

**Carnahan, David**

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**From:** Ng, Judy  
**Sent:** Friday, October 26, 2018 2:09 PM  
**To:** Council Members; ORG - Clerk's Office; Council Agenda Email  
**Cc:** Keene, James; Shikada, Ed; De Geus, Robert; Flaherty, Michelle; Gaines, Chantal; Tanner, Rachael; Nose, Kiely; Harper, Paul  
**Subject:** 10/29 Council Agenda Questions for Item 4



### Council Question Response

Dear Mayor and Council Members:

On behalf of City Manager Jim Keene, please find below in **bold** staff responses to inquiries made by Council Member Tanaka in regard to the October 29, 2018 council meeting agenda.

Item 4: Approval of Fiscal Year 2018 Reappropriation Requests and Budget Amendments – CM Tanaka

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Q. 1. The format of Attachment B is not as useful as the format of Attachment A. The fact that there were inaccuracies in each project's management relative to revenue and expenditures is understandable. Attachment A's format provides the reasons for the proposed budget changes. One problem with Attachment A's format is that the original appropriation is in the description field (mostly), rather than in its own column. Having these two numbers clearly visible offers one the opportunity to see the percentage of error/change that was in the previous budget. If there is a project tracking number for the projects in Attachment A—it is missing.

Can you please provide an explanation?

**A. 1. The format of Attachment B and Attachment A differ since Attachment A is focused on Operating Budget Reappropriations while Attachment B focuses on Capital Budget Reappropriations. Project Numbers are not used in the Operating Budget, so they are not included in Attachment A. The explanations for Capital Reappropriations are not as varied as the explanations for Operating Reappropriations so they are explained in the body of the report rather than with each individual line item. This can be found on page 4 of the staff report. Regardless of the recommended adjustment, it does not change the overall budget for the Capital project; instead it shifts the project budget between fiscal years.**

Q. 2. Why didn't the City receive \$10.5 million of revenue from the Dewatering and Loadout Facility in the last fiscal year? Why is it expected this fiscal year?

**A. 2. The revenue and expense for the Dewatering and Loadout Facility were both originally budgeted in FY 2018. However, the State Revolving Loan Funding is disbursed to the City as the work on this project is completed, on a reimbursement basis. As such, the shift of the revenue from FY 2018 to FY 2019 brings the budget in line with the anticipated completion of the project. The project was approximately half-way done at the end of FY 2018 and approximately half of the revenue was collected. Reappropriating the remaining revenue ensures appropriate alignment between the FY 2019 budget and the project completion to offset the remaining construction costs. A matching expense reappropriation was not done for this project because the funds were already obligated to the contract and are thereby included in the budget.**

Thank you,  
Judy Ng



Judy Ng  
City Manager’s Office | Administrative Associate III  
250 Hamilton Avenue | Palo Alto, CA 94301  
Phone: (650) 329-2105  
Email: [Judy.Ng@CityofPaloAlto.org](mailto:Judy.Ng@CityofPaloAlto.org)