

Minor, Beth

From: Rice, Danille
Sent: Friday, February 28, 2020 3:48 PM
To: Council, City; Council Agenda Email
Cc: ORG - Clerk's Office; Executive Leadership Team
Subject: Council Agenda Consent Questions for March 2: Items 3, 4, and 5


Council Question Response

Dear Mayor and Council Members:

On behalf of City Manager Ed Shikada, please find below the staff responses to inquiries made by Council Member Tanaka in regard to the March 2, 2020 Council Meeting agenda.

- **Item 3: FY 2020 Mid-Year Budget Report, Budget Amendments & Amend Hourly Salary Schedules**
- **Item 4: Adoption of an Ordinance Amending Chapter 1.12 (Administrative Penalties – Citations) to Provide for an Administrative Hearing upon Partial Advance Deposit of \$250 and Clarify Existing Procedures for Hearings**
- **Item 5: Adoption of a Resolution to Extend the Bicycle and Electric Scooter Share Pilot Program for One Year**

Item 3: FY 2020 Mid-Year Budget Report, Budget Amendments & Amend Hourly Salary Schedules

1. **What is causing the need for more money in regards to the time-sensitive requests - is there a general reason behind all three?**

The recommendation to appropriate funding for these items resulted from information that came available after the FY 2020 Budget was adopted, and the need for funding to address them cannot wait to be determined as part of the development of the FY 2021 Budget as they will be completed or impact specifically Fiscal year 2020 financial transactions.

Fire Department Overtime is discussed further in question 2 below; the request for GEMT repayment was received from the State in November 2019 and needs to be paid in a timely fashion in order to clear the audit findings, and additional funding for outside counsel to study Airplane Noise is needed for coordination between the City and the FAA as directed by the City Council in the fall of 2019.

2. **How does the delay in the delivery service change of Medic 61 lead to the fire department's overtime adjustment to total \$300,000?**

The delay in the service delivery change of Medic 61 is the primary reason for the recommended adjustment to the Fire Department overtime budget in FY 2020 as Medic 61 is staffed on 100% overtime and costs approximately \$600,000-\$700,000 annually.

3. Why are the salaries of the SEIU-H and HRY not meeting the minimum wage ordinance?

Pay rates for the SEHL group were previously negotiated in 2018 and annually adjusted since Palo Alto instituted the minimum wage ordinance. These pay changes occur outside of the regular Negotiations process, therefore the City is obligated to meet and confer with the affected unions to discuss impacts to their members and provide the union an opportunity to voice any concerns they may have. Upon completion of the meet and confer process, staff prepared the attached Salary Schedule amendments to comply with the City's minimum wage ordinance updated effective January 2020. The City's minimum wage adjusts based on cost of living indicators at the time of adjustment. Not all employees in these two groups will receive an increase, only 81 employees out of approximately 320 in these two groups.

Where are the documents showing the discrepancies between their wage and the ordinance standard?

Attachment C in the staff report outlines by classification by step the pay adjustments that comply with the minimum wages. These adjustments are highlighted in red and the pay rates prior to minimum wage compliance are on left hand column of the new rates.

4. As there are a significant amount of changes made in the budget, why was this not anticipated in FY 2019 so the FY 2020 would include adjustments?

These adjustments are necessary as new information is routinely received subsequent to the development and adoption of the annual budget. For this reason, mid-year budget adjustments are also brought forward every year. Variables and areas that staff continually receive new information post budget adoption impacting revenues and expenditures include but are not limited to changes in economic factors, project estimates and scope, and City Council policy and direction provided. Most significantly, a number of these transactions reflect prior year (FY 2019) activities and the allocation of funds as presented with the FY 2019 Comprehensive Annual Financial Report (CAFR) approved by the City Council in January 2020. Also as discussed in question 1, the timing of information related to the few time sensitive requests was received after the development of the FY 2020 Budget was complete and must be completed during FY 2020.

Item 4: Adoption of an Ordinance Amending Chapter 1.12 (Administrative Penalties – Citations) to Provide for an Administrative Hearing upon Partial Advance Deposit of \$250 and Clarify Existing Procedures for Hearings

1. In the proposed amendment, there was mention that “the requirement to deposit in advance the full amount of the penalty for penalties of \$250 or less”. So, how was the \$250 decided?

\$250 was identified as a reasonable amount, both large enough to discourage the recipient of a small or moderate-sized citation from requesting a hearing merely to delay paying a fine where the citation is not subject to dispute, and small enough to ensure that a hearing is provided and disputes are resolved before substantial penalties must be transferred.

2. Will there be financial assistance still available to those who may need it?

How will that process be determined?

Yes, the Municipal Code provides for hardship waivers. The right to request a hardship waiver and the process for evaluating and determining the issue are set forth at Section 1.12.070, which you can find at Attachment A, pages 3-4. As shown in Attachment A, the proposed ordinance will retain Section 1.12.070 with only minor non-substantive changes.

3. What was the penalty threshold before?

The existing procedure – shown at Municipal Code Section 1.12.060(a), which is at Attachment A, page 3 – required deposit of the full amount of the administrative penalty being contested, regardless of size.

Item 5: Adoption of a Resolution to Extend the Bicycle and Electric Scooter

Share Pilot Program for One Year

- 1. When will council be able to see the results of the e-scooter and bike share program?**
- 2. Given the deep unprofitability of many of these micro mobility companies, what would the city do if these companies became insolvent?**
- 3. When will the city finally be able to get scooter vendors to actually sign up?**
- 4. What micro mobility companies are participating in the trial?**

These questions are in reference to an Action Item. These questions will be addressed in the staff presentation.

Thank you.



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