



City of Palo Alto

City Council Staff Report

(ID # 10872)

Report Type: Consent Calendar

Meeting Date: 12/2/2019

Summary Title: Approval of a Budget Amendment for NVCAP

Title: Approval of a Budget Amendment in the General Fund for Amendment Number 2 to Contract Number C18171717 With Perkins + Will to Provide Professional Services Related to the Preparation of the North Ventura Coordinated Area Plan (NVCAP) (Continued From November 18, 2019)

From: City Manager

Lead Department: Planning and Development Services

Recommendation

Staff recommends that Council amend the Fiscal Year 2020 Budget Appropriation Ordinance for the General Fund by:

- a. Increasing the Planning and Development Services appropriation for Contract Services in the amount of \$368,758; and
- b. Decreasing the General Fund Budget Stabilization Reserve in the amount of \$368,758.

Executive Summary

On October 21, 2019 the City Council took an affirmative action to amend the contract with the City's consultant for the North Ventura Coordinated Area Plan (NVCAP). Concurrent with this request was a General Fund budget amendment to pay for the additional scope of services. While the contract was amended by a Council majority (4-2-1), the requested budget amendment requires a two-thirds majority vote. With two dissenting votes and one absent Councilmember, the budget amendment failed to receive the necessary five votes for approval.

This reports transmits without any changes the previously requested budget amendment to pay for the Council approved contract amendment. Five or more affirmative votes will provide the necessary funds to support the additional work proposed in the amended contract.

Background

On August 19, 2019,¹ Council directed staff to return with a contract amendment to expand the project scope, increase the budget, and extend the NVCAP project timeline. The City Council

¹ Staff report for City Council meeting 8-19-19:

<https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?t=59214.46&BlobID=72899>

also directed staff to return with a separate consultant contract to study improvements to Matadero Creek.² The City Council considered and approved the latter contract with WRA Inc. on September 16, 2019.³

On October 21, 2019⁴, the City Council approved and authorized the City Manager or his designee to execute Amendment No. 2 to Contract C18171717 with Perkins + Will (Attachment A), amending the scope of services, increasing maximum compensation in the amount of \$368,758 for a total not to exceed amount of \$1,137,826, and extending the term one additional year through December 31, 2021.

The amended contract with Perkins + Will, the lead consultant assisting with the development of the North Ventura Coordinated Area Plan, expanded scope includes:

- Economic Value of NVCAP
- Evaluation of Proposed Policies
- Additional Alternative (for a total of three additional analyses, incorporating the creek study and historic study)
- Parking Model Calibration
- Increase Working Group meeting from 2 hours to 3 hours per meeting
- Additional Decision-Maker Meetings (5 additional meetings)
- Expanded CEQA review options to include possible Environmental Impact Report
- Financial Analysis
- Project Management Extension including Coordination between Consultant and City Staff

The City Council approved this recommendation on a 4-2-1 vote with Councilmembers Kou and Cormack opposed, and Councilmember Kniss absent.

As part of that same item, the City Council also considered the recommended budget amendment in the General Fund to provide funding for this contract amendment and increased compensation. While Councilmembers voted in favor of this action (4-2-1, with Councilmembers Kou and Cormack opposed, and Councilmember Kniss absent), the vote was insufficient to enact the budget amendment. A total of 5 affirmative votes were required to pass the appropriation per Municipal Code Section 2.28.080 (Amendments After Adoption) and City Charter Section 12. These sections require a two-thirds vote for additional appropriations in excess of those contained in the adopted budget.

This appropriation is returning to Council for consideration. Five or more affirmative votes will

² Minutes from City Council meeting on 8-19-19:

<https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?t=73229.57&BlobID=73621>

³ Staff report for City Council meeting on 9-16-19:

<https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?t=59425.16&BlobID=73288>

⁴ Staff report for 10-21-19 City Council Meeting:

<https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?t=59815.38&BlobID=73638>

provide the necessary funds to support the additional work proposed in the amended contract.

Discussion

This appropriation is returning to Council for consideration in order to comply with the Municipal Code and City Charter. Work with Perkins + Will included as part of this Amendment No. 2 which was approved by the City Council requires additional funding as there is not sufficient funding in current appropriated funds to absorb these new costs. Five or more affirmative votes will provide the necessary funds to support the amended contract. Excerpts from the City's Charter and Municipal Code that regulate these appropriations in excess of adopted amounts are below for reference. It should be noted that the transfer or reallocation of funds within appropriated levels requires a majority vote.

Charter Sec. 12 Budget contents – Transfer of funds

Additional appropriations of receipts in excess of the total appropriations made by the budget may be made by a two-thirds vote of the council.

Municipal Code Section 2.28.080 Amendments after adoption

During the fiscal year, the city manager shall amend the budgetary accounts of the city to reflect the following:

(a) Additional Appropriations. By a two-thirds vote, the council may make additional appropriations of receipts that are in excess of the total estimated receipts and appropriations contained in the adopted budget.

If there is not sufficient support to approve the budget amendment, staff would return to Council at a future date to present options on how best to proceed with the project.

Resource Impact

The recommended budget amendment would provide the necessary funding to continue work with Perkins + Will and complete the additional scope of services. Staff requests a budget amendment of \$368,758 from the Budget Stabilization Reserve. Based on estimates through May 2019, the FY 2020 Budget included a contribution to the Budget Stabilization Reserve to ensure it met City Council's target level of 18.5% of General Fund Expenses. The action recommended in this report will decrease the Budget Stabilization Reserve by \$368,758 which is anticipated to bring Budget Stabilization Reserve to approximately \$100,000, or 0.005%, below the City Council's target. However, staff is currently in the process of completing the year-end analysis of FY 2019 through the Comprehensive Annual Financial Report (CAFR) and it is anticipated that sufficient savings will be identified to ensure that the Budget Stabilization Reserve remains at City Council's target of 18.5%.

Stakeholder Engagement

The NVCAP project includes a robust community engagement process. It includes a Working Group; City Council appointed the members of the Working Group. These stakeholders, as well as other members of the public who attend the meetings and participate in community

meetings, remain dedicated to the NVCAP. This funding will enable the Working Group to work with the consultants to realize the stated goals of the NVCAP.

Environmental Review

Approval of the budget amendment is not a project for the purposes of the California Environmental Quality Act.