


FY 2018 Proposed Operating Budget
May 9th Recap
 Finance Committee
 May 18, 2017


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Current Status

Summary of "Parking Lot" Items
 (\$'s in thousands)

Date	Dept	Description	GF Rev.	All Funds Rev.	GF Exp.	All Fund Exp
Requirements/Legal Implications:						
5/2	CMO	City Manager's Office Staffing Reorganization (approved by City Council fall 2016) and the role of economic development			N/A	
5/2	Non-Dept	Non-Departmental Section	0	0	37,814	37,814
5/4	PW	Tree Trimming Cycle Time*	0	0	338	338
5/4	PW	Urban Forest Master Plan*			TBD	
5/4	PW	Vehicle Maintenance and Replacement Fund*	0	6,863	0	5,035
5/9	PCE	YCS Funding (three year matching grants)	0	0	50	50
5/9	PCE	University Avenue Parking Fund and Transportation Management Association (TMA)*	0	2,514	0	2,876
Total Parking Lot Items			\$0	\$9,377	\$38,202	\$46,113

* These items have additional information provided in the following chart.

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FY 2018 Proposed Municipal Fee Schedule
 Staff Report #8020
 Finance Committee
 May 18, 2017

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Background

User Fee Policy - Cost Recovery Levels

Annual Process

Cost of Services Study

- Development Services (Study to be completed in two phases; first phase completed in Dec '16)

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Fee Adjustment Recommendations


FY 2018 Salary & Benefit adjustment = 6.0%

Development Impact fee adjustments

- Construction Cost Index = 1.0%


FY 2018 Proposed Fee Changes:

- 14 new fees
- 16 deleted fees
- 120 changed fees

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New & Deleted Fees

New Fees	Deleted Fees
<ul style="list-style-type: none"> Corporate Package Add-on (Community Services) 3-D Printing (Library) Traffic Property Damage (Public Works) 	<ul style="list-style-type: none"> Personal Flotation Device – Foothills Park Only (Community Services) Playground Inspection Fee (Community Services) College Terrace – Guest Permit (Planning & Community Environment)

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Recommended Changes to Fees

- Fee adjusted to align with market value (23 out of 120)**
 - Cubberley Community Center: Amphitheater (Grass) – 8% increase
- Fee adjusted to reach desired cost recovery (83 out of 120)**
 - Basic Life Support – Special Event Standby – 9.4% increase
- Technical adjustments (14 out of 120)**
 - Landscape Inspection – 20% decrease



Summary of Recommended Parking Fees Changes

- Downtown Garage/Lot Permits**
 - Daily Permits: \$17.50 to \$25.00/day
 - Annual Permits: \$466.00 to \$560.00/year
- California Avenue Garage/Lot Permits**
 - Daily Permits: \$8.00 to \$25.00/day
 - Annual Permits: \$149.00 to \$280.00/year
- RPP Permits**
 - Daily Employee Permits: \$5.00 to \$25.00/day
 - Annual Residents: \$40.00-\$100.00 (depending on district) to \$75.00/year
 - Employee Permits (Full Price)
 - Downtown: \$466.00/year to \$280/six months
 - Evergreen Park/Mayfield: \$149/year to \$140/six months



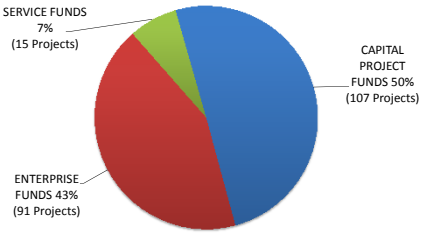

FY 2018-2022 Proposed Capital Budget Capital Improvement Fund

Capital Budget pp. 53-293
Finance Committee
May 18, 2017




Capital Budget Overview

**Fiscal Year 2018-2022
Proposed Projects by Fund Type (213 Projects)**

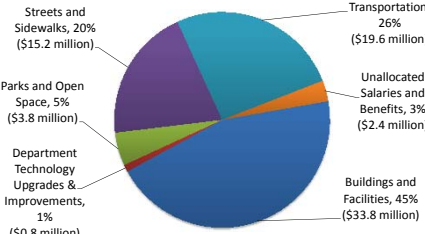


Fund Type	Percentage	Number of Projects
Capital Project Funds	50%	107
Enterprise Funds	43%	91
Internal Service Funds	7%	15




FY 2018 Capital Improvement Fund Expenses

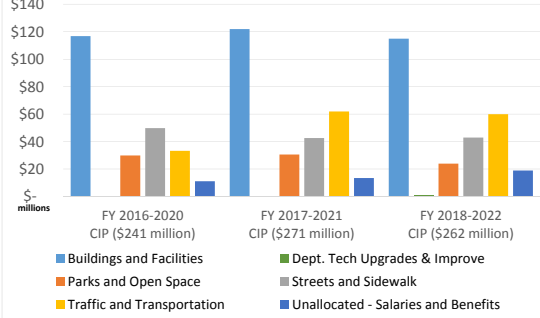
Fiscal Year 2018 Proposed Capital Improvement Fund Projects by Category (\$75.5 million)




Category	Percentage	Amount
Buildings and Facilities	45%	\$33.8 million
Traffic and Transportation	26%	\$19.6 million
Streets and Sidewalks	20%	\$15.2 million
Unallocated Salaries and Benefits	3%	\$2.4 million
Parks and Open Space	5%	\$3.8 million
Department Technology Upgrades & Improvements	1%	\$0.8 million



5-Year Capital Improvement Fund Planned Expenditures



Fiscal Year	Buildings and Facilities	Parks and Open Space	Traffic and Transportation	Dept. Tech Upgrades & Improve	Streets and Sidewalk	Unallocated - Salaries and Benefits
FY 2016-2020 CIP (\$241 million)	~115	~30	~35	~10	~50	~10
FY 2017-2021 CIP (\$271 million)	~120	~35	~60	~10	~45	~10
FY 2018-2022 CIP (\$262 million)	~115	~25	~60	~10	~45	~10



New Projects


15 New Projects (\$3.75 million FY 2018; \$11.8 million total)

Parks Master Plan – 4 Projects (\$250,000 FY 2018; \$1.35 million total)

- Baylands Athletic Center 10.5 Acre Expansion (\$0 in FY 2018; \$100,000 total)
- Dog Park Installation and Renovation (\$150,000 in FY 2018; \$450,000 total)
- Park Restroom Installation (\$0 in FY 2018; \$700,000 total)
- Turf Management Plan (\$100,000 in FY 2018 & total)

IBRC Keep Up – 3 Projects (\$0 FY 2018; \$1.14 million total)


- Johnson Park Renovation (\$0 in FY 2018; \$940,000 total)
- Heritage Park Site Amenities Replacement (\$0 in FY 2018; \$100,000 total)
- Werry Park Playground Improvements (\$0 in FY 2018; \$100,000 total)

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New Projects (Cont'd.)

Safety Issues and Infrastructure Repair – 8 Projects (\$3.5 million FY 2018; \$9.3 million total)

- CalTrain Corridor Video Management System (\$1.55 million in FY 2018 & total)
- El Camino Real Pedestrian Safety and Streetscape (\$84,000 in FY 2018; \$5.56 million total)
- Foothills Park Boronda Lake Dock Replacement (\$135,000 in FY 2018 & total)
- Foothills Park Dam Seepage Study (\$30,000 in FY 2018 & total)
- High Street Parking Garage Waterproofing (\$50,000 in FY 2018; \$350,000 total)
- Parking Lot J Elevator Modernization (\$700,000 in FY 2018 & total)
- Pearson Arastradero Preserve Park. Lot Improve. (\$155,000 in FY 2018 & total)
- Self Contained Breathing Apparatus (SCBA) (\$800,000 in FY 2018 & total)

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Capital Accomplishments


- Baylands Interpretive Center Improvements
- Lucie Stern Center and Community Theatre Improvements
- Bowden Park Improvements
- Stanford/Palo Alto Playing Fields Turf
- Increased streets PCI score to 83
- Completed cycle of sidewalk districts work
- 53 countdown pedestrian heads Downtown
- Quarry Road to Transit Center pathway



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Progress of IBRC “Catch-up Log”

IBRC “Catch-up” Category	IBRC Final Report “Catch-up” Backlog	“Catch-up” amount funded to date, or included in Proposed CIP	FY 2018-2022 Backlog
Building	\$5.0 million	\$2.2 million	\$2.8 million
Cubberley	\$6.9 million	\$0.7 million	\$6.2 million
Parks	\$14.4 million	\$8.1 million	\$6.3 million
Surface	\$14.9 million	\$12.3 million	\$2.6 million
Total	\$41.2 million	\$23.3 million	\$17.9 million

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Infrastructure Plan

\$196 million estimated cost
(excludes full salaries & benefits and public art funding)

- Public Safety Building (potential \$75.3 million)
- California Avenue Area Parking Garage (\$34.8 million, CMR #7738, 4/3/17)*
- Downtown Area Parking Garage (\$23.5 million, CMR #7942, 4/11/17)*
- Bicycle/Pedestrian Transportation Plan (\$20.0 million)
- Replacement of Fire Stations 3 and 4 (\$15.6 million)
- Highway 101 Bicycle/Pedestrian Bridge (\$14.0 million)
- Charleston/Arastradero Corridor Improvements (\$10.0 million)
- Byxbee Park Completion (\$2.8 million)

* Includes additional costs of \$35.7 million as approved by the City Council in April 2017

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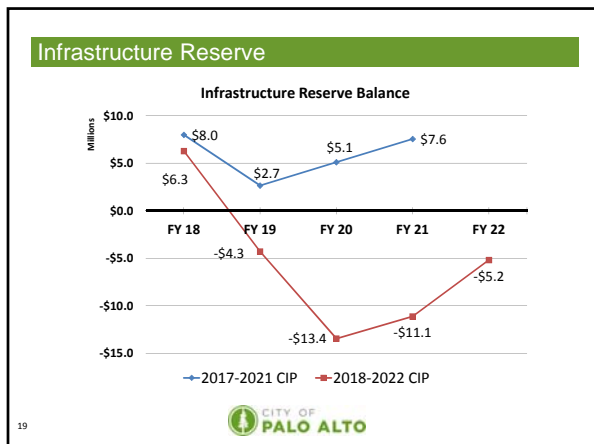
Potential Unfunded Capital Projects

- Animal Shelter**
- Avenidas**
- Former ITT Site (Baylands)**
- Full JMZ Renovation**
- Parks Master Plan**
 - Baylands 10.5 Acre Expansion
 - Boulware Park Acquisition
 - Cubberley
 - Foothills Park 7.7 Acres
- Roth Building**

NOTE: This is not a comprehensive list



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FY 2018-2022 Proposed Capital Budget Cubberley Property Infrastructure Fund

Capital Budget pp. 295-315
Finance Committee
May 18, 2017

Cubberley Property Infrastructure

Accomplishments

- Completion of Roof Replacements for Wings M and P and the Auditorium
- Installation of new flooring in Wing H1

Changes for FY 2018-2022

- One new project – Cubberley Track and Field Replacement (\$0 in FY 2018; \$1.8 million total)

FY 2018 Proposed Budget Utilities Department

Operating Budget pp. 403-472
Capital Budget pp. 343-479, 495-523, and 553-595
Finance Committee
May 18, 2017

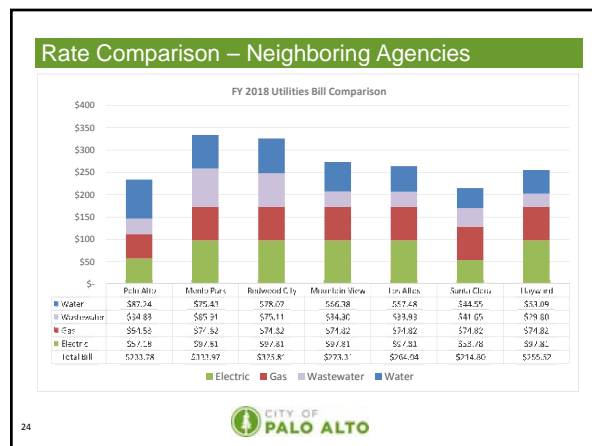
Accomplishments & Initiatives

Accomplishments

- Capital infrastructure projects (electric, gas, water, sewer and fiber)
- New 24x7 interactive voice response (IVR) system for customer service
- 80 MW New Solar Online
- Carbon Neutral Gas Program
- Solar PV Successor NEM Program

Initiatives

- Utilities Strategic Plan
- Downtown University CIP Projects
- Smart Grid Work Plan Review
- Customer Self-Service Portal
- Workforce Development



Accomplishments & Initiatives


ELECTRIC


Accomplishments

- Increased the City's Renewable Portfolio Standard (RPS) from 32% to 53% 80 MW New Solar
- Received five PaloAlto Clean Local Energy Accessible Now (CLEAN) applications 1.6 MW

Initiatives

- Safety & Reliability
 - Finalize decision on second transmission line
 - Rebuild underground districts
- Energy Efficiency
 - Continue to evaluate and develop potential cost-effective Electrification programs



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Significant Budget Proposals - Electric

Operating Requests


- Electrification Research and Development Projects \$150,000
- Electric and Gas General Consulting Agreement \$132,000
- Rate increase 14%

Staffing Requests

- Utilities Compliance Group Workload Realignment \$54,320
- Electric Engineering Staffing \$25,949
- Customer Service and Part-time Staff Reorganization \$5,661

Capital Improvement Projects

- Facility Relocation for Caltrain Modernization Project \$1,600,000



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Accomplishments & Initiatives

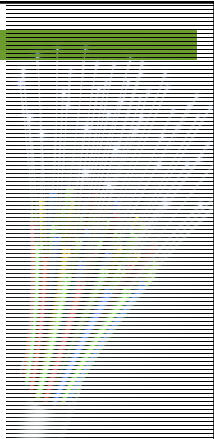
FIBER


Accomplishments

- Completed dark fiber network audit and inventory
- Initiated the fiber network rebuild project to install new fiber cable, aerial duct and substructure to increase capacity

Initiatives

- Complete the fiber rebuild project and add capacity for substations and Stanford Research Park
- Develop work plan to support next-generation gigabit-speed broadband



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Accomplishments & Initiatives

GAS

Accomplishments

- Adopted a Carbon Neutral Natural Gas Plan
- Reduced 289,000 therms or 1.08% of the City's gas load in 2016 as a result of gas energy efficiency programs; exceeding annual goal of 0.55%

Initiatives

- Implement Gas Carbon Neutral Plan
- Gas Main Replacement Project 22 and Downtown University Avenue
- Cross Bore Safety inspection program



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Significant Budget Proposals - Gas

Operating Requests


- Rate increase 4% (Carbon Neutral Program)

Staffing Requests

- Gas and Water Meter Shop Reorganization \$109,117

Capital Improvement Projects FY2018-2022

- Replace ABS service lines; New Project (FY2019 \$1.5M)
- GMR 22 University Avenue Project – re-evaluating bid



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Accomplishments & Initiatives

WASTEWATER COLLECTION

Accomplishments

- Completion of sanitary sewer replacement projects SSR 24/25/26 (University South, Professorville, and Old Palo Alto) \$7.9M
- Construction of sanitary sewer replacement project SSR 27 (Downtown North, Crescent Park, Community Center, and Duveneck/St. Francis) \$3.8M

Initiatives

- Design SSR 28, Charleston Meadows and Leland Manor/Garland \$3.5M
- Cost of service study for wastewater collection



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Accomplishments & Initiatives

WATER

Accomplishments

- Drought water savings of 24%, far surpassing the 10% voluntary water reduction goal established by the State Water Resources Control Board.
- Environmental Impact Report approved for phase III of the Recycled Water Pipeline Project

Initiatives

- Water Main Replacement 26 – Downtown Hawthorne, Hamilton, Everett \$6.8M
- Water System Study to improve system reliability and water quality; develop emergency response plan



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Significant Budget Proposals - Water

Operating Requests

- Gas and Water Meter Shop Reorganization \$109,117
- Rate impact (3%) (drought surcharge)

Capital Improvement Projects FY2018-2022

- University Avenue Project

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FY 2018 Proposed Operating Budget

Wrap-up

Finance Committee
May 18, 2017




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Current Status

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(\$'s in thousands)

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Changes to FY 2018 Proposed Budget Citywide

(\$'s in thousands)

	Revenues	Expenses
Citywide Proposed Budget, released April 25, 2017	\$591,651	\$661,774
Revised Citywide Proposed Budget (Restated for Correction)	\$581,582	\$651,801
Finance Committee Hearing Amendments		
Tentatively Approved:		
Auditor's Office Code Enforcement Survey	\$0	\$20
Storm Drainage Fund Ballot Measure Implementation	\$0	\$979
Staff Recommended:		
Airport Tiedown Revenue Correction	\$500	\$0
Below Market Rate Program Oversight Contract	\$0	\$137
Utilities Capital Improvement Program Corrections	\$0	(\$12,240)
Various Capital Reappropriations	\$7,000	\$17,762
Citywide Proposed Revenue and Expenses (as of May 18th Wrap-Up)	\$589,082	\$658,459

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Decision Points

Staff Recommended Changes:

- Airport Funding Increase
- Below Market Rate Program Oversight Contract
- Capital Reappropriations and Adjustments
- JMZ Capital Funding Shift

Finance Committee Parking Lot Items:

- City Manager's Office Staffing
- Non-Departmental Budget
- Public Works – Tree Trimming, Urban Forest Master Plan
- Matching Funds (County Grant for YCS)
- Vehicle Maintenance and Replacement Fund
- TMA

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