital Improvement Fund	\$ -	\$ (95,900)
PO-89003	Sidewalk Repairs	Capital Improvement Fund	\$ -	\$ (77,600)
AP-16000	Airport Apron Reconstruction	Airport	\$ 10,714,400	\$ -
EL-02011	Electric Utility Geographic Information System	Electric	\$ -	\$ (1,700)
EL-11010	Underground District 47-Middlefield, Homer, Webster, Addison	Electric	\$ -	\$ (13,200)
EL-12001	Underground District 46 - Charleston/El Camino Real	Electric	\$ -	\$ 420,200
EL-14002	Rebuild Underground District 20	Electric	\$ -	\$ (130,000)
EL-14005	Reconfigure Quarry Feeders	Electric	\$ -	\$ (26,100)
EL-15000	Colorado/Hopkins System Improvement	Electric	\$ -	\$ (50,000)
EL-16000	Rebuild Underground District 26	Electric	\$ -	\$ (3,500)
EL-16002	Capacitor Bank Installation	Electric	\$ -	\$ (163,700)
EL-17000	Rebuild Underground District 23	Electric	\$ -	\$ (50,000)
EL-17005	Inter-substation Line Protection Relay	Electric	\$ -	\$ (1,400)
EL-17007	Facility Relocation for Caltrain Modernization Project	Electric	\$ -	\$ (1,048,000)
EL-19000	Rebuild Underground District 25	Electric	\$ -	\$ (7,400)
EL-19001	Colorado Power Station Equipment Upgrades	Electric	\$ -	\$ (537,500)
EL-19003	Rebuild Underground District 30	Electric	\$ -	\$ (50,000)
EL-89038	Substation Protection Improvements	Electric	\$ -	\$ (93,000)
EL-89044	Substation Facility Improvements	Electric	\$ -	\$ (48,800)
GS-12001	Gas Main Replacement - Project 22	Gas	\$ -	\$ 65,300
GS-13001	Gas Main Replacement - Project 23	Gas	\$ -	\$ 59,700
GS-18000	Gas ABS/Tenite Replacement Project	Gas	\$ -	\$ 392,100

Project ID	Project Title	Fund	Revenue Reappropriation Adjustment	Expense Reappropriation Adjustment
SD-06101	Storm Drainage System Replacement And Rehabilitation	Stormwater	\$ -	\$ 455,000
SD-19000	Loma Verde Avenue Trunk Line Improvements	Stormwater	\$ -	\$ 295,900
WC-15001	Wastewater Collection System Rehabilitation/Augmentation Project 28	Wastewater Collection	\$ -	\$ 573,300
WC-16001	Wastewater Collection System Rehabilitation/Augmentation Project 29	Wastewater Collection	\$ -	\$ (73,500)
WC-99013	Sewer Lateral/Manhole Rehabilitation and Replacement	Wastewater Collection	\$ -	\$ (96,500)
WQ-14001	Dewatering and Loadout Facility	Wastewater Treatment	\$ -	\$ 60,700
WQ-14003	Primary Sedimentation Tank Rehabilitation	Wastewater Treatment	\$ -	\$ 2,086,800
WQ-19002	Plant Repair, Retrofit, and Equipment Replacement	Wastewater Treatment	\$ -	\$ 2,066,700
WS-07000	Water Regulation Station Improvements	Water	\$ -	\$ 797,100
WS-12001	Water Main Replacement - Project 26	Water	\$ -	\$ 305,400
WS-13001	Water Main Replacement - Project 27	Water	\$ -	\$ 569,500
WS-80015	Water Meters	Water	\$ -	\$ (32,300)
TE-05000	Radio Infrastructure Replacement	Technology	\$ -	\$ (15,900)
TE-12001	Development Center Blueprint Technology Enhancements	Technology	\$ -	\$ 39,800
TE-19000	Enterprise Resource Planning Upgrade	Technology	\$ -	\$ (53,600)
VR-17000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2017	Vehicle	\$ -	\$ (90,300)
VR-18000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2018	Vehicle	\$ -	\$ (328,900)
VR-19000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2019	Vehicle	\$ -	\$ 163,000
		<b>Total All Funds</b>	<b>\$ 15,193,061</b>	<b>\$ 12,361,800</b>

Fund Name	Department	Title	Description	Expense
Capital Improvement Fund	Public Works	Charleston/Arastradero Corridor Project (PE-13011)	This 2014 Infrastructure Plan (IP) project was over expended in FY 2019, and the budget was increased by \$261,400 as part of the FY 2019 Year-End process. In order to maintain the total project budget of \$19.6 million over the life of the project, a corresponding decrease of \$261,400 is recommended in FY 2020.	-\$261,400
Capital Improvement Fund	Public Works	Fire Station 3 Replacement (PE-15003)	This 2014 Infrastructure Plan (IP) project was over expended in FY 2019, and the budget was increased by \$212,900 as part of the FY 2019 Year-End process. In order to maintain the total project budget of \$10.1 million over the life of the project, a corresponding decrease of \$212,900 is recommended in FY 2020.	-\$212,900
Capital Improvement Fund	Public Works	New Public Safety Building (PE-15001)	This 2014 Infrastructure Plan (IP) project was over expended in FY 2019, and the budget was increased by \$151,200 as part of the FY 2019 Year-End process, and a corresponding decrease of \$151,200 is recommended in FY 2020. In addition, as part of the Adopted FY 2020 Capital Budget, it was estimated that \$3.0 million would be encumbered for this project in FY 2019. This encumbrance was never done so \$3.0 million is recommended to be appropriated to this project in FY 2020 in order to maintain the total project budget of \$115.5 million over the life of the project.	\$2,848,800

Fund Name	Department	Title	Description	Expense
Capital Improvement Fund	Public Works	Rinconada Park Improvements (PE-08001)	This project was over expended in FY 2019, and the budget was increased by \$54,900 as part of the FY 2019 Year-End process. In order to maintain the total project budget of \$4.7 million over the life of the project, a corresponding decrease of \$54,900 is recommended in FY 2020.	-\$54,900
<b>All Funds</b>				<b>\$2,319,600</b>