



FY 2021 PROPOSED BUDGET HEARINGS

INTERNAL SERVICE DEPARTMENTS & COUNCIL APPOINTED OFFICERS

OPS PG. 115-150, 159-170, 193-213

Cap Pg. 563-592

FY 2021 BASELINE BUDGET SUMMARY

| Department | General Fund Revenue | General Fund Expenses | General Fund FTE | All Funds Revenue | All Funds Expenses | All Funds FTE |
|-------------------------|----------------------|-----------------------|------------------|-------------------|--------------------|---------------|
| City Attorney | \$1,617,268 | \$3,825,148 | 10.00 | \$1,617,268 | \$3,825,148 | 10.00 |
| City Auditor | \$965,884 | \$1,057,042 | 3.00 | \$965,884 | \$1,057,042 | 3.00 |
| City Clerk | \$652,577 | \$1,374,602 | 5.00 | \$652,577 | \$1,374,602 | 5.00 |
| City Council | \$155,566 | \$473,822 | 7.00 | \$155,566 | \$473,822 | 7.00 |
| City Manager | \$1,549,472 | \$3,633,795 | 10.00 | \$1,549,472 | \$3,633,795 | 10.00 |
| Administrative Services | \$2,306,544 | \$9,375,006 | 41.61 | \$4,049,285 | \$11,038,773 | 43.71 |
| Human Resources | \$1,914,659 | \$4,087,691 | 16.96 | \$11,323,599 | \$15,194,413 | 18.44 |
| Information Technology | \$0 | \$0 | 0.00 | \$16,670,828 | \$21,383,905 | 36.58 |



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Administrative Services Department

Operating Pg. 159 - 170

FY 2021 BUDGET SUMMARY (ADMINISTRATIVE SERVICES)

Balancing Strategy

Maintain work and required financial reporting. Reorganize and restructure areas such as accounting, procurement, and revenue collections in order to share resources working to minimize impacts and delays to City processes in accounting, procurement, and revenue collections.

Major Proposed Changes in in General Fund

- Accounting and Revenue Collections Reorganization (-\$188,000)
- Suspend City Annual Performance Report (-\$165,000)
- Procurement staff reorganization and reduction in resources (-\$146,000)
- Reduction in printing services (-\$75,000)

FY 2021 DEPARTMENT OUTLOOK (ASD)

- Quarterly financial and investment reporting, the annual Comprehensive Annual Financial Report (CAFR), and the annual budget process will continue such as the Long Range Financial Report, Mid-Year Budget review, and budget adoption.
- Redeploying staff and balancing delays in processing timeline with internal control risk such as changes in purchasing and payment processing.
- Continue to process biweekly payroll for all city employees
- Property management, treasury services, and warehouse management will continue
- Revenue collections will continue in a modified format



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Human Resources Department

Operating Pg. 193 - 206

FY 2021 BUDGET SUMMARY (HUMAN RESOURCES)

Balancing Strategy

Human Resources does not plan to eliminate or discontinue services, given the nature of the work, the balancing strategy will require reductions in personnel hours and the reduction of a contingency fund.

Major Proposed Changes in General Fund

- Reduce staff resources (-\$230,000)
- Eliminate Human Resources contingency fund (-\$50,000, this was noted as part of the non-departmental discussion)

FY 2021 DEPARTMENT OUTLOOK (HR)

- Guiding and supporting workforce safety and health through COVID-19 and Shelter in Place orders.
- Implementing Federal Families First legislation
- Implementing workforce reductions, leading safe return-to-work strategies, meeting legal obligations related to unions, and assisting with organizational issues related to the budget and ongoing pandemic.
- Continue HR strategies focused on new employee orientation, staffing and recruitment management, talent and skill development, performance assessments, safety and wellness programs; and to support employee relations, compensation, job classification, risk management, and organization development



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Information Technology

Operating Pg. 207 - 213

Capital Pg. 563 - 592

FY 2021 BUDGET SUMMARY (INFORMATION TECHNOLOGY)

Balancing Strategy

Freeze position vacancies, adjusted service delivery, eliminated maintenance contracts for lower risk software/hardware, reduced Citywide allocations to replace only critical software/hardware

Major Proposed Changes in the Information Technology Fund

- Position Eliminations, Deferral of Hiring, and Reduction in Department Training (-\$930,000 rev / -\$930,000 exp)
- Reduction in Software & Equipment Support (-\$473,000 rev / -\$473,000 exp)
- Extend Replacement Cycle for Laptops & Components (-\$389,00 rev / -\$389,000 exp)
- Currently assessing the impacts of deferring work on two capital improvement projects (-\$3.7 M)

FY 2021 DEPARTMENT OUTLOOK (IT)

- Continue with the implementation of
 - ERP (Enterprise Resource Planning) Upgrade,
 - GIS (Geographic Information System) Modernization, and
 - Next Generation City website
- Provide a broad range of high-quality technology-related solutions to employees, departments, council members, and the community; support and improve essential technology infrastructure



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City Attorney Office

Operating Pg. 115-121

FY 2021 BUDGET SUMMARY (CITY ATTORNEY'S OFFICE)

Balancing Strategy

City Attorney's Office has realigned the contingency fund to streamline operations and decrease administrative work. Reduced areas which will lengthen response times for new initiatives but maintain core work

Major Proposed Changes in General Fund

- Staffing Reductions (-\$117,000)
- Travel, Training, and Supply Expense Reductions (-\$47,000)

FY 2021 DEPARTMENT OUTLOOK (ATTORNEY)

- Continue to provide legal support and services to the City Council, City Manager and departments.
- The Attorney's Office will focus on new priorities in the City government organization during the COVID-19 recovery phase.



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City Auditor Office

Operating Pg. 123-130

FY 2021 BUDGET SUMMARY (CITY AUDITOR'S OFFICE)

Balancing Strategy

To increase the efficiency of the organization, the Auditor's Office realigned services provided while also reducing expenses in staffing categories to keep the department's budget balanced and fiscally sustainable.

Major Proposed Changes in General Fund

- Staffing Adjustments (net -\$137,000)
- Realignment of the Tax Compliance and National Citizens Survey Program from the City Auditor's office to a mutual share between the City Manager's Office and the Administrative Services Department (-\$150,000 rev / -\$77,000 exp)
- Staff reduction equal to similar internal service reductions (-\$165,000)

FY 2021 DEPARTMENT OUTLOOK (AUDITOR)

- At the direction of the City Council and in coordination with the Council Appointed Officer Committee, staff is currently evaluating the service delivery of the internal audit function and final impacts are to be determined.
- conduct internal audits and examinations of any City department, program, service, activity, or fiscal transaction



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City Clerks Office

Operating Pg. 131-136

FY 2021 BUDGET SUMMARY (CITY CLERK'S OFFICE)

Balancing Strategy

To increase the efficiency of the organization, the City Clerk's Office realigned services provided while also reducing expenses in staffing categories to keep the department's budget balanced and fiscally sustainable.

Major Proposed Changes in General Fund

- Staffing Reductions (-\$48,000)
- Travel, Training, and Supply Expense Reductions (-\$45,000)
- Contract Services Expense Reductions (-\$90,000)
(includes \$35,000/\$63,000 for minutes transcription & KZSU broadcasting council meetings)
- No Board and Commission Training or Recognition (-\$5,000)
- Printing agenda packets (-\$35,000)

FY 2021 DEPARTMENT OUTLOOK (CLERK)

- The City Clerk's Office will continue to provide support and services to the City Council, staff and the community while working to maintain and enhance Palo Alto's quality of life.
- The City Clerk's Office will focus on new priorities in the City government organization during the COVID-19 recovery phase.



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City Council Office

Operating Pg. 137-141

FY 2021 BUDGET SUMMARY (CITY COUNCIL OFFICE)

Balancing Strategy

To increase the efficiency of the organization, the CCO reduced expenses in travel, training, office supply, and special event categories to keep the department's budget balanced and fiscally sustainable.

Major Proposed Changes in General Fund

- Travel, Training, and Supply Expense Reductions (-\$49,000)
- Meeting meals and snacks (-\$14,000)

MAY 12 REVISE: Eliminate Council Contingency (-\$125,000)

FY 2021 DEPARTMENT OUTLOOK (CCO)

- The City Council will continue to provide leadership and management to the City government organization while working with the Council Appointed Officers Offices to maintain and enhance Palo Alto's quality of life.



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City Managers Office

Operating Pg. 143-150

FY 2021 BUDGET SUMMARY (CITY MANAGER OFFICE)

Balancing Strategy

To increase the efficiency of the organization, the CMO realigned services provided while also reducing expenses in staffing categories to keep the department's budget balanced and fiscally sustainable.

Major Proposed Changes in General Fund

- Staffing Reductions (-\$251,000)
- Travel, Training, and Supply Expense Reductions (-\$32,000)
- National Citizen's Survey Alignment from City Auditor's Office (\$27,000)

FY 2021 DEPARTMENT OUTLOOK (CMO)

- The City Manager's Office will continue to provide leadership and management to the City government organization while working with the City Council to maintain and enhance Palo Alto's quality of life.
- The City Manager's Office will focus on new priorities that will support residents, local businesses, and the City government organization during the COVID-19 recovery phase.
- Continue citywide strategic focus areas including legislative affairs, business support and coordination, communications and community engagement, management of a small business grant recovery program, review of the City's 311 service request process, sister city support, and other citywide efforts.

SERVICE AREA SUMMARY

| | General Fund FY 2021 Baseline (as of 4/20/20) | General Fund FY 2021 Revised (as of CMR #11322) | % change | All Funds FY 2021 Baseline | All Funds FY 2021 Revised | % change |
|----------------------------------|---|---|-------------|-------------------------------|------------------------------|-------------|
| Administration and Governance | \$23.8 M | \$21.2 M | (11.1%) | \$58.0 M | \$52.5 M | (9.5%) |