

FRANK'S WEEKLY MEMO

4 Council Adopts 2007-09 Budget on June 11

The adoption of the 2007-09 budget by the City Council on June 11 represents the culmination of a collaborative effort among the Council, staff and community, and addresses significant challenges and Council priorities while maintaining fiscal discipline. This two-year plan achieves a balanced budget and includes a projected \$0.5 million surplus in 2007-08, and a \$1.4 million surplus in 2008-09. The budget includes dedicated resources for the Council's Top Four Priorities: Climate Protection, Library Plan/Public Safety Building, Sustainable Budget, and Emergency Planning.

Infrastructure funding continues to be a critical Council priority. Incorporated within the budget are revenue enhancements and expenditure reductions which provide an additional \$3 million for infrastructure rehabilitation and replacement. The General Fund transfer for infrastructure needs totals \$8.7 million in 2007-08, and \$9.2 million in 2008-09.

The City's considerable retiree medical liability is another challenge which is addressed in the 2007-09 budget. The City's annual obligation for current and future retiree medical costs is fulfilled by \$5 million in funding from the General Fund. This funding, along with other steps the City has undertaken, greatly enhances the City's ability to deal with its retiree medical liability.

The budget encompasses the City's continuing investment in local schools. Included are funds totaling \$6.3 million covering the Covenant Not to Develop payment to the Palo Alto Unified School District as well as funds for field maintenance, school resource officers, theater programs, after school athletics and crossing guards.

With respect to Enterprise Funds, the budget includes rate increases for utility services necessary to cover increasing operating costs and ongoing capital improvements. In 2007-08, funding for Capital Improvement Programs within the Enterprise Funds totals \$40.8 million. Rate changes are projected to increase the average residential utility bill by 8.9 percent in 2007-08. City of Palo Alto Utilities continues to provide good value and reliable service delivery for its residential and commercial customers.

In summary, the 2007-09 budget addresses the City's needs and priorities in a fiscally responsible manner.

4 Reclaimed Water Pipeline Project Moves Forward

On June 12, the Mountain View City Council unanimously approved an agreement with the City of Palo Alto to construct and operate a new reclaimed water pipeline. The pipeline will deliver high quality reclaimed water from the Regional Water Quality Control Plant (RWQCP) to Mountain View's North Bayshore business campuses, Shoreline Golf Course, Palo Alto's Greer Park and, other potential sites in Palo Alto. The Palo Alto Council is scheduled to vote on the agreement and to award construction contracts on Monday, June 18.

Two years ago, this project was in danger of being canceled because it was considered unaffordable at \$26 million. Under the leadership of Senior Engineer Daisy Stark of the RWQCP, the reclaimed water pipeline project was value engineered by Mountain View staff, Palo Alto staff and the design firm of RMC Engineering to reduce the total project cost to \$21 million. An excellent financing package was developed, including a \$4.9 million State grant, a \$7.5 million low-interest State loan, with the balance supplied by proportional contributions from Mountain View, Palo Alto and the RWQCP.

This reclaimed water pipeline will provide our and future generations with relatively inexpensive, drought-proof irrigation water to keep our communities green and help conserve our precious potable water resources.

New Funding for Library Collections

Library collections will be improved through a new partnership between the City and the Friends of the Palo Alto Library. With the adoption of the 2007-09 budget, the City Council approved the addition of \$167,000 annually to the Library budget for its collections. The City's General Fund will provide \$100,000, with the Friends contributing \$67,000. The total collections budget of \$769,000 for 2007-08 will be 30% higher than the previous year.

The collections enhancement, recommended by the Library Advisory Commission, will add books in the Chinese and Russian languages, development of the online database collection (e.g., Rosetta Stone Language Learning Center and the Encyclopedia Britannica Online), a variety of downloadable e-books, and more high demand books and media. Recent surveys and polls have shown the community highly values improving the Library collections.



Children's Theater Celebrates 75th Anniversary

Children's Theatre held its "Royal Garden Party" as the summer celebration of its 75th Anniversary. Over 1000 people attended the afternoon event held in the Secret Garden, on the Magic Castle Stage and in the Library/Studio. Alumni came from throughout California and those who were unable to attend sent their parents to the celebration in their stead. There were games and crafts and a royal frog jumping contest for the littlest ones, strolling musicians, a tea room which featured cucumber sandwiches and other sweets and savories, outdoor offerings including cotton candy, sno-cones, and popcorn, and delectable snacks passed out by young participants to the many guests.

Patty McEwen, the first royalty to step on to the Children's Theatre stage, gave the opening address. The Children's Theatre received a "Certificate of Recognition" from State Assemblyman Ira Ruskin and a State Senate Resolution presented by Senator Joe Simitian.

In his remarks, Senator Simitian asked for attendees to identify themselves by participation decade at the Children's Theatre. Every decade was represented with an especially great showing from the "kids" of the 1930s.

The event, sponsored by the Friends of Children's Theatre, was chaired by Dr. Michael Kushlan whose concept of balloons with the 75th Anniversary logo, included balloons of various sizes and shapes including a 12' elephant, a 12' Mad Hatter, an 8' Humpty Dumpty and an 8' Cheshire Cat brought a festive air to the event.

Great Summer Reading at Palo Alto City Library

It's time for kids and teens to get ready for super summer sleuthing at the Palo Alto City Library, June 14 through August 27, 2007, during the annual summer reading program. Kids entering 5th grade or below can sign up for ***Get a Clue @ Your Library***, and students going into the 6th grade and up can join ***YNK @ Your Library (You Never Know)***. It's easy to sign up -- just follow the instructions in the brochure that will be mysteriously located at the four Palo Alto libraries or at <http://www.cityofpaloalto.org/library> online. During sign-up, you'll set a reading goal for the summer, and when you reach your goal (starting in August), you'll be awarded a new book, a coupon for Round Table Pizza and a coupon for free books at the Friends of the Palo Alto Library book sale.

Here's a sampling of the great programs at the Library through August:



Designates an item related to one of the City Council's "Top 4" Priorities.

For Grades 6 and up

FBI's Most Wanted, presented by Agent Greg Casey

Find out what the FBI really does. Snacks and a raffle for prizes will be provided.

June 18 at 7 p.m. - Mitchell Park Library

For Grades 5 and under

Musician Gary Lapow – Get a Clue @ Your Library: the Musical!

Award winning and inspiring singer/songwriter

June 20 at 3:30 p.m. - Mitchell Park Library lawn

For all ages

Harry and the Potters – Live Concert

Bring a blanket and picnic supper to hear this well-known indie rock band

July 2 at 6 p.m. - Main Library lawn

Thanks to the Friends of the Palo Alto Library for their financial support of the prizes and programs. Visit the Library website for a listing of the great programs happening this summer, as well as reading recommendations.

Twilight Concert Series

For a nice "almost" mid-week diversion, check out the Twilight Concert Series beginning Tuesday, June 19. Enjoy a full array of musical genres, including reggae, rock, folk and blues for eight consecutive Tuesdays (no concert on 7/3).

This summer features a California Avenue Street concert on July 10 with the ever-popular LUCE. Other concerts feature performances by VIENNA TENG and LYDIA PENSE & COLD BLOOD. Concerts are 6:30 - 8 p.m. at various parks in town and are free. Bring a picnic and enjoy! Visit <http://www.cityofpaloalto.org/concerts> and click on Twilight Concert Series or call Suzanne Warren at (650) 463-4940.

