

Minor, Beth

From: Filseth, Eric (Internal)
Sent: Monday, May 25, 2020 5:38 AM
To: Fine, Adrian; Kniss, Liz (internal); 'Lydia Kou' (lydiakou@gmail.com); Cormack, Alison; Greg Tanaka <greg@gregtanaka.org> (greg@gregtanaka.org); tomforcouncil@gmail.com
Cc: Minor, Beth
Subject: Staff Budget Plan in Excel Format
Attachments: Rebudgeting Worksheet Staff Plan 2.xlsx; FY21 Budget Cuts - Staff Plan 2.xlsx

Folks, FYI if you can use it, here's an update to the previous worksheet model with the new Staff Plan in it. As before, tweak the highlighted cells. "FY22 Optimism Factor" is to dial up and down the FY22 revenue. "5yr Capital Budget Change" is more conservative.

Also a file with Staff proposed budget cuts in Excel format instead of pdf.

Eric

the message or any information contained in the message. If you received the message in error, please notify the sender and delete the message.

Begin forwarded message:

From: Tom DuBois <tomforcouncil@gmail.com>
Date: May 25, 2020 at 12:08:03 PDT
To: "Filseth, Eric (Internal)" <Eric.Filseth@CityofPaloAlto.org>, "Nose, Kiely" <Kiely.Nose@cityofpaloalto.org>, "Shikada, Ed" <Ed.Shikada@CityofPaloAlto.org>
Cc: "Fine, Adrian" <Adrian.Fine@CityofPaloAlto.org>, "Kniss, Liz (internal)" <Liz.Kniss@CityofPaloAlto.org>, "'Lydia Kou' (lydiakou@gmail.com)" <lydiakou@gmail.com>, "Cormack, Alison" <Alison.Cormack@CityofPaloAlto.org>, "Greg Tanaka <greg@gregtanaka.org> (<greg@gregtanaka.org>)" <greg@gregtanaka.org>
Subject: Re: Staff Budget Plan in Excel Format

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Eric,

I truly appreciate and respect the amount of work you put into this and thanks for sharing. This email is not a criticism of you doing this. On the contrary what you shared is excellent - it's concise, it shows where cuts are occurring, and it shows multi-year impacts according to assumptions you made. I expect it took you some time to extract this information from our budget materials.

However, I do want to say that that this is the type of information we need to be getting from staff. I'd like to know staff's assumptions and see a model from staff's perspective.

Without going into any specific budget issues that touch on the Brown act, I just want to say that our process has been rushed without clear and adequate information. I don't expect complete information, but our process has not been good and we risk bad governance in a crucial time.

I'm no dummy. It's been hard to follow and discern what is most important, to know what items are really essential and can't be cut, particularly on the captial budget side. We are being asked not to make decisions but to affirm staff decisions without clear and adequate information.

I've dug through the budget docs and I walk away unsure on three basic questions:

1. How many dollars are true cuts of existing services vs vacant unfilled positions?
2. How many dollars are cuts from services that can't be rendered due to Covid 19?
3. How many dollars are recovered from actual efficiencies being found.

It has been difficult to extract that information, and I think it would service us all well to have it.

Best,
Tom.

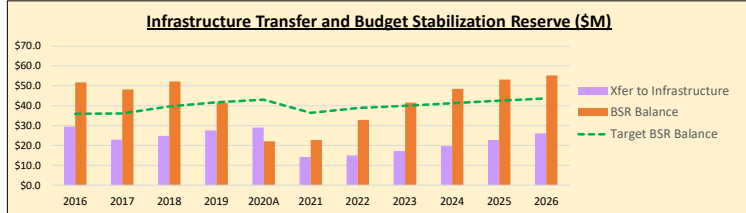
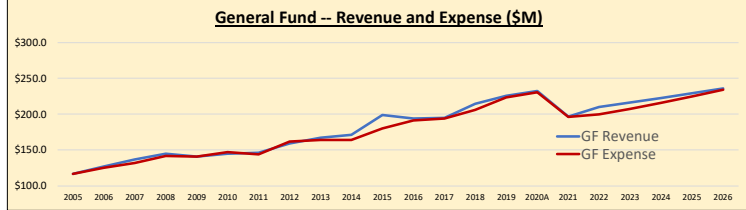
Detailed Breakdown

Dept Total				Expense	FTE - Full	FTE - Pt	Revenue	Revenue
Total (\$K)	(\$K)	Dept	Action	Drop (\$K)	Time	Time	Drop (\$K)	Incr (\$K)
\$42,866	\$591	Admin Svcs	Annual Perf Report	\$169	1.00			
			Staff/Service in Purchasing	\$186	0.90			
			Accounting/Revenue Collection Reorg	\$148	1.50			
			Printing Services	\$88				
	\$128	Attorney	Position reduction - citations, code enf	\$81	0.50			
			Travel, training	\$47				
	\$165	Auditor	Position reduction - audits	\$165				
	\$135	Clerk	Travel, training, events	\$45				
			Contract services reduction	\$90				
	\$49	Council	Council budget - travel, training, supplies	\$49				
	\$251	City Mgr	Position reduction - asst to City Mgr	\$219	1.00			
			Travel, training, supplies expense	\$32				
	\$3,242	CSD	Position - communications, oversight	\$586	3.00	0.48		
			JMZ - ticket prices, opening delay	\$225			\$46	
			Children's Theater - fewer productions	\$721	1.00	5.09	\$284	
			Teen Services - many infeasible re Covid	\$202	1.00	1.44	\$50	
			Art Center exhibitions, programming	\$452	2.10	2.16	\$5	
			Community center 1 day/wk reduction	\$283	2.00	1.27		
			Park Maintenance	\$275				
			Community - KYN Grant, events	\$154			\$14	
			Open Space hours - Evans, rangers	\$244	1.00	0.17		
			Human Service Funding, YCS	\$100				
			Middle School, Adult Sports fees					\$101
	\$1,337	Fire	Inspection times	\$93	0.40			
			Raise Response/Ambulance fees					\$1,855
			Reduce Overtime, positions	\$832	5.00		\$202	
			Admin/support	\$412	2.20			
	\$236	HR	Position reduction	\$236	1.00	0.96		
	\$1,320	IT	Position reduction	\$534				
			S/W replacement	\$265				
			Allocated Charges reduction	\$521				
	\$1,655	Library	Position reduction - lower service level	\$718	3.00	4.14		
			Reduce hours and days open	\$695	3.00	6.27		
			Travel, training, expense	\$242				
	\$3,923	Non Dep 1	Cubberley Lease	\$2,500				
			Council contingency	\$125				
			Innovation / Spec Event Contingency	\$50				
			HR contingency	\$50				
			RPPP Admin reduction	\$185				
			Original revenue shortfall				\$38,794	
			More rev shortfall "Econ Sensitive"				\$5,000	
		Non Dep 2	Internal Service Fund Charges	\$486				
			OPEB accounting	\$527				
	\$158	OES	Position reduction	\$98	1.00			
			Caltrain crossing cameras budget	\$60				
	\$568	Transport	Position reduction - parking citation review	\$30		0.48		
			Eliminate free shuttles	\$538				
	\$2,699	Planning	Admin - proj mgmt, customer support	\$451	2.00	0.48		
			DevIt Svcs front counter	\$737	2.00		\$487	
			Code Enforcement - positions	\$264	2.00			
			Building Inspection + Plan Review	\$401	-1.00		\$1,335	
			Fire Inspection + Plan Review	\$531	1.60	0.48	\$529	
			Green building consulting	\$106			\$69	
			Dev Svcs/PubWks application processing	\$209	0.70		\$207	
			Dev Svcs Reserve (DSRF)					\$500
	\$5,760	Police	Position reduction - Comms, PR	\$196	1.00			
			Position reallocation to City Mgr office	\$296				
			Position reduction, overtime - Patrol	\$1,822	8.87			
			Position reduction - tech support	\$391	1.80			
			Position reduction, OT - dispatch (20% reduct)	\$1,323	5.00	0.49	\$131	
			Position reduction - Information, records	\$24		0.29		
			Position reduction - investigations	\$346	2.00	0.08		
			Position reduction - Reserve (Spec Events)	\$75		0.72		
			Traffic program	\$539	3.00			
			Parent program - domestic disturb	\$60				

* is this picked up in City Mgr office?

		Recruitment	\$444	1.00	0.22	
		Training	\$104			
		Animal Control	\$140	1.00	0.48	\$40
\$2,541	Pub Wks	Streets/Sidewalks	\$700			
		SF Creek JPA	-\$119			
		Dev Svcs realign (in-transfer)	-\$80	-0.45		
		Tree trimming	\$654			
		Vehicle replacement rate	\$1,275			
		Position reduction - Bldgs Capital projects	\$111	0.65		
\$255	Utilities	Electric rate freeze	\$125			
		Gas rate 2% increase	\$28			
		Wastewater rate freeze	\$6			
		Water rate freeze	\$96			
\$3,473		Mgmt/Professional Compensation	\$3,473			
-\$950	Covid Rec	Covid-19 Recovery - Contact Tracing	-\$450			
		Covid-19 Recovery - Bz / Comms Support	-\$150			
		Covid-19 Recovery - Workplace Restoration	-\$350			
-\$1,000		Litigation Reserve	-\$1,000			
-\$2,075	Restruct	Implementation/restructuring costs	-\$2,075			
\$18,405	Xfer to CIP	GF Transfer to Capital	\$9,950			
		TOT Transfer to Capital	\$8,455			
Total			\$42,866	61.77	25.70	\$47,193 \$2,456

REVENUES	Historical GF Revenue Data				FY21-26 REVENUES Projection					
	FY18	FY19	FY20	3-yr CAGR	FY21 Base No Covid	FY21 Drop %	FY21 Bgdt \$M	FY22 Reb Incr %	FY22 Bgdt \$M	FY22 Factor
Property Taxes - Total	\$42.8	\$47.3	\$48.6	7.3%	\$52.9	-2%	\$51.8	1%	\$52.4	Optimsm
Sales Taxes - Total	\$31.1	\$36.5	\$34.3	6.5%	\$37.6	-44%	\$21.1	20%	\$25.3	Factor
Charges for Services	\$26.3	\$26.7	\$29.7	5.1%	\$30.5	-15%	\$25.9	8%	\$27.9	1.0
TOT	\$24.9	\$25.6	\$29.3	6.0%	\$29.7	-50%	\$14.9	20%	\$17.8	
Util Users Tax	\$15.4	\$16.4	\$17.6	4.5%	\$17.6	-10%	\$15.8	5%	\$16.6	
Everything Else	\$53.3	\$53.1	\$51.6	-0.9%	\$51.8	-10%	\$46.6	5%	\$49.0	FY23-26
Operating Transfers-In	\$20.4	\$19.8	\$21.0	1.6%	\$21.4	-4%	\$20.5	2%	\$21.0	CAGR
Total Revenues	\$214.2	\$225.4	\$232.1	4.1%	\$241.5	-19%	\$196.7	7%	\$209.9	3%



EXPENSES	Historical GF Expense Data				FY21-26 EXPENSES Projection										FY23-26
	FY18	FY19	FY20	3-yr CAGR	FY21 Base No Covid	Change (\$M)	FY21 New (\$M)	Savings (%)	FY22 Δ% (%)	FY22 Bgdt (\$M)	FY23 3%	FY24 3%	FY25 3%	FY26 3%	CAGR
General Fund Dept															3%
Police	\$40.0	\$42.2	\$44.7	5.6%	\$47.1	-5.76	\$41.3	12.2%	4%	\$43.0	\$44.3	\$45.6	\$47.0	\$48.4	↑ How just will expenses grow past 2020? Are fact adjustments OK?
Fire	\$33.6	\$33.6	\$34.9	2.5%	\$36.2	-1.34	\$34.9	3.7%	4%	\$36.3	\$37.3	\$38.5	\$39.6	\$40.8	
Community Services	\$27.1	\$29.0	\$30.9	6.1%	\$32.4	-3.20	\$29.2	9.9%	4%	\$30.4	\$31.3	\$32.2	\$33.2	\$34.2	
Planning/Development	\$19.9	\$20.4	\$20.4	1.5%	\$20.8	-2.70	\$18.1	13.0%	4%	\$18.8	\$19.4	\$20.0	\$20.6	\$21.2	
Transportation			\$2.3		\$2.4	-0.57	\$1.8	23.8%	4%	\$1.9	\$2.0	\$2.0	\$2.1	\$2.1	
Public Works	\$18.4	\$17.1	\$19.2	2.3%	\$19.7	-2.54	\$17.2	12.9%	4%	\$17.8	\$18.4	\$18.9	\$19.5	\$20.1	
Library	\$9.1	\$9.3	\$10.3	4.6%	\$10.4	-1.70	\$8.7	16.3%	4%	\$9.0	\$9.3	\$9.6	\$9.9	\$10.2	
Admin Services	\$7.7	\$7.6	\$8.5	6.9%	\$9.4	-0.59	\$8.8	6.3%	4%	\$9.2	\$9.4	\$9.7	\$10.0	\$10.3	
Non-Dept 1/2	\$6.4	\$12.2	\$9.0	4.0%	\$7.2	-3.92	\$3.3	54.4%	4%	\$3.4	\$3.5	\$3.6	\$3.7	\$3.8	
HR	\$3.5	\$3.6	\$3.9	5.4%	\$4.1	-0.24	\$3.9	5.9%	4%	\$4.0	\$4.1	\$4.3	\$4.4	\$4.5	
City Attorney	\$3.3	\$3.6	\$3.4	4.8%	\$3.8	-0.13	\$3.7	3.4%	4%	\$3.8	\$3.9	\$4.0	\$4.2	\$4.3	
City Manager	\$3.7	\$3.9	\$4.5	-0.9%	\$3.6	-0.28	\$3.3	7.8%	4%	\$3.5	\$3.6	\$3.7	\$3.8	\$3.9	
City Clerk	\$1.2	\$1.1	\$1.3	5.3%	\$1.4	-0.13	\$1.3	9.3%	4%	\$1.3	\$1.4	\$1.4	\$1.4	\$1.5	
City Auditor	\$1.2	\$1.2	\$1.2	-2.9%	\$1.1	-0.16	\$0.9	14.5%	4%	\$1.0	\$1.0	\$1.0	\$1.1	\$1.1	
City Council	\$0.5	\$0.4	\$0.5	0.0%	\$0.5	-0.05	\$0.5	10.0%	4%	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	
OES	\$1.0	\$1.2	\$1.7	17.0%	\$1.6	-0.16	\$1.4	10.0%	4%	\$1.5	\$1.5	\$1.6	\$1.6	\$1.7	
Operating Xfers-Out	\$4.7	\$9.6	\$5.0	-1.4%	\$4.5	0.00	\$4.5	0.0%	4%	\$4.7	\$4.8	\$5.0	\$5.1	\$5.3	
IT (embedded above)					\$0.0	-1.30	(\$1.3)		4%	\$-1.4	\$-1.4	\$-1.4	\$-1.5	\$-1.5	
Utilities (embed.)					\$0.0	-0.26	(\$0.3)		4%	\$-0.3	\$-0.3	\$-0.3	\$-0.3	\$-0.3	
Mgmt/Prof Comp (embed.)					\$0.0	-3.47	(\$3.5)		4%	\$-3.6	\$-3.7	\$-3.8	\$-3.9	\$-4.1	
One-time: Covid Recovery					\$0.0	0.95	\$1.0		-100%	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
One-time: Litigation Rsrv					\$0.0	1.00	\$1.0		-100%	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
One-time: Restruct. Costs					\$0.0	2.08	\$2.1		-100%	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Net General Fund OpEx	\$181.3	\$196.0	\$201.7		\$206.2	-24.47	\$181.7	11.9%		\$184.8	\$190.4	\$196.1	\$201.9	\$208.0	
Available to Fund Things	\$32.9	\$29.4	\$30.4		\$35.3		\$14.9			\$25.0	\$25.8	\$26.6	\$27.4	\$28.2	
XFER TO INFRASTRUCTURE	\$24.8	\$27.5	\$29.0	9.5%	\$32.6	-\$18.4	\$14.2	56.4%	5%	\$14.9	\$17.1	\$19.7	\$22.7	\$26.1	
Total Expenses	\$206.1	\$223.5	\$230.7	5.0%	\$238.8	-\$42.9	\$195.9	18.0%	1.9%	\$199.7	\$207.5	\$215.8	\$224.6	\$234.1	

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GF Revenue	\$117.0	\$127.0	\$137.0	\$145.0	\$141.0	\$145.0	\$146.0	\$159.0	\$167.0	\$171.0	\$199.0
GF Expense	\$117.0	\$125.0	\$132.0	\$141.8	\$141.0	\$147.0	\$144.0	\$162.0	\$164.0	\$164.0	\$180.0
GF Revenue	\$194.0	\$195.0	\$214.2	\$225.4	\$232.1	\$196.7	\$209.9	\$216.2	\$222.6	\$229.3	\$236.2
GF Expense	\$191.0	\$194.0	\$206.1	\$223.5	\$230.7	\$195.9	\$199.7	\$207.5	\$215.8	\$224.6	\$234.1
Xfer to Infrastructure	\$29.4	\$22.9	\$24.8	\$27.5	\$29.0	\$14.2	\$14.9	\$17.1	\$19.7	\$22.7	\$26.1
BSR Balance	\$51.6	\$48.1	\$52.1	\$41.4	\$22.0	\$22.7	\$32.9	\$41.5	\$48.4	\$53.1	\$55.2
Target BSR Balance	\$35.9	\$36.1	\$39.6	\$41.7	\$42.9	\$36.4	\$38.8	\$40.0	\$41.2	\$42.4	\$43.7

FY21-25 Capital/Infrastruct. Xfer	
Base Plan	\$164.4
New Projection	\$88.7
5yr Capital Reduction	\$75.7