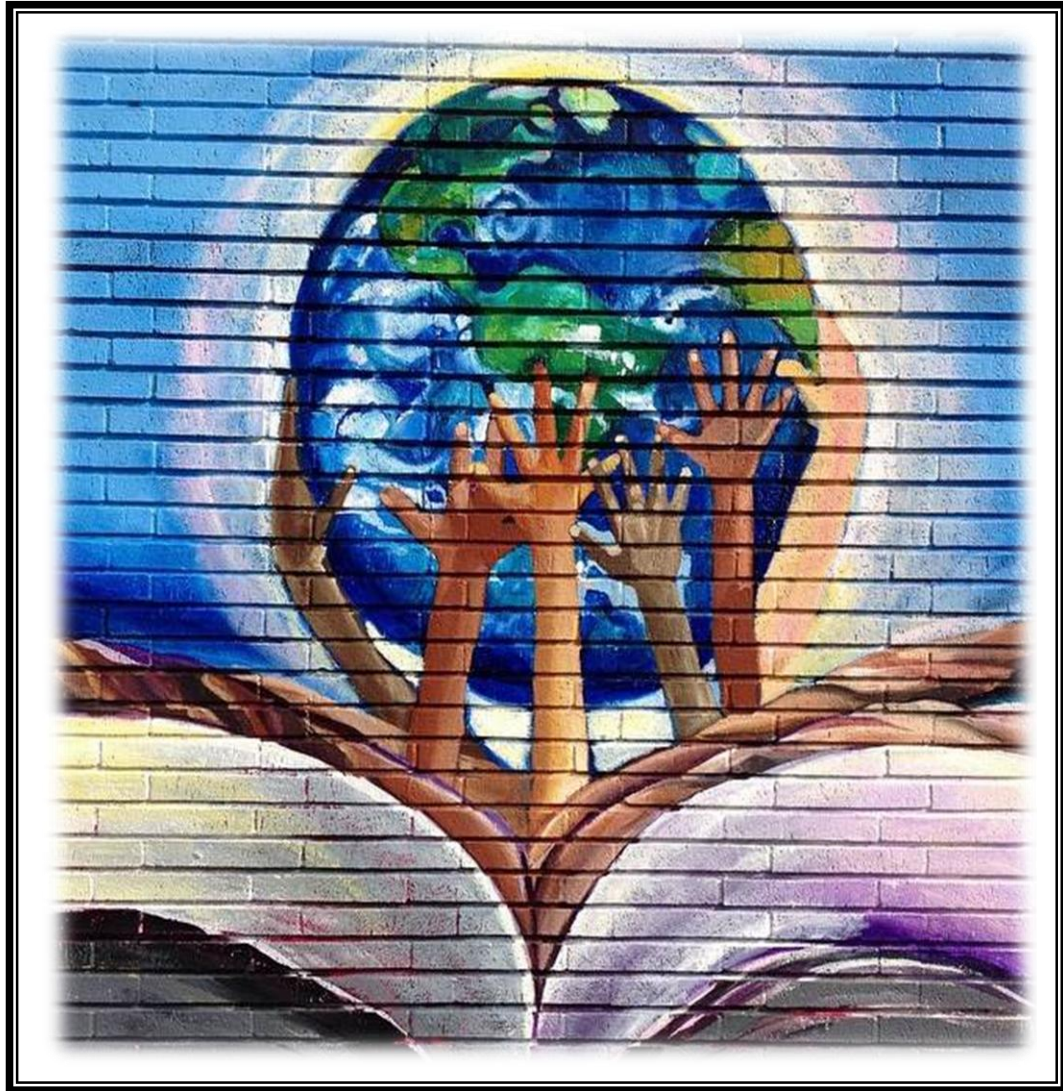


# CITY OF EAST PALO ALTO

## ADOPTED OPERATING BUDGET



# FISCAL YEAR 2015-2016

*Cover Art Generously Provided by Mural Music & Arts Project*

The Mural Music & Arts Project (MMAP) educates, empowers, and inspires youth through participation in the arts by offering year-round, youth development programs in the Bay Area. MMAP began in 2001 as the East Palo Alto Mural Art Project, employing local teens to design and create a mural for every school in the district. MMAP's teen artists have researched, planned, and installed a public arts legacy. These murals reflect themes of community, cooperation, equity, justice, environment, and local history.

# FY 2015-2016 Adopted Budget

## Mayor



Lisa Gauthier

## Vice Mayor



Donna Rutherford

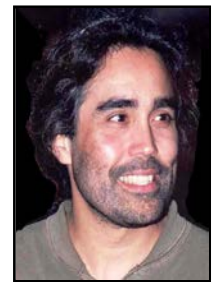
## Council Members



Larry Moody



Rubén Abrica



Carlos Romero

### MISSION STATEMENT

**The City of East Palo Alto provides responsive, respectful and efficient public services to enhance the quality of life and safety for its multi-cultural community.**

# Executive Staff

## Executive Staff

Carlos Martínez, City Manager  
*City Manager's Office*

Sean Charpentier, Assistant City Manager  
*City Manager's Office*

Vacant  
*Administrative Services Department*

Brenda Olwin, Finance Director  
*Finance Department*

Kamal Fallaha, Acting Director  
*Public Works*

Albert Pardini, Police Chief  
*Police Department*

John Nagel, City Attorney  
*City Attorney's Office*

Terrie Gillen, Deputy City Clerk  
*City Clerk's Office*

## Budget Team

Carlos Martínez, City Manager  
Brenda Olwin, Finance Director  
Paul Maumalanga, Fiscal Analyst  
Melvin Gaines, Management Analyst  
Ana Maria Torres, Account Technician

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City Manager's Message

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# TRANSMITTAL LETTER

May 12, 2014

To the Honorable Mayor and City Council:

## **Fiscal Year 2015-16 Operating Budget Transmittal**

I am delighted to present to you the Fiscal Year 2015-2016 Proposed Operating Budget for the City of East Palo Alto.

The City of East Palo Alto has a very promising future. Located in the middle of Silicon Valley; a couple of miles from Stanford University, with proximity to the San Francisco Bay, and easy access to all three major Bay area airports, San Francisco, San Jose and Oakland, next to the Dumbarton Bridge, and an average annual temperature of 59°F - East Palo Alto is a very desirable and diverse community.

I am daily inspired and honored to work along our 100 dedicated employees that are devoted to working with the City Council, our residents and businesses to bring this bright future to fruition.

Our budget document starts with our guide towards the future, the City Council Strategic Priorities established for 2015-16: 1) Enhancing Public Safety and Emergency Preparedness, 2) Enhancing Economic Vitality, 3) Increasing Organization Effectiveness and Efficiency, 4) Improving Public Facilities and Infrastructure, 5) Improving Communication and Enhancing Community Engagement, 6) Create a Healthy Community. These are the big picture marker posts at which we are aiming. They will help us throughout the year to focus the organization's energy, while we continue providing the day to day services to our community.

We are fortunate to be part of the booming Silicon Valley economy, which added 58,000 jobs in 2014, an impressive 4.1 percent annual jump<sup>1</sup>. As a result, East Palo Alto's unemployment rate has declined consistently, from 10% in 2012 to 5.4% in March 2015<sup>2</sup>. Nevertheless, the City's unemployment rate is still substantially higher than the 3.4% county average for the same period. This explosive job growth has increased housing demand, and property values have jumped at an annualized 13.6% rate for the past five years, increasing the median single family home value to \$561,900.

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<sup>1</sup> Bureau of Labor Statistics, BW Research, Joint Venture Silicon Valley

<sup>2</sup> CA Employment Development Department

As a result, the largest source of General Fund revenue for the City, property taxes we estimate will increase from the adopted \$8.6 million in FY 2014-15 to the proposed \$9.5 million in FY 2015-16 - a very strong 9% increase. Similarly, our sales tax has grown from the adopted \$3.3 million to an estimated \$3.7 million next fiscal year. We estimate that General Fund revenues will total \$19.7 million, and we'll have expenditures of \$19.5 million. Thus, I am presenting to you a balanced budget with a modest \$224,000 operating surplus which will be utilized to fund transfers for restricted fund operating deficits, technology, and vehicle replacement reserves.

The relative good health of the City's finances does not mean that our financial challenges are over. Silicon Valley's growth has helped us survive the pains and struggles of the Great Recession and the dissolution of the Redevelopment Agencies.

Some signs of the recovery will soon materialize. University Square, a 200,000 sq. ft. Class A office building at the intersection of University Avenue and Donohoe St., planned since 2010, is scheduled to break ground in July of this year. A long planned development of 50 single family homes on Pulgas Avenue and Bay Road is already under way.

These new developments will give us a window of opportunity to address many of the Council priorities that will allow for the next wave of physical and revenue growth to happen in the Ravenswood Industrial area and around University Square. It is that long term continued growth that will bring the City more jobs, neighborhood serving retail, better and more good and services and long term sustainable stability.

Meanwhile, the City is still facing substantial challenges. Our region's impressive growth has been unfortunately accompanied by an increasing income gap and steeply rising rental rates that are putting great pressure on our residents' ability to find affordable housing and on the City's aging infrastructure, which is in great need of investment and repair; especially our water infrastructure.

Therefore, this budget is proposing to make strategic investments in augmenting our personnel capacity to implement key capital improvement projects that will enable us to bring additional development and to start addressing quality of life issues related to traffic, parking, illegal construction and public safety. However, even with continued growth, it is clear that long term we will not have surpluses. The world is changing and we are not only competing as a region, but also globally.

Internet sales are limiting our sales tax revenue growth and Prop. 8 property valuation recovery from the Great Recession is nearly complete which will translate to a reversion to average increases. Despite the comprehensive health insurance reform controls and opportunities afforded by the Affordable Health Care Act, employees health care costs most likely will continue to escalate at a faster rate than the growth rate of our revenues. Under these conditions, we need to remain disciplined and vigilant in keeping our expenditures in line with our revenues.

Furthermore, to keep pace with increased operational costs and to improve our aged infrastructure, we will need additional revenue. We already concluded a water rate study to impose a capital surcharge on water rates designed to raise approximately \$500,000 annually that we can leverage to finance key water infrastructure improvements that will provide redundancy in our water supply and additional ground water that could mitigate the escalating costs of the San Francisco Public Utilities Commission water system. If approved by the City Council, it will be a good start to systematically addressing more than \$40 million dollars in deferred infrastructure improvements. At the City Council strategic session, Council directed us to study alternatives to increase revenues. The study is underway and we will present those alternatives, including a general sales tax measure, an increase of our current Transient Occupancy Tax, and extension of Measure C, to the City Council for consideration, before the end of this fiscal year.

I have to thank the City Council for your trust and support, allowing me to select and appoint our new Police Chief, and authorizing a number of structural changes that I proposed, and are included in this budget to increase the organizational effectiveness of the organization, and to address the six City Council Strategic Priorities, as generally noted below.

- 1) Enhance Public Safety and Emergency Preparedness.

Our new Police Chief has already implemented a number of organizational changes aimed at bringing long term stability, creating a succession plan for the Police Department, and establishing a closer relationship with residents, businesses and community organizations; all key stakeholders and partners in reducing violent crime, illegal parking and public nuisances in the City. In support of these activities, the City Council authorized the creation and funding of up to three part time positions next fiscal year that will focus on parking enforcement and other quality of life activities.

## 2) Enhance Economic Vitality.

The City Council also approved the creation of an Administrative Services Director position who will concentrate, among his/her duties on workforce development, revitalizing and implementing our First Source Hiring Program, and supporting small businesses. Finding jobs for local residents may not show as an increase of City revenues but it makes a great difference for an entire family, creating social stability, and financial independence, minimizing the needs for social and City services. Continuing the Redevelopment Agency dissolution process, we will be refunding the former Agency bonds to take advantage of low interest rate market conditions, which may yield about \$70,000 of increased General Fund property tax revenues in FY 2016-17. Special attention is being paid to University Square, to ensure that the development proceeds in a timely manner and brings an economic boost to our balance sheet.

## 3) Increase Organization Effectiveness and Efficiency.

The City Council approved reorganization will bring additional positions that will enhance our staffing capacity and ability to manage and implement ongoing infrastructure projects, to provide services and implement programs that will generate economic vitality and will address quality of life issues related to illegal construction, parking and code enforcement.

Currently the City is operating in multiple facilities, with most administrative functions at City Hall, Community Development and Public Works at 1960 Tate St., the Police Department on Demeter St., and the Maintenance Division on Tara Rd. This segregation of City services creates inefficiencies for operational coordination and inconvenience for residents. This budget, includes funding for the development of a Public Facilities plan. The plan will explore alternative ways to consolidate City operations, estimate square footage needed, construction costs, financing alternatives and a timeline for implementation of the plan.

## 4) Improve Public Safety and Infrastructure

To bring a renewed focus towards managing, financing, and completing a large number ongoing capital infrastructure projects, among them, Safe Routes to Schools projects, Bay Road improvements, Pedestrian Overpass over highway 101, University Avenue overpass improvements, Gloria Bay Well, and Pad "D" well, a new Public Works Department was created and a Public Works Director position was authorized by the City Council.

## 5) Improve Communication and Enhance Community Engagement

The City continues engaging the community through a quarterly City Newsletter and bi-monthly City Manager publication communicating with citizens about the progress of city projects, informing them of City and City Council activities, as well as upcoming events. A great communication tool is Nextdoor, a digital online network program that fosters neighbor to neighbor communications.

More recently the City hired Opengov.com, a web-based static financial platform that gives the public unprecedented access to city budget data. We plan to have this budget accessible to the public next fiscal year. Providing the general public open access to the City budget in an intuitive digital format that can be easily queried and manipulated will increase financial transparency and community engagement.

## 6) Create a Healthy Community

Our Public Works Department will continue working on improving pedestrian/bicycle access and safety to school zones and improving the connections between the west and east side of the City. Pedestrian overpass improvements are multiyear projects that require a sustained effort over a protracted period of time, and a financial commitment to completing these projects as they normally run into cost overruns due to their complexity.

In the area of Housing, our Assistant City Manager who will be overseeing our Community Development and Public Works Departments will be leading the development of a Comprehensive Housing Strategy that will include as an important component, our Rent Stabilization Program.

## **General Fund Fiscal Year 2014-15**

Approximately 78% of the City's total operating revenues relate to the General Fund. The adopted 2014-15 City budget projected \$8.8 million in Property Taxes, which are the largest source of revenue collected. Given the substantial amount of property transactions and higher property values, we estimate closing the 2014-15 fiscal year with \$9.3 million in property taxes. Sales Tax revenues are also up, from the adopted budget of \$3.3 million to the amended budget of \$3.8 million.

The other main sources of the General Fund: Transient Occupancy Tax, Utility Users Taxes, and Franchise fees, came in line with the estimated projections of \$2.1 million, \$1.5 million and \$0.95 million respectively.

In sum, total revenues in Fiscal Year 2014-15 are estimated to be \$19.6 million, substantially higher than the projected and adopted \$18.3 million. Total General Fund expenditures were not amended during the year and currently remain at the adopted total of \$18.5 million. As a result, we are estimating a operating surplus of \$1.1 million General Fund surplus for Fiscal Year 2014-15.

### **General Fund Fiscal Year 2015-16 Proposed Budget - Assumptions and Projections**

We are estimating modest gains in Property Tax revenues for Fiscal Year 2015-16 given that the increase in property taxes we envision from University Square and the residential development project on Pulgas Avenue will not start materializing until the Fiscal Year 2016-17. Sales tax trends are reflecting some softening, however, base year over year is expected to increase 2.4%. We don't have any significant retail addition coming online and the footprint of the Gateway 101 shopping center most likely will remain unchanged.

The Proposed Budget reflects a slight decrease, from the high of \$3.8 million in FY14-15 to \$3.7 million in FY15-16 primarily due to one-time catch-up payments received in FY 2014-15. Transient Occupancy Tax, Utility Users Taxes, and Permit fees are estimated to remain stable. Thus, we estimate total General Fund revenues to be \$19.8 million, only slightly higher than last year.

Our expenditures for FY15-16 are estimated to be \$19.5 million, higher than the \$18.5 million of FY14-15. The overall higher costs are related to shifting personnel costs from funds with no allocated funding sources back to the General Fund, as well as increases in services and supplies, insurance and settlement reserves, and increased lease payments funded from the General Fund.

Thus, while we are still projecting a very modest \$224,000 operating surplus; that surplus is being utilized to fund restricted operating deficits, technology, and vehicle replacement reserves.

### **Transfers In and Transfers Out**

Transfers out, as proposed, reflect a significant reduction from the prior year; however, this is due to the presentation of the operating budget only. In general, major transfers out of the General Fund relate to funding new and proposed Capital Improvement Projects, which Council has not yet approved for FY 2015-16.

## **Projected Reserve Fund Balance**

Our current Reserve Fund Balance is estimated to reach \$5.8 million by June 30, 2015, or 29% of operating costs. The City's financial plan calls for a 15% minimum fund balance. Therefore, we have healthy reserves relative to the minimum standards set by Council.

Therefore, projected over time, assuming no new revenues, the City could still cover forecasted shortfalls, starting in FY2016-17 with the Fund Balance, up to FY2019-20, at which point the fund balance would be depleted to the minimum 15% level. However, staff plans to study various internal reserves and reserve requirements, and return to Council over the ensuing two years with recommended funding for various internal reserves. At a minimum, it is likely that a 15% simply is not adequate to maintain a solid fiscal environment.

Given the large number of infrastructure projects the City is undertaking, which are vital to the future of the City and the City Council Strategic Priorities, staff will be recommending as mentioned before, additional measures to increase revenue so that the Reserve Fund is not depleted to cover operating expenses, but rather used to stabilize operations, pay for normal inflationary operating increases, and also possibly cover critical capital improvement projects potential cost overruns. Having a source of funding to ensure the completion of these projects is critical to ensure the City's long term fiscal stability.

More details regarding other operating funds, including Special Revenue, Capital Improvements, Enterprise, and Successor Agency and Pension Trust Funds, are included in the budget document Financial Summary tab.

## **Conclusion:**

The proposed General Fund budget for Fiscal Year 2015-16 is balanced. The total City Operating budget proposes \$26.9 million in revenues, and we estimate having a total of \$26.2 million in expenses. The total surplus, including all funds is \$657,840. This surplus is primarily related to restricted transportation and infrastructure funds, and will likely be absorbed by proposed Capital Improvement Projects in FY 2015-16.

Substantial capital improvement projects are planned for completion in the next five years. While the Council has made a substantial commitment to completing these priority projects, this is only a start.

The City inherited an infrastructure with substantial deferred maintenance that is beyond its life expectancy, and a lot more needs to be done to upgrade it. The General Fund and other funds cannot support a Capital Improvement Program to address, to mention just a few projects, the more than \$30 million identified in needed water mains replacement, \$38 million in storm drain improvements, and \$10 million for Bay Road.

To complete these projects we'll need to sustain both, investment in personnel to more aggressively pursue potential funding sources, applying for grants, and closely managing these projects to resolve technical and regulatory challenges.

While we should celebrate our staff dedication and efforts in securing funding and moving ahead with so many challenging projects at the same time—among them, Bay Rd., Pedestrian Overcrossing, University Avenue overpass, Runnymede to O'Connor drainage channel, Pad D, Gloria Bay Well, Groundwater Management Plan—we should also be cautious and recognize that these type of complex, long term projects can bring uncertainty and cost overruns that the City will need to face to get them through completion.

Therefore, the apparently healthy fund balance is only relative, when compared to the potentially large, unknown contingencies ahead. We know that cost of delivering capital projects will continue rising and we need to remain vigilant to keep our costs under control to be able to deliver these projects to bring the long term sustainable fiscal stability the City is seeking.

In closing, I have to thank the efforts of all City Departments in putting this budget together. It was an arduous process. Special thanks go to all members of the Finance Department. They were the glue than brought it all together.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Carlos Martínez', with a horizontal line drawn underneath it.

Carlos Martínez  
City Manager



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The East Palo Alto Budget Process  
How to Use the Budget Document

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# The East Palo Alto Budget Process

During the budget process, the East Palo Alto City Council must decide how to allocate resources other than monetary funds. Resource allocation decisions include choices of computer equipment and software programs, what types of investments are made in equipment and capital improvements, and which strategic priorities will consume top management's time.

These allocation decisions are made annually when the City Council discusses and establishes goals and objectives for the upcoming year; and, when the annual budget is developed. The City's annual allocation decisions are made based on multi-year policies and plans. To make both long and short-range allocation decisions, the City follows the budget model described below.

## **Budget Model**

The model follows three basic principles which provide continuity in decision making:

1. Assess current conditions, problems, needs, strengths and weaknesses to best prepare plans to meet those demands.
2. Develop goals and objectives, policies, and plans to determine the work program.
3. Implement those plans and policies and prepare to evaluate the effectiveness of implemented plans.

## **Long-Range Planning Process**

The City employs a **multi-year financial plan** as the framework for developing the annual proposed budget. The anticipated outcome of the financial planning concept is to maintain stable service levels by accumulating cash reserves during growth periods and using those reserves when revenues decline in recessionary periods.

The budget model described above is utilized in the long-range planning process, as described below:

### **Assess Conditions**

- Evaluate past and current plans and goals. When formulating the Financial Plan, staff considers the City Council's Strategic Plan and subsequently periodically evaluates financial and service results for resiliency, progress, and service effectiveness.
- Assess future needs of the community. The local community environment is examined in the context

of external economic, social, and political changes expected in order to determine strategic plans to meet the long-term needs and will of the community.

- Examine the health of the economy. While implementing and formulating financial plans, economic indicators, such as employment and interest rates, are researched and considered. Revenue and expenditure trends and financial forecasts are analyzed to evaluate the potential effect of economic trends on local revenues and expenditures.
- Project future revenues and expenditures. Using the information gathered throughout the process, assumptions will be formulated and changed to make the best projections of future revenues and expenditures.

#### **Develop Policies**

- Formulate City Council Goals and Objectives. The Council develops goals in January of each year and staff articulates objectives that align with those goals to the extent that resources are available to achieve such objectives. Staff will identify those that can be accomplished within a 24 month period and propose a spending plan to achieve those goals that are attainable.
- Prepare a multi-year Financial Plan. While the plan is prepared one to two years prior to the year in which it takes effect (for example, preparation of the 2016-2017 Financial Plan begins with the Annual Budget Process for 2015-2016), the plan is altered as needed, as conditions and assessments change.

#### **Implement Program**

- Develop City Manager's annual Target Issues. The multi-year strategies and financial plans are implemented through these Target Issues. The Manager, with the Council's approval, sets 6 to 10 organizational goals for directed attention to help ensure Goals and Objectives are met, and to address unexpected issues.

#### **Short-Range Planning**

The City Manager's annual Target Issues, annual service group and departmental objectives, and annual budgets are developed from the multi-year City Council Policy Goals and Objectives and the Financial Plan. These instruments guide allocation

decisions in any given year. The budget model is also used in these decision-making processes, as described below:

#### **Assess Conditions**

- Evaluate performance toward meeting goals of current and past years. To address problems and new concerns, staff monitors progress quarterly and periodically makes amendments to Target Issues and group and departmental objectives (Ongoing).
- Perform productivity and staffing analyses. Management conducts internal analyses of City operations to determine service delivery improvements, cost saving opportunities, administrative changes, service needs, and staffing levels (Ongoing).
- Develop a capital investment inventory. Staff periodically reviews the condition of existing infrastructure and recommends projects for future funding (Ongoing).

#### **Develop Annual Work Plans**

- Formulate an annual City Manager's Target Issues. Using the Council Strategic Plan as the basis for goals and objectives, as well as to address current issues, the City Manager identifies 6 to 10 special activities for the organization to focus on during the ensuing year (January – February).
- Develop annual group and departmental objectives. Objectives are established between the City Manager's Office and department staff to determine work plans for the ensuing fiscal year (February).
- Develop annual departmental budgets. After objectives are established, budgets are developed cooperatively between departments and the City Manager's Office (March).
- Identify Capital Improvement Project funding. The Community Development Department and the City Manager's Office evaluates capital projects and determines projects recommended for funding for the ensuing fiscal year (Ongoing).

#### **Implement Program**

- Deliver services and implement capital projects established in plan approved by the Council (Ongoing).
- Maintain records for service evaluation (Ongoing).

# **How to Use the Budget Document**

The East Palo Alto Budget Document is a spending plan for the financial, human, and capital resources available to the City. Through these resources, services are provided to meet the needs of the East Palo Alto residents. The City Council and City Staff address the community's needs and desires through the planning process which, in turn, culminates in the budget document as a fiscal spending plan. The budget document balances not only revenues and expenditures, but also community priorities and interests. The Budget Document is divided into eleven major sections:

- City Manager's Message
- The East Palo Alto Budget Process
- How to Use the Budget Document
- City Council Strategic Plan
- Financial Plan and Policies
- Financial Summary Information
- Organizational Summary Information
- Departmental Budgets
- Miscellaneous
- Glossary

## **The City Manager's Message**

The City Manager's Message provides a summary of the past fiscal year and a big picture summary for the upcoming fiscal year. It sets the context for budget decisions by describing community and economic conditions affecting the budget. It outlines major initiatives underway and challenges facing the City.

## **The East Palo Alto Budget Process**

The annual budget process follows a model that is threefold: Assess Conditions, Develop Plans and Policies, and Implement Programs. It includes both long-range and short-range planning processes.

## **How to Use the Budget Document**

Below is a brief summary of the eleven sections within the document, describing how each section may be used effectively to understand the make-up of the document.

## **The City Council's Strategic Plan**

The City Council's Strategic Plan sets the goals and objectives for the organization. It allows the City Manager to develop a list of Target Issues that establishes the organizational work plan for the ensuing year.

## **Financial Plan**

The Financial Plan section summarizes the overall financial condition of the City. The following information is included in the Financial Plan:

- Multi-Year Financial Plan: including information on fund structure, Finance Plan Summary information, General Fund Projection information, and a discussion of proposed budget and projection assumptions.
- A list of financial policies and strategies used to manage the City's finances.

In addition, this section contains current policies adopted by City Council which establishes the foundation and principles for the budgeted spending plan.

### **Organizational Summary Information**

This section of the document contains useful reference information about the City and the organization, including an organizational chart, ten-year summary of the City's employee authorized strength, two-year staffing comparison, "East Palo Alto at a Glance", East Palo Alto demographic statistics, a land use policy map, and a map of Cooley Landing.

### **Financial Summary Information**

This section contains the following financial summary information:

- FY 2015-2016 Citywide Budget by Fund Category
- FY 2015-2016 General Fund and Reserves Budget
- FY 2015-2016 Special Revenue Funds Budget
- FY 2015-2016 Enterprise Funds Budget
- FY 2015-2016 Agency and Pension Trust Budget
- General Fund Revenues by Major Category
- General Fund Expenditures by Major Category
- Property and Sales Tax Revenue Trends

### **Departmental Budgets**

This section contains the operating budget for all departments and divisions. The following Departments are presented: City Council, City Attorney, City Clerk, City Manager, Administrative Services, Finance, Community and Economic Development, Public Works, and Police. The Departmental Budget section presents financial figures by major revenue and expenditures categories. Definitions of the four major expenditure categories can be found in the Glossary. Local government budgets are organized by fund in order to segregate and account for restricted resources. Each fund is a separate accounting entity. The General Fund provides the majority of resources for most of the

services that cities typically offer, including public safety, maintenance, and general government functions required to support direct services to the community. This section also places the budget in context with the General Fund financial forecast and provides a three-year historical review of revenue and expenditures, General Fund sources and uses. This section also includes prior-year departmental accomplishments as well as the adopted year objectives. Finally, this section includes the historical, current and projected staffing by each department/ division along with a departmental organizational chart.

### **Miscellaneous**

This section contains the budget resolutions and Appropriation Limit once adopted. It also includes the Adopted Capital Improvement Projects for FY 2015-2016.

### **Glossary**

This section provides definitions generally used in local, county and state governments.

**2015-2016 CITY COUNCIL STRATEGIC  
GOALS AND OBJECTIVES  
FY 2015-16 Adopted Budget**

***PRIORITY #1 - ENHANCE PUBLIC SAFETY AND EMERGENCY PREPAREDNESS***

**\*GOAL #1A: Implement a long-term crime and violence reduction strategy**

Objective: Develop a Citywide Crime and Violence Reduction Plan that involves all stakeholders.

**GOAL #1B: Fully implement Measure C and Transient Occupancy Tax grant programs**

Objective: Develop and complete Measure c and TOT funding cycle and evaluation process.

**\*GOAL #1C: Implement Anti-Graffiti program**

Objective: Reduce graffiti in the City by implementing a graffiti removal program.

**\*GOAL #1D: Develop a redundant and multi-media emergency notification system**

Objective: Adopt and fund additional system to increase timely and accurate notifications to the community.

**GOAL #1E: Conduct education and outreach on fire safety and emergency preparation and develop Community Emergency Response Team (CERT) training program**

Objective: Provide emergency preparedness training to City personnel and conduct information workshops to the community.

***PRIORITY #2 - ENHANCE ECONOMIC VITALITY***

**GOAL #2A: Continue with dissolution process for the Redevelopment Agency**

Objective: Comply with redevelopment dissolution requirements.

**GOAL #2B: Ensure University Plaza Project receives appropriate attention from the City's Building and Permitting Department**

Objective: Timely issuance of building permits and commencement of construction for University Plaza project.

**\*GOAL #2C: Provide assistance to small businesses (permitting, licensing and support)**

Objective: Prepare small business assistance resource guide.

**GOAL #2D: Set aside General Fund monies for capital improvements**

Objective: City Council adopts budget that includes capital improvement funding.

**GOAL #2E: Develop and implement appropriate development impact fees**

Objective: City Council to adopt development impact fees and inclusionary impact fees.

***PRIORITY #3 - INCREASE ORGANIZATIONAL EFFECTIVENESS AND EFFICIENCY***

**GOAL #3A: Address structural deficit and establish steps to resolve it**

Objective: Provide a long-term financial plan and an annual balanced budget.

**GOAL #3B: Develop a staff workforce professional growth plan**

Objective: Operating an effective and efficient organization.

**2015-2016 CITY COUNCIL STRATEGIC  
GOALS AND OBJECTIVES  
FY 2015-16 Adopted Budget**

***PRIORITY #3 - INCREASE ORGANIZATIONAL EFFECTIVENESS AND EFFICIENCY  
(Con't.)***

**GOAL #3C: Develop a more comprehensive system to evaluate the City Manager and City Attorney**

Objective: Establish a comprehensive system that effectively evaluates the City Manger and City Attorney.

**\*\* \*GOAL #3D: Identify systems investment opportunities to improve organizational effectiveness and efficiency**

Objective: Present options for replacing antiquated financial software and acquiring a Human Resources Information System (HRIS) and a records management system.

***PRIORITY #4 - IMPROVE PUBLIC FACILITIES AND INFRASTRUCTURE***

**\*\*GOAL #4A: Implement Safe Routes to School (SR2S/SRTS) Improvement Program**

Objective: Make school zones safer through the accommodation of multi-modal access.

**\*\*\*GOAL #4B: Complete Bay Road and related infrastructure**

Objective: Complete redesign of road and related infrastructure for Bay Road.

**\*\*\*GOAL #4C: Enhance pedestrian and bicycle interconnectivity**

Objective: Complete University Avenue Bridge widening and complete design of Highway 101 pedestrian/bicycle overcrossing at Newell Road.

**GOAL #4D: Consolidation of City facilities**

Objective: Explore options for consolidating city facilities.

**\*\*\*GOAL #4E: Provide adequate domestic water to customers in the City of East Palo Alto water system**

Objective: Develop additional domestic water supply to address current and future needs.

**\*\*GOAL #4F: Maintain and upgrade City's water system**

Objective: Replace and enhance water conveyance facilities to provide consistent delivery of water to customers, meet fire flow requirements and address emergency storage needs.

**\*\*\*GOAL #4G: Enhance flood protection for residents, businesses and property owners**

Objective: Provide 100-year flood protection from San Francisquito Creek (SFCJPA) and San Francisco Bay.

***PRIORITY #5 - IMPROVE COMMUNICATION AND ENHANCE COMMUNITY  
ENGAGEMENT***

**\*GOAL #5A: Establish and implement a website maintenance and management plan**

Objective: Provide a user friendly website for easy navigation to retrieve City information and/or services and maintain updated content.

**GOAL #5B: Develop and publish a City newsletter to improve community communications**

Objective: Public and distribute quarterly newsletter.



**2015-2016 CITY COUNCIL STRATEGIC  
GOALS AND OBJECTIVES  
FY 2015-16 Adopted Budget**

***PRIORITY #5 - IMPROVE COMMUNICATION AND ENHANCE COMMUNITY  
ENGAGEMENT (Con't.)***

**GOAL #5C: Foster community cultural events and activities in public spaces such as parks**

Objective: Conduct a multi-event 30<sup>th</sup> anniversary celebration as a way to further engage the community in public spaces.

**\*GOAL #5D: Develop a communication plan, including topics, schedules, media and branding/messaging**

Objective: Develop a Communications Plan to provide options on how information is delivered to the community.

***PRIORITY #6 - CREATE A HEALTHY COMMUNITY***

**\*\*\*GOAL #6A: Improve pedestrian/bicycle access and safety at all school zones**

Objective: Make school zones safer through a collaborative study, implementation and enforcement program.

**GOAL #6B: Complete a joint use facilities agreement with Ravenswood City School District and Sequoia Union High School District**

Objective: Negotiate an agreement with the school districts to improve capacity and options to sponsor and operate programs and events for the residents of East Palo Alto.

**GOAL #6C: Fully implement the Rent Stabilization Program**

Objective: Manage and streamline the Rent Stabilization Program.

**\*GOAL #6D: Develop a comprehensive Healthy Communities Plan as a part of the General Plan Update**

Objective: Develop a comprehensive Health Communities Plan as part of the General Plan to improve the health and safety of residents of East Palo Alto.

**\*\*\*GOAL #6E: Develop a Parks Master Plan incorporating current projects**

Objective: Expand and enhance park facilities for residents of East Palo Alto.

**GOAL #6F: Preserve and expand Affordable Housing in East Palo Alto**

Objective: Develop an Affordable Housing Strategy.

\*These goals will require additional financial resources to implement.

\*\*These goals will be added to the Capital Improvement Plan.

\*\*\* These goals will require additional financial resources and will be added to the Capital Improvement Plan.

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**CITY COUNCIL STRATEGIC PRIORITIES**

**PRIORITY AREA #1: ENHANCE PUBLIC SAFETY AND EMERGENCY PREPAREDNESS**

NO.	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
1A	<b>GOAL STATEMENT: IMPLEMENT A LONG-TERM CRIME AND VIOLENCE REDUCTION STRATEGY</b>				
	<b>Develop a Citywide Crime and Violence Reduction Plan that involves all stakeholders</b>			<b>Police</b>	<b>This goal may require additional staffing resources based on results of the Violence Reduction Strategy</b>
1	Receive community input on crime and violence	Ongoing	Ongoing		In Progress. Dept. held “Chat with the Chief” beat meetings and participated in recent Town Hall meeting to receive input. More structured community meetings and forums will be held in the coming months.
2	Conduct comprehensive analysis of crime in the City	In Process	In Process	We recently hired a consultant to train members on how to properly use our RIMS records management system. Crime data is now being entered in the RIMS system and this will allow us to capture the crime statistics and use them for an analysis.	Partially Completed; Crime data is getting entered into the RIMS system so statistical analysis can be done. It is anticipated that we will have useful data for analysis by the fourth quarter of the fiscal year.
3	Develop long-term plan that addresses: Prevention, Intervention, Enforcement & Sustainability	In Process	In Process	Re-evaluating long-term strategies and reviewing new ideas from Community members and Police Staff on using BEST practices.	In process. The new police chief is implementing a variety of community policing strategies that will address the Goal statements. These strategies will include Town Hall meetings, attendance at community meetings throughout the city, having the PD participate in numerous community events and beautification projects, coordinating PD efforts with the school district, aligning the department with community and faith based organizations.
4	Identify the role of the community and City in strategy	In Process	In Process	Same as above	The community and the City will work in partnership to prevent crime by using positive intervention techniques that will range from community events, FIT zone activities, community cleaning and beautification events and educating the community how to provide valuable anonymous tip information and stop or prevent crimes.
5	Identify the resources necessary to implement strategy	In Process	In Process	Same as above	Many of these activities can be done by using volunteers from the community to staff these projects. Some of the materials necessary may need to be purchased by the city or donated by citizens or businesses in the community. The FIT zones will be dependent on the funding from Grants or if necessary adding a small amount of funding from the General fund.

NO.	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
1B	<b>GOAL STATEMENT: FULLY IMPLEMENT MEASURE C AND TRANSIENT OCCUPANCY TAX (TOT) GRANTS PROGRAM</b>				
	<b>Develop and complete Measure C and TOT funding cycle and evaluation process</b>			City Manager's Office	
1	Develop and distribute Request for Proposal (RFP) to fund programs for 90% grants		Ongoing		RFP's are issued and awards made periodically
2	Develop Request for Proposal (RFP) for TOT programs		Ongoing		The RFP for the TOT small summer grants was issued April 2014. Twenty-one applications were received, 11 were funded. Grants are currently being closed out. The RFP for summer 2015 is being prepared for issuance early March. Additionally, the RFP/Application is also more rigorous than past years and requires all applications to map their proposed programs using a Logic Model. Applicants are also required to discuss the sustainability of their proposed programs. Staff is currently preparing a RFP to solicit an independent evaluation of the Measure C Program. TOT should be included as well.
3	Launch Truancy Pilot Program		Ongoing		A collaborative Truancy Program will be evaluated for funding by the City Council.

NO.	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
1C	<b>GOAL STATEMENT: IMPLEMENT ANTI-GRAFFITI PROGRAM</b>				
	<b>Reduce graffiti in the City</b>			<b>Police</b>	
1	Identify all locations in the City with chronic graffiti	In Process	In Process		Currently in process of establishing a new focus group to address the prior objectives, which was re-directed several months ago, during transition.
2	Implement a graffiti removal program	In Process	In Process		Currently in process of establishing a new focus group to address the prior objectives, which was re-directed several months ago, during transition.
3	Explore civil sanctions against chronic violators/locations	In Process	In Process		Currently in process of establishing a new focus group to address the prior objectives, which was re-directed several months ago, during transition.
1D	<b>GOAL STATEMENT: DEVELOP A REDUNTANT AND MULTI-MEDIA EMERGENCY NOTIFICATION SYSTEM</b>				
	<b>Adopt and fund additional system to increase timely and accurate notifications to the community</b>			<b>Lead: Police Support: City Manager's Office</b>	
1	Obtain funding and purchase notification system	In Process	In Process		The County system is undergoing an upgrade; we will continue with present system until an adequate- cost effective system is located.

NO.	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
1E	<b>GOAL STATEMENT: CONDUCT EDUCATION AND OUTREACH ON FIRE SAFETY AND EMERGENCY PREPARATION AND DEVELOP COMMUNITY EMERGENCY RESPONSE TEAM (CERT) TRAINING PROGRAM</b>				
	<b>Provide emergency preparedness training to City personnel and conduct information workshops to the community</b>			<b>Lead: City Manager's Office Support: Police</b>	
1	Provide Incident Command System (ICS) and Standardized Emergency Management System (SEMS) training to all City personnel		Ongoing		Continue providing periodic training to all appropriate City personnel.
2	Offer CERT training to community		Ongoing		Will coordinate with Menlo Park Fire Protection District to provide training and follow-up with CERT members to organize quarterly meetings and exercises by end of 2015.
3	Provide emergency preparedness information on City website		Ongoing		Will be accomplished by end of third quarter
4	Provide emergency preparedness informational workshop to the community and provide overview of available resources and materials		Ongoing		Will schedule workshop date, time and location and will post on City website by end of third quarter

<b>PRIORITY AREA #2: ENHANCE ECONOMIC VITALITY</b>					
<b>NO.</b>	<b>OUTCOME</b>	<b>FY 13-14 Second Half (Jul-Dec)</b>	<b>FY 14-15 First Half (Jan-June)</b>	<b>LEAD/ SUPPORT DEPARTMENT</b>	<b>COMMENTS</b>
<b>2A</b>	<b>GOAL STATEMENT: CONTINUE WITH DISSOLUTION PROCESS FOR THE REDEVELOPMENT AGENCY</b>				
	<b>Comply with redevelopment dissolution requirements</b>			<b>Finance and City Attorney</b>	
1	Prepare semi-annual Recognized Obligation Payment Schedule (ROPS) and obtain Successor Agency and Oversight Board (OSB) approval	Completed	Completed	On-going	Process will continue until all Enforceable Obligations end. ROPS completed: 13-14B, 14-15A, 14-15B, and 15-16A approved by OSB and being reviewed by DOF
2	Investigate options for refunding of former Redevelopment Agency debt and report back to OSB		In Process	Monitoring	Completed Initial Report of pool refunding option to the OSB on 4-16-13; current staff initiating research into refunding.
3	Present budget recommendations to address reduced administrative overhead and project implementation reimbursements	N/A OSB approved	N/A OSB approved	Issue carry forward to FY 2015-16.	This item will resurface in FY 2015-16 budget. OSB is requesting additional administrative information. Any amounts not approved by OSB will revert back to General Fund – creating budget deficit to address. Estimated that ROPS 15-16B will result in reduced overhead.

NO.	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
2B	<b>GOAL STATEMENT: ENSURE UNIVERSITY PLAZA PROJECT RECEIVES APPROPRIATE ATTENTION FROM THE CITY'S BUILDING AND PERMITTING DEPARTMENT</b>				
	<b>Timely issuance of building permits and commencement of construction for University Plaza project</b>			<b>Community Development and City Attorney's Office</b>	<b>The project is currently completing the entitlements phase of the Planning Permit. The Building Division has committed staff and resources to provide phased permitting as necessary to allow construction to proceed per the Developer's proposed schedule.</b>
1	Review building plans and issue permits within 60 days following submittal of complete application	Pending	Pending		Applicant has not yet submitted plans. The applicant will submit grading and foundation plans first to begin construction, The remainder of the submittals will be submitted within the next 30 days.
2	Inspect construction of University Plaza project	Pending	Pending		Inspection will proceed as permits are issued. Weekly coordination meetings will be conducted to assure consistency and reduce field issues.
2C	<b>GOAL STATEMENT: PROVIDE ASSISTANCE TO SMALL BUSINESSES (PERMITTING, LICENSING, AND SUPPORT)</b>				
	<b>Prepare small business assistance resource guide</b>			<b>Community Development</b>	
1	Collect information on current available resources	Pending	Pending		Not completed: Will be undertaken in fall of FY 15-16.
2	Prepare and circulate small business assistance resource guide	Pending	Pending		Not completed: Scheduled to now be completed in FY 15-16



NO.	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
2D	<b>GOAL STATEMENT: GENERAL FUND MONIES ARE SET ASIDE FOR CAPITAL IMPROVEMENTS</b>				
	<b>City Council adopts budget that includes capital improvement funding</b>			<b>Finance and Community Development</b>	
1	Adopt Capital Improvement Plan Budget	Completed	Completed	On-going	Capital Improvement Plan Budget will be updated in FY 2015-16 budget processes.
2	Ensure proper monitoring and controls in place and formally present project carry forward balances each year.		Initiated	On-going	Budget appropriations for grants and capital funding not recently recorded or adequately monitored. Finance initiated major 4 year look back to implement forward balances in FY2014-15 Multi-year project balance carry forwards will be recorded in general ledger system and be communicated to Council annually.
2E	<b>GOAL STATEMENT: DEVELOP AND IMPLEMENT APPROPRIATE DEVELOPMENT IMPACT FEES</b>				
	<b>City Council to adopt development impact fees and inclusionary impact fees</b>			<b>Lead: Community Development Support: City Attorney's Office, City Manager's Office and Finance</b>	
1	Adopt Development Impact Fee program	Pending	Pending		Nexus Study will be updated and Program will be brought for Council consideration in 2015.
2	Conduct a Revenue Enhancement Study for Council consideration		Pending		Study has been initiated and will be presented to the City Council for consideration and action, before the end of Fiscal Year 2014-15.

**PRIORITY AREA #3: INCREASE ORGANIZATIONAL EFFECTIVENESS AND EFFICIENCY**

NO.	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<b>3A GOAL STATEMENT: ADDRESS STRUCTURAL DEFICIT AND ESTABLISH STEPS TO RESOLVE IT</b>					
	<b>Provide a long term financial plan and an annual balanced budget</b>			<b>Lead: City Manager's Office and Finance Support: all departments</b>	
1	Provide revenue options for City Council consideration	In Progress	In Progress		Options will be presented before FY15-16
2	Provide 5 year and 10 year financial overview	In Progress	In Progress		Five year Forecast will be presented during FY15-16 budget process, currently no staff resources to prepare 10 year.
<b>3B GOAL: DEVELOP A STAFF WORKFORCE PROFESSIONAL GROWTH PLAN</b>					
	<b>Operate an effective and efficient organization</b>			<b>Lead: CM's Office Support: all Depts.</b>	
1	Review existing organizational structure and systems for efficiency and effectiveness	In Progress	In Progress		Review underway, structural adjustments to be proposed before FY15-16
2	Provide recommendations for organizational changes as needed	In Progress	In Progress		Periodic review and changes will be proposed as needed.
3	Cross-train staff and centralize administrative services	In Progress	In Progress		Ongoing: Cross-training initiated in CMO, Finance and CDD. A continuing education training plan will be developed and included in the budget.
4	Promote and provide customer service training to staff	In Progress	In Progress		Completed and ongoing.
<b>3C GOAL STATEMENT: DEVELOP A MORE COMPREHENSIVE SYSTEM TO EVALUATE THE CITY MANAGER AND CITY ATTORNEY</b>					
	<b>A comprehensive system that effectively evaluates the City Manager and City Attorney</b>			<b>Lead: City Council Support: City Manager and City Attorney's Offices</b>	

NO.	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
3D	<b>GOAL STATEMENT: IDENTIFY SYSTEMS INVESTMENT OPPORTUNITIES TO IMPROVE ORGANIZATIONAL EFFECTIVENESS AND EFFICIENCY</b>				
	<b>Present options for replacing antiquated financial software and acquiring Human Resources Information System (HRIS) and a records management system</b>			<b>Lead: City Manager's Office Support: Finance, City Clerk, HR</b>	<b>This goal will require additional funding resources and will be added to the CIP Plan. FY 2015-16 budget will include funds for IT assessment study as well as initial estimates for systems listed.</b>
1	Assess financial system needs, including data, budgeting, and reporting requirements	In Progress	In Progress	Staff Turnover Requires Reassessment	Assessment in FY15-16
2	Assess human resources needs and integration with financial software	In Progress	In Progress	Staff Turnover Requires Reassessment	Ongoing HR Manager recruitment
3	Assess electronic records management needs	In Progress	In Progress	City Clerk/IT	Deputy City Clerk researching alternatives and cost
4	Identify systems options and cost estimates	Pending	Pending	Initiate Assessment Study in September 2015.	Suggest FY 2015-16 Implementation Readiness Assessment.
5	Report findings to the Finance and Budget Committee and the City Council and identify funding and approval to make the systems investments	Pending	Pending	Report after results of Assessment Study	Suggest undertaking after results of Readiness Assessment

**PRIORITY AREA #4: IMPROVE PUBLIC FACILITIES AND INFRASTRUCTURE**

NO.	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan- June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
4A	<b>GOAL STATEMENT: IMPLEMENT SAFE ROUTES TO SCHOOL (SR2S/SRTS) IMPROVEMENT PROGRAM</b>				
	<b>Make school zones safer through the accommodation of multi-modal access</b>			<b>Lead: Community Development Support: City Attorney's Office and Finance</b>	<b>This goal will require additional funding resources. This goal will be added to the CIP Plan.</b>
1	Complete SR2S projects (complete construction)	In Progress	In Progress	CEDD/ENGR	Ongoing
2	Prepare grant applications for future SR2S and SRTS cycles based upon "Existing Conditions" report	In Progress	In Progress		Ongoing grant submitted to MTC for TDA Article 3 funds, waiting response
4B	<b>GOAL STATEMENT: COMPLETE BAY ROAD AND RELATED INFRASTRUCTURE</b>				
	<b>Complete Bay Road and related Infrastructure</b>			<b>Lead: C&amp;EDD Support: City Attorney's Office and Finance</b>	<b>This goal will require additional funding resources. This goal will be added to the CIP Plan.</b>
1	Complete design of road, utilities and related infrastructure and environmental review (CEQA/NEPA)	In Progress	In Progress	CEDD/ENGR	On-going; 65% design underway; completion of the design contingent on working with EPASD on relocating & upgrading sanitary system. Advertisement for bid contingent on design and working with EPASD on relocation/upgrade of sanitary system.
2	Advertise, solicit bid, review and award bid(s) for construction of Bay Road	Pending	Pending		Estimated advertisement in Winter 2015
3	Complete Runnymede Phase 2 drainage basin and extend culverts from Bay Road	In Progress	In Progress		Construction work on the improvements started September 1, 2014, anticipated completion in January 2016; culvert work is not funded

NO.	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<b>4C</b>	<b>GOAL STATEMENT: ENHANCE PEDESTRIAN/BICYCLE INTERCONNECTIVITY</b>				
	<b>1) Complete University Avenue Interchange and 2) complete design of Highway 101 Pedestrian &amp; Bicycle Overcrossing (POC) at Newell &amp; Road Clarke</b>			<b>Lead: Community Development Support: City Attorney's Office and Finance</b>	<b>This goal will require additional funding resources. This goal will be added to the CIP Plan.</b>
1	Complete design modifications of University Avenue Interchange and complete updated traffic analysis		In Progress	CEDD/ENGR	Design modifications reviewed and considered unfeasible; new design contract awarded in September 2014, design & environmental is underway
2	Advertise, solicit bids, review and award bid(s) for construction of University Avenue Interchange		Pending Design		Award anticipated in Summer 2016
3	Complete environmental review of 101 POC		In Progress		Underway, anticipated completion Summer 2015
4	Submit grant applications seeking funding for design and construction of Highway 101 POC		In Progress		Staff was successful in obtaining ATP grant for \$8.6 million towards construction. Additional funding may be needed.
<b>4D</b>	<b>GOAL STATEMENT: CONSOLIDATION OF CITY FACILITIES</b>				
	<b>Explore options for consolidating City facilities</b>			<b>City Manager's Office</b>	<b>This goal will require additional funding resources.</b>
1	Re-examine current City Hall facility to better utilize space to accommodate staff		Completed		Completed: more intensive use of current space is not anticipated
2	Develop a Public Facilities Plan		In Progress		Preliminary space needs assessment, and lease negotiations underway. More detailed Facilities Plan to be developed in FY15-16.

NO.	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<b>4E</b>	<b>GOAL STATEMENT: PROVIDE ADEQUATE DOMESTIC WATER TO CUSTOMERS IN THE CITY OF EAST PALO ALTO WATER SYSTEM</b>				
	<b>Develop additional domestic water supplies to address current and future needs</b>			<b>Community Development</b>	<b>This goal will require additional funding resources. This goal will be added to the CIP Plan.</b>
1	Adopt City water supply blueprint		Completed	CEDD/ENGR	Water supply blueprint presented to council as part of CIP in June 2014; several water supply options have been identified and are being investigated
2	Complete design of Gloria Way Well		In Progress		Awarded design contract to EKI in September 2014; design completion anticipated by Summer 2015
3	Complete construction of Gloria Way Well including treatment facility		In Progress		\$700K CDBG grant submitted January 2015 for construction funding, grant was recommended for funding to the San Mateo County Board of Supervisors waiting for HUD adoption
4	Complete ground water management and monitoring plans & explore additional municipal wells (Pad D)		In Progress		City started ground water management process in July 2014; conducting a series of public workshops as required by the Water Code; monitoring program completion anticipated in Fall 2015
<b>4F</b>	<b>GOAL STATEMENT: MAINTAIN AND UPGRADE CITY'S WATER SYSTEM</b>				
	<b>Replace and enhance water conveyance facilities to provide consistent delivery of water to customers, meet fire flow requirements and address emergency storage needs</b>			<b>Community Development</b>	<b>This goal will require additional funding resources. This goal will be added to the CIP Plan.</b>
1	Adopt City water conveyance and storage strategy		In Progress	CEDD/ENGR	Completed. Staff will submit grant applications, as they may become available, to fund pipe replacement and create storage capacity.
2	Negotiate agreement and complete construction of intertie with the City of Palo Alto		Pending		Pending water capital surcharge approval to raise the funding to design and complete improvements
3	Update Urban Water Management Plan		Pending		Urban Water Management Plan was completed in 2010. 2015 update required.
4	Evaluate contract with American Water Enterprises/formulate future strategy		Pending		Next five year review/contract opener is in 2016

NO.	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
4G	<b>GOAL STATEMENT: ENHANCE FLOOD PROTECTION FOR RESIDENTS, BUSINESSES AND PROPERTY OWNERS</b>				
	<b>Provide 100-year flood protection from San Francisquito Creek (SFCJPA) and San Francisco Bay</b>			<b>Community Development</b>	<b>This goal will require additional funding resources. This goal will be added to the CIP Plan.</b>
1	Monitor SFCJPA Phase 1 project for the San Francisquito Creek (SFC)		In Progress	CEDD/ENGR	Ongoing
2	Negotiate agreement with Santa Clara Valley Water District (SCVWD) for maintenance of SFC enhanced levee and creek banks from Hwy 101 to border with Menlo Park		In Progress		Ongoing; Staff will continue to explore option for cost sharing and/or subcontracting levee and creek maintenance obligations.
3	Work with Palo Alto on design of Newell Road Bridge		In Progress		Palo Alto is preparing Environmental Impact Report
4	Work with SFCJPA on design of Phase 2 SFC improvements		In Progress		Ongoing; project has slowed from original schedule; current emphasis on Phase I
5	Work with SFCJPA on Phase 1 (Planning study) of tidal levee project		In Progress		SFCJPA has awarded contract to HDR

<b>PRIORITY AREA #5: IMPROVE COMMUNICATION AND ENHANCE COMMUNITY ENGAGEMENT</b>					
<b>NO.</b>	<b>OUTCOME</b>	<b>FY 13-14 Second Half (Jul-Dec)</b>	<b>FY 14-15 First Half (Jan-June)</b>	<b>LEAD/ SUPPORT DEPARTMENT</b>	<b>COMMENTS</b>
<b>5A</b>	<b>GOAL STATEMENT: ESTABLISH AND IMPLEMENT A WEBSITE MAINTENANCE AND MANAGEMENT PLAN</b>				
	<b>Provide a user friendly website for easy navigation to retrieve City information and/or services and maintain updated content</b>			<b>City Manager's Office</b>	
1	Establish and implement a website management plan		Pending		Will be undertaken in second half, FY <del>13-14</del> 15-16
2	Identify appropriate staff and resources to maintain and update website content		Pending		Will be undertaken in second half, FY <del>13-14</del> 15-16
<b>5B</b>	<b>GOAL STATEMENT: DEVELOP AND PUBLISH A CITY NEWSLETTER TO IMPROVE COMMUNITY COMMUNICATIONS</b>				
	<b>Publish and distribute quarterly newsletter</b>			<b>Lead: City Manager's Office Support: all departments</b>	<b>This goal will require additional staffing resources</b>
1	Produce and distribute a quarterly-City newsletter		Ongoing		Quarterly newsletter is being produced and distributed



NO.	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
5C	<b>GOAL STATEMENT: FOSTER COMMUNITY CULTURAL EVENTS AND ACTIVITIES IN PUBLIC SPACES SUCH AS PARKS</b>				
	<b>Conduct a multi-event 30 year anniversary celebration as a way to further engage the community in public spaces</b>			<b>Lead: City Manager's Office Support: all departments</b>	<b>This goal will require additional staffing resources</b>
5D	<b>GOAL STATEMENT: DEVELOP A COMMUNICATION PLAN, INCLUDING TOPICS, SCHEDULES, MEDIA AND BRANDING/MESSAGING</b>				
	<b>Develop a Communications Plan to provide options on how information is delivered to the community</b>			<b>Lead: City Manager's Office Support: all departments</b>	<b>This goal will require additional funding resources</b>
1	Present communication plan to City Council		Pending		To be developed internally in FY15-16
2	Implement approved communication plan		Pending		Implementation upon Council approval
3	Incorporate Community Opinion Survey into communication plan		Pending		Implementation upon Council approval

**PRIORITY AREA #6: CREATE A HEALTHY AND SAFE COMMUNITY**

NO.	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<b>6A</b>	<b>GOAL STATEMENT: IMPROVE PEDESTRIAN AND BICYCLE ACCESS AND SAFETY AT ALL SCHOOL ZONES</b>				
	<b>Make school zones safer through a collaborative study, implementation and enforcement program</b>			<b>Lead: Community Development Support: Police</b>	<b>This goal will require additional funding resources</b>
1	Complete an “Existing Conditions” Report		In Process	CEDD/ENGR	Accessibility Study & Citywide Transition Plan adopted as part of the CIP; report to be prepared in FY15-16
2	Integrate comprehensive “complete streets” policies within the General Plan Update		In Process		Will be completed with General Plan Update
3	Identify projects for inclusion in SR2S program		Ongoing		Ongoing. ATP grant application submitted, awaiting additional state and federal government issuance of Notice of Funding Availability
4	Collaborate with Police Department and Ravenswood City School District (RCSD) on enforcement of various operational safety measures (e.g. no parking, crosswalks, stop signs and traffic enforcement)		Ongoing		Ongoing. City has placed no parking signs at Clarke Avenue (Brentwood Academy) and Ralmar Street (Cesar Chavez Academy), with other various locations to be completed in FY14/15; enforcement ongoing
<b>6B</b>	<b>GOAL STATEMENT: COMPLETE A JOINT USE FACILITIES AGREEMENT WITH RAVENSWOOD CITY SCHOOL DISTRICT</b>				
	<b>Negotiate an agreement with the school districts to improve capacity and options to sponsor and operate programs and events for the residents of East Palo Alto</b>			<b>Lead: City Manager’s Office Support: City Attorney’s Office, Finance and Community Development</b>	<b>This goal will require additional funding resources</b>
1	Conduct inventory of available facilities		Pending		Not undertaken; will begin in, FY15-16
2	Continue negotiation of a joint use agreement		Ongoing		Initial contact has been made with District to begin discussions.
3	Approve joint use agreement by all agencies		Pending		Agreement will be brought to the Council for approval after completing negotiations

NO	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<b>6C GOAL STATEMENT: FULLY IMPLEMENT THE RENT STABILIZATION PROGRAM</b>					
<b>Rent Stabilization Program is effectively managed and streamlined</b>				City Manager's Office	
1	Issue registration statements and other forms in a timely manner		Ongoing		Registration will be mailed periodically timely.
2	Process pending petitions within Ordinance timelines		Ongoing		Will be undertaken in second half, FY15-16 <del>13-14</del>
3	Conduct community outreach to educate both landlords and tenants of their rights under the new ordinance		Ongoing		Workshops for landlords and tenants held in July were not well attended and have not been continued. All new tenants of regulated units are sent information about the Ordinance upon registration of their unit. Landlords were sent information about the Ordinance and its requirements in November. Outreach efforts will continue.
<b>6D GOAL STATEMENT: DEVELOP A COMPREHENSIVE HEALTHY COMMUNITIES PLAN AS A PART OF THE GENERAL PLAN UPDATE</b>					
<b>Improve the health and safety of residents of East Palo Alto</b>				<b>Lead: Community Development Support: City Attorney's Office</b>	
1	Complete evaluation of existing conditions		Completed		Completed in 2014 and will be adopted in the Spring of 2015
2	Initiate and engage community through outreach program		Ongoing		Outreach program developed in 2013, and is currently being implemented with General Plan Update
3	Engage public health agencies and other interest groups		Ongoing		Being undertaken with General Plan Update
4	Evaluate open space, parks and recreational opportunities as part of Westside Area Plan		Ongoing		Being undertaken with General Plan Update

NO	OUTCOME	FY 13-14 Second Half (Jul-Dec)	FY 14-15 First Half (Jan-June)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<b>6E</b>	<b>GOAL STATEMENT: DEVELOP A PARKS MASTER PLAN INCORPORATING CURRENT PROJECTS</b>				
	<b>Expand and enhance park facilities for residents of East Palo Alto</b>			<b>Community Development</b>	<b>This goal will require additional funding resources and will be included in the CIP Plan</b>
1	Identify funding source for plan		Completed		Completed: Included in Ten Year Capital Improvement Plan with anticipated funding and completion in FY15-16
2	Prepare Request for Proposals (RFP) and award contract		Pending		Not completed: Subject to funding
3	Develop Master Plan		Pending		Subject to funding
4	Develop implementation plan (including evaluation of impact fee options) once Master Plan is completed		Pending		Not completed; will be undertaken after completion of Master Plan, after Plan is funded.
5	Pursue expansion of MLK Park through exchange or acquisition of County owned land on Beech Street		Pending		Ongoing
6	Complete design for Phases 2-5 of Cooley Landing Park		Ongoing		Partially completed: construction of Phase II (access and utilities) is almost complete, design of education center (Phase III) is underway. Process to solicit an operator and maintenance partner is under way.
<b>6F</b>	<b>GOAL STATEMENT: PRESERVE AND EXPAND AFFORDABLE HOUSING IN EAST PALO ALTO</b>				
	<b>Develop an Affordable Housing Strategy</b>			<b>Community Development</b>	
1	Review existing affordable housing stock and present to Council a strategy to preserve and expand affordable housing options that meet the needs of East Palo Alto residents.		Pending		Strategy to be developed and presented to Council for adoption in FY15-16

# Financial Plan

## Introduction

This section presents the multi-year financial plan, including a description of City policies used to manage City financial practices for the proposed and projected five-year fiscal period.

## Multi-Year Financial Plan

The financial plan for the General Fund contains:

1. **Fund Structure:** A description of the fund's purpose, including major services to be financed, major sources of revenues and major sources of expenditures. The General Fund is reported on a modified accrual basis. This system recognizes revenue received in the reporting period and expenditures, plus un-liquidated obligations during the same period. It is a conservative reporting method which helps ensure resources are available to pay all outstanding commitments.
2. **Financial Plan Summary:** A brief summary and assessment of the ability to meet the goal of fiscal resiliency as related to the FY 2015-16 to FY 2019-2020 proposed and projected periods.
3. **Multi-Year General Fund Projection:** The multi year plan is designed to provide information regarding the projected financial ramifications of policy decisions. The financial plan is projected for the General Fund through Fiscal Year 2019-2020.
4. **Projection Rate Assumptions:** A table representing budgeted line item changes on a percentage basis.
5. **General Fund Projection Assumptions:** A description by major category of the assumptions underlying the General Fund projection.

## Financial Policies and Strategies

The financial and resource allocation policies, which are intended to guide the City Council's discussions, are presented in this section. In Fiscal Year 2006-2007, the City Council implemented the first multi-year financial plan, including financial policies, in order to 1) stabilize the workforce, 2) insure consistent and continued quality services to the residents of East Palo Alto, and 3) to avoid the occurrence of future structural deficits. As City Council continues discussing, developing, and adopting the policies and detailed strategies, they are incorporated in each year's financial plan.

The FY 2015-2016 Adopted Budget marks the tenth continuous year the City Council has supported the multi-year financial planning process in order to proactively plan for the management of resources and to address financial challenges in a methodical fashion.

## The Fund Structure

The General Fund is the source of funds which provide general purpose government services to the citizens. While some services are provided by Special Revenue Funds, if such revenues fall short of expenses, the services would generally be supported by General Fund dollars if appropriate and necessary.

### Major Services

The major services financed by the General Fund include:

- Public Safety services including community policing, criminal investigations, dispatch services, parking enforcement and animal control.
- Maintenance of facilities, signs, graffiti abatement, public right-of-way.
- Building Inspection, permitting, and code enforcement, engineering and planning services.
- Parks, trees, landscaping and median maintenance.
- Limited community services.
- General government services.
- Limited Capital Improvement financing.

### Major Sources and Uses

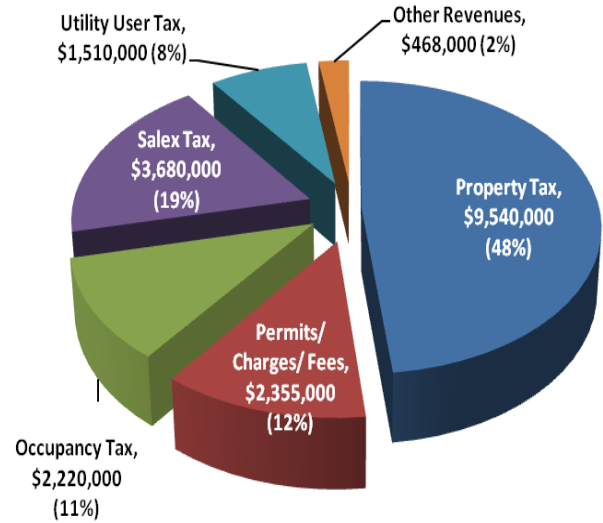
The major General Fund revenue sources and expenditures uses by category of the General Fund and the percent that each is projected to contribute in Fiscal Year 2015-16 are represented below.

Major sources of revenue include property, sales, and transient occupancy tax which comprise approximately 78% of all General Fund sources; and also permit, fees, charges for services, utility tax, and other.

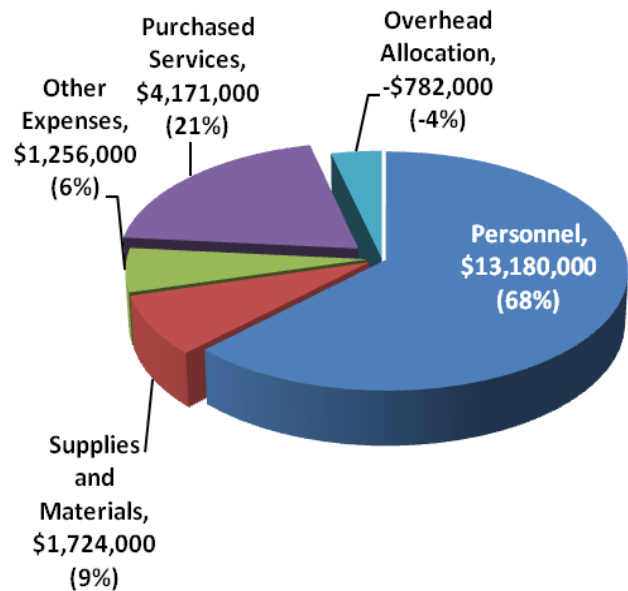
Major expenditure uses include personnel, purchased services, supplies and materials and other. Personnel costs comprise approximately 68% of all General Fund expenditures.

## The Adopted Fiscal Year 2015-2016 Budget

### Major Revenues (before transfer-in)



### Major Expenditures (before transfer-out)



## **FINANCIAL PLAN SUMMARY**

Ideally, in each projected year of the Financial Plan, revenue growth will outpace increased expenditures. Most local revenues are generally reflective of the economy and subject to the volatility of the industries and businesses operating within our boundaries. More importantly, the restricted ability of local government to increase resources easily and timely means that resource generation and control is difficult to manage. In such a constrained operating environment, local government must strive for creative and efficient ways to deliver necessary and desired services. City Council approved financial policies are intended to provide guidance on the fiscal plan. In Fiscal Year 2006-2007, staff presented a new policy, for Council consideration. The policy was introduced as the *Managing the Budget Policy* which was intended to establish the parameters for the budget development. The major components include:

1. Personnel costs will be fully supported by two local taxes: sales and property tax. This places an automatic maximum amount that can be spent to pay for labor costs. **The FY 2015-16 Adopted Budget meets this parameter.**
2. Overtime costs will not exceed 5% of total personnel costs. **FY 2015-16 Adopted Budget overtime costs are approximately 6.4% of personnel costs primarily due to Police overtime.**
3. Medical Insurance benefit costs will not exceed 7% of total personnel costs. **In FY 2015-16 Adopted Budget, health insurance costs are approximately 11.5% of personnel costs. While health costs are fixed for many City personnel, public safety employee costs are a combination fixed-shared portion whereby the City pays a minimum of 80% of health costs.**

Another important policy objective is to ensure that at the end of each fiscal year, cash is added to the General Fund reserve until a 15% target minimum level is achieved. **The City has exceeded the minimum target level which is currently projected at approximately 29%.**

As articulated during the 2015 Council Strategy session, the current reserve level provides a limited and critical “window of opportunity” to study and

determine appropriate minimum emergency, contingency, and other internal liability and equipment reserves, analyze the status of capital reserves and spending, and also, allow time to initiate revenue measures with the goal of stabilizing the structural deficit over the next two years.

Despite a robust local economy, and the impressive recovery of General Fund revenues from the Great Recession; *the dissolution of redevelopment agencies by the State is a deep and lasting adverse impact to local revenue resources and to the City’s ability to fund future land development.* Also, the City’s current water allocation limit together with the 2015 Drought will continue to constrain and severely impact the City’s ability to approve future local development projects.

Even before the present critical challenges, it was widely acknowledged that the City had not made minimum, necessary investment in new initiatives and infrastructure maintenance, repairs, and replacements. Without expanded revenue resources and new local development, the City will not sustain basic inflationary cost pressures and continue to deliver even the current level of services for an extended period of time.

Utilizing fiscal policies, together with concerted efforts toward expanding revenue resources, increasing local water resources, and maintaining careful expenditure control will provide improved ability to better plan for and meet future service levels.

Of the three prongs listed above, *increased revenue resources, and increased water supply through securing groundwater resources in order to support local growth, are absolutely critical to the future of the City.* City management intends to use the current balanced budget and reserve levels to focus on those goals in the ensuing budget year.

**CITY OF EAST PALO ALTO**  
**GENERAL FUND PROJECTION**  
(in thousands)

Revenues	AMENDED	ADOPTED	PROJECTED YEARS			
	2015	2016	2017	2018	2019	2020
Property Tax	9,350	9,540	9,941	10,308	10,515	10,725
Sales Tax	3,850	3,680	3,790	3,923	4,060	4,202
Transient Occupancy Tax	2,160	2,220	2,264	2,310	2,356	2,403
Utility Users Tax	1,556	1,510	1,525	1,540	1,556	1,571
Licenses, Fees, Permits	1,862	1,931	1,780	1,730	1,739	1,747
Charges for Current Svcs	421	424	180	180	180	180
Other Revenues	448	468	473	477	482	487
<b>Total Revenues</b>	<b>19,647</b>	<b>19,773</b>	<b>19,953</b>	<b>20,469</b>	<b>20,887</b>	<b>21,316</b>
<b>Expenditures</b>						
Salaries	8,390	9,071	9,164	9,429	9,476	9,522
Benefits:						
Insurance and Other	2,688	2,722	2,672	2,865	2,992	3,126
PERS	1,642	1,387	1,500	1,596	1,657	1,720
<b>Subtotal Benefits</b>	<b>4,330</b>	<b>4,109</b>	<b>4,172</b>	<b>4,461</b>	<b>4,649</b>	<b>4,846</b>
<b>Subtotal Personnel</b>	<b>12,720</b>	<b>13,180</b>	<b>13,336</b>	<b>13,890</b>	<b>14,125</b>	<b>14,368</b>
Professional Services	3,548	3,569	3,694	3,823	3,957	4,096
Services and Supplies	1,616	1,724	1,784	1,847	1,911	1,978
Facilities Lease Pymts	486	560	582	606	630	655
Capital Outlay	536	602	632	664	697	732
Debt Lease Payments	50	66	66	66	66	66
Insurance and Settlements	375	630	662	695	729	766
Overhead Allocation	(820)	(782)	(300)	(306)	(312)	(318)
<b>Total Expenditures</b>	<b>18,511</b>	<b>19,549</b>	<b>20,456</b>	<b>21,284</b>	<b>21,803</b>	<b>22,342</b>
<b>Operating Income / (Loss)</b>	<b>1,136</b>	<b>224</b>	<b>(503)</b>	<b>(815)</b>	<b>(916)</b>	<b>(1,026)</b>
<b>Sources/Uses</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	(1,359)	(1,297)	(50)	(55)	(61)	(67)
<b>Net Operating Transfers</b>	<b>(1,359)</b>	<b>(1,297)</b>	<b>(50)</b>	<b>(55)</b>	<b>(61)</b>	<b>(67)</b>
<b>Change in Fund Balance</b>	<b>(223)</b>	<b>(1,073)</b>	<b>(553)</b>	<b>(870)</b>	<b>(976)</b>	<b>(1,093)</b>
Other Reserve Changes	1,134	1,073	-	-	-	-
<b>Balance*</b>						
<b>July 01 Balance</b>	<b>4,858</b>	<b>5,769</b>	<b>5,769</b>	<b>5,216</b>	<b>4,346</b>	<b>4,346</b>
<b>June 30 Balance</b>	<b>5,769</b>	<b>5,769</b>	<b>5,216</b>	<b>4,346</b>	<b>3,370</b>	<b>3,253</b>
	29%	29%	26%	21%	16%	15%

\* Projected Reserve Fund Balance does not include certain restricted and assigned fund balance amounts.



**CITY OF EAST PALO ALTO**  
**PROJECTION RATE ASSUMPTIONS**  
(percentage change)

	AMENDED	ADOPTED	PROJECTED YEARS			
	2015	2016	2017	2018	2019	2020
<b>Revenues</b>						
Property Tax	4.8%	2.0%	4.2%	3.7%	2.0%	2.0%
Sales Tax	23.6%	-4.4%	3.0%	3.5%	3.5%	3.5%
Transient Occupancy Tax	6.9%	2.8%	2.0%	2.0%	2.0%	2.0%
Utility Users Tax	6.3%	-3.0%	1.0%	1.0%	1.0%	1.0%
Licenses, Fees, Permits	2.3%	3.7%	-7.8%	-2.8%	0.5%	0.5%
Charges for Current Svcs	-3.9%	0.7%	-57.5%	0.0%	0.0%	0.0%
Other Revenues	-24.3%	4.5%	1.0%	1.0%	1.0%	1.0%
<b>Total Revenues</b>	<b>6.9%</b>	<b>0.6%</b>	<b>0.9%</b>	<b>2.6%</b>	<b>2.0%</b>	<b>2.1%</b>
<b>Expenditures</b>						
Salaries	3.0%	8.1%	1.0%	2.9%	0.5%	0.5%
Benefits:						
Insurance and Other	37.5%	1.3%	-1.8%	7.2%	4.4%	4.5%
PERS	25.8%	-15.5%	8.1%	6.4%	3.8%	3.8%
<b>Subtotal Benefits</b>	<b>32.8%</b>	<b>-5.1%</b>	<b>1.5%</b>	<b>6.9%</b>	<b>4.2%</b>	<b>4.2%</b>
<b>Subtotal Personnel</b>	<b>11.5%</b>	<b>3.6%</b>	<b>1.2%</b>	<b>4.2%</b>	<b>1.7%</b>	<b>1.7%</b>
Professional Services	15.5%	0.6%	3.5%	3.5%	3.5%	3.5%
Services and Supplies	22.2%	6.7%	3.5%	3.5%	3.5%	3.5%
Facilities Lease Pymts	-0.6%	15.2%	4.0%	4.0%	4.0%	4.0%
Capital Outlay	172.1%	12.3%	5.0%	5.0%	5.0%	5.0%
Debt Lease Payments	85.2%	32.0%	0.0%	0.0%	0.0%	0.0%
Insurance and Settlements	0.8%	68.0%	5.0%	5.0%	5.0%	5.0%
Overhead Allocation	1.2%	-4.6%	-50.0%	2.0%	2.0%	2.0%
<b>Total Expenditures</b>	<b>15.1%</b>	<b>5.6%</b>	<b>4.6%</b>	<b>4.0%</b>	<b>2.4%</b>	<b>2.5%</b>

# **GENERAL FUND PROJECTION** **ASSUMPTIONS**

## **General Fund Revenue Assumptions**

1. **Property Tax** - is the largest revenue source received by the City. It is collected by the San Mateo County Assessor and is apportioned to various agencies. Homes, businesses, and other taxable real and personal property are subject to property tax of 1% of the assessed value. In FY 2004-2005 a new category "property tax in lieu of vehicle license fee" was added whereby a portion of the 2% vehicle license fee (VLF) was swapped for property tax. Effective February, 2012, and with the dissolution of the City's former redevelopment agency as a result of AB x1 26 and AB 1484, property tax revenues were expanded to include the City's apportionment of its former Redevelopment Agency tax increment revenues. This former tax increment is now redistributed to taxing entities as property taxes after payment of enforceable obligations. Revenues are expected to increase by 2.0% in FY 2015-16 and then grow at a more robust pace of 3.7% to 4.2% for two years due to University Plaza, DKB Homes, and estimated savings from Agency bond refunding. Growth then is estimated to level off in Fiscal Year 2019 and 2020. *The forecasted numbers do not assume a significant recessionary decrease over the five-year period.*
2. **Sales Tax** - is levied on goods and services at the point-of-sale. Currently, the sales tax rate is 9.0%, of which approximately 1% is returned to the City for those sales that take place within East Palo Alto boundaries. Sales tax revenue is projected to decrease 4.4% during FY 2015-16 primarily due to a one-time catch-up Triple Flip payment in the previous year. Actual year over year baseline sales tax revenue are expected to increase approximately 2.4% to 3.5% over the projected period. The forecasted numbers assume a mild, recessionary softening during the five-year period.
3. **Transient Occupancy Tax (TOT)** – is a 12% tax levied on over-night hotel stays. Upon receipt of these revenues, 10% of the total is committed for programs focused on children, youth, seniors and families and another 10% is committed for housing development activities. Occupancy rates have been robust; however, an expected and notable flattening of the trend is occurring as

hotels near full capacity among other regional trend factors. As such, revenues are conservatively projected at 2.0% to 2.8% inflationary prices over the forecast period.

4. **Utility Users Tax (UUT)** – accounts for a utility tax on electric, gas, water, telephone, and cable-television services. The current tax rate is 5%. Revenues are expected to decrease 3.0% from the prior year as a result of a one-time payment in the prior year. The forecast assumes that higher wholesale water rates to rate payers will be offset by a reduction in demand, tamped wholesale gas prices, and a general lack of significant growth and demand will keep total UUT low. The revenue is conservatively projected at 1.0% in the forecast.
5. **Licenses, Permits, & Fees** - are collected for development permits, business license, and garbage, water, and cable franchise fees. Revenues for FY 2015-16 are projected to increase by 3.7% due to the continuation of current, approved development as well as robust business conditions. Beyond that, given the City's current water issues, the forecast assumes a 65% reduction in permit fees over the next two years with minimal overall category increases beyond. Given the significant barriers to future development, staff is expecting volatility that is difficult to forecast in this category.
6. **Charges for Current Services** - are primarily collected for development staff services, with some minor fees for vehicle release, finger printing and senior lunch receipts. Revenues for FY 2015-16 are projected to increase minimally by 0.7% due to accelerated business activity in FY 2014-15. While this activity is expected to continue through FY 2015-16; as cited above with significant barriers to future development, the forecast assumes a 60% reduction in staff development fees with no projected growth over the remaining forecast years.
7. **Other Revenues** – primarily consist of revenues from other governmental agencies, fines, citations, interest income, facilities fees, and other miscellaneous receipts or other contributions. Revenues are projected to increase by 4.5% in FY 2015-16 primarily due to increased parking fine activity. Revenues are projected to increase 1% annually over the forecast period.

## **General Fund Expenditure Assumptions**

- 1. Personnel Costs** – account for approximately 68% of General Fund operating expenditures. The FY 2015-16 projections are a slight departure from previous budget methodology in that certain pay rates and retirement costs are budgeted at actual and workers’ compensation are budgeted assuming the City maintains a Tier 1 rating status. The proposed budget salary costs increase 8.1% primarily due to the “true-up” of public safety salaries to reflect actual payment amount and actual number of shift hours worked in an annual period (2184) and also due to shifting certain engineering salaries to the General Fund out of the Capital fund due to no on-going source of funding. Forecast assumptions over the projected period include only a 0.5% salary increase for job and step promotions. Increases beyond this amount reflect the shift of public safety salaries due to reduced grant and Measure C funding sources. *This purposefully illustrates that at current staffing levels, the City will not sustain normal inflationary price increases in labor costs.* Insurance and other benefits primarily consist of health and workers’ compensation insurance costs. Such costs are no longer automatically projected to increase 10% each year – in the proposed budget these costs, too, have been aligned with actual current operating costs reflecting only 1.3% increase despite an overall salary increase of 8.1%. Most notably workers’ compensation insurance costs were budgeted at “true-up” actual which includes the assumption the City will remain at Tier 1 pricing. *If the City does not maintain the current Tier 1 pricing status – costs could increase an estimated \$300,000. Management will respond to increased actual costs through refined vacancy assumptions, and reduced service, capital and IT spending in FY 2015-16.* The City received Cal PERS’ five-year forecast data regarding projected fixed and variable pension costs. The City is experiencing a flattening of PERS rates currently due to a variety of factors, including risk-pool liability shifting, high asset returns, and a fairly robust percentage of PEPRAs employees. Employer rates for retirement are expected to continue to increase substantially – anywhere from 7.5% to 2.3% annually. Staff opinion is that the forecast amounts are lower than ought to be assumed at this point in the current market investment cycle and the City will need to consider additional rate stabilization reserves over the next two years. *The*

*forecast figures do not include a provision for Cal PERS pension rate stabilization.*

Overall, the projected personnel costs are primarily a “best-case” scenario at current staffing levels and the projections reflect the City’s need to both increase revenue resources and address current service delivery models over time in order to close budgeted structural deficits.

- 2. Professional Services** – account for outside legal, accounting, consulting, and technical service costs required for addressing Council’s goals, operating needs, regulatory mandates, and community outreach. It is notable that the year over year budget increase is only \$21,000 despite approximately \$300,000 in known cost increases for County Services and new financial studies. This occurred as a result of a renewed effort to refine budgeted costs across all divisions and to eliminate those costs without a clear, articulated need. While this methodology will improve budget accuracy, it will also increase staff time and effort required to monitor and manage budget costs. These costs are projected to increase by 3.5% annually after FY 2015-16.
- 3. Supplies and Materials** – accounts for supplies, fuel, maintenance contracts, and other similar costs. Costs increased 6.7% in FY 2015-16 primarily due estimated operating costs for Cooley Landing as well as properly accounting for general and restricted allocation of maintenance repairs and supplies across all city funds. These costs are projected to increase by 3.5% annually after FY 2015-16.
- 4. Facility Lease Payments** – accounts for facility lease costs for City Hall, Police, and the Corporation Yard. In FY 2015-16, costs increase 15.2% due to scheduled or negotiated cost increases and as the result of funding allocation changes in the Water Enterprise due to American Water notification that they will not be occupying City property. Costs are projected to increase 4.0% annually after FY 2015-16; however, *the City is particularly vulnerable to rental market forces and conditions and, given the current market environment, the City likely will not be able to rely upon current lease rates in the future.*
- 5. Capital Outlay** – accounts for capital and capital reserves planned FY 2015-16. Capital outlay consists of planned IT software spending, police

vehicles and a reserve of the budgeted Excess ERAF in the General Fund Capital Reserve fund. Spending plan costs for capital are projected to increase 5.0% annually. It is important to note that once the Capital Reserve is fully committed to current planned capital projects – *the City’s current resources and operating costs do not allow minimally adequate levels of future capital investment in infrastructure and other capital operating needs. Once current reserves are spent or committed, the City will incur a “hard stop” on the ability to fund future improvement projects.*

6. **Debt Lease Payments** – accounts for capitalized lease obligation payments related to the purchase of police vehicles.
7. **Insurance and Settlements** – accounts for ABAG Plan general liability and property excess insurance costs as well as settlement reserves for the City’s \$100,000 per claim self-insurance retention limit. The reserve also establishes a stabilization reserve for workers’ compensation insurance due to uncertainty regarding the City’s Tier 1 pricing status, as well as, the need to purchase additional excess coverage.
8. **Overhead Allocation** –reflects cost recovery to the General Fund from other City or trust funds for services provided by General Fund staff. This category is budgeted for a decrease of 4.6% composed of a CPI increase offset by an assumed reduction in allocation to the Successor Agency Trust as a result of the State comment regarding the high amount of overhead charged relative to Agency activity. Thereafter, the projection conservatively assumes a 50% reduction due to a planned cost allocation study and due to the Successor Trust administration eventually transferring to the County. The allocation is projected to increase by average CPI of 2% in FY 2017-18 after the planned implementation of the new cost study.

#### **Operating Income (Loss) – Structural Gap**

Despite an adopted balanced budget in FY 2015-16, in the forecast years the budget reflects a structural gap ranging from \$0.5 million up to a \$1.1 million loss by FY 2019-20. While acknowledging that some revenue sources are difficult to forecast primarily due to the City’s lack of water allocation for future development, the City is currently at an all-time high for General Fund budgeted revenues. Furthermore, while the local

economy is robust, the United States, in general, is at the long-end of an economic recovery.

#### **Projected General Fund Reserves**

Projected reserves consist of the Council minimum 15% operating reserve plus any unreserved fund balance over the minimum. Over the next fiscal year, staff will bring forward discussion regarding adequate minimum reserve levels as *the current minimum of \$2.9 million likely would not get the City through a foreseeable disaster such as major flood or seismic event.* This is particularly significant since the City is rapidly utilizing other cash reserves to address critical capital needs over the next two years.

#### **Forecast Vulnerabilities**

The financial plan projections are based on information available at the time the plan is developed. However, this list is not exhaustive. Known vulnerabilities which could negatively affect the projections are outlined below:

- Unplanned economic disruptions or natural disasters negatively affecting revenues or expenditures.
- Known future structural deficits and effects on labor increases and employee retention.
- Ability to secure future groundwater resources.
- Fixed PERS retirement costs and control over rising rates.
- Vulnerability to current facility rental market.
- Results of labor negotiations exceeding parameters.
- Excessive increases in insurance rates.
- Lawsuit and settlements exceeding available reserves.
- Mandated acceleration of infrastructure replacement beyond the City’s funding capacity.
- Future prospects on the development of the Ravenswood Business District (RBD).
- Confirmation by Department of Finance that the debts owed by the former Redevelopment Agency

to the General Fund are not a valid enforceable obligation.

- New or renegotiated service levels from other agencies that provide services to the city (e.g. county services, flood protection, water supply, and refuse collection/disposal).

### **Conclusion**

The City Council has adopted a balanced budget for FY 2015-16. However, expenditure growth is expected to exceed revenues which, if left unattended, would eventually deplete the Fund Balance Reserves and leave the City unable to manage normally occurring disruptive events. In addition, the City has significant Capital Improvement Program needs for the replacement of aged and damaged infrastructure. It is well-established that given current low service levels and capital investment, ***these needs far outpace projected revenue resources and the City must articulate and address the urgent need for additional resources to sustain services, promote development, and improve and replace infrastructure.***

# Financial Policies

## Introduction

The financial plan policies for City Council consideration and deliberation are as follows. These policies are intended to set forth the framework for the overall fiscal management of the City. Operating independently of changing circumstances and conditions, this policy assists the City Council's decision-making process; and, guides Administration's implementation of the policies. These policies also provide guidelines for evaluating both current activities and proposals for future programs.

The following policies establish long-standing principles, traditions and best practices which are intended to guide the City and maintain financial stability over four years. These policies will be reviewed annually.

### **General Financial Goals**

- 1. To maintain a financially viable city that can support an appropriate and adequate level of municipal services.*
- 2. To maintain financial flexibility in order to be able to continually adapt to local and regional economic change.*
- 3. To maintain and enhance the fiscal condition for the City.*

### **Managing the Budget Policies**

1. The City will establish and maintain at least the minimum cash reserve levels established by policy (15% of operating costs).
2. To ensure that the two largest revenue sources shall cover the largest expenditure item, personnel costs shall not exceed actual receipts from sales and property taxes.
3. Medical insurance shall continue to be a shared responsibility between the City and its employees and expenditures shall be contained to no more than 7% of personnel costs. Overtime expenditures shall be no more than 5% of personnel costs. Total worker's compensation expenditures shall not increase as a percent of payroll.

4. The City Council shall allocate resources to ensure public safety. As long as this policy is necessary, the resulting impact on the budget will mean other services areas may be reduced.
5. No new or expanded services shall be implemented without implementing trade-offs of expenses or revenue at the same time. This applies to personnel, equipment, and any other peripheral expense associated with the service.
6. The City shall aggressively seek regional, state and federal partners to support the public safety efforts, and major discretionary capital projects which remain unfunded. Co-production of services with our citizens, the business community, and other local jurisdictions shall be encouraged.
7. The City shall update and maintain a scheduled level of maintenance and replacement of its infrastructure and fleet. Expansions to the fleet must be offset through reductions in other equipment and/or costs.
8. The City shall support investments which reduce future operating costs.
9. The City's fiscal and budget year shall begin on the 1<sup>st</sup> day of July and shall end on June 30<sup>th</sup> of the succeeding year, unless otherwise prescribed by State law.
10. The City will adopt a balanced budget for the ensuing fiscal year by June 30th of each year.
11. Current year expenditures should be supported by estimated current year revenues. One time revenues should not be used for ongoing costs, but should instead be used appropriately for one time expenditures or to strengthen fund reserves.
12. The City shall develop an annual operating budget realistically and conservatively, projecting revenues and expenditures for the current and forthcoming fiscal year.
13. During the annual budget development process, the City shall examine its existing base budget thoroughly to assure the cost effectiveness of the services or programs provided.

14. The City shall include the cost of new capital projects in its operating budgets.
15. The City will avoid balancing the budget at the expense of future budgets, unless the use of reserves is expressly authorized by the City Council.
16. In the instance where the City Council has authorized the use of Fund Balance and/or transfers from reserves as a financing source to balance an annual budget, the City Manager shall have the authority to reduce or bypass the use of such resource upon the his/her determination that the actual results of operations will not require the partial or full use of the previously authorized appropriation.
17. The City shall prepare its operating budget on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase and capital project expenditures are budgeted on a project length basis.

### **Revenue Policies**

1. The City will make every attempt to maintain a diversified and stable revenue system to shelter it from short-run fluctuations in any one revenue source.
2. The City will attempt to obtain additional major revenue sources as a way of ensuring a balanced budget.
3. The City will establish all user-charges and fees at a level related to the full cost of providing the service (operating, direct, indirect, and capital).
4. The City will review fees / charges annually and will design or modify revenue systems to include provisions that automatically allow charges to grow at a rate that keeps pace with the cost of providing the service.
5. The City will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees, and charges.
6. The City shall estimate its revenues

conservatively using reasonable estimates and sound professional judgment, with sensitivity to both local and regional economic conditions.

7. The City will not use "one-time" or limited duration revenue sources for ongoing operating expenses; they will be used for one-time expenditures only, including capital outlay, capital improvement projects, and reserves.
8. The City will actively pursue federal, state, and other grant opportunities when deemed appropriate.
9. Before accepting any grant, the City will thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant.

### **Expenditure Policies**

1. The City will maintain levels of service, as determined by the City Council, to provide for the public well-being and safety of the residents of the community.
2. Annual budgeted operating expenditures shall not exceed annual operating revenues, including City Council authorized use of fund balance and/or reserves.
3. Various levels of administrative control are utilized to maintain the budget's integrity. Program/division/project managers are accountable for their individual program/project budgets. Department heads are accountable for the fund level of control for funds within their departments. Finance oversees the general level of accountability related to budgetary integrity through systems of checks and balances and various internal controls.
4. The City shall maintain fixed assets and replace them as necessary, taking into account cost-benefit considerations.

### **Cash Management/Investment Policies**

1. The City will deposit all funds no later than the next business day from receipt of funds.

2. Investments of City funds will emphasize preservation of principal; the yield objective will be to match or exceed an index weighted 75% for the yield of two-year treasury notes and 25% for the yield of six-month national Certificates of Deposit less 30 basis points.
3. The City will collect revenues aggressively, including past due bills of any type.
4. The City shall manage its investment portfolio in a prudent and diligent manner based on the following criteria and in this order: 1) safety of invested funds; 2) maintenance of sufficient liquidity to meet cash flow needs; and, 3) attainment of reasonable yields consistent with the above priorities.
5. Generally Accepted Accounting Principles required that differences between the costs of the investment portfolio and the fair value of the securities be recognized as income or losses in a government's annual financial report. The City shall not consider these variances as budgetary resources or uses of resources unless the securities are sold before maturity or the values of the investments are permanently impaired.

### **Debt Policies**

1. The City will issue bonds for capital improvements and moral obligations.
2. The City will not issue notes to finance operating deficits.
3. The City will publish and distribute an official statement for each bond and note issued.
4. General obligation debt will not be used for enterprise activities.
5. The City will ensure that it sets aside the appropriate amount of debt obligation for the purpose of repayments.
6. The City will utilize debt financing for projects that have a useful life that can reasonably be expected to exceed the period of debt service for the project or equipment.
7. The City will use refunding techniques where appropriate to allow for the restructuring of its current outstanding debt to remove or change



restrictive covenants, and/or to reduce annual debt service in an amount sufficient to justify the costs of refunding/re-issuance.

8. The City may administratively utilize inter-fund loans rather than outside debt to meet short-term cash flow needs.

### **Reserve Policies**

1. The City will establish and maintain a reserve in the General Fund which represents 15% of the funds expenditures for financial emergencies and for unforeseen operating or capital needs as determined by the City Council
2. The City will maintain a revenue reserve in the Rent Stabilization Fund which represents 15% of the Fund expenditures.
3. The City will periodically review and update reserve guidelines, to ensure that the City has sufficient fund balances and reserve balances to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements.
4. The City Manager may, at his/her discretion, recommend the use of fund balance deemed necessary and prudent to reduce unfunded liabilities and to fund capital and emergency needs, subject to City Council approval.
5. The City will maintain Equipment and Vehicle Replacement reserves to enable the timely replacement of vehicles and depreciable equipment.
6. The City will maintain Information Technology Replacement reserves for costs associated with the timely replacement of computers, technology infrastructure, and major software applications.
7. The City will maintain a Self Insurance reserve, which together with any purchased insurance policies, appropriately protects the City.
8. The City will establish and maintain reserve levels for Debt Service Funds as prescribed by the bond covenants authorized at the time of debt issuance.

9. Reserves designated in the General Fund for investment portfolio market gains/losses will be calculated and adjusted annually at appropriate levels.

### **Accounting, Auditing and Financial Reporting Policies**

1. An independent audit shall be performed annually.
2. The City will produce annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB).
3. The City will maintain a strong internal audit capability.
4. The City will prepare monthly operating budget revenue and expenditure status reports and distributed them to all division managers and department directors so that they may effectively and continuously evaluate their financial performance in a timely manner.
5. The City will solicit an RFP for audit services no less frequently than every five (5) years. Additionally, an audit firm may be retained for a maximum of 2 consecutive five-year terms. The Finance Director will review the qualifications of prospective firms and make a recommendation to the City Council.

### **Capital Budget Policies**

1. The City shall prepare a five-year Capital Improvement Program (CIP) annually for the approval of the City Council. Sufficient financial commitment shall be made to protect the City's investment in its public facilities (buildings, streets, parks, equipment, etc.) to assure the preservation of these assets.
2. The CIP will identify potential funding sources for each proposed capital project, prior to submitting proposed projects to the City Council for approval. When appropriate, the CIP will seek other funding sources such as State and Federal funds, private funds and leverage these funding sources with public money.

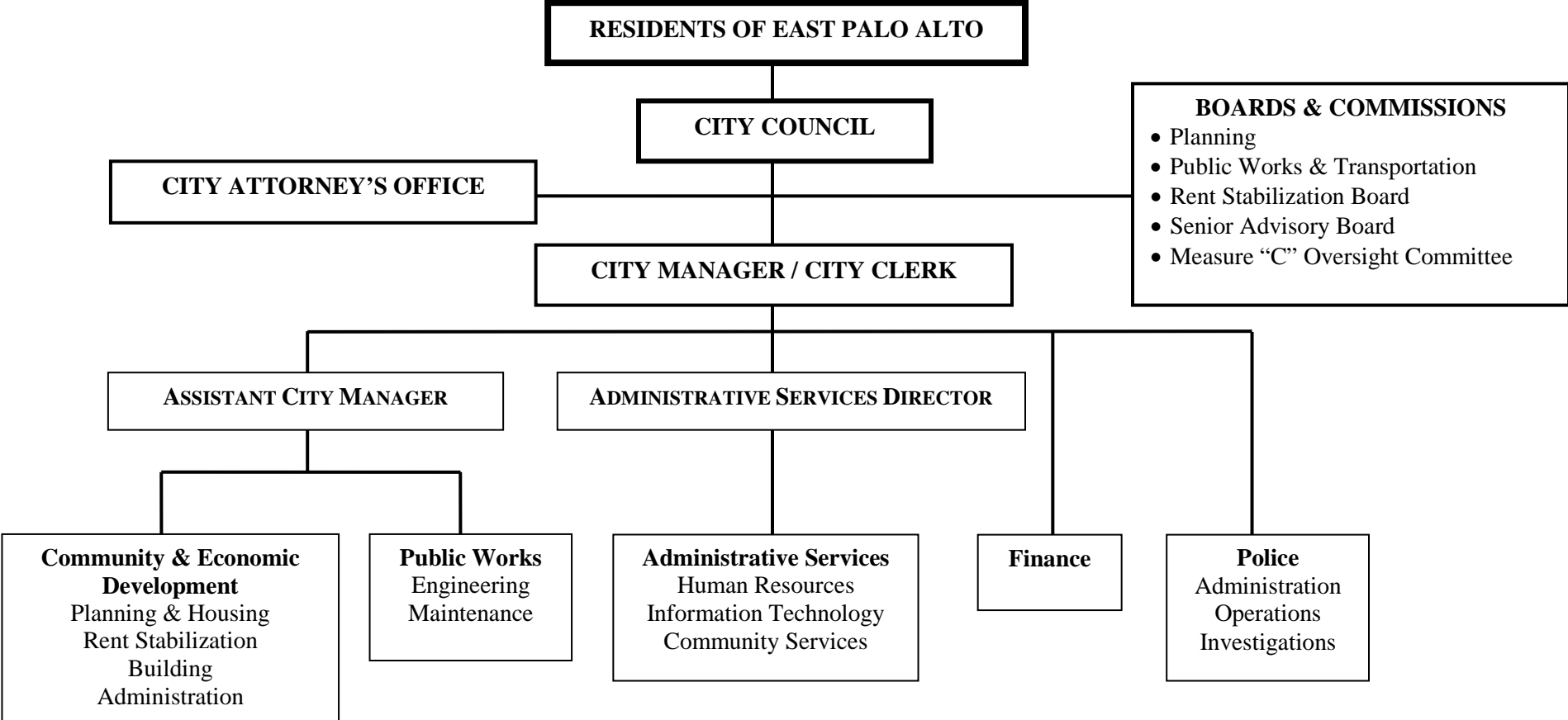
3. The funding for the first year of the five-year CIP will be legally appropriated as a component of the annual budget process. Funding for future projects identified in the five years CIP has not been secured or legally authorized and is therefore subject to change.
4. The ongoing maintenance and operating costs of any proposed capital improvements will be evaluated prior to the approval of any capital improvement project.
5. Each CIP project will be assigned a Project Manager whose responsibilities are to monitor all phases of the project to ensure timely completion of the project and compliance with the project budget and all regulations and laws.

### ***Capital Assets Policies***

1. Capital assets, which include equipment, furniture, land, buildings, improvements, and infrastructure assets are reported in the applicable governmental or business-type activities in the Government-Wide Financial Statements in accordance with GAAP.
2. The capitalization threshold for capital assets is \$5,000 per item. Groups of items with individual values of less than \$5,000 each will not be capitalized unless the items are anticipated to be replaced in the aggregate.
3. Adequate insurance will be maintained on all capital assets.

# CITY OF EAST PALO ALTO

## CITY ORGANIZATIONAL CHART REFLECTING ADOPTED REORGANIZATION



OS-1

**CITY OF EAST PALO ALTO  
TEN-YEAR POSITIONS STAFFING COMPARISON**

**Fiscal Year 2006-2007 Through Fiscal Year 2015-2016**

	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>
<b>Policy &amp; Executive</b>										
City Council	5	5	5	5	5	5	5	5	5	5
City Attorney's Office	2	2	3	3	3	3	3	3	3	3
City Manager's Office	4	4	4	4	4	3	3	4	4	4
<b>Sub-Total</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>Administrative Support Services</b>										
City Clerk's Office	1	1	1	1	1	1	1	1	1	1
Finance Department	6	5	6	6	6	5	5	5	5	5
Administrative Services	-	-	-	-	-	-	-	-	-	1
Community Program	-	-	-	-	-	2	2	4	5.13	4.38
Human Resources Department	1	0.80	2	3	3	2	2	2	2	2
<b>Sub-Total</b>	<b>8</b>	<b>6.80</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>12</b>	<b>13</b>	<b>13.38</b>
<b>Community and Economic Dev</b>										
Administration Division	-	-	-	2	2	5.5	5.5	7	8	4
Developmen Services Division	4	4	5	5	5	3	3	4	5	6
Economic Development	-	-	-	-	-	5	5	2	-	-
Redevelopment	6	6	6	6	6	-	-	-	-	-
Planning and Housing Division	5	4	5	5	5	3	3	4	3	3
Rent Stabilization Program	1	1	1	1	2	2	2	2	2	2
Senior Services Division	-	-	-	-	-	1.63	1.63	1.63	-	-
<b>Sub-Total</b>	<b>16</b>	<b>15</b>	<b>17</b>	<b>19</b>	<b>20</b>	<b>20.13</b>	<b>20.13</b>	<b>20.63</b>	<b>18</b>	<b>15.00</b>
<b>Community Services</b>										
Administration	2	2	2	2	2	-	-	-	-	-
Recreation Services Division	1	1	1	1	2	-	-	-	-	-
Senior Services Division	1.38	1.38	1.38	1.38	1.38	-	-	-	-	-
<b>Sub-Total</b>	<b>4.38</b>	<b>4.38</b>	<b>4.38</b>	<b>4.38</b>	<b>5.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Housing Services</b>										
Administration	2	2	2	2	2	-	-	-	-	-
Housing Development	1	1	1	1	1	-	-	-	-	-
<b>Sub-Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Public Safety</b>										
Administration Division	16	10	13.75	15	9	10.5	10.5	10.5	8	8
Investigations Division	13	11.75	5	5	5	5	5	5	8	8
Operations Division	31	30	34	34	34	32	32	32	28	29.5
<b>Sub-Total</b>	<b>60</b>	<b>51.75</b>	<b>52.75</b>	<b>54</b>	<b>48</b>	<b>47.5</b>	<b>47.5</b>	<b>47.5</b>	<b>44</b>	<b>45.5</b>
<b>Public Works</b>										
Administration Division	2	2	2	2	2	-	-	-	-	2
Engineering Division	6	5	6	6	6	5	5	6	6	5
Maintenance Division	13	12	12	12	12	11	11	11	12	12
<b>Sub-Total</b>	<b>21</b>	<b>19</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>16</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>
<b>TOTAL POSITIONS</b>	<b>123.38</b>	<b>110.93</b>	<b>118.13</b>	<b>122.38</b>	<b>118.38</b>	<b>104.63</b>	<b>104.63</b>	<b>109.13</b>	<b>105.13</b>	<b>104.88</b>

OS-2

**CITY OF EAST PALO ALTO**  
**Two-Year Staffing Comparison**

	FTE's FY 2014-15	FTE's FY 2015-16		FTE's FY 2014-15	FTE's FY 2015-16
<b>Policy and Executive</b>			<b>Building Services Division</b>		
<b>City Council</b>			a. Chief Building Official	1	1
a. Council Member	5	5	b. Building Inspector	1	1
<b>City Attorney</b>			c. Building Permit Technician	2	2
a. City Attorney	1	1	d. Code Enforcement Officer II	<u>1</u>	<u>2</u>
b. Assistant City Attorney	1	1		<b>5</b>	<b>6</b>
c. Legal Secretary	<u>1</u>	<u>1</u>	<b>Planning and Housing Division</b>		
	<b>3</b>	<b>3</b>	a. Division Manager	1	1
<b>City Manager</b>			b. Associate Planner	1	1
a. City Manager	1	1	c. Assistant Planner	<u>1</u>	<u>1</u>
b. Assistant City Manager	1	1		<b>3</b>	<b>3</b>
c. Executive Assist. To City Mgr	1	1	<b>Public Works</b>		
d. Office Assistant	<u>1</u>	<u>1</u>	<b>Administration Division</b>		
	<b>4</b>	<b>4</b>	a. Public Works Director	0	1
<b>Administrative Services</b>			b. Admin. Assistant	<u>0</u>	<u>1</u>
<b>Administration Division</b>				<b>0</b>	<b>2</b>
a. Director of Administrative Services	<b>0</b>	<b>1</b>	<b>Engineering Division</b>		
<b>Community Programs Service</b>			a. City Engineer	1	1
a. Youth Family Svc Manager	1	1	b. Senior Engineer	1	1
b. Recreation Leader I	1	1	c. Associate Engineer	1	1
c. Measure C Program Coord.	0.75	0.75	d. Assistant Civil Engineer	1	1
d. Measure C School Social Worker	0.75	0	e. Management Analyst (CIP)	1	0
e. Nutrition Site Supervisor	0.63	0.63	f. Public Works Inspector	<u>1</u>	<u>1</u>
f. Van Driver (2 PT)	<u>1</u>	<u>1</u>		<b>6</b>	<b>5</b>
	<b>5.13</b>	<b>4.38</b>	<b>Maintenance Division</b>		
<b>Human Resource</b>			a. Division Manager	1	1
a. HR Manager	1	1	b. Electrician	1	1
b. HR Assistant	<u>1</u>	<u>1</u>	c. Maintenance Worker I	4	4
	<b>2</b>	<b>2</b>	d. Maintenance Worker II	3	3
<b>Finance</b>			e. Maintenance Worker III	2	2
a. Finance Director	1	1	f. Secretary I	<u>1</u>	<u>1</u>
b. Fiscal Analyst	1	1		<b>12</b>	<b>12</b>
c. Accountant II	2	2	<b>Police</b>		
d. Accounting Technician	<u>1</u>	<u>1</u>	<b>Administration Division</b>		
	<b>5</b>	<b>5</b>	a. Police Chief	1	1
<b>City Clerk Office</b>			b. Administrative Manager	1	1
a. Deputy City Clerk	<b>1</b>	<b>1</b>	c. Police Property Officer	1	1
<b>Community and Economic Development</b>			d. Police Record's Clerk I/II	3	3
<b>Administration Division</b>			e. Police Records Supervisor	1	1
a. Director C.D.	1	0	f. Police Sergeant Advance	<u>1</u>	<u>1</u>
b. Deputy Director C.D.	1	0		<b>8</b>	<b>8</b>
c. Management Analyst/NPDES	1	1	<b>Investigations Division</b>		
d. Admin. Assistant	1	0	a. Commander	1	1
e. Secretary II	1	1	b. Police Officer	<u>7</u>	<u>7</u>
f. Office Assistant	1	1		<b>8</b>	<b>8</b>
g. Management Analyst	1	1	<b>Operations Division</b>		
h. General Plan Project Manager (CIP)	<u>1</u>	<u>0</u>	a. Commander	1	1
	<b>8</b>	<b>4</b>	b. Police Captain	0	0
<b>Rent Stabilization Division</b>			c. Police Sergeant	4	4
a. RS Administrator	1	1	d. Police Officer	21	21
b. Housing Counselor II/Specialist I/II	<u>1</u>	<u>1</u>	e. Code Enforcement Officer II	1	1
	<b>2</b>	<b>2</b>	f. Community Services Officer	1	1
			g. (3) Part-time	<u>0</u>	<u>1.5</u>
				<b>28</b>	<b>29.5</b>
			<b>Total FTE's</b>	<b>105.13</b>	<b>104.88</b>

## **East Palo Alto at a Glance**

### **ABOUT EAST PALO ALTO**

The City of East Palo Alto is located in the heart of the Silicon Valley and is uniquely positioned to maximize its potential as a significant city in the region. Founded by speculators and farmers in 1849, the town was originally named Ravenswood. For most of its history, the area regarded as East Palo Alto was 13 square miles and part of unincorporated San Mateo County. As such, it did not have an official boundary until it incorporated in 1983. However, the area was much larger than the City's current 2.5 square miles. Large tracts, including most of the commercial tax base, were annexed by Menlo Park and Palo Alto from the later 1940's to the early 1960's. This trend was halted in 1983 when the then predominantly African American residents incorporated to gain local control over land use and municipal services.

The original inhabitants were Ohlone/Costanoan Native Americans. Spanish ranchers took over, followed by an influx of speculators and settlers of European origin. For a time, Chinese laborers were prevalent. Asian and Italian flower growers preceded the flood of middle-class migrants drawn to post-war housing developments. East Palo Alto later became the largest African American community on the Peninsula. Today, due to significant demographic changes during the last decade, the City of 28,934 possesses a broad multi-ethnic profile that includes a majority Latino and growing Pacific Islander population.

Trade has alternately focused on ranching, transportation and shipping, brick manufacturing, farming, servicing travelers of Bayshore Highway and Dumbarton Bridge, and flower growing. At present there is a mix of small industrial, agricultural and commercial businesses.

The signs of transition are clearly evident, but some things have remained constant, namely the characteristics that have always attracted people to the area: the relatively affordable price of land and housing; a beautiful, rural-like setting; its centralized location; proximity to transportation and the San Francisco Bay; as well as some of the most enviable weather in the nation.

During the year, the City is nearing completion of Phase III of the Cooley Landing project to develop a 9-acre park, nature preserve, and extension of the Bay Trail system utilizing the \$5 million in grant funds awarded from the California Department of Parks and Recreation. This remarkable project represents a collaboration of the community, Federal, State and local grantors, and City government. The incredible outpouring of support and volunteerism, from the Federal to the local level, is a testament to the success of this community as we continue to evolve and become uniquely our own.

Today, the City of East Palo Alto is closer than ever to realizing its potential. As the City continues to make progress and become more self-sufficient, there is evidence that East Palo Alto will be able to strike a harmonious balance between a goal of establishing a sound commercial base and the dream of an idyllic community.

## **CITY GEOGRAPHY**

The City of East Palo Alto is located in the Silicon Valley, approximately 29 miles south of San Francisco and 19 miles north of San Jose. The City occupies 2.5 square miles. The 2010 Census places the City's population at 28,155, ranking it as the eleventh largest city in San Mateo County.

## **CITY AUTHORITY**

The City of East Palo Alto is a general law city under California State law and its rights, powers, privileges, authority, and functions are established through the State constitution and the State Law. The powers granted to California cities by state statute include the power to: sue and be sued; purchase, receive by gift or bequest and hold land, make contracts and purchases and hold personal property necessary to the exercise of its powers, manage, sell, lease, or otherwise dispose of its property as the interest of its inhabitants require; levy and collect taxes authorized by law and exercise such other and further powers as may be especially conferred by law or as may be necessarily implied from those expressed.

The City provides a wide range of services to its residents including public protection through the Police Department, the construction and maintenance of streets and infrastructure, community development, financial management, and administrative services.

## **THE CITY COUNCIL**

The members of the City Council are elected by the voters to serve overlapping four-year terms. The Mayor is elected by, and from, the City Council for a one year term. The City Council sets policy and exercises the legislative authority of the City. By City Ordinance, the City Council holds meetings on the first and third Tuesdays of every month and at other times as, in the opinion of the City Council, the public interest may require.

The current City Council members and the dates upon which their respective terms expire are as follows:

Mayor: Lisa Yarbrough- Gauthier, Nov. 2016  
Vice Mayor: Donna Rutherford, Nov. 2018  
Council Member: Larry Moody, Nov. 2016  
Council Member: Ruben Abrica, Nov. 2018  
Council Member: Vacant, Nov. 2016

## **REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court delivered its decision in the *California Redevelopment Association v. Matosantos* case, finding ABx1 26 (the "Dissolution Act") largely constitutional and AB1x 27 (the "Alternative Redevelopment Program Act") unconstitutional. The Court's bifurcated decision means that all California redevelopment agencies, including the Redevelopment Agency of the City of East Palo Alto (the "Redevelopment Agency"), dissolved under the constitutional Dissolution Act, and none had the opportunity to opt into continued existence under the unconstitutional Alternative Redevelopment Program Act. As a result, the Redevelopment Agency was dissolved on February 1, 2012.

## **SUCCESSOR AGENCY**

On January 10, 2012, the Council took formal action to form the Successor Agency. As of February 1, 2012, the Successor Agency (Agency) was created as a result of the dissolution of the Redevelopment Agency (RDA) as indicated in the previous section above. With oversight by a seven member Oversight Board, the Successor Agency is charged with the responsibility of paying off former RDA existing debts and winding down the activities and affairs of the former redevelopment agency through the sale and disposition of its assets and properties.

## **ADMINISTRATION AND MANAGEMENT**

East Palo Alto is a Council-Manager form of government. The City Council appoints the City Manager who appoints all other City officials except the City Attorney who is also appointed by the Council, and is charged with overseeing the City's daily operations. Many boards, commissions, and committees assist the City Council and Administration in carrying out various aspects and functions of city government.

# Demographic Information

## Government

*Incorporated July 1, 1983*

*East Palo Alto is a General Law Council/ Manager City governed by a five-member City Council with a Council elected Mayor.*

*Number of City Managers since incorporation: 21*

### *Full-time Employees*

*FY 2015/2016<sup>1</sup>*

City Council.....	5
City Manager.....	4
City Attorney.....	3
City Clerk.....	1
Finance.....	5
Administrative Services.....	7.38
Community Development.....	15
Police.....	45.5
Public Works.....	19
<b>Total .....</b>	<b>104.88</b>

## Demographics

*Land Area: 2.5 square miles*

### *Population<sup>2</sup>*

1990.....	23,570
2000.....	29,506
2005.....	29,431
2010.....	28,155
2014.....	28,934

### *Population by Gender<sup>2</sup>*

Female.....	49%
Male.....	51%

### *Population by Age Group<sup>3</sup>*

Under 5 years.....	8.1%
5 to 9 years.....	7.8%
10 to 14 years .....	8.4%
15 to 19 years .....	10.4%
20 to 24 years .....	9.6%
25 to 34 years .....	16.3%
35 to 44 years .....	15.1%
45 to 54 years .....	11.3%
55 to 59 years .....	4.0%
60 to 64 years .....	2.1%
65 to 74 years .....	3.4%
75 to 84 years .....	2.7%
85 years and over .....	0.5%

*Median Age: 28.8*



### *Racial Composition<sup>3</sup>*

Hispanic or Latino (of any race).....	61.0%
White.....	8.2%
Black or African American.....	15.2%
Asian.....	3.5%
Native Hawaiian and Other Pacific Islander.....	9.9%
Other.....	2.2%

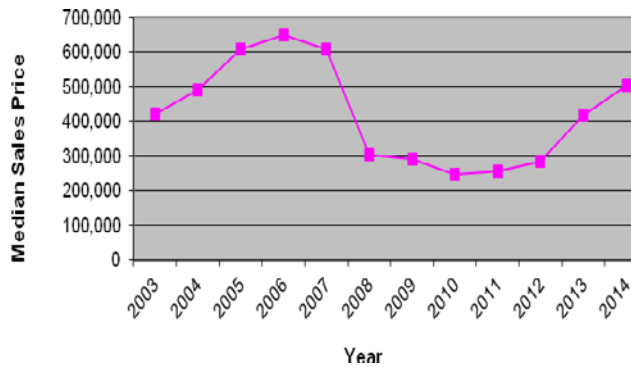
### *Level of Educational Attainment of people 25 years and older*

Graduate/ Professional Degree.....	7.0%
Bachelor's Degree.....	11.3%
Associate Degree.....	4.0%
Some College (no Degree).....	17.1%
High School Graduate.....	26.8%
Grades 9-12 (no diploma).....	14.3%
Less than 9 <sup>th</sup> Grade.....	19.5%

### *Median Household Income*

*(In 2010)<sup>3</sup>: \$48,734*

### *Median Sales Price for Single Family Residences<sup>4</sup>* *\$502,500 year 2014*



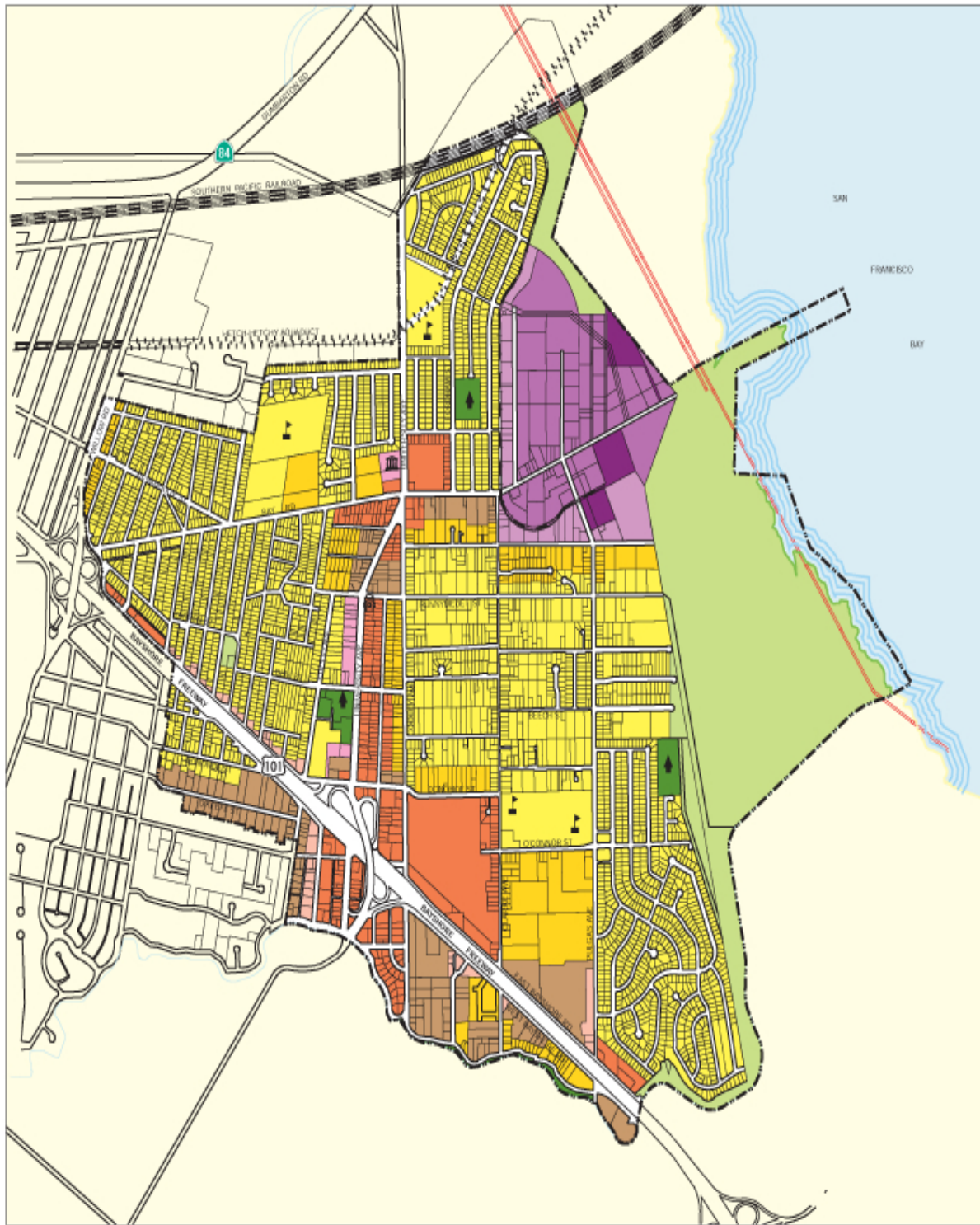
### **Notes**

<sup>1</sup> Human Resources Department, City of East Palo Alto






<sup>2</sup> State of CA, Department of Finance estimates

<sup>3</sup> US Census Bureau, 2009-2010 American Community Survey

<sup>4</sup> San Mateo County Associations of Realtors



**LEGEND**

-  Low/Medium Density Residential (1-8 du/ac)
-  Medium/High Density Residential (9-17 du/ac)
-  High Density Residential (18-40 du/ac)
-  General Commercial (allows residential as mixed use)
-  Neighborhood Commercial (allows residential as mixed use)
-  Office (allows residential as mixed use)
-  General Industrial
-  Heavy Industrial
-  Industrial Buffer (allows residential as mixed use)
-  Community Open Space Conservation
-  Resource Management
-  City Hall
-  Fire Station
-  Park
-  School
-  City Boundary
-  Utility
-  Water

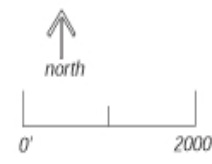


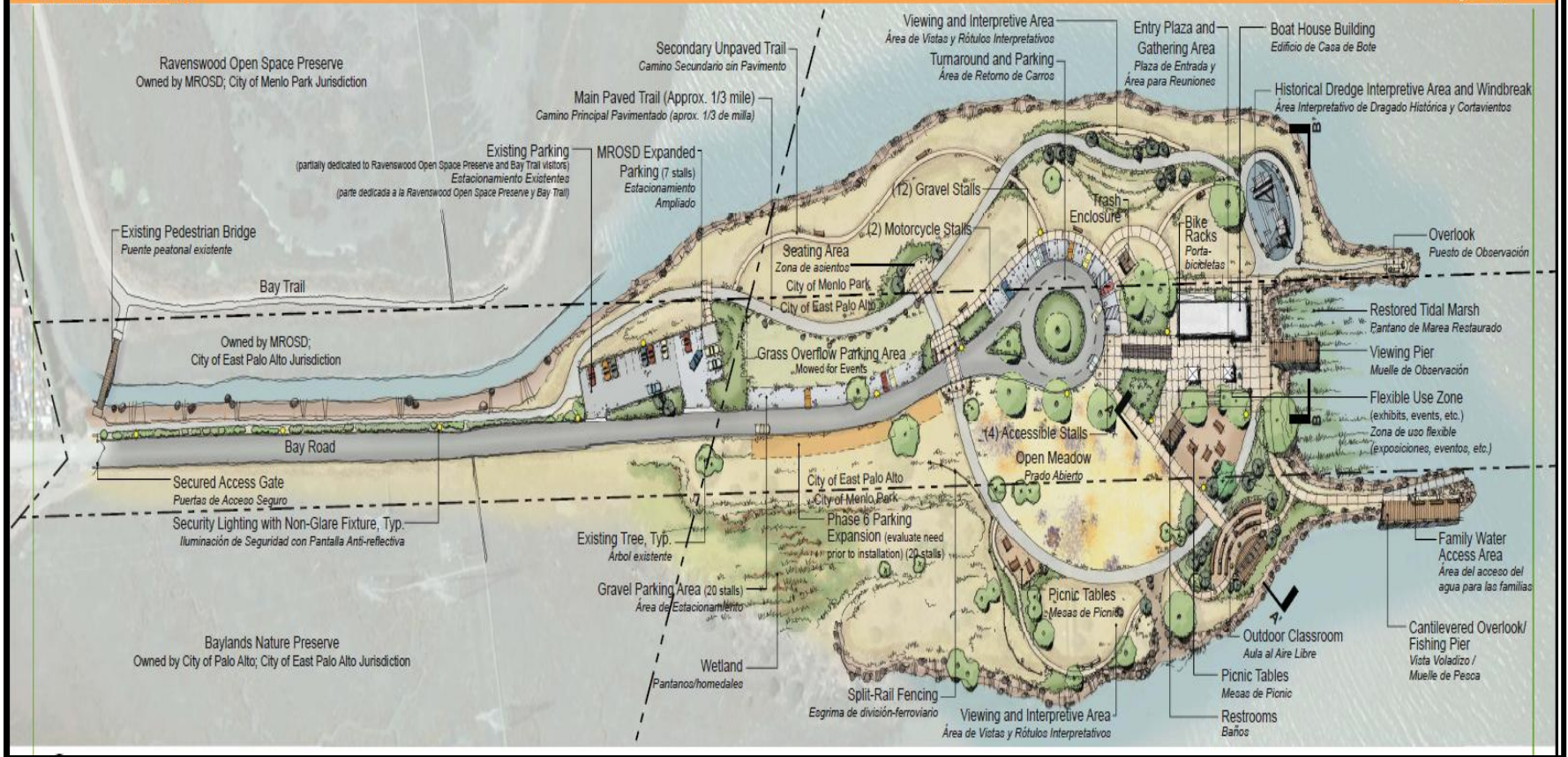
Figure LU-1  
Land Use Policy Map

# COOLEY LANDING

CITY OF EAST PALO ALTO

August 4, 2010

6-50



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# FINANCIAL SUMMARY

## FY 2015-2016 Adopted Budget

The Financial Summary section contains the following adopted budget and financial summary information:

### ***Budget Information:***

- Citywide Budget Overview
- FY 2015-16 Budget by Fund Category
- General Fund Overview
- FY 2015-16 General Fund and Internal Reserve Funds Budget
- Special Revenue Funds Overview
- FY 2015-16 Special Revenue Funds Budget
  - FY 2015-16 Community and Housing Programs Budget
  - FY 2015-16 Transportation and Infrastructure Programs Budget
- Enterprise Funds Overview
- FY 2015-16 Enterprise Fund Budget
- Trust Funds Overview
- FY 2015-16 Agency and Pension Trust Budget

### ***Financial Information:***

- General Fund Revenues by Major Category
- General Fund Expenditures by Major Category
- General Fund 10-Year Property Tax Revenues
- General Fund 10-Year Sales Tax Revenues

## CITYWIDE BUDGET OVERVIEW

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The Citywide budget overview provides a one-page view across all the various fund-types operating within the City. This view gives a full perspective of total revenues by character and total expenditures by department across all City funds. The FY 2015-16 Adopted Budget operating revenues exceed operating expenditures by \$657,840. This positive operating result is primarily due to restricted transportation and infrastructure and enterprise operating surpluses. These funds are reflecting surplus due to the exclusion of the Capital Improvement Program Adopted Budget, which has not been presented to, or approved by, City Council.

The City operates the following fund-group types:

- **General and Internal Reserve Funds**
- **Special Revenue Funds**
- **Capital Improvement Projects Fund**
- **Enterprise Funds**
- **Successor and Pension Trust Funds**

**CITY OF EAST PALO ALTO**  
**FY 2015-2016 BUDGET BY FUND CATEGORY**

	General Fund and Internal Reserves	Special Revenue Funds	Capital Improvement Projects Fund	Enterprise Funds	City Operating Total	Successor and Pension Trust Funds	GRAND TOTAL
<b>Revenues</b>							
Property Tax	9,540,000	1,116,870	-	-	10,656,870	7,710,000	18,366,870
Sales Tax	3,680,000	563,100	-	-	4,243,100	-	4,243,100
Utility Users Tax	1,510,000	-	-	-	1,510,000	-	1,510,000
Transient Occupancy Tax	2,220,000	539,600	-	-	2,759,600	-	2,759,600
Other State and Local Taxes	-	714,770	-	-	714,770	-	714,770
Franchise Fees	930,000	-	-	-	930,000	-	930,000
Licenses, Fees, and Permits	1,001,000	701,400	-	2,400	1,704,800	-	1,704,800
Fines and Forfeitures	282,000	-	-	-	282,000	-	282,000
Use of Money and Property	57,000	117,570	-	257,740	432,310	151,800	584,110
Grants and Intergovernmental	113,500	475,330	10,842,000	-	11,430,830	-	11,430,830
Charges for Current Services	424,060	-	-	2,399,545	2,823,605	-	2,823,605
Other Miscellaneous	15,000	64,000	-	216,500	295,500	-	295,500
<b>Total Revenues</b>	<b>19,772,560</b>	<b>4,292,640</b>	<b>10,842,000</b>	<b>2,876,185</b>	<b>37,783,385</b>	<b>7,861,800</b>	<b>45,645,185</b>
<b>Expenditures</b>							
City Council	131,460	-	-	-	131,460	-	131,460
City Attorney	819,710	-	-	10,000	829,710	-	829,710
City Clerk	197,000	-	-	-	197,000	-	197,000
City Manager	795,570	-	-	-	795,570	-	795,570
Administrative Services	1,249,410	1,098,190	-	-	2,347,600	-	2,347,600
Finance	861,550	3,750	-	2,500	867,800	8,200	876,000
Community Development	1,554,690	985,310	-	88,485	2,628,485	21,900	2,650,385
Public Works	2,420,580	863,040	-	117,740	3,401,360	-	3,401,360
Police	10,511,850	504,690	-	-	11,016,540	-	11,016,540
<b>Non-Departmental</b>							
Capital Projects	450,700	700,000	10,842,000	1,937,000	13,929,700	-	13,929,700
Debt Service	-	-	-	-	-	1,941,775	1,941,775
Insurance and Settlements	643,400	-	-	-	643,400	-	643,400
Other Non-Departmental	694,650	93,150	-	2,351,120	3,138,920	5,700,300	8,839,220
Overhead Allocation	(781,970)	456,010	-	160,960	(165,000)	165,000	-
<b>Total Expenditures</b>	<b>19,548,600</b>	<b>4,704,140</b>	<b>10,842,000</b>	<b>4,667,805</b>	<b>39,762,545</b>	<b>7,837,175</b>	<b>47,599,720</b>
<b>Net Sources / (Uses)</b>	<b>223,960</b>	<b>(411,500)</b>	<b>-</b>	<b>(1,791,620)</b>	<b>(1,979,160)</b>	<b>24,625</b>	<b>(1,954,535)</b>
<b>Other Financing Sources / (Uses)</b>							
Transfers In	-	34,760	-	1,262,000	1,296,760	-	1,296,760
Transfers Out	(1,296,760)	-	-	-	(1,296,760)	-	(1,296,760)
<b>Net Operating Transfers</b>	<b>(1,296,760)</b>	<b>34,760</b>	<b>-</b>	<b>1,262,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>(1,072,800)</b>	<b>(376,740)</b>	<b>-</b>	<b>(529,620)</b>	<b>(1,979,160)</b>	<b>24,625</b>	<b>(1,954,535)</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,625)</b>	<b>(24,625)</b>
<b>Projected Fund Balance</b>							
<b>July 01, 2015 Balance</b>	<b>11,279,425</b>	<b>8,074,710</b>	<b>-</b>	<b>1,612,685</b>	<b>20,966,820</b>	<b>(28,029,460)</b>	<b>(7,062,640)</b>
<b>June 30, 2016 Balance</b>	<b>10,206,625</b>	<b>7,697,970</b>	<b>-</b>	<b>1,083,065</b>	<b>18,987,660</b>	<b>(28,029,460)</b>	<b>(9,041,800)</b>

# GENERAL FUND OVERVIEW

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## **General Fund**

The General Fund is the primary operating fund of the City. The fund accounts for all revenues, expenditures, transfers, and other activity not accounted for in other City funds.

General Fund revenues are derived from five major sources including, Property Tax, Sales and Use Tax, Transient Occupancy Tax (TOT), Utility Users Tax, and Franchise Fees. Collectively, these taxes account for more than 91% of total General Fund revenues. General Fund uses primarily consist of personnel, contract and purchase services, supplies and materials, and other expenditures. Of these categories, personnel costs comprise 68% of total Fiscal Year 2015-16 General Fund expenditures.

## **General Fund Reserves**

### **Information Services Reserve**

The Information Services Reserve Fund accounts for the accumulation of resources to acquire or improve information technology equipment and software, and also, pay the costs of the Redwood City IT services contract.

### **Equipment and Vehicle Reserve**

The Equipment and Vehicle Reserve Fund accounts for the accumulation of resources set aside for the purchase and replacement of operating equipment and vehicles within each department. The fund also accounts for payments related to capitalized lease debt for the previous purchase of police vehicles.

These amounts are not sufficient to fully fund asset replacement costs in all departments, and it is management's intention to study cost and rates, and determine an adequate funding level for the program at a later date.

### **Insurance Reserve**

The Insurance Reserve Fund accounts for the accumulation of resources to cover the costs of unanticipated loss and settlements due to property, casualty, or liability exposures and to cover the costs of ABAG Plan insurance coverage in excess of the City's \$100,000 self-insured limit per claim.

### **Capital Reserve**

The Capital Reserve Fund accounts for accumulation of resources to cover the costs of ongoing capital projects city-wide.

### **Community Benefit**

The Community Benefit Fund accounts for the one-time collection of certain community benefit developer fees associated with the University Plaza project.



**CITY OF EAST PALO ALTO**  
**FY 2015-2016 GENERAL FUND AND RESERVES BUDGET**

	General Fund F010	Info Services Reserve F011	Equipment and Vehicle Reserve F012	Insurance Reserve F013	Capital Reserve F014	Community Benefit F016	Eliminating Entry	Total
<b>Revenues</b>								
Property Tax	9,199,200	-	-	-	340,800	-	-	9,540,000
Sales Tax	3,680,000	-	-	-	-	-	-	3,680,000
Utility Users Tax	1,510,000	-	-	-	-	-	-	1,510,000
Transient Occupancy Tax	2,220,000	-	-	-	-	-	-	2,220,000
Other State and Local Taxes	-	-	-	-	-	-	-	-
Franchise Fees	930,000	-	-	-	-	-	-	930,000
Licenses, Fees, and Permits	1,001,000	-	-	-	-	-	-	1,001,000
Fines and Forfeitures	282,000	-	-	-	-	-	-	282,000
Use of Money and Property	57,000	-	-	-	-	-	-	57,000
Grants and Intergovernmental	113,500	-	-	-	-	-	-	113,500
Charges for Current Services	424,060	-	-	-	-	-	-	424,060
Other Miscellaneous	15,000	-	-	-	-	-	-	15,000
<b>Total Revenues</b>	<b>19,431,760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>340,800</b>	<b>-</b>	<b>-</b>	<b>19,772,560</b>
<b>Expenditures</b>								
City Council	131,460	-	-	-	-	-	-	131,460
City Attorney	709,710	-	-	110,000	-	-	-	819,710
City Clerk	167,000	30,000	-	-	-	-	-	197,000
City Manager	795,570	-	-	-	-	-	-	795,570
Administrative Services	893,885	347,525	8,000	-	-	-	-	1,249,410
Finance	861,550	-	-	-	-	-	-	861,550
Community Development	1,554,690	-	-	-	-	-	-	1,554,690
Public Works	2,420,580	-	-	-	-	-	-	2,420,580
Police	10,316,950	-	194,900	-	-	-	-	10,511,850
<b>Non-Departmental</b>								
Capital Projects	-	259,900	-	-	190,800	-	-	450,700
Debt Service	-	-	-	-	-	-	-	-
Insurance and Settlements	13,200	-	-	480,200	150,000	-	-	643,400
Other Non-Departmental	694,650	-	-	-	-	-	-	694,650
Overhead Allocation	(781,970)	-	-	-	-	-	-	(781,970)
<b>Total Expenditures</b>	<b>17,777,275</b>	<b>637,425</b>	<b>202,900</b>	<b>590,200</b>	<b>340,800</b>	<b>-</b>	<b>-</b>	<b>19,548,600</b>
<b>Net Sources / (Uses)</b>	<b>1,654,485</b>	<b>(637,425)</b>	<b>(202,900)</b>	<b>(590,200)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>223,960</b>
<b>Other Financing Sources / (Uses)</b>								
Transfers In	-	697,425	332,100	590,200	-	-	(1,619,725)	-
Transfers Out	(1,654,485)	-	-	-	(1,262,000)	-	1,619,725	(1,296,760)
<b>Net Operating Transfers</b>	<b>(1,654,485)</b>	<b>697,425</b>	<b>332,100</b>	<b>590,200</b>	<b>(1,262,000)</b>	<b>-</b>	<b>-</b>	<b>(1,296,760)</b>
<b>Change in Fund Balance</b>	<b>-</b>	<b>60,000</b>	<b>129,200</b>	<b>-</b>	<b>(1,262,000)</b>	<b>-</b>	<b>-</b>	<b>(1,072,800)</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>								
July 01, 2015 Balance	5,769,045	494,620	249,450	1,158,760	3,207,550	400,000	-	11,279,425
June 30, 2016 Balance	5,769,045	554,620	378,650	1,158,760	1,945,550	400,000	-	10,206,625

# SPECIAL REVENUE FUNDS OVERVIEW

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Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than major capital projects or debt service. GASB 54 clarifies that the *proceeds of specific a revenue source*, whether legal or administrative, is the foundation for classification of a Special Revenue Fund.

## **Grant Programs**

### **Public Safety Grants**

The Public Safety Grants Fund accounts for revenues and expenditures for the Citizen Options for Public Safety Program and Supplemental Law Enforcement Services Fund (COPS/SLESF).

### **Federal and State Grants**

Federal and State Grants Fund accounts for the Congregate Meals/Senior Nutrition and Senior Transportation grant programs passed through the San Mateo County Office of Aging and Adult Services.

### **Local Grants**

The Local Grants Funds account for all other local grant activity not accounted for in separate funds. This includes activity for the C/CAG Shuttle grant, and C/CAG AB1546 grant.

## **Community and Housing Programs**

### **Rent Stabilization**

The Rent Stabilization Fund accounts for revenues and expenditures to support rent stabilization programs and activities.

### **Housing in Lieu**

The Housing in Lieu Fund accounts for developer fees and deposits in lieu of providing affordable housing and 10% of the Transient Occupancy Tax (TOT) collected as approved by voters and the City Council to fund affordable housing initiatives.

### **Housing Assistance**

The Housing Assistance Fund accounts for first time home buyer assistance program activities.

### **CYSFF Child/Family**

The CYSFF Child/Family Fund accounts for 10% of the Transient Occupancy Tax (TOT) collected as approved by voters and the City Council to fund various nonprofit organizations related to child and family services.

### **Measure C**

The Measure C Fund accounts for a special parcel tax adopted by voters in November 2006 (Measure C Special Parcel Tax). Revenues collected from the special parcel tax are to be used to support violence prevention and public safety intervention programs.

# SPECIAL REVENUE FUNDS OVERVIEW

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## **Housing Successor Agency**

The Housing Successor Agency Funds account for activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency. The funds are restricted to housing-related activities for low and moderate income needs.

## **Transportation and Infrastructure Programs**

### **State Gas Tax**

The State Gas Tax Fund is required by State law to account for California State gasoline taxes. This tax is primarily distributed to cities based on population and proportion of registered vehicles. Gas tax funds must be spent on public street-related maintenance and capital expenditures.

### **Measure A**

The Measure A Fund accounts for a countywide one-half percent sales and use tax to support countywide (San Mateo County) transportation projects and programs.

### **NPDES**

The NPDES Fund accounts for revenues and expenditures from assessments levied on property in the City in compliance with the provision of the National Pollutant Elimination System for prevention of storm water and flood related damage.

### **Park in Lieu**

The Park in Lieu Fund accounts for all fees collected from developers to be used to acquire new parkland or fund capital improvements at existing recreational and park facilities which will serve residents of new development.

### **Public Improvements in Lieu**

The Public Improvements in Lieu Fund account for fees collected from developers in lieu of public infrastructure improvements including, but not limited to, curbs, storm drains, sidewalks, pavement, and street trees installation per City standards.

### **Lighting District**

The City maintains one Lighting District, the Ravenswood Highway Lighting District, to cover the costs of lighting on and around public streets, highways, parks, and alleys. The Lighting District Fund accounts for all revenues (assessments) and expenditures associated with the District.

### **Drainage District**

The City maintains one Drainage District, the East Palo Alto Maintenance Drainage District, to cover the costs of providing storm drainage and flood control management services for areas related to the district boundary. The Drainage District Fund accounts for all revenues (assessments) and expenditures associated with the District.

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**CITY OF EAST PALO ALTO**  
**FY 2015-2016 SPECIAL REVENUE FUNDS BUDGET**

	Public Safety Grants F213	Federal and State Grants F215	Local Grants F230	Sub-total Grant Programs	Community and Housing Programs	Transporation and Infrastructure Programs	Total
<b>Revenues</b>							
Property Tax	-	-	-	-	700,000	416,870	1,116,870
Sales Tax	-	-	-	-	-	563,100	563,100
Utility Users Tax	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	539,600	-	539,600
Other State and Local Taxes	-	-	-	-	-	714,770	714,770
Franchise Fees	-	-	-	-	-	-	-
Licenses, Fees, and Permits	-	-	-	-	555,000	146,400	701,400
Fines and Forfeitures	-	-	-	-	-	-	-
Use of Money and Property	-	-	-	-	95,400	22,170	117,570
Grants and Intergovernmental	183,330	47,000	245,000	475,330	-	-	475,330
Charges for Current Services	-	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	64,000	-	64,000
<b>Total Revenues</b>	<b>183,330</b>	<b>47,000</b>	<b>245,000</b>	<b>475,330</b>	<b>1,954,000</b>	<b>1,863,310</b>	<b>4,292,640</b>
<b>Expenditures</b>							
City Council	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-
Administrative Services	-	47,000	-	47,000	1,051,190	-	1,098,190
Finance	-	-	-	-	1,650	2,100	3,750
Community Development	-	-	245,000	245,000	515,770	224,540	985,310
Public Works	-	-	-	-	-	863,040	863,040
Police	183,330	-	-	183,330	321,360	-	504,690
<b>Non-Departmental</b>							
Capital Projects	-	-	-	-	-	700,000	700,000
Debt Service	-	-	-	-	-	-	-
Insurance and Settlements	-	-	-	-	-	-	-
Other Non-Departmental	-	-	-	-	24,150	69,000	93,150
Overhead Allocation	-	-	-	-	241,060	214,950	456,010
<b>Total Expenditures</b>	<b>183,330</b>	<b>47,000</b>	<b>245,000</b>	<b>475,330</b>	<b>2,155,180</b>	<b>2,073,630</b>	<b>4,704,140</b>
<b>Net Sources / (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(201,180)</b>	<b>(210,320)</b>	<b>(411,500)</b>
<b>Other Financing Sources / (Uses)</b>							
Transfers In	-	-	-	-	-	34,760	34,760
Transfers Out	-	-	-	-	-	-	-
<b>Net Operating Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,760</b>	<b>34,760</b>
<b>Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(201,180)</b>	<b>(175,560)</b>	<b>(376,740)</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>							
<b>July 01, 2015 Balance</b>	<b>27,900</b>	<b>30,265</b>	<b>85,685</b>	<b>143,850</b>	<b>3,424,330</b>	<b>4,506,530</b>	<b>8,074,710</b>
<b>June 30, 2016 Balance</b>	<b>27,900</b>	<b>30,265</b>	<b>85,685</b>	<b>143,850</b>	<b>3,223,150</b>	<b>4,330,970</b>	<b>7,697,970</b>

**CITY OF EAST PALO ALTO**  
**FY 2015-2016 COMMUNITY AND HOUSING PROGRAMS BUDGET**

	Rent Stabilization F204	Housing TOT / In-Lieu F207	Housing Assistance F209	CYSFF TOT F231	Measure C F232	Housing Successor Agency F926-928	Total
<b>Revenues</b>							
Property Tax	-	-	-	-	700,000	-	700,000
Sales Tax	-	-	-	-	-	-	-
Utility Users Tax	-	-	-	-	-	-	-
Transient Occupancy Tax	-	269,800	-	269,800	-	-	539,600
Other State and Local Taxes	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-
Licenses, Fees, and Permits	555,000	-	-	-	-	-	555,000
Fines and Forfeitures	-	-	-	-	-	-	-
Use of Money and Property	1,000	8,200	5,500	1,200	-	79,500	95,400
Grants and Intergovernmental	-	-	-	-	-	-	-
Charges for Current Services	-	-	-	-	-	-	-
Other Miscellaneous	-	4,000	-	-	-	60,000	64,000
<b>Total Revenues</b>	<b>556,000</b>	<b>282,000</b>	<b>5,500</b>	<b>271,000</b>	<b>700,000</b>	<b>139,500</b>	<b>1,954,000</b>
<b>Expenditures</b>							
City Council	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-
Administrative Services	-	-	-	254,070	797,120	-	1,051,190
Finance	-	-	-	-	1,650	-	1,650
Community Development	430,770	25,000	-	-	-	60,000	515,770
Public Works	-	-	-	-	-	-	-
Police	-	-	-	-	321,360	-	321,360
<b>Non-Departmental</b>							
Capital Projects	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Insurance and Settlements	-	-	-	-	-	-	-
Other Non-Departmental	5,750	12,000	-	-	6,400	-	24,150
Overhead Allocation	206,560	17,570	-	16,930	-	-	241,060
<b>Total Expenditures</b>	<b>643,080</b>	<b>54,570</b>	<b>-</b>	<b>271,000</b>	<b>1,126,530</b>	<b>60,000</b>	<b>2,155,180</b>
<b>Net Sources / (Uses)</b>	<b>(87,080)</b>	<b>227,430</b>	<b>5,500</b>	<b>-</b>	<b>(426,530)</b>	<b>79,500</b>	<b>(201,180)</b>
<b>Other Financing Sources / (Uses)</b>							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
<b>Net Operating Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>(87,080)</b>	<b>227,430</b>	<b>5,500</b>	<b>-</b>	<b>(426,530)</b>	<b>79,500</b>	<b>(201,180)</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>							
<b>July 01, 2015 Balance</b>	<b>275,000</b>	<b>1,333,270</b>	<b>118,790</b>	<b>328,070</b>	<b>994,600</b>	<b>374,600</b>	<b>3,424,330</b>
<b>June 30, 2016 Balance</b>	<b>187,920</b>	<b>1,560,700</b>	<b>124,290</b>	<b>328,070</b>	<b>568,070</b>	<b>454,100</b>	<b>3,223,150</b>

**CITY OF EAST PALO ALTO**  
**FY 2015-2016 TRANSPORTATION AND INFRASTRUCTURE PROGRAMS BUDGET**

	State Gas Tax F201	Measure A F202	NPDES F203	Park In Lieu Fees F206	Public Imp In Lieu Fees F208	Lighting District F221	Drainage District F222	Total
<b>Revenues</b>								
Property Tax	-	-	-	-	-	341,050	75,820	416,870
Sales Tax	-	563,100	-	-	-	-	-	563,100
Utility Users Tax	-	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-	-
Other State and Local Taxes	714,770	-	-	-	-	-	-	714,770
Franchise Fees	-	-	-	-	-	-	-	-
Licenses, Fees, and Permits	-	-	131,400	-	15,000	-	-	146,400
Fines and Forfeitures	-	-	-	-	-	-	-	-
Use of Money and Property	8,020	7,900	-	600	-	4,900	750	22,170
Grants and Intergovernmental	-	-	-	-	-	-	-	-
Charges for Current Services	-	-	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>722,790</b>	<b>571,000</b>	<b>131,400</b>	<b>600</b>	<b>15,000</b>	<b>345,950</b>	<b>76,570</b>	<b>1,863,310</b>
<b>Expenditures</b>								
City Council	-	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-	-
Administrative Services	-	-	-	-	-	-	-	-
Finance	-	1,450	650	-	-	-	-	2,100
Community Development	-	136,800	71,540	-	15,000	1,200	-	224,540
Public Works	426,990	-	79,800	-	-	239,880	116,370	863,040
Police	-	-	-	-	-	-	-	-
<b>Non-Departmental</b>								
Capital Projects	500,000	-	-	-	-	200,000	-	700,000
Debt Service	-	-	-	-	-	-	-	-
Insurance and Settlements	-	-	-	-	-	-	-	-
Other Non-Departmental	59,000	-	6,400	-	-	3,000	600	69,000
Overhead Allocation	121,730	11,540	7,770	-	-	61,660	12,250	214,950
<b>Total Expenditures</b>	<b>1,107,720</b>	<b>149,790</b>	<b>166,160</b>	<b>-</b>	<b>15,000</b>	<b>505,740</b>	<b>129,220</b>	<b>2,073,630</b>
<b>Net Sources / (Uses)</b>	<b>(384,930)</b>	<b>421,210</b>	<b>(34,760)</b>	<b>600</b>	<b>-</b>	<b>(159,790)</b>	<b>(52,650)</b>	<b>(210,320)</b>
<b>Other Financing Sources / (Uses)</b>								
Transfers In	-	-	34,760	-	-	-	-	34,760
Transfers Out	-	-	-	-	-	-	-	-
<b>Net Operating Transfers</b>	<b>-</b>	<b>-</b>	<b>34,760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,760</b>
<b>Change in Fund Balance</b>	<b>(384,930)</b>	<b>421,210</b>	<b>-</b>	<b>600</b>	<b>-</b>	<b>(159,790)</b>	<b>(52,650)</b>	<b>(175,560)</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>								
<b>July 01, 2015 Balance</b>	<b>1,900,825</b>	<b>1,166,460</b>	<b>-</b>	<b>113,230</b>	<b>108,350</b>	<b>1,057,040</b>	<b>160,625</b>	<b>4,506,530</b>
<b>June 30, 2016 Balance</b>	<b>1,515,895</b>	<b>1,587,670</b>	<b>-</b>	<b>113,830</b>	<b>108,350</b>	<b>897,250</b>	<b>107,975</b>	<b>4,330,970</b>

## ENTERPRISE FUNDS OVERVIEW

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Enterprise Funds account for City operations financed and operated in a manner similar to a private business enterprise. Government-run enterprises often charge user-fees to support the service or product provided. These activities are not necessarily self-supporting and may rely on general government subsidies to fully fund operations, though it is the intent of the City to fund these services primarily through user charges.

### **Garbage Collection Fund**

Garbage collection services and recycling in East Palo Alto is provided by Recology of San Mateo County. Revenues are primarily derived from solid waste service fees.

The Garbage Collection Fund accounts for activities associated with residential and commercial garbage collection, street sweeping, litter control, and related services. Fees for street sweeping and litter control are collected by the South Bay Waste Management Authority (SBWMA) from both residential and commercial customers. The City collects residential solid waste collection fees directly from the property tax rolls and remits such fees to Recology of San Mateo County for services provided to those customers.

### **Water Service Fund**

Most of East Palo Alto's water connections (about 80%) are served by the City's water system that is operated and leased by American Water Enterprises (AWE). The remaining connections are served by Palo Alto Park Mutual Water Company or O'Connor Tract Co-op Water Company. American Water Enterprises supplies the City's water from the San Francisco Public Utilities Commission.

The Water Service Fund accounts for the lease operating revenue and connection fees from American Water Services and uses such fees for expenses and capital improvement costs related to the City's operating obligations under the agreement with AWE.



**CITY OF EAST PALO ALTO**  
**FY 2015-2016 ENTERPRISE FUNDS BUDGET**

	Water System F510	Garbage / Street Sweeping F520	Total
<b>Revenues</b>			
Property Tax	-	-	-
Sales Tax	-	-	-
Utility Users Tax	-	-	-
Transient Occupancy Tax	-	-	-
Other State and Local Taxes	-	-	-
Franchise Fees	-	-	-
Licenses, Fees, and Permits	2,400	-	2,400
Fines and Forfeitures	-	-	-
Use of Money and Property	253,900	3,840	257,740
Grants and Intergovernmental	-	-	-
Charges for Current Services	-	2,399,545	2,399,545
Other Miscellaneous	16,500	200,000	216,500
<b>Total Revenues</b>	<b>272,800</b>	<b>2,603,385</b>	<b>2,876,185</b>
<b>Expenditures</b>			
City Council	-	-	-
City Attorney	10,000	-	10,000
City Clerk	-	-	-
City Manager	-	-	-
Administrative Services	-	-	-
Finance	-	2,500	2,500
Community Development	50,000	38,485	88,485
Public Works	-	117,740	117,740
Police	-	-	-
<b>Non-Departmental</b>			
Capital Projects	1,937,000	-	1,937,000
Debt Service	-	-	-
Insurance and Settlements	-	-	-
Other Non-Departmental	23,920	2,327,200	2,351,120
Overhead Allocation	43,500	117,460	160,960
<b>Total Expenditures</b>	<b>2,064,420</b>	<b>2,603,385</b>	<b>4,667,805</b>
<b>Net Sources / (Uses)</b>	<b>(1,791,620)</b>	<b>-</b>	<b>(1,791,620)</b>
<b>Other Financing Sources / (Uses)</b>			
Transfers In	1,262,000	-	1,262,000
Transfers Out	-	-	-
<b>Net Operating Transfers</b>	<b>1,262,000</b>	<b>-</b>	<b>1,262,000</b>
<b>Change in Fund Balance</b>	<b>(529,620)</b>	<b>-</b>	<b>(529,620)</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>			
<b>July 01, 2015 Balance</b>	<b>855,335</b>	<b>757,350</b>	<b>1,612,685</b>
<b>June 30, 2016 Balance</b>	<b>325,715</b>	<b>757,350</b>	<b>1,083,065</b>

## TRUST FUNDS OVERVIEW

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Trust Funds are a fiduciary fund-type used to report trust arrangements. Most trust funds relate to arrangements whereby principal and income of the funds benefit individuals, private organizations, or other governments.

### **Successor Agency Private-Purpose Trust Fund**

The Successor Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments on an “Enforceable Obligations Schedule” which primarily is a mechanism devised by the State of California through which assets, liabilities, and property of the former Redevelopment Agency are accounted, disposed, and disbursed for the benefit of taxing agencies.

### **Pension Trust Fund**

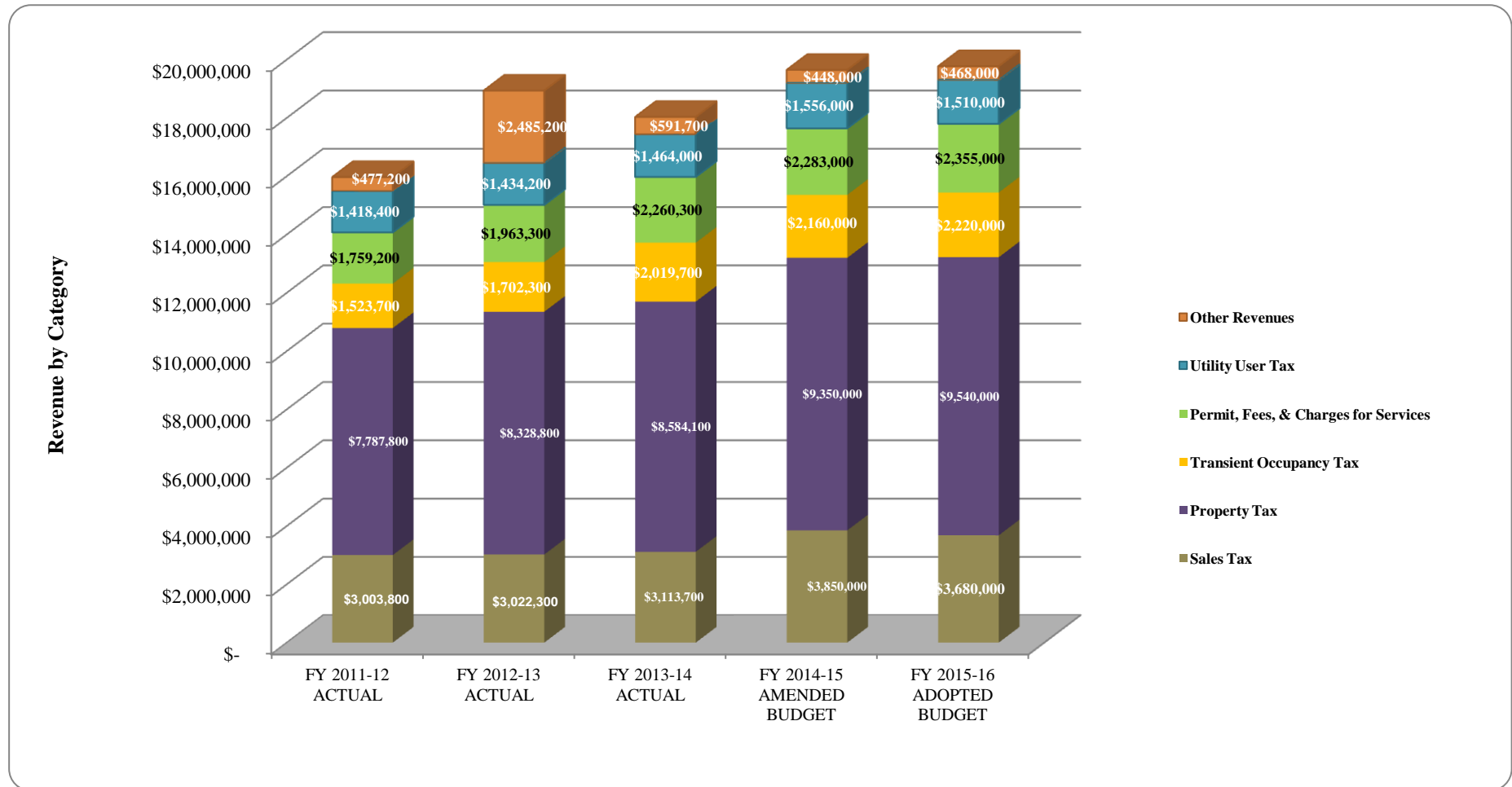
The Pension Trust Fund accounts for employee assets of the City 401k Plan. While the Plan is no longer the City’s main retirement plan, the City continues to administer and pay fees for trust administration for active employees within the Plan.

**CITY OF EAST PALO ALTO**  
**FY 2015-2016 AGENCY AND PENSION TRUST BUDGET**

	Administration F920	Tax Increment F921-923	Debt Service F945-947	Eliminating Entry	Total Successor Agency	Pension Trust	Total Agency and Trust
<b>Revenues</b>							
Property Tax	-	7,710,000	-	-	7,710,000	-	7,710,000
Sales Tax	-	-	-	-	-	-	-
Utility Users Tax	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-
Other State and Local Taxes	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-
Licenses, Fees, and Permits	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Use of Money and Property	-	-	994,965	(861,665)	133,300	18,500	151,800
Grants and Intergovernmental	-	-	-	-	-	-	-
Charges for Current Services	-	-	-	-	-	-	-
Other Miscellaneous	-	-	550,000	(550,000)	-	-	-
<b>Total Revenues</b>	-	<b>7,710,000</b>	<b>1,544,965</b>	<b>(1,411,665)</b>	<b>7,843,300</b>	<b>18,500</b>	<b>7,861,800</b>
<b>Expenditures</b>							
City Council	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-
Administrative Services	-	-	-	-	-	-	-
Finance	8,200	-	-	-	8,200	-	8,200
Community Development	21,900	-	-	-	21,900	-	21,900
Public Works	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
<b>Non-Departmental</b>							
Capital Projects	-	-	-	-	-	-	-
Debt Service	-	-	3,353,440	(1,411,665)	1,941,775	-	1,941,775
Insurance and Settlements	-	-	-	-	-	-	-
Other Non-Departmental	25,000	5,656,800	-	-	5,681,800	18,500	5,700,300
Overhead Allocation	165,000	-	-	-	165,000	-	165,000
<b>Total Expenditures</b>	<b>220,100</b>	<b>5,656,800</b>	<b>3,353,440</b>	<b>(1,411,665)</b>	<b>7,818,675</b>	<b>18,500</b>	<b>7,837,175</b>
<b>Net Sources / (Uses)</b>	<b>(220,100)</b>	<b>2,053,200</b>	<b>(1,808,475)</b>	<b>-</b>	<b>24,625</b>	<b>-</b>	<b>24,625</b>
<b>Other Financing Sources / (Uses)</b>							
Transfers In	220,100	-	1,811,150	(2,031,250)	-	-	-
Transfers Out	-	(2,028,575)	(2,675)	2,031,250	-	-	-
<b>Net Operating Transfers</b>	<b>220,100</b>	<b>(2,028,575)</b>	<b>1,808,475</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>-</b>	<b>24,625</b>	<b>-</b>	<b>-</b>	<b>24,625</b>	<b>-</b>	<b>24,625</b>
<b>Other Changes</b>	<b>-</b>	<b>700,000</b>	<b>-</b>	<b>-</b>	<b>700,000</b>	<b>-</b>	<b>700,000</b>
<b>Projected Fund Balance</b>							
<b>July 01, 2015 Balance</b>	<b>-</b>	<b>(28,029,460)</b>	<b>-</b>	<b>-</b>	<b>(28,029,460)</b>	<b>-</b>	<b>(28,029,460)</b>
<b>June 30, 2016 Balance</b>	<b>-</b>	<b>(27,304,835)</b>	<b>-</b>	<b>-</b>	<b>(27,304,835)</b>	<b>-</b>	<b>(27,304,835)</b>

# GENERAL FUND REVENUES BY MAJOR CATEGORY

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 AMENDED BUDGET	FY 2015-16 ADOPTED BUDGET
Property Tax	\$ 7,787,800	\$ 8,328,800	\$ 8,584,100	\$ 9,350,000	\$ 9,540,000
Sales Tax	\$ 3,003,800	\$ 3,022,300	\$ 3,113,700	\$ 3,850,000	\$ 3,680,000
Transient Occupancy Tax	\$ 1,523,700	\$ 1,702,300	\$ 2,019,700	\$ 2,160,000	\$ 2,220,000
Utility User Tax	\$ 1,418,400	\$ 1,434,200	\$ 1,464,000	\$ 1,556,000	\$ 1,510,000
Permit, Fees, & Charges for Services	\$ 1,759,200	\$ 1,963,300	\$ 2,260,300	\$ 2,283,000	\$ 2,355,000
Other Revenues	\$ 477,200	\$ 2,485,200	\$ 591,700	\$ 448,000	\$ 468,000
<b>Total General Fund Revenues*</b>	<b>15,970,100</b>	<b>18,936,100</b>	<b>18,033,500</b>	<b>19,647,000</b>	<b>19,773,000</b>



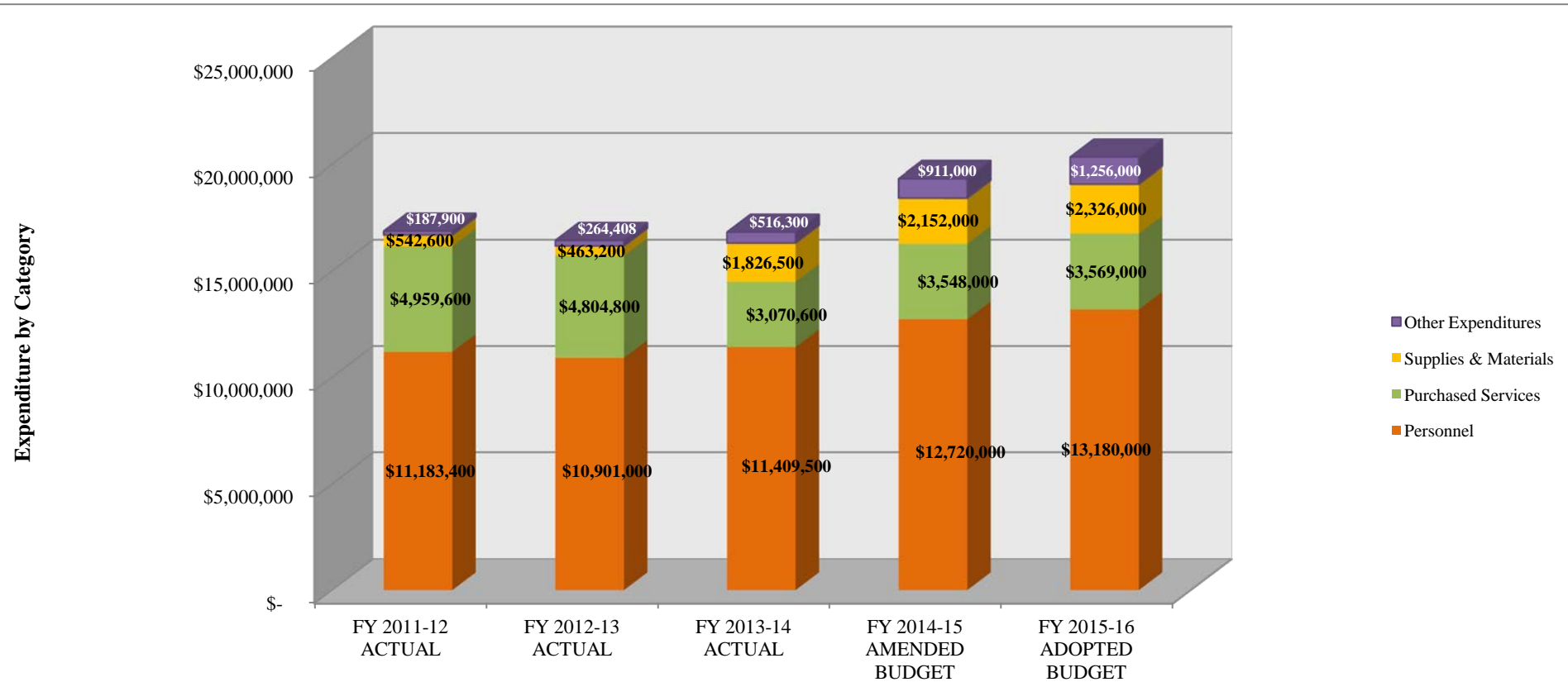
FS-15

\* Excludes Transfer In

## GENERAL FUND EXPENDITURES BY MAJOR CATEGORY

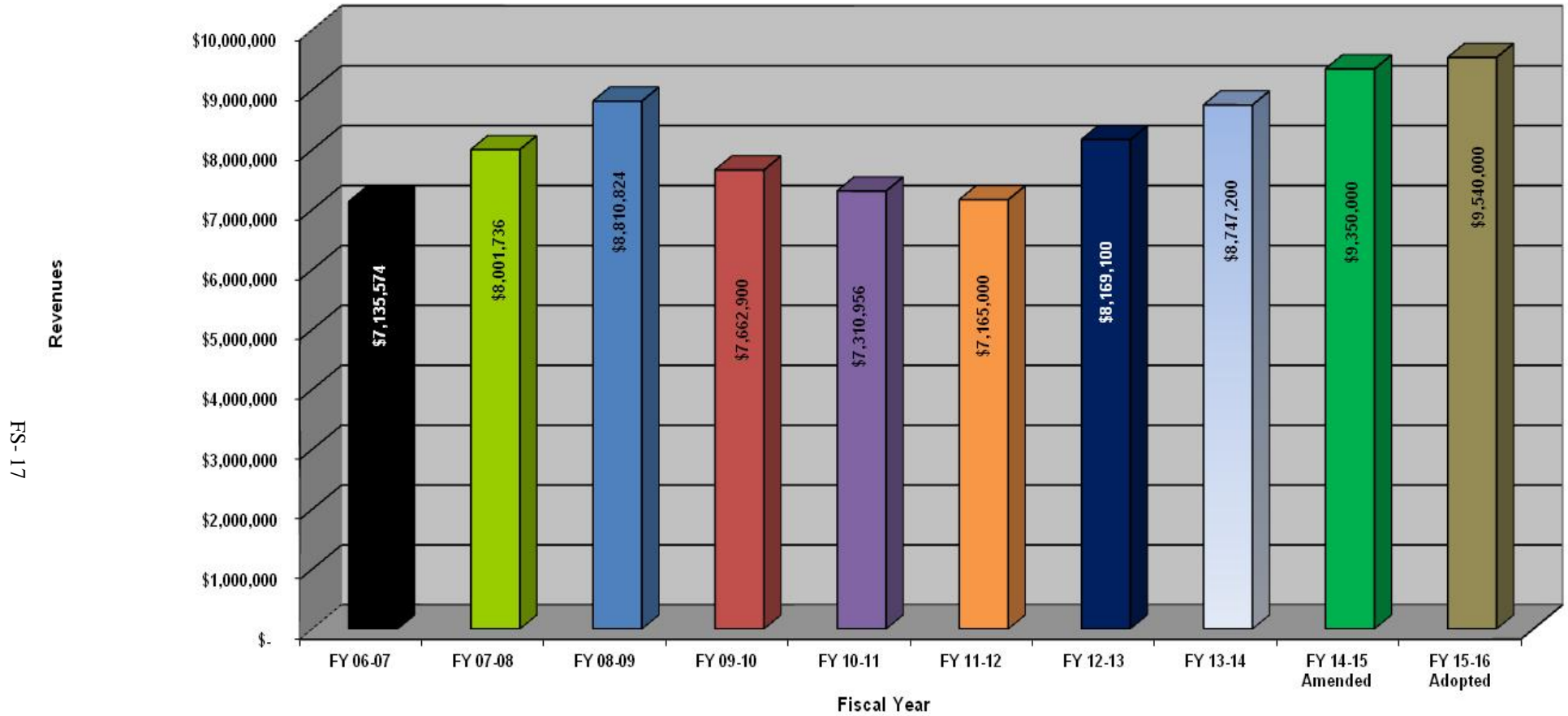
	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 AMENDED BUDGET	FY 2015-16 ADOPTED BUDGET
Personnel	\$ 11,183,400	\$ 10,901,000	\$ 11,409,500	\$ 12,720,000	\$ 13,180,000
Purchased Services	\$ 4,959,600	\$ 4,804,800	\$ 3,070,600	\$ 3,548,000	\$ 3,569,000
Supplies & Materials	\$ 542,600	\$ 463,200	\$ 1,826,500	\$ 2,152,000	\$ 2,326,000
Other Expenditures	\$ 187,900	\$ 264,408	\$ 516,300	\$ 911,000	\$ 1,256,000
Total General Fund Expenditures Before Allocations	<u>\$ 16,873,500</u>	<u>\$ 16,433,408</u>	<u>\$ 16,822,900</u>	<u>\$ 19,331,000</u>	<u>\$ 20,331,000</u>
Overhead Allocation to Other Funds	<u>\$ (902,600)</u>	<u>\$ (749,500)</u>	<u>\$ (809,600)</u>	<u>\$ (820,000)</u>	<u>\$ (782,000)</u>
<b>Total Net General Fund Expenditures*</b>	<b><u>\$ 15,970,900</u></b>	<b><u>\$ 15,683,908</u></b>	<b><u>\$ 16,013,300</u></b>	<b><u>\$ 18,511,000</u></b>	<b><u>\$ 19,549,000</u></b>

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\* Excludes Transfer out

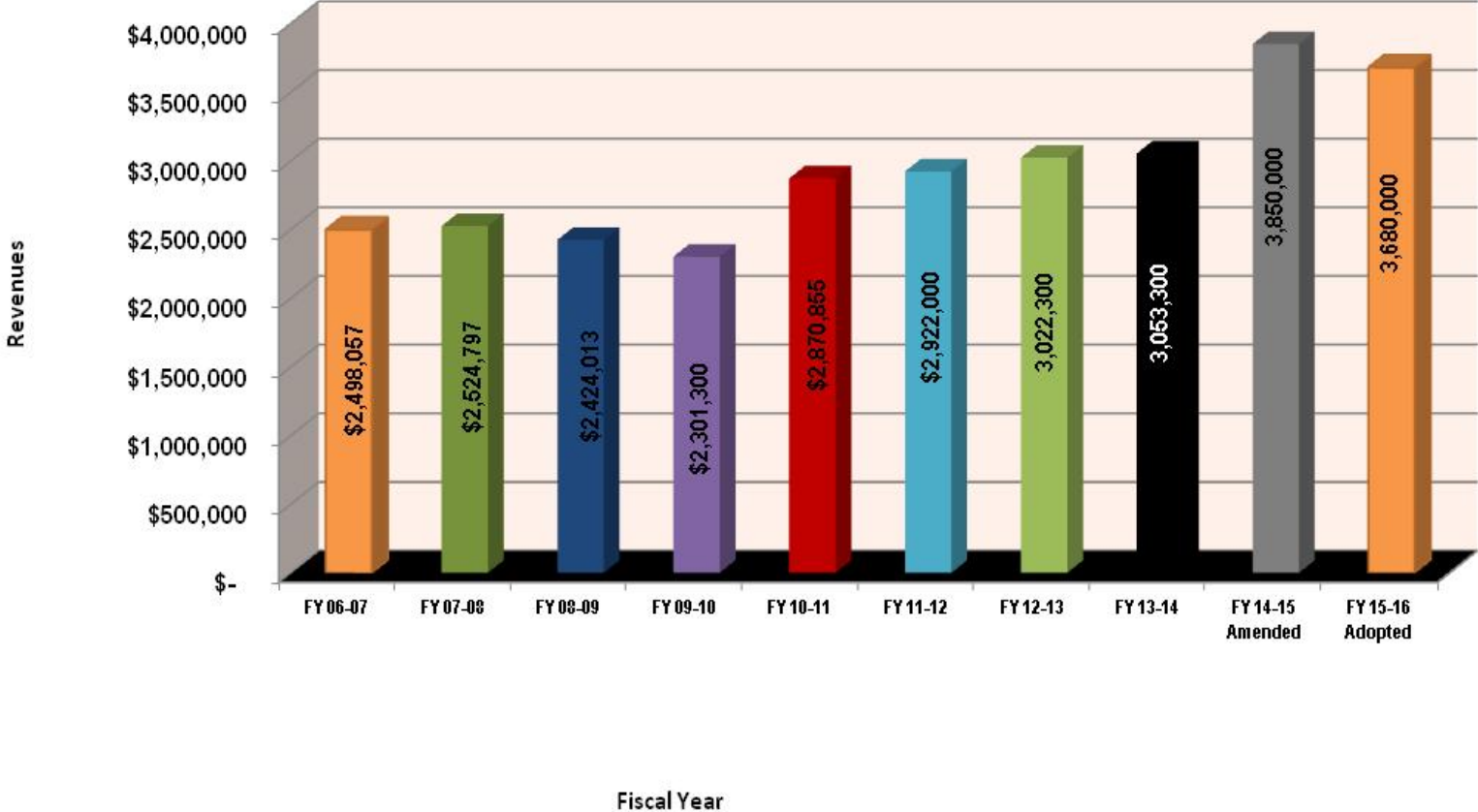
### GENERAL FUND 10-YEAR PROPERTY TAX REVENUES



FS-17

. \* Significant increase in property tax revenues beginning in FY 12-13 relates to the dissolution of redevelopment agencies, former tax increment (RPTTF) are redistributed to taxing entities after payment of enforceable obligations. In the FY 2015-16 Adopted Budget, estimated RPTTF total approximately \$1.8 million.

### GENERAL FUND 10-YEAR SALES TAX REVENUES



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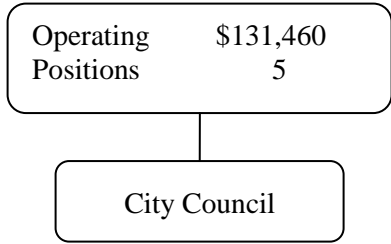
City Council

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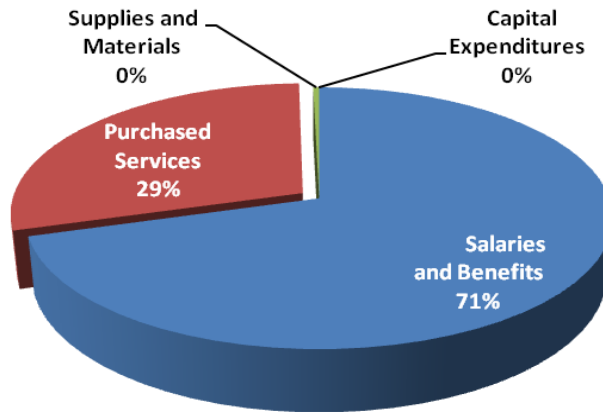
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# CITY COUNCIL

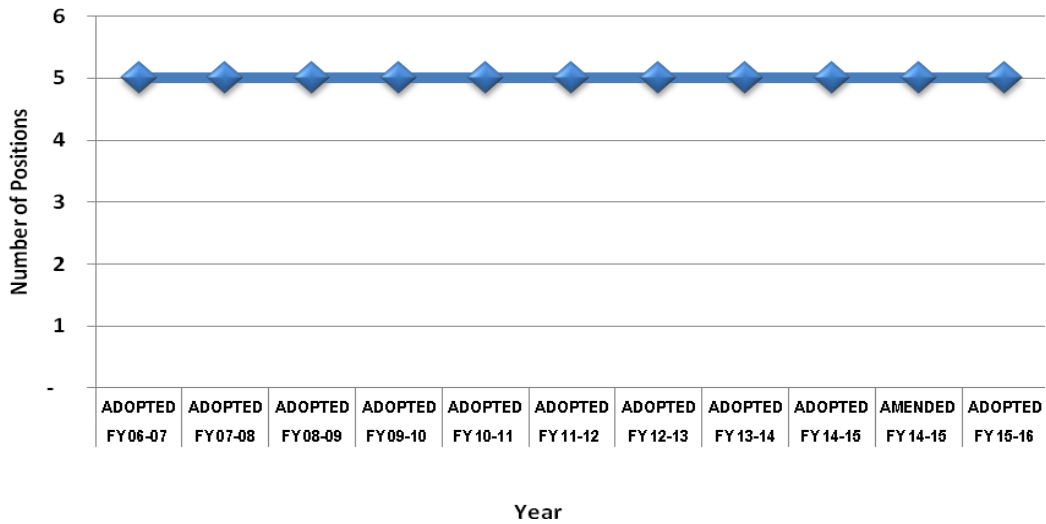
FY 2015-2016 Adopted Budget



## CHARACTER OF EXPENDITURES



## AUTHORIZED STRENGTH



**CITY COUNCIL**  
**FY 2015-2016 Adopted Budget**

**Department Summary**

SOURCE	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ACTUAL	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET
General Fund:					
Use of Resources	123,200	97,600	88,000	168,815	131,460
<b>TOTAL</b>	<b>123,200</b>	<b>97,600</b>	<b>88,000</b>	<b>168,815</b>	<b>131,460</b>

EXPENDITURES BY DEPARTMENT	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ACTUAL	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET
City Council	123,200	97,600	88,000	168,815	131,460
<b>TOTAL</b>	<b>123,200</b>	<b>97,600</b>	<b>88,000</b>	<b>168,815</b>	<b>131,460</b>

CHARACTER OF EXPENDITURES	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ACTUAL	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	63,800	62,000	59,200	103,315	92,560
<b>Subtotal</b>	<b>63,800</b>	<b>62,000</b>	<b>59,200</b>	<b>103,315</b>	<b>92,560</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	58,500	35,300	28,300	61,400	38,400
Supplies and Materials	900	300	500	1,100	500
Capital Expenditures	-	-	-	3,000	-
<b>Subtotal</b>	<b>59,400</b>	<b>35,600</b>	<b>28,800</b>	<b>65,500</b>	<b>38,900</b>
<b>TOTAL</b>	<b>123,200</b>	<b>97,600</b>	<b>88,000</b>	<b>168,815</b>	<b>131,460</b>

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET
Mayor	1	1	1	1	1
Vice Mayor	1	1	1	1	1
Council Member	3	3	3	3	3
<b>TOTAL</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>

# **CITY COUNCIL**

**FY 2015-2016 Adopted Budget**

## **Department Summary**

### **PURPOSE**

The City Council develops and adopts policies that ensure delivery of quality public services to the people of East Palo Alto in order to create a healthy, safe, and prosperous environment.

A five-member Council governs City services for a population of approximately 28,675 residents. Each Council Member is elected at large and serves a four-year term. The Mayor is appointed by the members of the Council and serves a one-year term. The Council convenes in regular session on the 1<sup>st</sup> and 3<sup>rd</sup> Tuesdays of each month (except for a recess each year during the month of August), and often holds special meetings and work study sessions throughout the year. All of the meetings are held in the East Palo Alto (EPA) Government Center, located in the City Council Chambers at 2415 University Avenue, and, except those designated as Closed Sessions, all meetings are open to the public.

The Council adopts policies, resolutions and ordinances for City operations and ensures appropriate representation and response to citizen interests. The City Council appoints the City Manager and City Attorney, who report directly to them, and in turn, support the City Council in its policy development functions and carry out the City Council policies and programs.

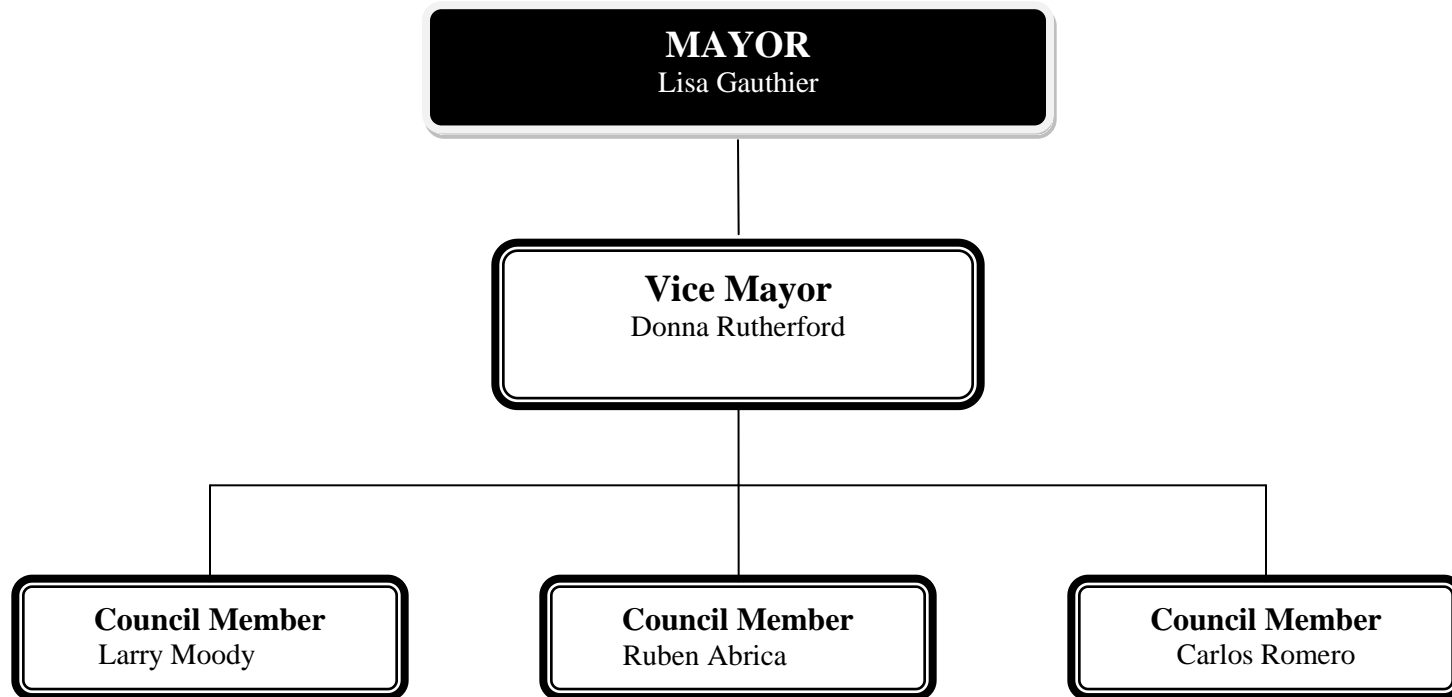
The Council's strategic priorities, goals and objectives are contained the in the section of the Budget titled, "City Council Strategic Plan".

### **SIGNIFICANT CHANGES**

#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$131,460 is a decrease of \$37,355 from the Fiscal Year 2014-2015 Adopted Budget of \$168,800. This 22.1% decrease is due primarily to the reclassification of the Mid-Peninsula Media Center contract services to the City Clerk's Office (\$25,000) as well as a reduction in estimated health benefit costs (\$10,515).

**CITY COUNCIL**  
**FY 2015-2016 Adopted Budget**



DB-4

Total FTE's: 5

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City Attorney's Office

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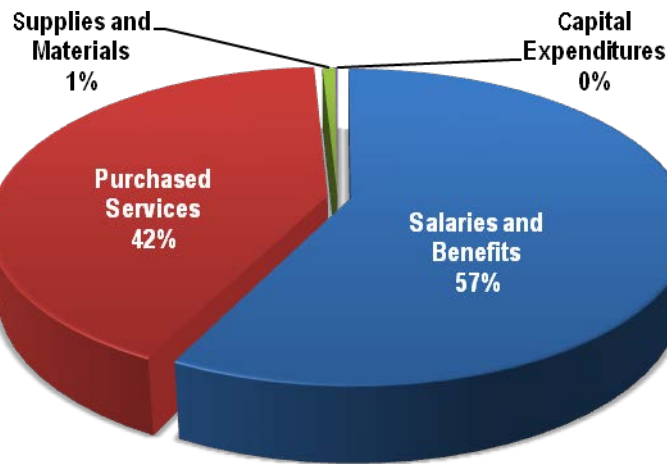
# CITY ATTORNEY'S OFFICE

FY 2015-2016 Adopted Budget

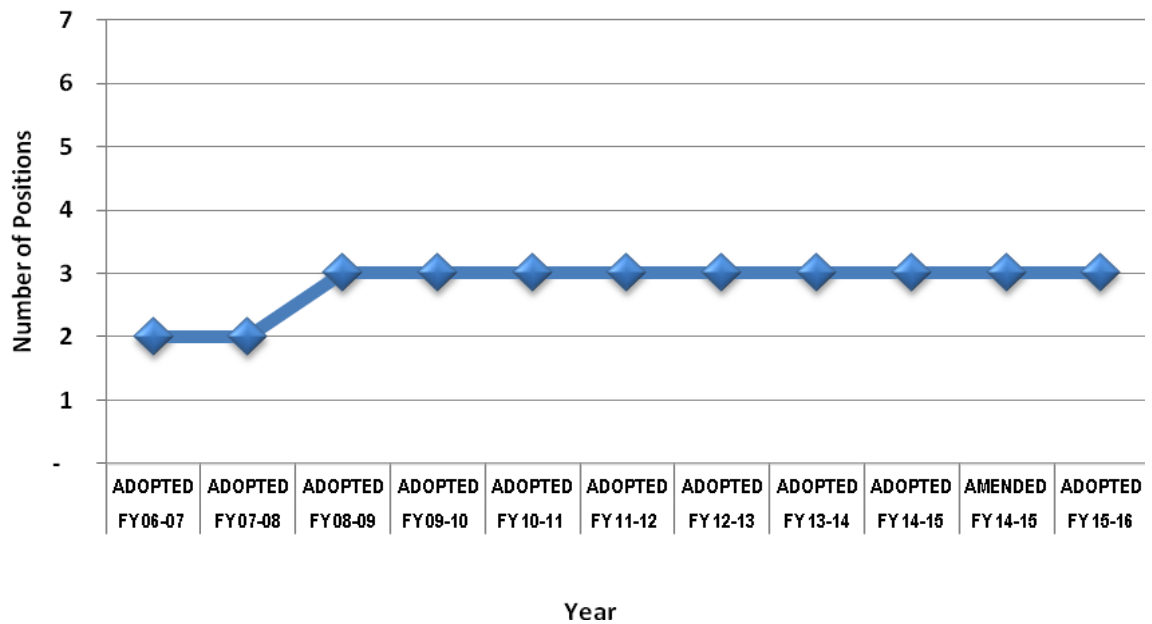
Operating Positions \$ 829,710  
3

City Attorney's Office

## CHARACTER OF EXPENDITURES



## AUTHORIZED STRENGTH



# CITY ATTORNEY'S OFFICE

## FY 2015-2016 Adopted Budget

### Department Summary

#### SOURCE

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Assigned Funds	59,110	174,820	123,020	275,000	110,000
Use of Resources	520,620	430,480	581,980	705,900	709,710
Enterprise Funds	-	-	-	-	10,000
<b>TOTAL</b>	<b>579,730</b>	<b>605,300</b>	<b>705,000</b>	<b>980,900</b>	<b>829,710</b>

#### EXPENDITURES BY DEPARTMENT

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
City Attorney's Office	579,730	605,300	705,000	980,800	829,710
<b>TOTAL</b>	<b>579,730</b>	<b>605,300</b>	<b>705,000</b>	<b>980,800</b>	<b>829,710</b>

#### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	325,560	333,700	310,000	494,400	476,410
<b>Subtotal</b>	<b>325,560</b>	<b>333,700</b>	<b>310,000</b>	<b>494,400</b>	<b>476,410</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	250,590	267,200	387,300	479,400	346,200
Supplies and Materials	2,240	3,700	6,700	6,100	6,100
Capital Expenditures	1,340	700	1,000	1,000	1,000
<b>Subtotal</b>	<b>254,170</b>	<b>271,600</b>	<b>395,000</b>	<b>486,500</b>	<b>353,300</b>
<b>TOTAL</b>	<b>579,730</b>	<b>605,300</b>	<b>705,000</b>	<b>980,900</b>	<b>829,710</b>

	FY 2011-12 ADOPTED BUDGET	FY 2012-13 ADOPTED BUDGET	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
City Attorney	1	1	1	1	1
Assistant/Deputy City Attorney*	1	1	1	1	1
Legal Secretary- RES	1	1	1	1	1
<b>TOTAL</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

\* This classification was previously budgeted as an Assistant City Attorney during the fiscal year 2013-14. Position is now a Deputy City Attorney.

# CITY ATTORNEY'S OFFICE

FY 2015-2016 Adopted Budget

## Department Summary

### MISSION STATEMENT

Provide legal advice and representation, consistent with the highest professional and ethical standards, to the City Council, City officers, City employees, and appointed boards, commissions and committees in carrying out the City Council's policies and strategic goals and objectives, and advancing the City's interest in serving the people of East Palo Alto while limiting risk and costs to the taxpayers.

The role of the City Attorney's Office is to provide advisory and litigation services to the City, as represented by the City Council, City Council appointed boards, commissions and committees, and City departments. The office has a staffing level of 3 positions: City Attorney, Deputy City Attorney and Legal Secretary.

The emphasis of the Fiscal Year 2015-2016 budget is the continued delivery of quality professional legal services that promote reliable and useful advice and effective advocacy. The basic services include attendance and advice at public meetings, drafting ordinances, providing legal opinions and advice regarding legal risk management, reviewing and drafting legal documents and contracts, providing advice regarding elected and appointed public officials' conflicts of interest, representing the City in litigation before courts and administrative agencies and settling claims and lawsuits based on an impartial evaluation of their merits.

Within each of the basic services provided, the City Attorney's Office will undertake projects that specifically address the City Council's Strategic Plan Goals and Objectives:

- Provide proactive legal advice;
- Give opinions and draft documents that help achieve the City Council's Strategic Plan and the City Manager's priority action items;
- Advise on significant changes in state and federal law and other regulations impacting City operations and programs;
- Defend the City's interest in court and administrative hearings and initiate legal action to protect the rights and enhance the quality of life of City residents.
- Provide objective and reasonable interpretation of City Council-adopted policies, state and local land use regulations and other policies, as appropriate;
- Support the Rent Stabilization Program, including providing legal advice to staff and the Rent Stabilization Board; preparing reports and analyzing appeals; updating program regulations; attending board meetings.
- Support the implementation of the City's Tenant Protection Ordinance.
- Support the Community and Economic Development Department through participation in the development review process and in reviewing and analyzing environmental impact documents for developments in the Ravenswood Business District.

# CITY ATTORNEY'S OFFICE

FY 2014-2015 Adopted Budget

**Department Summary cont.**

- Provide code enforcement legal services through outside special counsel;
- Provide legal advice for the Capital Improvement Program (CIP), including, as necessary, integrating or aligning all public rights of way policy documents into the CIP; and review of claims received by the City related to public rights of way;
- Work with the City Manager's Office to reduce exposure to claims, litigation and industrial injuries/illnesses;
- Update, revise and add provisions in the Municipal Code and Zoning Ordinance as required;
- Provide legal advice to the Community and Economic Development Department and City Council related to the interim moratorium on development on the Westside, and the General Plan Update and Westside Area Plan; and
- Provide legal advice on land use issues related to proposed development projects.

## **SIGNIFICANT CHANGES**

### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$829,710 is a decrease of \$151,190 from the Fiscal Year 2014-15 Adopted Budget of \$980,900. The 15.4% decrease is primarily due to a reclassification of budgeted citywide settlement and judgments (\$125,000) to non-departmental expenditures as well as a reduction in budgeted salaries and benefits (\$17,990) due to lower estimated retirement and benefit costs. The lower benefit costs are partially due to hiring employees new to the City's Cal PERS retirement plan.

# CITY ATTORNEY'S OFFICE

FY 2015-2016 Adopted Budget

## FY 2014-2015 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. To attend and provide advice to 24 Regular and/or Special City Council meetings.	1. Accomplished.
2. To attend and provide advice to 20 Regular and/or Special Planning Commission meetings.	2. Accomplished.
3. To attend and provide advice to 24 Regular and/or Special Rent Stabilization Program Board meetings.	3. Accomplished.
4. To respond to Pitchess motions 100% of the time.	4. Accomplished.
5. To actively pursue cost-effective resolution of pending litigation matters and continue to process and resolve claims filed against the City.	5. Accomplished.
6. To provide legal advice to Code Enforcement Division and file or abate code enforcement cases as needed.	6. Accomplished.
7. To provide ongoing legal advice regarding the Successor Agency to the Former Redevelopment Agency of the City of East Palo Alto's obligations, compliance with redevelopment agency dissolution requirements under AB 1X 26, and interaction with Oversight Board.	7. Accomplished.
8. To provide legal advice to City Clerk's office on legal questions regarding the November 2014 Municipal General Election and adoption of 2014 City Conflict of Interest Code.	8. Accomplished.
9. Draft documents in support of City Manager's negotiation of a joint use facilities agreement with Ravenswood and Sequoia School Districts and present agreements for City Council review and adoption.	9. Not Started.
10. Assist Community and Economic Development Department in establishing development impact fees and inclusionary housing impact fees, and present to the City Council for adoption and in implementing infrastructure projects including Safe Routes	10. Accomplished for inclusionary housing impact fees. In progress for development impact fees to School, Bay Road, and University Avenue and Newell Road bridges.

# CITY ATTORNEY'S OFFICE

FY 2015-2016 Adopted Budget

## FY 2014-2015 ACCOMPLISHMENTS

- |   |                   |
|---|-------------------|
| 11. To participate in drafting of Agreement for Funding Construction and Construction Management Agreement for San Francisquito Creek Flood Reduction, Ecosystem Restoration, and Recreation Project.                           | 11. Accomplished. |
| 12. To assist the City Manager in the drafting of various administrative policies, including by not limited to personnel, website use, and other policies.  | 12. Accomplished. |
| 13. To complete ownership transfer of properties owned by the former Ravenswood Park and Recreation District to City ownership.   | 13. Accomplished. |
| 14. To assist Community and Economic Development Department in drafting amendments to Mobile Home Park closure Ordinance.   | 14. Accomplished. |
| 15. To assist the Community and Economic Development Department in negotiations with American Water Enterprises regarding rate relief request packet review procedures and development of a Water Rates and Finances Worksheet. | 15. In progress.  |
| 16. To meet with City departments to review and revise City's short form and long form contract templates and contract processing procedures.   | 16. Accomplished. |
| 17. Provide training to Rent Stabilization Board and Planning Commission regarding due process issues.  | 17. Accomplished. |

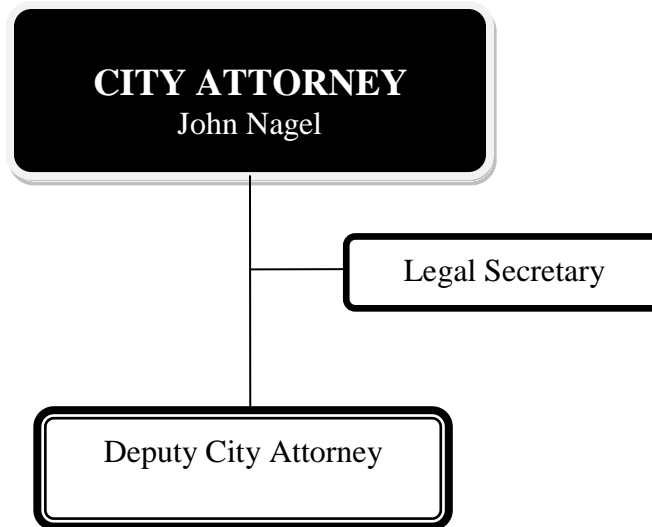
# CITY ATTORNEY'S OFFICE

**FY 2015-2016 Adopted Budget**

## **FY 2015-2016 OBJECTIVES**

1. Attend and provide advice at all Regular and Special City Council meetings.
2. Attend and provide advice at all Regular and Special Planning Commission meetings.
3. Attend and provide advice at all Regular and Special Rent Stabilization Program Board meetings.
4. Respond to *Pitchess* motions 100% of the time.
5. Represent the City in lawsuits and administrative hearings and pursue cost-effective resolution of pending litigation matters and the processing and settlement of claims filed against the City.
6. Provide legal advice to the Code Enforcement Division and file code enforcement actions as needed.
7. Provide legal advice regarding the Successor Agency to the Former Redevelopment Agency of the City of East Palo Alto's obligations, compliance with redevelopment agency dissolution requirements pursuant to state law as adjudicated by the California Supreme Court, and interaction with the Oversight Board.
8. Provide legal advice to all city departments regarding responses to Public Records Act requests.
9. Provide legal advice to all city departments regarding responses to subpoenas.
10. Assist the City Manager with negotiating a joint use facilities agreement with the Ravenswood and Sequoia School Districts and present agreements for City Council review and adoption.
11. Provide legal advice to the Human Resources Department regarding personnel matters and assist the City's labor negotiations team in negotiating new labor agreements.
12. Assist the Community and Economic Development Department in establishing development impact fees for City Council adoption.
13. Provide legal advice regarding the public bidding and administration of public works projects and provide legal advice regarding City procurement practices and policies.
14. Provide legal advice to Planning Division on major project applications.
15. Assist City Manager in the drafting and revising administrative policies.
16. Assist the Community and Economic Development Department in negotiations with American Water Enterprises regarding rate relief request packet review procedures and development of a Water Rates and Finances Worksheet.
17. Provide legal advice regarding the interim moratorium on development of the Westside, the General Plan Update and Westside Area Plan, and updating of the Zoning Ordinance.
18. Meet with all City departments to revise the City's consultant and professional services agreement template.
19. Provide training to Rent Stabilization Board and Planning Commission regarding due process issues.
20. Provide training to all City boards, commissions and committees regarding the Brown Act, Public Records Act and conflict of interest laws.

**CITY ATTORNEY'S OFFICE**  
**FY 2015-2016 Adopted Budget**



DB- 12

Total FTE's: 3



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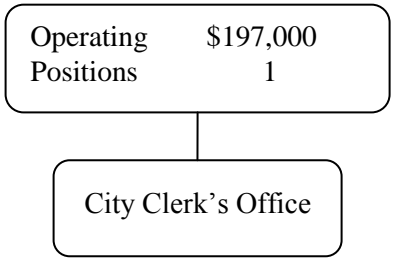
City Clerk's Office

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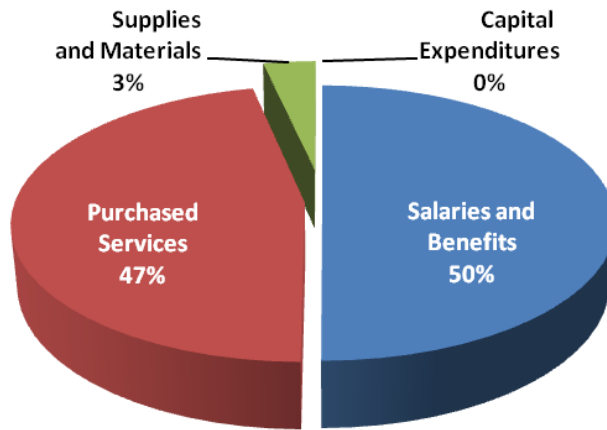
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# CITY CLERK'S OFFICE

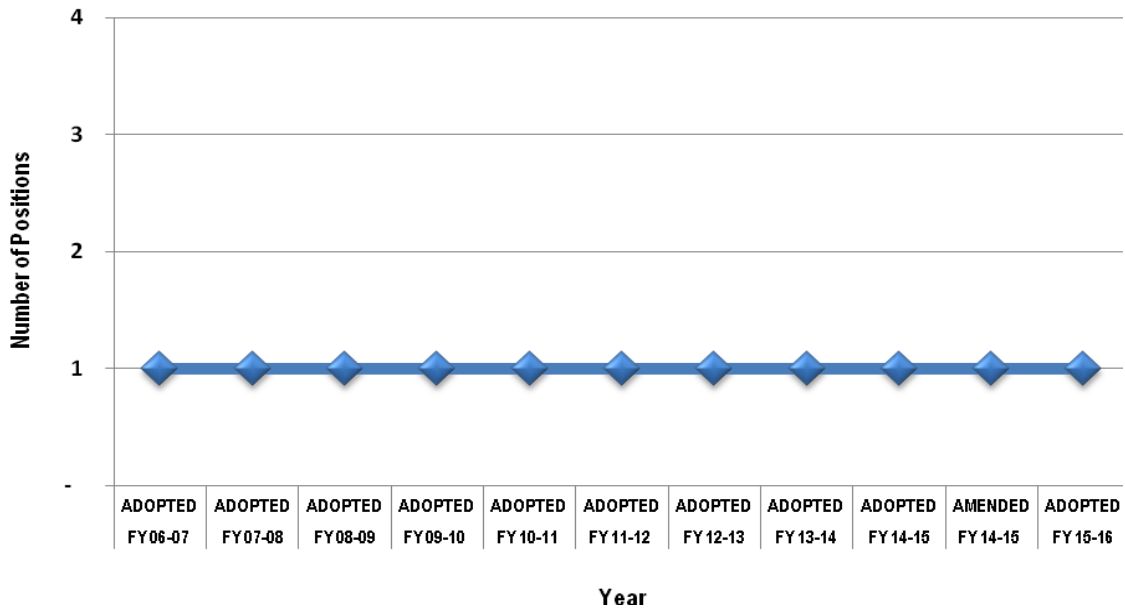
FY 2015-2016 Adopted Budget



## CHARACTER OF EXPENDITURES



## AUTHORIZED STRENGTH



# CITY CLERK'S OFFICE

## FY 2015-2016 Adopted Budget

### Department Summary

#### SOURCES

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ACTUAL	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET
General Fund:					
Assigned Funds	-	-	-	10,000	30,000
Use of Resources	185,560	145,700	126,400	166,300	167,000
<b>TOTAL</b>	<b>185,560</b>	<b>145,700</b>	<b>126,400</b>	<b>176,300</b>	<b>197,000</b>

#### EXPENDITURES BY DEPARTMENT

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ACTUAL	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET
City Clerk's Office	185,560	145,700	126,400	176,300	197,000
<b>TOTAL</b>	<b>185,560</b>	<b>145,700</b>	<b>126,400</b>	<b>176,300</b>	<b>197,000</b>

#### CHARACTER OF EXPENDITURES

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2014-15	FY 2015-16
	ACTUAL	ACTUAL	ADOPTED BUDGET	PROJECTED BUDGET	ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	116,360	97,400	97,500	104,500	98,600
<b>Subtotal</b>	<b>116,360</b>	<b>97,400</b>	<b>97,500</b>	<b>104,500</b>	<b>98,600</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	50,800	42,500	23,600	62,300	91,600
Supplies and Materials	15,600	4,400	5,300	9,500	6,800
Capital Expenditures	2,800	1,400	-	-	-
<b>Subtotal</b>	<b>69,200</b>	<b>48,300</b>	<b>28,900</b>	<b>71,800</b>	<b>98,400</b>
<b>TOTAL</b>	<b>185,560</b>	<b>145,700</b>	<b>126,400</b>	<b>176,300</b>	<b>197,000</b>

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET
Deputy City Clerk	1	1	1	1	1
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

# CITY CLERK'S OFFICE

**FY 2015-2016 Adopted Budget**

## MISSION STATEMENT

The City Clerk Department is committed to provide the constituency of East Palo Alto with accurate and transparent official City records and documents in a timely manner, is dedicated to support the City Council and work with other City Departments to provide outstanding support; and is obligated to work with the State of California and the Federal Government to ensure that their laws and regulations are observed.

## Organization & Strategic Priorities

The City Manager is designated as the City Clerk. The City Clerk's Office has a support staff level of one Deputy City Clerk position.

The Deputy City Clerk's priorities consist of the preparation and distribution of City Council agenda materials; taking, transcribing, and certifying minutes; maintaining the City's official records; monitoring compliance with the California Fair Political Practices Commission (FFPC) requirements; and preparing ordinances for codification to the East Palo Alto Municipal Code. Other functions of the City Clerk's Office include responding to Public Records Act requests, scheduling and performing legally required activities for matters such as annexations, bond issues, bids, regular and special elections and hearings, and administering Oaths of Office to newly appointed members of the City's Boards, Committees, and Commissions as well as newly elected officials. The priorities are driven by the directions and actions of the City Council, the City Manager/Clerk, and the public's requests for information.

The emphasis of the Fiscal Year 2015-2016 budget is to maintain current levels of service to the public with a focus on accuracy and efficiency such as the following:

- Plan, direct and coordinate functions and activities as directed by the City Manager/City Clerk's Office and in compliance with the State of California and the Federal Government;
- Create and/or utilize an Agenda Management System (automated/manual) to prepare and distribute agenda packets for and record minutes at the City Council meetings;
- Utilize an automated Records Management System to create the history and maintenance of the City's agendas, minutes, resolutions, ordinances, plans, budgets, staff reports, and other documents required according to the City's retention schedule;
- Assist the City Manager and other Department Heads with administrative and technical work related to City codes, resolutions, contracts, regulations and policies;
- Prepare and monitor the Election filings for 2016;
- Monitor and file the Fair Political Practices Commission Conflict of Interest Forms (Form 700) for City Council Members, members appointed to the City Council Advisory Bodies, and designated employees; and
- Coordinate with the Media Center to televise City Council and Planning Commission meetings.

# CITY CLERK'S OFFICE

FY 2015-2016 Adopted Budget

## SIGNIFICANT CHANGES

### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$197,000 is an increase of \$20,700 from the FY2014-2015 Adopted Budget of \$176,300. The increase of 11.7% is due to the reclassification of the Mid-Peninsula Media Center contract costs (\$20,000) from City Council to the City Clerk. Additionally, the City Clerk budget reflects a reduction in County Services (\$15,000) and other operating costs offset by increases for a records management assessment and digital scanning costs in order to achieve goals and objectives for FY 2015-16.

# CITY CLERK'S OFFICE

FY 2015-2016 Adopted Budget

## FY 2014-2015 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. To develop and initiate the automated application process for City Council appointed advisory bodies by February 3, 2015.	1. Accomplished.
2. To post and broadcast 22 Regular City Council agendas at least <u>72 hours</u> prior to the meeting from July 2014 – June 2015.	2. Accomplished.
3. To post and broadcast Special City Council agendas at least <u>24 hours</u> prior to the meeting from July 2014 – June 2015.	3. Accomplished.
4. To upload recorded video of Regular and Special City Council Meeting and post on the Website the next day from July 2014 – June 2015.	4. Accomplished.
5. To ensure that the Media Center is notified and scheduled to video record all Regular and Special City Council Meetings from July 2014 – June 2015.	5. Accomplished.
6. To ensure that the minutes of the Regular and Special City Council Meetings are up to date 24 hours following City Council Adoption from July 2014 – June 2015.	6. Accomplished.
7. To provide timely submission of City Council Meeting, Agendas, meeting posting, meeting materials online, and hard copies to the library from July 2014 – June 2015.	7. Accomplished.
8. To provide public records to the public upon request within the required 10 day or additional 14 day extension per Public Records Act.	8. Accomplished. All requests, except one, were handled within the 10 day period.

# **CITY CLERK'S OFFICE**

**FY 2015-2016 Adopted Budget**

## **FY 2015-2016 OBJECTIVES**

1. Purchase, utilize, and maintain a Records Management System that deposits and maintains records into an automated filing system, thus creating easier access for the public and City departments to obtain records.
2. Purchase and utilize an automated Agenda Management System that creates an efficient workflow between City Departments for the agenda and staff reports to be compiled and posted onto the website via automation technology.
3. Continue to update and maintain the City Clerk's website.
4. Continue the inventory of active and inactive records stored at Demeter Warehouse which may be eligible for destruction and/or proper retention pursuant to the records retention schedule.
5. Continue to provide training to staff as needed on the policy, retention schedule, and legal destruction of inactive records.
6. Ensure proper posting and noticing of agendas for public meetings/hearings to comply with Brown Act and to maintain open and transparent government.
7. Coordinate a seamless and systematic Advisory Body annual recruitment and appointment process.
8. Monitor compliance of designated Form 700 filers.
9. Ensure that the Media Center is well informed of the City Council and Planning Commission meeting schedule for public broadcasting.
10. Conduct a smooth and systematic election process for the November 2016 General Election.



**CITY CLERK'S OFFICE**  
**FY 2015-2016 Adopted Budget**

CITY MANAGER/ CITY  
CLERK

Deputy City Clerk

DB-19

Total FTE's: 1

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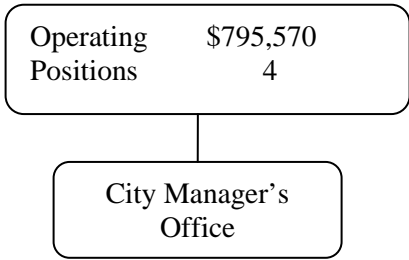
City Manager's Office

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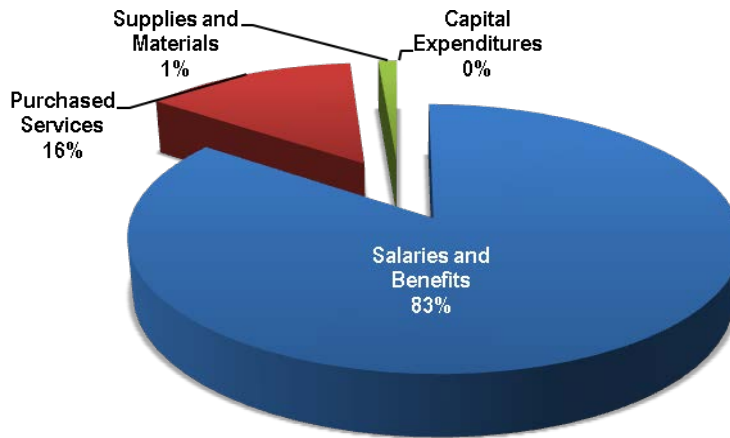
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# CITY MANAGER'S OFFICE

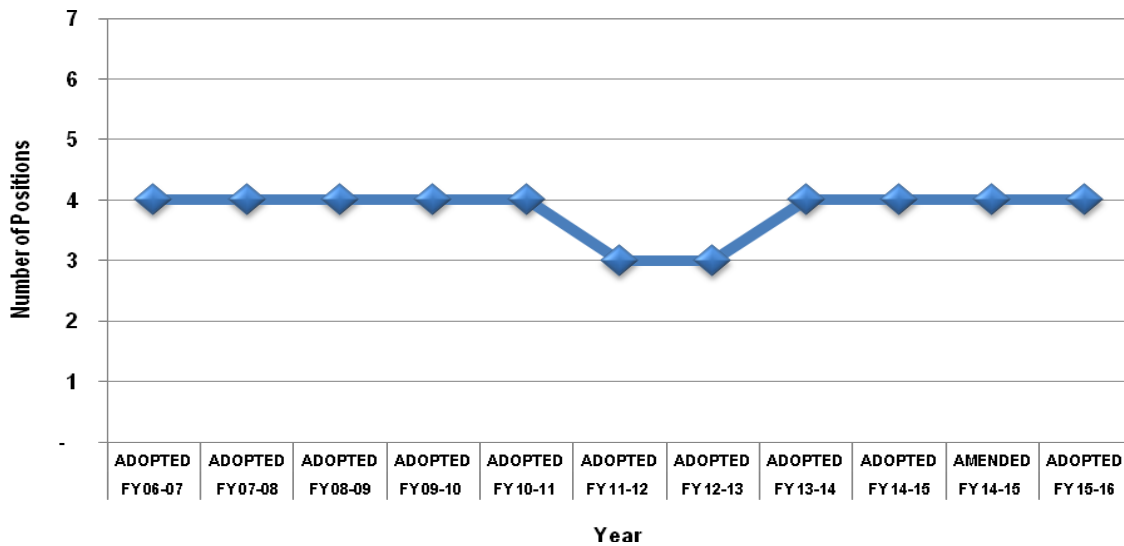
FY 2015-2016 Adopted Budget



## CHARACTER OF EXPENDITURES



## AUTHORIZED STRENGTH



# CITY MANAGER'S OFFICE

## FY 2015-2016 Adopted Budget

### Department Summary

#### SOURCES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Use of Resources	963,850	705,250	715,160	881,400	795,570
Special Revenue Funds	236,850	262,450	-	-	-
<b>TOTAL</b>	<b>1,200,700</b>	<b>967,700</b>	<b>715,160</b>	<b>881,400</b>	<b>795,570</b>

#### EXPENDITURES BY DEPARTMENT

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
City Manager's Office	1,200,700	967,700	715,160	881,400	795,570
<b>TOTAL</b>	<b>1,200,700</b>	<b>967,700</b>	<b>715,160</b>	<b>881,400</b>	<b>795,570</b>

#### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	834,400	631,750	594,780	703,500	664,470
<b>Subtotal</b>	<b>834,400</b>	<b>631,750</b>	<b>594,780</b>	<b>703,500</b>	<b>664,470</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	233,900	326,560	112,800	170,400	125,600
Supplies and Materials	131,600	8,790	4,180	7,500	5,500
Capital Expenditures	800	600	3,400	-	-
<b>Subtotal</b>	<b>366,300</b>	<b>335,950</b>	<b>120,380</b>	<b>177,900</b>	<b>131,100</b>
<b>TOTAL</b>	<b>1,200,700</b>	<b>967,700</b>	<b>715,160</b>	<b>881,400</b>	<b>795,570</b>

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Administrative Analyst	1	-	-	-	-
Assistant City Manager	1	1	1	1	1
City Manager	1	1	1	1	1
Executive Assistant to City Manager	1	-	1	1	1
Office Assistant	1	1	1	1	1
Public Information/ Relations Manager	1	-	-	-	-
<b>TOTAL</b>	<b>6</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>

# CITY MANAGER'S OFFICE

**FY 2015-2016 Adopted Budget**

## **Department Summary**

### **MISSION STATEMENT**

The City Manager is responsible for ensuring the efficient delivery of municipal services, and is accountable to the City Council for the performance of the City organization. The City Manager also develops recommendations and strategies to meet the current and future needs of the East Palo Alto community, and to implement the Strategic Priorities of the City Council. Along with the City professional staff, the City Manager provides technical and administrative support and advice to the City Council in the performance of their duties.

The City Manager's Office is organized into the following programmatic functions: Administration and Policy Oversight, Budget Development and Management, Human Resources, City Clerk support, Legislative Analysis, Special Projects, Organizational Effectiveness, and Executive oversight of Successor Agency (formerly the Redevelopment Agency) and Economic Development initiatives. The Office currently has an authorized direct staffing level of four positions.

The emphasis of Fiscal Year 2015-2016 is to continue advancing towards completion many of the ongoing critical capital infrastructure projects, and developing new sources of revenue to support the long range capital improvements needs of the City, to mitigate the impact of escalating rents and housing costs by developing more affordable housing, and to address quality of life issues related to overcrowding, such as illegal dumping, illegal construction and parking.

The City Manager's Office will continue oversight of the organization to provide a professional delivery of quality public services, efficient government, community health and safety, fiscal stability, organizational effectiveness and development, economic vitality, quality of life, and citizen involvement. Within this policy framework, the City Manager Office's priorities are as follows:

- To obtain and maintain a balanced budget by: 1) identifying and implementing fiscal controls and cost savings; 2) allocating recurring revenues to recurring expenses; and 3) seeking alternative revenue options.
- To implement best municipal practices in the development and implementation of policies, procedures and standards in the delivery of public services
- To optimize the City's internal organization by: 1) augmenting personnel resources and expertise to resolve the most critical issues for the City; 2) hiring highly professional, experienced staff; 3) developing succession plans within the organization to prevent staffing turnover; and 4) providing timely feedback, mentoring and training to enhance efficiency and effectiveness.
- To effectively use a wide variety of media (e.g. print, on-line, social, face-to-face meetings) to educate inform and involve the community in their local government.
- To enhance the visibility of capital infrastructure needs in the community, pursue funding for critical projects and ensure projects are completed on-time and on-budget.

### **SIGNIFICANT CHANGES**

#### **FY 2015-2016 Adopted to FY 2014-2015 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$795,570 is a \$85,830 decrease from the Fiscal Year 2014-15 Adopted Budget of \$881,400. The 9.7% decrease is mainly due to lower salary and benefit costs (\$39,030) and a reduction in purchased services (\$44,800).

# CITY MANAGER'S OFFICE

FY 2015-2016 Adopted Budget

## FY 2014-2015 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. Selecting and appointing a Police Chief	Completed
2. Developing a Water Security Strategy Blueprint	Completed, ongoing
3. Review City organization and provide recommendation to improve efficiencies	Completed, ongoing
4. Develop and present to Council a balanced budget	Completed, ongoing
5. Develop a present to Council a Capital Improvement Program with funding recommendations for priority projects for implementation.	Completed, ongoing
6. Develop annual process for funding applications under Transient Occupancy Tax (TOT) and Measure C grant programs.	Completed, ongoing
7. Develop an Affordable Housing Strategy.	Not completed
8. Explore revenue generating options for City Council consideration.	Initiated, not completed



# **CITY MANAGER'S OFFICE**

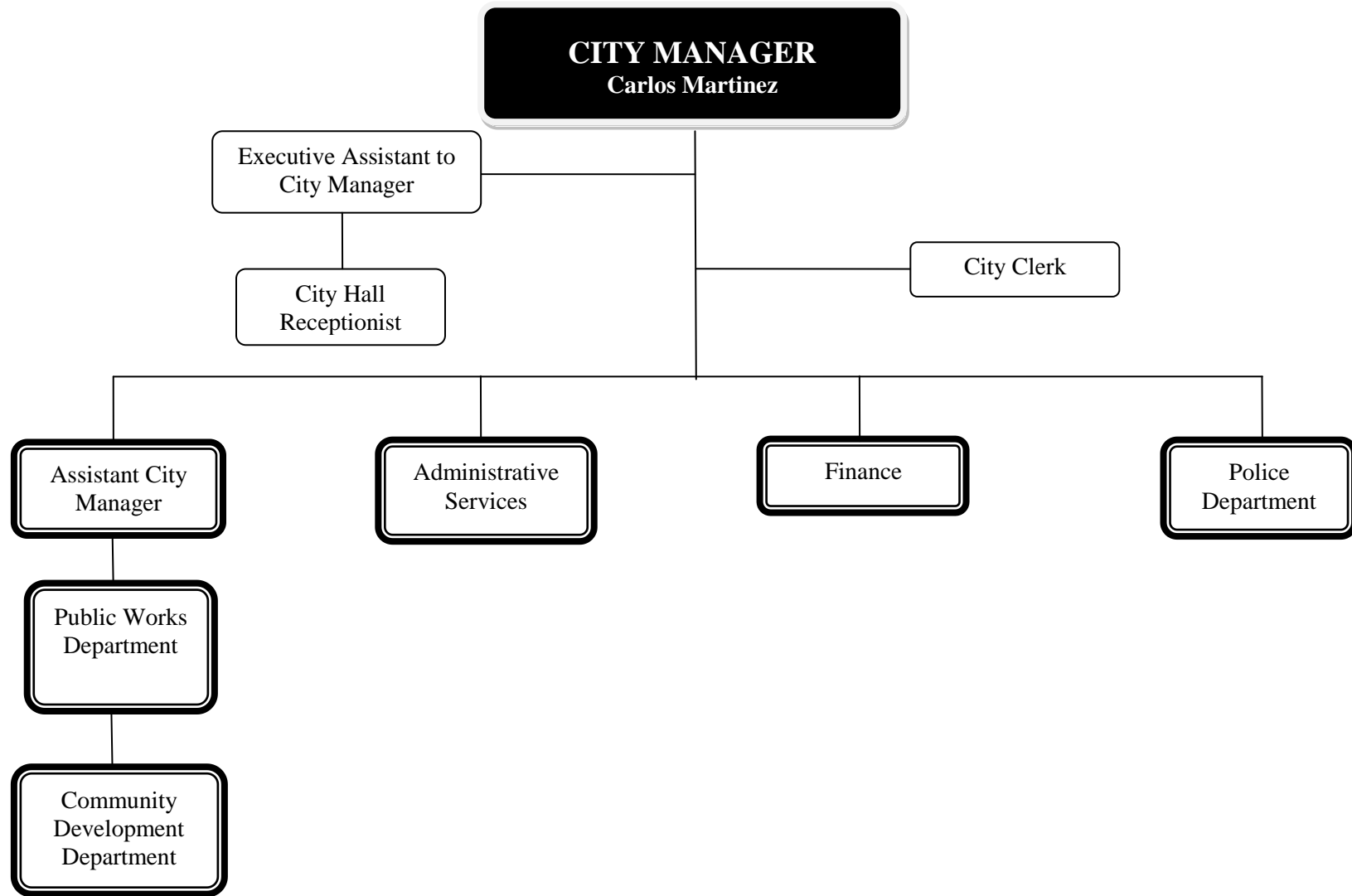
## **FY 2015-2016 Adopted Budget**

### **FY 2015-2016 OBJECTIVES**

1. Present to the City Council a fiscal year 2014-15 balanced budget, with options including cost reductions and potential new revenue generating alternatives.
2. Continue to use current communications vehicles (e.g. East Palo Alto Proud quarterly newsletter, City Manager's Update newsletter, City website, e-mail blasts) and develop new means of communication including a stronger social network presence.
3. Enhance emergency preparedness by increasing coordination with and participating in training exercises with regional partners (e.g. neighboring cities, Menlo Park Fire Protection District, San Mateo County Office of Emergency Services).
4. Continue to focus on water and infrastructure needs by including priority projects in the Capital Improvement Plan and Fiscal Year Budget and by increasing community awareness about these issues through targeted outreach efforts.
5. Undertake assessment of Police Department, Senior Services and other City operations; identify and prioritize specific improvements to undertake; prepare action plans for accomplishing improvements.
6. To build and strengthen community connections, a minimum of once per month make direct contact with individual residents/business owners and community groups/organizations.

# CITY MANAGER'S OFFICE

FY 2015-2016 Adopted Budget



DB - 25

Total FTE's: 4

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Administrative Services Department

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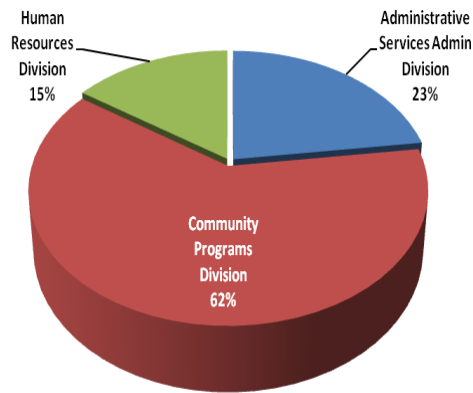
# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2015-2016 Adopted Budget

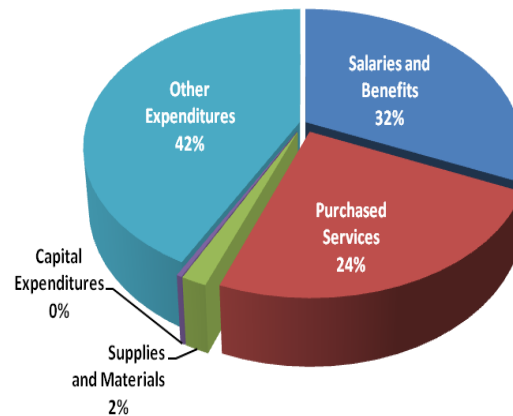
Operating \$ 2,347,600  
Positions 7.38

Administrative  
Services Department

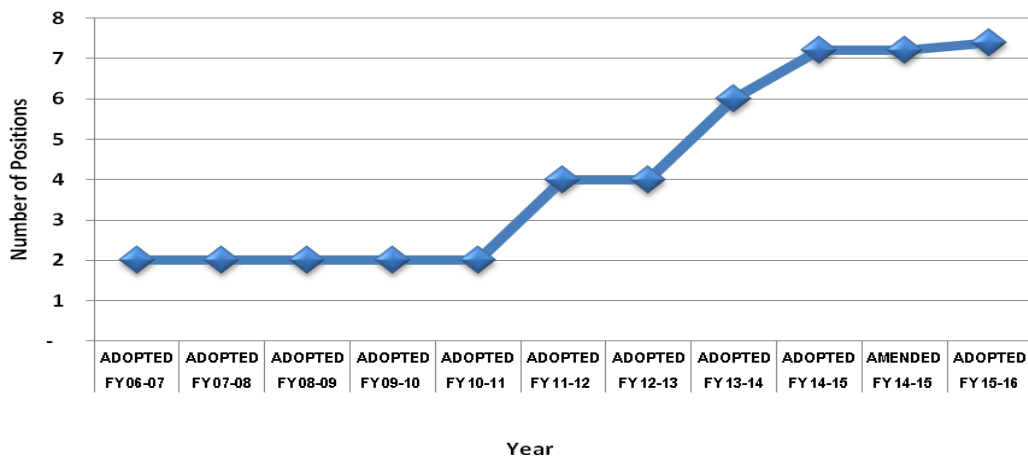
## EXPENDITURES BY DIVISION



## CHARACTER OF EXPENDITURES



## AUTHORIZED STRENGTH



# ADMINISTRATIVE SERVICES DEPARTMENT

## FY 2015-2016 Adopted Budget

### Department Summary

#### SOURCES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Assigned Funds	-	-	-	8,000	355,525
Use of Resources	328,900	395,450	366,830	702,100	893,885
Special Revenue Funds	247,640	192,800	523,170	879,600	1,098,190
<b>TOTAL</b>	<b>576,540</b>	<b>588,250</b>	<b>890,000</b>	<b>1,589,700</b>	<b>2,347,600</b>

#### EXPENDITURE BY DEPARTMENT

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Administrative Services Admin Division	-	-	-	-	537,245
Community Services Division	284,740	292,250	594,500	1,234,900	1,449,455
Human Resources Division	291,800	296,000	295,500	354,800	360,900
<b>TOTAL</b>	<b>576,540</b>	<b>588,250</b>	<b>890,000</b>	<b>1,589,700</b>	<b>2,347,600</b>

#### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	128,360	273,000	369,300	669,500	743,920
<b>Subtotal</b>	<b>128,360</b>	<b>273,000</b>	<b>369,300</b>	<b>669,500</b>	<b>743,920</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	196,930	122,000	94,800	195,100	564,480
Supplies and Materials	6,250	700	3,700	16,700	37,700
Capital Expenditures	-	-	500	8,000	8,000
Other Expenditures	245,000	192,550	421,700	700,400	993,500
<b>Subtotal</b>	<b>448,180</b>	<b>315,250</b>	<b>520,700</b>	<b>920,200</b>	<b>1,603,680</b>
<b>TOTAL</b>	<b>576,540</b>	<b>588,250</b>	<b>890,000</b>	<b>1,589,700</b>	<b>2,347,600</b>

#### AUTHORIZED STRENGTH

	FY 2011-12 ADOPTED BUDGET	FY 2012-13 ADOPTED BUDGET	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Administrative Services Admin Division	-	-	-	-	1
Community Services Division	2	2	4	5.13	4.38
Human Resources Division	2	2	2	2	2
<b>TOTAL</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>7.13</b>	<b>7.38</b>

New Department was created due to the 2015 Restructure Plan.

# ADMINISTRATIVE SERVICES DEPARTMENT

**FY 2015-2016 Adopted Budget**

## Department Summary

### MISSION STATEMENT

The Administrative Services Department consists of Community Services, Information Technology, and Human Resources. The mission of the Department is to manage the City's Park and Recreation activities, allocation of Measure C resources, information technology needs, administering and implementing the City's First Source Hiring program and developing workforce development strategies.

More detailed Division descriptions are included in the following tabs. In general,, the various divisions in the Administrative Services Department are in charge of a wide-range of functions, among them.

#### Community Services

- Managing park and recreation activities in City facilities, parks and public meeting areas;
- Managing the submittal, review, recommendation and awards of Measure C grants processes;
- Developing the City's emergency response preparation and readiness and coordinating emergency response exercises and training with regional first responders agencies, City staff and the Community Emergency Response Team;
- Managing the City's Senior Nutrition & Transportation Program;

#### Information Technology

- Oversees all computer technology and telephone systems within City Hall and other City offices;
- Manages the City's website;
- Receives information regarding technology bids and procurement;

#### Human Resources

- Develops and administers personnel policies, rules, and procedures
- Manage Labor and Employee Relations, Classification and Compensation
- Leads Personnel Recruitment and Selection
- Administers the benefit programs and support services for employer-employee relations activities.

In addition, the Administrative Services Department is in charge of:

- First Source Hiring Program
- Workforce Management and Development, and Succession Planning
- Event Coordination

### SIGNIFICANT CHANGES

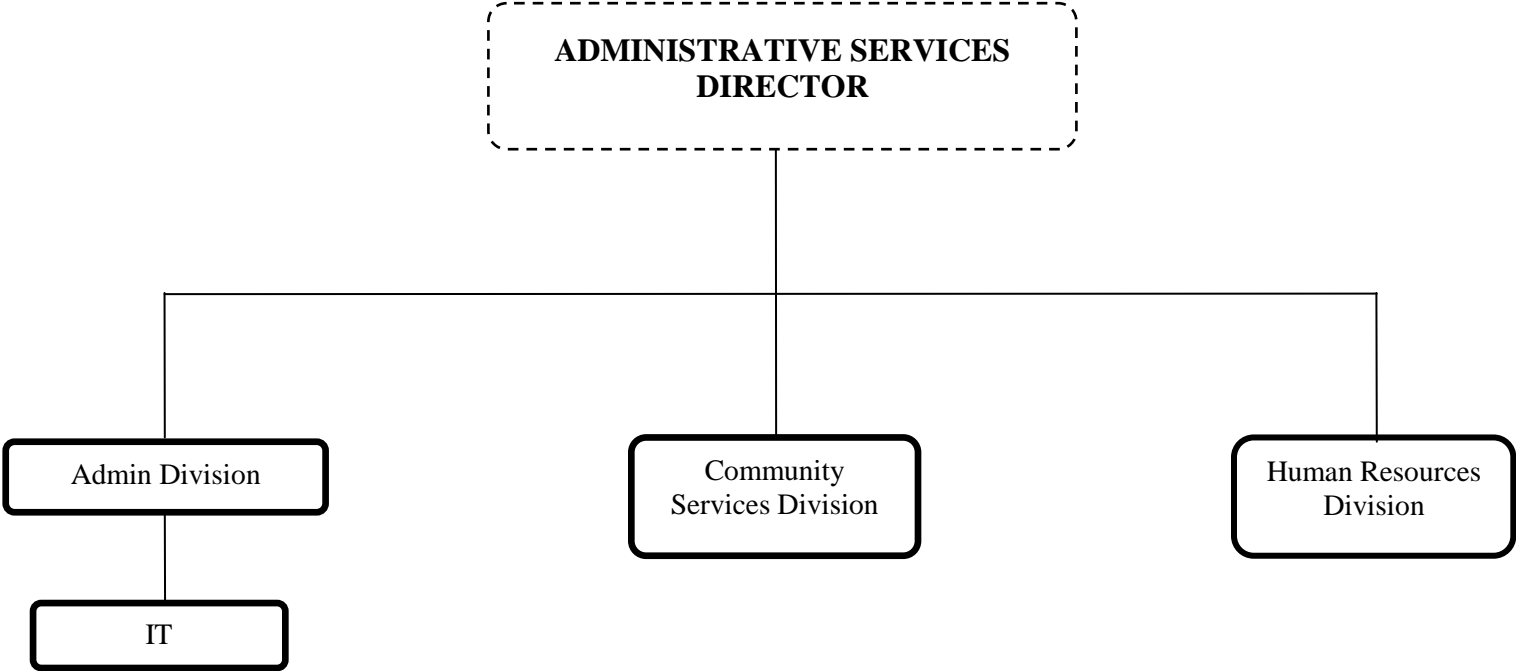
#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Administrative Services Department was approved as part of the 2015 Restructure Plan approved by Council on April 21, 2015. While the department did not exist in the prior year, certain divisions such as Human Resources and Community Programs (including Senior Services) were budgeted in other departments. The prior year comparisons include the adopted budgets for such divisions.

The Fiscal Year 2015-2016 Adopted Budget of \$2,347,600 is an increase of \$757,900 from the Fiscal Year 2014-2015 Adopted Budget of \$1,825,490. The 47.7% increase is more fully described in each division budget and primarily consists of the reclassification of Redwood City IT services contract (\$322,525) from non-departmental to Administrative Services and also a significant increase in budgeted community grants as a result of budgeted spend-down of remaining Measure C funds over a two-year period (\$259,065) and increased TOT grant funding (\$31,500). Personnel costs increased a net \$74,420 due to the addition of the Director position off-set by other staff decreases.

# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2015-2016 Adopted Budget



DB-29

Total FTE's: 7.38



# ADMINISTRATIVE SERVICES DEPARTMENT

## FY 2015-2016 Adopted Budget

### Administration Division

#### Division Summary

#### SOURCES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Assigned Funds	-	-	-	-	347,525
Use of Resources	-	-	-	-	189,720
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>537,245</b>

#### EXPENDITURES BY DEPARTMENT

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Administration Division	-	-	-	-	537,245
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>537,245</b>

#### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	-	-	-	-	184,720
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>184,720</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	-	-	-	-	352,025
Supplies and Materials	-	-	-	-	500
Capital Expenditures	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>352,525</b>
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>537,245</b>

	FY 2011-12 ADOPTED BUDGET	FY 2012-13 ADOPTED BUDGET	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Director Administrative Services	-	-	-	-	1
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>

This position was established due to the 2015 Restructure Plan.

# ADMINISTRATIVE SERVICES DEPARTMENT

## FY 2015-2016 Adopted Budget Administration Division Summary

### MISSION STATEMENT

To provide direct small business and local hiring services for the community and to manage the administrative functions of the City, including Community Services, Human Resources, and Information Technology.

The Administrative Services Administration Division is organized into the following programmatic functions: Administration of the Information Technology (IT), Human Resources and Community Services division functions as well as direct administration of local business and hiring services. The Division currently has an authorized direct staffing level of one position and Redwood City IT contract services equal to a full-time Senior IT technician.

As a division of a department that has not previously existed within the City, the emphasis of Fiscal Year 2015-16 is to develop and articulate a long-term strategy and objectives for the department as a whole.

### SIGNIFICANT CHANGES

#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The division is newly established in the FY 2015-16 Adopted Budget. Of the total proposed amount of \$537,245, major cost increases include salary and benefits for the Administrative Services Director (\$184,720), Redwood City IT contract services costs for specialized program support and one on-sight senior IT technician (\$322,525) and estimated professional services costs for a citywide IT needs assessment (\$25,000). Note that the contract amount of \$322,525 for Redwood City IT services was formerly classified as a non-departmental contract service expense.

# ADMINISTRATIVE SERVICES DEPARTMENT

## FY 2015-2016 Adopted Budget

### Community Services Division

#### Division Summary

#### SOURCE

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Assigned Funds	-	-	-	8,000	8,000
Use of Resources	37,100	99,450	71,330	347,300	343,265
Special Revenue Funds	247,640	192,800	523,170	879,600	1,098,190
<b>TOTAL</b>	<b>284,740</b>	<b>292,250</b>	<b>594,500</b>	<b>1,234,900</b>	<b>1,449,455</b>

#### EXPENDITURES BY DIVISION

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Community Programs	284,740	292,250	594,500	970,200	1,181,315
Senior Programs	-	-	-	264,700	268,140
<b>TOTAL</b>	<b>284,740</b>	<b>292,250</b>	<b>594,500</b>	<b>1,234,900</b>	<b>1,449,455</b>

#### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	35,060	104,000	166,000	413,600	311,005
<b>Subtotal</b>	<b>35,060</b>	<b>104,000</b>	<b>166,000</b>	<b>413,600</b>	<b>311,005</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	1,330	(2,800)	4,600	99,400	101,950
Supplies and Materials	3,350	(1,500)	1,700	13,500	35,000
Capital Expenditures	-	-	500	8,000	8,000
Other Expenditures	245,000	192,550	421,700	700,400	993,500
<b>Subtotal</b>	<b>249,680</b>	<b>188,250</b>	<b>428,500</b>	<b>821,300</b>	<b>1,138,450</b>
<b>TOTAL</b>	<b>284,740</b>	<b>292,250</b>	<b>594,500</b>	<b>1,234,900</b>	<b>1,449,455</b>

	FY 2011-12 ADOPTED BUDGET	FY 2012-13 ADOPTED BUDGET	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Community Programs Manager	1	1	1	1	1
Community Prog Assistant (2 - 0.5FTE)	1	1	1	1	1
*School Social Worker	-	-	-	0.75	-
Program Cordinator	-	-	-	0.75	0.75
Nutrition Site Supervisor (PT)	-	-	-	0.63	0.63
Van Drivers (2-PT)	-	-	-	1	1
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>5.13</b>	<b>4.38</b>

\* This position was eliminated due to the 2015 Restructure Plan.

# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2015-2016 Adopted Budget

## Community Services Division Summary

### SERVICE DESCRIPTION

The Community Programs Division provides research and analysis about a broad range of issues and policies, develops and oversees Citywide programs including the Measure C and TOT community grants, and manages a variety of special projects. The Division also oversees special events, park and facility rentals and special event permits, City franchise agreements and select City services agreements, and coordinates emergency preparedness activities and training. The Division may also create public and media information materials and provide budget/financial support to the City Manager's Office.

Under the direction of the City Manager, the Division is staffed with:

- 1 Community Programs Manger
- 1 part-time Measure C Program Coordinator
- 2 part-time Community Programs Assistants (Recreation Leaders)
- 1 three-quarter time Nutrition Site Supervisor
- 1 part-time Food Service Assistant contracted through Hallmark Career Services
- 2 part-time Van Drivers

The Community Programs Division activities rely on interdepartmental, inter-jurisdictional, and community partnerships to deliver services that enhance the quality of life for East Palo Alto residents. During Fiscal Year 2015-2016, the Division's objectives include:

- 1) Managing special events
  - Plan, organize and implement Citywide events, celebrations and sponsorships
- 2) Coordinating City of East Palo Alto Grant Programs
  - Effectively manage Transient Occupancy Tax (TOT) and Measure C (small and large) grants, in order to meet established timelines and the objectives of the ordinances and strategic plans
  - Recruit three (3) Measure C Committee members, for a total of 15 as required by the ordinance
  - Solicit independent evaluator for the Measure C Program
  - Undertake a review of the pilot Truancy Reduction Program
  - Release and monitor for compliance TOT Grants and Large Measure C Grants
- 3) Managing the City's recreation efforts and use of parks and facilities:
  - Hire and train Recreation Leaders to open and close city facilities and parks as needed
  - Develop a revised field use fee and new park and field use policies for City Council adoption.
  - Identify and implement opportunities to leverage technology to improve operations (online processing of applications, online calendar, internal tracking/reporting system, etc.)

# ADMINISTRATIVE SERVICES DEPARTMENT

## FY 2015-2016 Adopted Budget

### Community Services Division Summary

- 4) Coordinating City Emergency Preparedness\*
  - Update and test the Emergency Operations Center (EOC) including defining roles of EOC staff training staff on EOC operations
  - Work with County and City members of the Joint Powers Authority to draft an updated Emergency Operations Plan
  - Conduct City EOC Tabletop Exercise
  - Participate in the San Mateo County Silver Dragon Emergency Training exercise
  - Provide all City employees with appropriate training as required by Disaster Service Workers
  
- 5) Provide a Senior Nutrition Program
  - Maintain program's good standing with the San Mateo County Office of Aging and Adult Services (OAAS)\*
    - Develop a Memorandum of Agreement with Senior Center, Inc. for operations and programming at the Senior Center
    - Evaluate opportunities to enhance Senior Shuttle ridership and nutrition program participation
    - Evaluate other potential models for providing nutrition and transportation services
    - Strengthen the Senior Congregate Nutrition and Transportation programs
  
- 6) Managing Public Information
  - Develop positive relationship with various media outlets

#### **Other Responsibilities**

- The Community Programs Manager also serves as the city's Public Information Officer
- The Community Programs Division provides staffing support to the following committees:
  - Senior Advisory Board
  - Measure C Oversight Committee
  - Grants Review Panel

### SIGNIFICANT CHANGES

#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$1,449,455 is an increase of \$214,555 over the Fiscal Year 2014-2015 Adopted Budget of \$1,234,900. The 17.4% increase is primarily due to an increase in budgeted Measure C and TOT community grants of approximately \$290,000 offset by a decrease in salary costs as a result of the previous part-time truancy position budgeted as "grants" and also due to lower benefits costs as a result of hiring employees new to the City's Cal PERS retirement plan. The community grants increased overall mostly due to a budgeted "spend-down" of remaining Measure C funds over the next two fiscal years. Other notable operating increases include an estimate of \$20,000 for temporarily operating the Cooley Landing Center during FY 2015-16.

# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2015-2016 Adopted Budget  
Community Services Division

## FY 2014-2015 ACCOMPLISHMENTS

### OBJECTIVE

1. Create an action plan for the Transient Occupancy Tax (TOT) and Measure C (small and large) grant processes with specific tasks and milestones.
2. Assist in orienting the Measure C Committee by acquainting them with the program, processes already in place and current status; provide ongoing staffing to the Committee as needed.
3. Plan and implement Summer Recreation Programs.

### RESULT

1. Accomplished.
2. Accomplished.
3. Discontinued due to lack of City resources and redirected focus.

# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2015-2016 Adopted Budget

**Community Services Division**

## FY 2015-2016 OBJECTIVES

1. Plan, organize and implement citywide events, celebrations and sponsored activities.
2. Effectively manage Transient Occupancy Tax (TOT) and Measure C (small and large) grants, in order to meet established timelines and the objectives of the ordinances and strategic plans
3. Recruit three (3) Measure C Committee members for a total of 15 as required by the ordinance
4. Solicit independent evaluator for the Measure C Program
5. Undertake a review of the pilot Truancy Reduction Program
6. Release and monitor for compliance Small Summer TOT Grants and Large Measure C Grants as funded
7. Hire and train Recreation Leaders to open and close city facilities and parks as needed
8. Develop a revised field use fee and new park and field use policies for City Council adoption.
9. Identify and implement opportunities to leverage technology to improve operations (online processing of applications, online calendar, internal tracking/reporting system, etc.)
10. Update and test the Emergency Operations Center (EOC) including defining roles of EOC staff training staff on EOC operations
11. Work with County and city members of the Joint Powers Authority to draft updated Emergency Operations Plan
12. Explore opportunities to purchase an emergency notification system and make a recommendation to City Council.
13. Conduct City EOC Tabletop Exercise
14. Participate in the San Mateo County Silver Dragon Emergency Training exercise
15. Provide all City employees and CERT members with appropriate training as required by Disaster Service Workers
16. Maintain updated emergency preparedness information on the City's website
17. Provide emergency preparedness informational workshops to community members
18. Maintain Senior Nutrition Program's good standing with the San Mateo County Office of Aging and Adult Services (OAAS)\*
19. Develop a Memorandum of Agreement with Senior Center, Inc. for operations and programming at the Senior Center
20. Evaluate opportunities to enhance ridership and nutrition program participation
21. Evaluate other potential models for providing nutrition and transportation services
22. Strengthen the Senior Congregate Nutrition and Transportation programs
23. Develop positive relationship with various media outlets

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# ADMINISTRATIVE SERVICES DEPARTMENT

## FY 2015-2016 Adopted Budget

### Human Resources Division

#### Division Summary

#### SOURCES

General Fund:

Use of Resources

**TOTAL**

FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
291,800	296,000	295,500	354,800	360,900
<b>291,800</b>	<b>296,000</b>	<b>295,500</b>	<b>354,800</b>	<b>360,900</b>

#### EXPENDITURES BY DEPARTMENT

Human Resources Department

**TOTAL**

FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
291,800	296,000	295,500	354,800	360,900
<b>291,800</b>	<b>296,000</b>	<b>295,500</b>	<b>354,800</b>	<b>360,900</b>

#### CHARACTER OF EXPENDITURES

##### PERSONNEL

Salaries and Benefits

**Subtotal**

FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2014-15 PROJECTED BUDGET	FY 2015-16 ADOPTED BUDGET
93,300	169,000	203,300	255,900	248,200
<b>93,300</b>	<b>169,000</b>	<b>203,300</b>	<b>255,900</b>	<b>248,200</b>

##### SUPPLIES AND SERVICES

Purchased Services

Supplies and Materials

Capital Expenditure

**Subtotal**

**TOTAL**

195,600	124,800	90,200	95,700	110,500
2,900	2,200	2,000	3,200	2,200
-	-	-	-	-
<b>198,500</b>	<b>127,000</b>	<b>92,200</b>	<b>98,900</b>	<b>112,700</b>
<b>291,800</b>	<b>296,000</b>	<b>295,500</b>	<b>354,800</b>	<b>360,900</b>

Human Resources Manager

HR Assistant

**TOTAL**

FY 2011-12 ADOPTED BUDGET	FY 2012-13 ADOPTED BUDGET	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
1	1	1	1	1
1	1	1	1	1
<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2015-2016 Adopted Budget

## Human Resources Division Summary

### MISSION STATEMENT

The Human Resources Division provides quality services to the City Council, City Manager, City Departments, employees and applicants related to recruitment, testing, classification and compensation analysis, employee benefits administration and employee/labor relations.

The Human Resources Division, overseen by the Administrative Services Director, is a Division of the City Manager's Office. Two positions are assigned to the Division -- a Human Resources Manager and a Human Resources Assistant.

The emphasis of the Fiscal Year 2015-2016 budget is to continue reviewing and improving all Human Resources-related functions in order to ensure:

- All legal mandates are being met;
- Employees receive accurate, complete and timely Human Resources-related services;
- Limited resources are being used in an efficient and effective manner, with a focus on priority deliverables; and
- best practices and modern technology tools are utilized to streamline and improve processes.

### SIGNIFICANT CHANGES

#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$360,900 is an increase of \$6,100 over the Fiscal Year 2014-2015 Adopted Budget of \$354,800. This 1.7% increase is due mainly to a \$14,800 increase in outside professional services costs for labor related matters and offset by a decrease in salary and benefits costs due to lower estimated benefit costs (\$7,700).

# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2015-2016 Adopted Budget

Human Resources Division

## FY 2014-2015 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. Meet and confer with employee bargaining units about health and dental insurance plans concerning premiums, plan design and employee/employer contributions and a plan year change to a calendar year basis.	1. Ongoing.
2. Expand the use of fillable forms, electronic documents and other means to expand environmentally sound practices to minimize waste and utilize renewable resources (as one example – reduce the use of paper).	2. Complete.
3. Develop and implement a new, more effective and user-friendly Employee Performance Review System.	3. Incomplete.
4. Implement the new employee orientation and annual training requirements of the Injury/Illness Prevention Plan.	4. Incomplete.
5. Create new job descriptions for those that are missing and update/revise all job descriptions to create a uniform format; post to City website.	5. Incomplete.

# **ADMINISTRATIVE SERVICES DEPARTMENT**

**FY 2015-2016 Adopted Budget**

**Human Resources Division**

## **FY 2015-2016 OBJECTIVES**

1. Recruit and hire a Human Resources Manager
2. Meet and confer with employee bargaining units about health and dental insurance plans concerning premiums, plan design and employee/employer contributions.
3. Develop and implement a new, more effective and user-friendly Employee Performance Review System.
4. Implement the new employee orientation and annual training requirements of the Injury/Illness Prevention Plan.
5. Create new job descriptions for those that are missing and update/revise all job descriptions to create a uniform format; post to City website.

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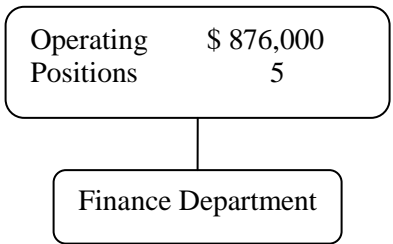
Finance Department

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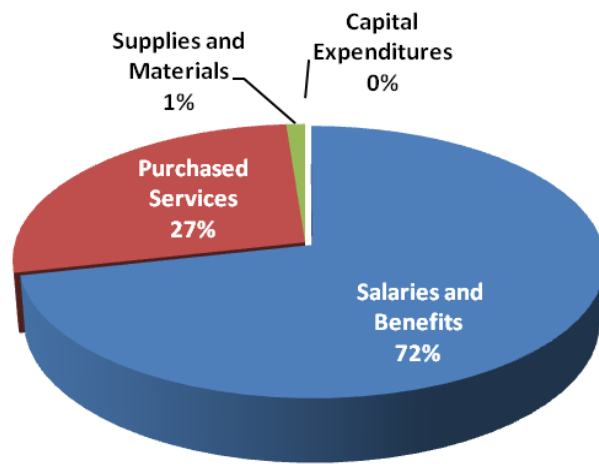
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# FINANCE DEPARTMENT

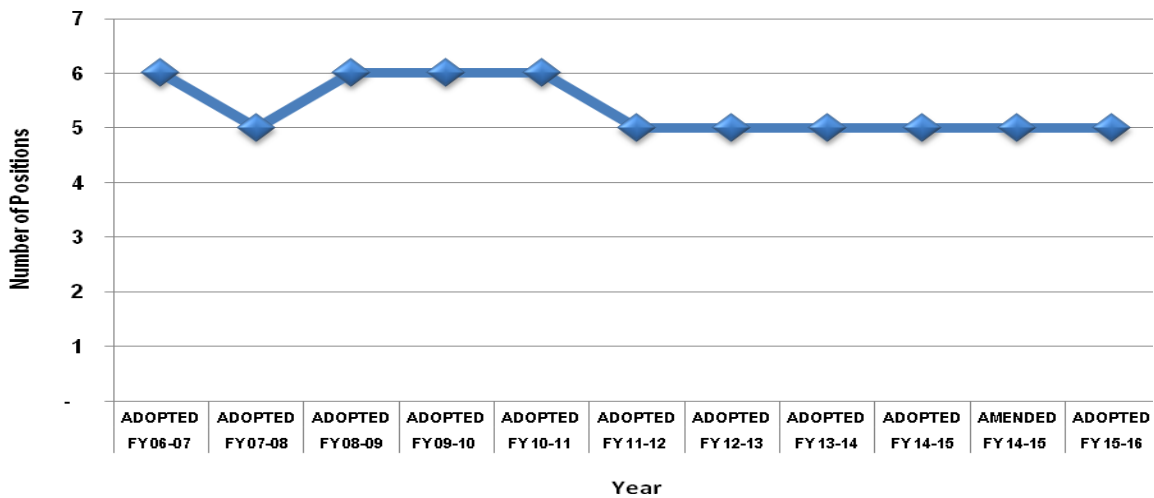
FY 2015-2016 Adopted Budget



## CHARACTER OF EXPENDITURES



## AUTHORIZED STRENGTH



# FINANCE DEPARTMENT

## FY 2015-2016 Adopted Budget

### Department Summary

#### SOURCES

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ACTUAL	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET
General Fund:					
Use of Resources	756,540	666,550	683,600	776,300	861,550
Special Revenue Funds	15,710	4,600	3,600	3,600	3,750
Enterprise Funds	2,140	2,250	2,400	2,400	2,500
Successor Agency Trust Fund	1,270	-	-	-	8,200
<b>TOTAL</b>	<b>775,660</b>	<b>673,400</b>	<b>689,600</b>	<b>782,300</b>	<b>876,000</b>

#### EXPENDITURES BY DEPARTMENT

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ACTUAL	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET
Finance Department	775,660	673,400	689,600	782,300	876,000
<b>TOTAL</b>	<b>775,660</b>	<b>673,400</b>	<b>689,600</b>	<b>782,300</b>	<b>876,000</b>

#### CHARACTER OF EXPENDITURES

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ACTUAL	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	595,200	542,850	556,500	649,900	625,790
<b>Subtotal</b>	<b>595,200</b>	<b>542,850</b>	<b>556,500</b>	<b>649,900</b>	<b>625,790</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	168,690	122,450	126,500	123,100	239,900
Supplies and Materials	9,070	6,650	6,600	9,300	10,310
Capital Expenditures	2,700	1,450	-	-	-
<b>Subtotal</b>	<b>180,460</b>	<b>130,550</b>	<b>133,100</b>	<b>132,400</b>	<b>250,210</b>
<b>TOTAL</b>	<b>775,660</b>	<b>673,400</b>	<b>689,600</b>	<b>782,300</b>	<b>876,000</b>

#### Position (FTE) Detail

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET
Accountant I	1	-	-	-	-
Accountant II	1	2	2	2	2
Account Technician	1	1	1	1	1
Finance Director	1	1	1	1	1
Fiscal Analyst	1	1	1	1	1
<b>TOTAL</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>



# FINANCE DEPARTMENT

FY 2015-2016 Adopted Budget

## Department Summary

### MISSION STATEMENT

Maintain the financial integrity of the City by providing fiscal management and oversight, including safeguarding assets. Oversee financial, compliance, and operational reviews and/or audits that provide independent and objective analysis of City departments; provide accurate, complete, and timely financial records, maintain and enhance the City's financial reporting systems, controls, and disbursements.

The functions of the Finance Department are: administration, financial reporting, budgeting, forecasting and planning, cash management and treasury, capital financing and debt management; as well as daily accounting functions, including: deposits and accounts payable; grant reporting; payroll; risk management, and business licensing. The Department has a staffing level of five positions, which includes: Finance Director, Fiscal Analyst, Accountant II, and Account Technician (2).

The emphasis of Fiscal Year 2015-16 is to continue implementing commonly-accepted best practices in financial management and reporting. This goal includes continued efforts in enhancing communication of basic financial information to departments as well as the public at large.

In FY 2015-16, the Finance Department will seek to increase departmental self-reliance and financial responsibility through improved information access, implementation of web-based analytical software, interdepartmental training, and improved and simplified operating procedures. The Department will also undertake targeted projects that support the City's goals and objectives:

- Provide funding advice for City operating and capital project needs as projected in five-year forecast. Specifically, the Department will provide project lead for a citywide analysis of potential revenue funding sources.
- Work with operating departments to assure accurate grant reporting and reimbursement. Develop the City's annual Operating Budget and team with the Community and Economic Development Department staff in developing the ten-year Capital Improvement Program and Capital Budget. Specifically, the Department will initiate a three-year "look-back" reconciliation of capital, restricted, and grant programs.
- Administer the financial and reporting aspects of the dissolution of the former Redevelopment Agency and the financial activities of the Successor Agency. Specifically, the Department is coordinating a three-year "look-back" of all ROPS transactions in order to reconcile trust cash balances; and, also, will seek to refund outstanding bonds payable if market conditions support such action.
- Initiate an information system implementation readiness study and initiate research and analysis of various system options.
- Develop and enhance employee skills through internal classes, seminars, and reference materials.

# FINANCE DEPARTMENT

FY 2015-2016 Adopted Budget

## Department Summary

### SIGNIFICANT CHANGES

#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$876,000 is an increase of \$93,700 over the Fiscal Year 2014-15 Adopted Budget of \$782,300. The 11.9% increase is primarily due an increase in professional services costs for legal and accounting services primarily related to the implementation of GASB #68 as well as funding for internal control and best-practices improvements, temporary assistance for capital reporting look-back project, revenue study, cost allocation plan, and user-fee study. In total, professional service costs increased approximately \$102,300 as a result of the planned studies. These cost increases are off-set by lower budgeted personnel costs as a result of an Accountant II position under-filled by an Accounting Technician and lower budgeted benefit and retirement costs (\$24,110).

# FINANCE DEPARTMENT

FY 2015-2016 Adopted Budget

## FY 2014-2015 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. Assist City Manager's Office in the preparation and adoption of the FY 2014-15 budget by June 30, 2014.	1. Accomplished.
2. Provide support to the Community Development Department in the preparation of the FY 2014-15 to FY 2023-24 (Ten-Year) Capital Improvement Program and Fiscal Year 2013-14 Capital Budget for adoption by June 30, 2014.	2. Accomplished.
3. Complete Comprehensive Annual Financial Report and submit application to Government Finance Officers Association (GFOA) for excellence in financial reporting award by December 31, 2014.	3. Accomplished
4. Explore options to increase ongoing General Fund revenues (e.g. local sales tax measure).	4. In progress. During 2015 Strategy Session staff discussed proceeding with a revenue study analyzing various options to increase City resources. Study will be presented in fall of 2015.
5. Assist Community Development staff to explore options and to initiate broad-based public outreach to obtain support for the City's Drainage and Lighting Assessment Districts, and Water Services fees in order to provide the capital resources to improve the City's aging infrastructure systems. Report progress of research to Council by May 2014.	5. In progress. Community Development staff worked in conjunction with outside consultants and identified meter replacement, capital replacement, and water service fees to fund the replacement of aging water meters and infrastructure, and to pay for rapidly rising wholesale water costs. The results of the studies were presented to Council. The meter replacement fees were passed, but not implemented. Staff is currently initiating Proposition 218 procedures for capital replacement and water rate fee increases.

# **FINANCE DEPARTMENT**

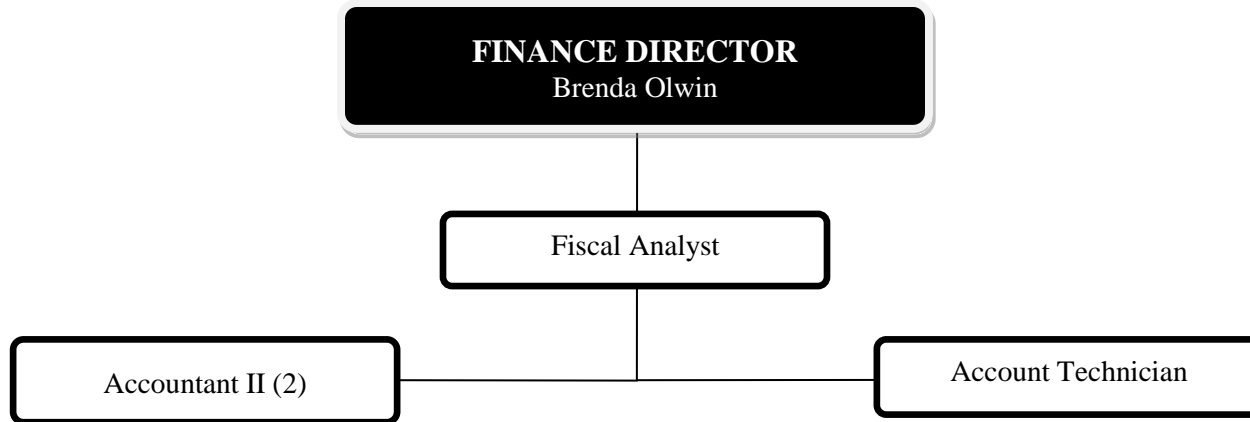
## **FY 2015-2016 Adopted Budget**

### **FY 2015-2016 OBJECTIVES**

1. Prepare and adopt the FY 2015-16 Operating Budget by June 30, 2015.
2. Support the Community and Economic Development Department to prepare and adopt the FY 2015-16 to FY 2024-25 (Ten-Year) Capital Improvement Program and Fiscal Year 2015-16 Capital Budget by June 30, 2015.
3. Implement a Biennial Budget (two-year) cycle beginning with budget FY 2017-19.
4. Initiate and complete implementation of GASB 68 on Accounting and Financial Reporting for Pensions.
5. Initiate and complete Affordable Care Act reporting requirements and implement AB 1522 California sick leave requirements.
6. Complete FY 2014-15 Comprehensive Annual Financial Report and submit application to Government Finance Officers Association (GFOA) for excellence in financial reporting award by December 31, 2015.
7. Strategize and support the 2015 City negotiations with employee union bargaining groups due to vacancies in Human Resources Division.
8. Monitor municipal bond market and initiate refunding of Successor Agency debt by August 2015.
9. Complete comprehensive cost study of employee benefits and form a Benefits Committee consisting of management and employee representatives in order to communicate regarding benefits costs and possible changes and/or improvements to employee benefits by fall 2015.
10. Complete Phase I of a comprehensive study of various revenue opportunities and funding mechanisms, including addressing community facilities and business improvement districts, and the existing lighting and drainage special assessment districts. Present results to the City Council by fall 2015 and seek direction to initiate Phase II of the study related to community polling.
11. Initiate and complete comprehensive cost allocation plan and present results to Council and the City's Rent Stabilization Board by winter 2016. Initiate user fee study in summer of 2016.
12. Implement Open.gov web-based access to City's historical, current, and projected financial information by December 2015.
13. Complete three-year "look-back" studies of the City's capital improvement and grants programs, and the Successor Agency cash transactions. Present study results to Council by fall 2015.
14. Provide financial analysis and support for the economic projections related to the City's General Plan Update project.

# FINANCE DEPARTMENT

FY 2015-2016 Adopted Budget



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Total FTE's: 5

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Community and Economic Development

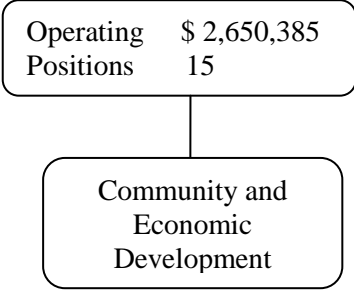
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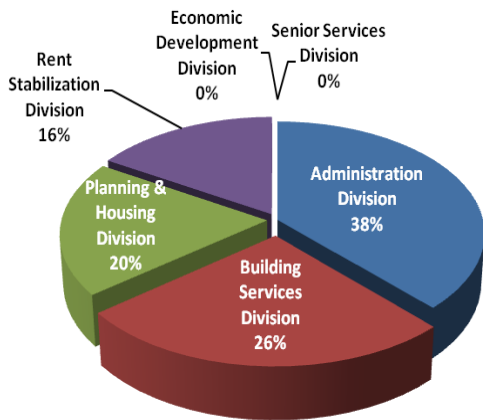


# COMMUNITY AND ECONOMIC DEVELOPMENT

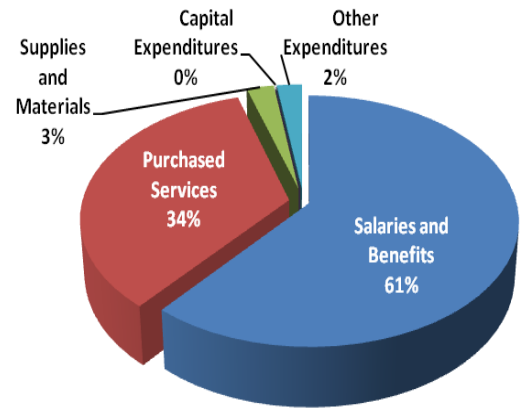
FY 2015-2016 Adopted Budget



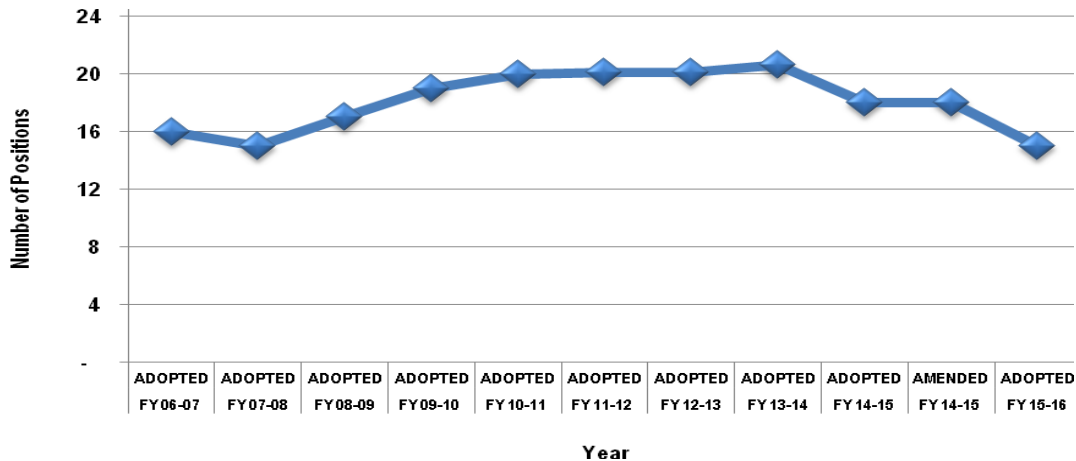
## EXPENDITURES BY DIVISION



## CHARACTER OF EXPENDITURES



## AUTHORIZED STRENGTH



# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2015-2016 Adopted Budget

### Department Summary

#### SOURCES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Charges for Services	426,810	456,600	592,600	576,500	646,860
Use of Resources	1,080,650	1,798,747	1,322,360	1,651,630	907,830
Special Revenue Funds	1,679,800	1,603,393	1,765,810	1,204,490	985,310
Capital Project Fund	4,650	33,200	1,576,660	162,940	-
Enterprise Funds	33,040	35,200	43,500	89,000	88,485
Successor Agency Trust Fund	225,100	250,000	244,100	310,000	21,900
<b>TOTAL</b>	<b>3,450,050</b>	<b>4,177,140</b>	<b>5,545,030</b>	<b>3,994,560</b>	<b>2,650,385</b>

#### EXPENDITURE BY DEPARTMENT

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Administration Division	1,130,830	1,923,450	3,207,860	2,333,200	1,004,565
Building Services Division	381,280	212,100	281,800	595,430	699,010
Planning and Housing Division	378,840	376,200	426,800	440,000	516,040
Rent Stabilization Division	451,030	423,690	637,370	625,930	430,770
Economic Development Division	882,700	1,024,800	769,600	-	-
Senior Services Division	225,370	216,900	221,600	-	-
<b>TOTAL</b>	<b>3,450,050</b>	<b>4,177,140</b>	<b>5,545,030</b>	<b>3,994,560</b>	<b>2,650,385</b>

#### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	1,955,470	2,071,460	2,018,550	2,289,630	1,615,860
<b>Subtotal</b>	<b>1,955,470</b>	<b>2,071,460</b>	<b>2,018,550</b>	<b>2,289,630</b>	<b>1,615,860</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	1,242,480	1,814,260	2,783,150	1,158,400	909,225
Supplies and Materials	36,780	43,920	47,310	48,900	65,300
Capital Expenditures	1,500	-	12,300	10,500	-
Other Expenditures	213,820	247,500	683,720	487,130	60,000
<b>Subtotal</b>	<b>1,494,580</b>	<b>2,105,680</b>	<b>3,526,480</b>	<b>1,704,930</b>	<b>1,034,525</b>
<b>TOTAL</b>	<b>3,450,050</b>	<b>4,177,140</b>	<b>5,545,030</b>	<b>3,994,560</b>	<b>2,650,385</b>

#### AUTHORIZED STRENGTH

	FY 2011-12 ADOPTED BUDGET	FY 2012-13 ADOPTED BUDGET	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Administration Division	5	5.5	7	8	4
Building Services Division	3	3	4	5	6
Planning and Housing Division	3	3	4	3	3
Rent Stabilization Division	2	2	2	2	2
Economic Development Division	5	5	2	-	-
Senior Services Division	1.63	1.63	1.63	-	-
<b>TOTAL</b>	<b>19.63</b>	<b>20.13</b>	<b>20.63</b>	<b>18</b>	<b>15</b>

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2015-2016 Adopted Budget

## Department Summary

### MISSION STATEMENT

The Community & Economic Development Department seeks to make East Palo Alto a wonderful place to live, work, and play. The Department accomplishes this through effective current and long-range municipal planning, housing management, ensuring code compliance, and managing business attraction, development, and retention opportunities in East Palo Alto.

### BUDGET ORGANIZATION AND THE STRATEGIC PRIORITIES

As part of the 2015 Restructure Plan, the Department was reorganized into the Community and Economic Development Department and the Public Works Department. The CEDD now includes 4 divisions: 1) Administration; 2) Building; 3) Planning and Housing; and, 4) Rent Stabilization. The Engineering and Maintenance divisions are transferred to the Public Works Department.

The Department is responsible for a wide-range of functions including:

- Coordinating and managing the City's development related functions (e.g. long range planning, development review, entitlement and permit processing, inspection services, housing and code compliance/enforcement);
- Coordinating business development and retention efforts through both capital projects and direct economic development efforts;
- Managing the Community Free Shuttle program and other environmental programs;
- Serving as the City's Floodplain Coordinator by managing the National Flood Insurance Program (NFIP) and Community Rating System (CRS);
- Providing staff support to the Planning Commission
- Monitoring and collaborating with regional organizations (e.g. City/County Association of Governments (C/CAG), Metropolitan Transportation Committee (MTC), the Association of Bay Area Governments (ABAG), the South Bayside Waste Management Authority and the San Francisquito Creek Joint Powers Authority).

Through these core functions, the Department will support the City Council's Strategic Priorities by undertaking the following initiatives:

1. *Enhance Public Safety and Emergency Preparedness*

- Maintain the City's Permit Center including issuing permits and conducting inspections for new construction, remodels and public improvements throughout the City.
- Coordinate with Menlo Park Fire Protection District, West Bay Sanitary District, East Palo Alto Sanitation District, Palo Alto Park Mutual Water Company and other entities on new development and infrastructure projects.
- Coordinate and collaborate with East Palo Police Department, MPFPD and others on emergency preparedness efforts.
- Maintain code enforcement program including Administrative Hearing Process.

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2015-2016 Adopted Budget

**Department Summary con't.**

## 2. *Enhance Economic Vitality*

- Continue to work with individuals and firms seeking information about economic development opportunities while also working closely to retain existing businesses.
- Administer the Ravenswood/4Corners Specific Plan.

## 3. *Increase Organizational Effectiveness*

- Work with the City Manager to identify and implement opportunities to improve departmental effectiveness.
- Develop CRW software to provide reports and other information to the City Manager and Finance Department.
- Attend and monitor activities of special districts and regional agencies/authorities that affect the City of East Palo Alto.
- Evaluate opportunities to utilize paid and unpaid interns.

## 4. *Improve Public Facilities and Infrastructure*

- Coordinate with SFCJPA on implementation of flood control projects.

## 5. *Improve Communication and Enhance Community Engagement*

- Evaluate opportunities to educate the Community on Department projects, programs and new development.
- Maintain the City's website to ensure Department information is available and up to date.
- Reevaluate noticing options for development projects.
- Finalize work related to second dwelling units and garage conversions.
- Provide articles for City Newsletter and City Manager Notes and Quotes.

## 6. *Create a Healthy and Safe Community*

- *Manage the City's General Plan Update process including the integration of a Healthy Community's Element.*
- *Evaluate opportunities to enhance/expand parks and open space opportunities.*

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2015-2016 Adopted Budget

**Department Summary con't.**

## SIGNIFICANT CHANGES

### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$2,650,385 is a decrease of \$1,344,175 from the Fiscal Year 2014-2015 Adopted Budget of \$3,994,560. The 33.65% decrease is directly related to the 2015 Restructure Plan approved by City Council on April 21, 2015. The Restructure Plan resulted in the elimination of the Director, Assistant Director, and the temporary General Plan specialist; the transfer of one administrative staff to Public Works administration; and, the addition of one code enforcement officer.

Overall, personnel costs are reduced by \$673,770 for the department. Total supplies and services costs are reduced by \$670,405. Of this amount, \$420,500 relates to a reclassification of successor agency and rent stabilization administrative overhead to non-departmental. Other reductions are more fully described at the division level, but generally reflect an emphasis on budgeting for identified and articulated services requested by the divisions.

# COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

FY 2015-2016 Adopted Budget

**Assistant City Manager**  
Sean Charpentier

Secretary (1)

Office  
Assistant (1)

## Administration

Management  
Analyst (1)

Environmental  
Programs (1)

## Building Services

Chief Building  
Official (1)

Permit  
Technician (2)

Building  
Inspector (1)

Code Enf.  
Officer (2)

## Planning & Housing

Planning & Housing  
Manager (1)

Associate  
Planner (1)

Assistant  
Planner (1)

## Rent Stabilization

Rent Stabilization  
Administrator (1)

Rent Stabilization  
Counselor (1)

Total Positions: 15 FTE

# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2015-2016 Adopted Budget

### Administration Division

#### Division Summary

##### SOURCES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Use of Resources	489,940	1,134,850	961,860	1,227,700	429,640
Special Revenue Funds	603,200	720,200	625,840	543,560	464,540
Capital Project Fund	4,650	33,200	1,576,660	162,940	-
Enterprise Funds	33,040	35,200	43,500	89,000	88,485
Successor Agency	-	-	-	310,000	21,900
<b>TOTAL</b>	<b>1,130,830</b>	<b>1,923,450</b>	<b>3,207,860</b>	<b>2,333,200</b>	<b>1,004,565</b>

##### EXPENDITURES BY DEPARTMENT

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Administration Division	1,130,830	1,923,450	3,207,860	2,333,200	1,004,565
<b>TOTAL</b>	<b>1,130,830</b>	<b>1,923,450</b>	<b>3,207,860</b>	<b>2,333,200</b>	<b>1,004,565</b>

##### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	544,930	672,900	751,860	1,087,200	393,920
<b>Subtotal</b>	<b>544,930</b>	<b>672,900</b>	<b>751,860</b>	<b>1,087,200</b>	<b>393,920</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	562,500	1,219,350	2,417,300	908,500	496,745
Supplies and Materials	21,900	31,200	26,400	41,500	53,900
Capital	1,500	-	12,300	10,000	-
Other Expenditures	-	-	-	286,000	60,000
<b>Subtotal</b>	<b>585,900</b>	<b>1,250,550</b>	<b>2,456,000</b>	<b>1,246,000</b>	<b>610,645</b>
<b>TOTAL</b>	<b>1,130,830</b>	<b>1,923,450</b>	<b>3,207,860</b>	<b>2,333,200</b>	<b>1,004,565</b>

	FY 2011-12 ADOPTED BUDGET	FY 2012-13 ADOPTED BUDGET	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Management Analyst (2)	-	-	2	2	2
Secretary II	1	1	1	1	1
Office Assistant	1	1	1	1	1
* Community Development Director	1	1	1	1	-
* Community Development Deputy Director	1	1	1	1	-
** Administrative Assistant	1	1	1	1	-
General Plan Proj Mgr (CIP funding)	-	-	-	1	-
NPDES Project Coordinator	-	0.5	-	-	-
<b>TOTAL</b>	<b>5</b>	<b>5.5</b>	<b>7</b>	<b>8</b>	<b>4</b>

\* This position was eliminated due to 2015 Restructure Plan.

\*\* This position was moved to the Public Works Administration Division due to 2015 Restructure Plan.

# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2015-2016 Adopted Budget

### Administration Division Summary

#### SERVICE DESCRIPTION

The Community and Economic Development Department provides a wide array of services to the community. The Department maintains the critical infrastructure and facilities of the City, and ensures ongoing operation and enhancement of public facilities and infrastructure. The Department provides planning and development related services to property owners and businesses. The Community and Economic Development Department serves as the focal point for business and economic development efforts as well as administration of local affordable housing funds and programs. Other services include regional agency coordination, environmental coordination and transportation coordination, including the free shuttle.

Day-to-day administration of the Community and Economic Development Department is led by the Assistant City Manager with the assistance of two management analysts, and two administrative support staff. Administration manages the activities of and sets policy for the department, prepares and maintains budgets, and coordinates grant writing and grant management. Additionally, Administration supports engineering and capital projects, parks, streets and facilities maintenance, long-range planning and development services. Administration also manages and coordinates a number of special programs and projects including, but not limited to flood control, Cooley Landing Park Development, the General Plan Update and business development and retention. Administration is the primary point of contact with the City Manager's Office.

#### SIGNIFICANT CHANGES

##### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$1,004,565 is a decrease of \$1,328,635 from the FY2014-2015 Adopted Budget of \$2,333,200. The 56.9% decrease is primarily due to the 2015 Restructure Plan approved by City Council on April 21, 2015. The Assistant City Manager leads the Department.. Total budgeted personnel costs are reduced by \$411,755 primarily due to the elimination of the Community Development Director, Assistant Director, the transfer of one administrative staff to the Public Works department, and the elimination of the temporary General Plan specialist position.

Purchased services costs are reduced by \$411,755 due to an emphasis on budgeting for identified needs only and due to the distribution of purchased service costs to other divisions in an effort to properly capture cost data at the division level. Purchased services remaining in the division relate to the City shuttle program (\$331,800) as well as anticipated service costs for drought water measures and digital scanning.

Other expenditures are reduced by \$226,000 primarily due to the reclassification of administrative overhead allocation as a non-departmental cost.



# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2015-2016 Adopted Budget

Administration Division

## FY 2014-2015 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. Develop and implement project management procedures and project tracking system.	1. In progress. A Management Analyst is designated to develop procedures and tracking systems.
2. Standardize file system and consolidate filing. Implement scanning and digital storage of files including scanning of existing microfiche.	2. In progress. Files storage files is complete, and we continue to scan files to make digital copies.
3. Develop standard operating procedures and policies for Department.	3. Delayed. To be developed in 2015-16
4. Evaluate customer service and consider opportunities to improve services.	4. In progress. Scheduled a training for service improvement.
5. Continue work on the San Francisquito Creek flood control project in all aspects.	5. In progress. Awaiting construction of Reach 1 (Hwy 101-Bay) to begin in summer of 2015; EIR to be prepared for Newell Street Bridge.
6. Continue work on General Plan Update and Environmental Impact Report (EIR).	6. In progress. Conducted extensive public outreach; draft plan and EIR to be prepared by June 2015.
7. Implement short term recommendations for Maintenance Division.	7. In progress. Implementation will continue through FY 2015-16.
8. Manage special projects and programs including NPDES, City Free Shuttle, Senior Shuttle and Business Retention.	8. On going. Assigned full-time staff to manage NPDES and shuttle programs.
9. Manage the staff, programs and outcomes of all Community and Economic Development efforts.	9. On going
10. Monitor and manage budget as well as accounts payable/accounts receivable functions.	10. On going
11. Support the Planning Commission, Public Works and Transportation Commission, Senior Advisory Commission and the Successor Agency Oversight Board.	11. On going
12. Provide support to the City Manager and other Departments as directed.	12. On going

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2015-2016 Adopted Budget

Administration Division

## FY 2015-2016 OBJECTIVES

1. Develop and implement project management procedures and project tracking system.
2. Standardize file system and consolidate filing. Implement scanning and digital storage of files including scanning of existing microfiche.
3. Develop standard operating procedures and policies for the Department.
4. Evaluate customer service and consider opportunities to improve services.
5. Continue work on the San Francisquito Creek flood control project in all aspects, and provide input to the EIR for the Newell Street Bridge project.
6. Complete General Plan Update and Environmental Impact Report (EIR).
7. Implement short term recommendations for the Maintenance Division.
8. Manage special projects and programs including NPDES, City Shuttle, and Business Retention.
9. Coordinate implementation of a comprehensive strategy for enhancing water supply and upgrading the water system for the City.
10. Finalize design and environmental review for the US 101 Pedestrian and Bicycle Overcrossing.
11. Complete Cooley Landing Education Center and develop ongoing maintenance protocols.
12. Complete Public Facilities Plan and Affordable Housing Strategy
13. Update and adopt a Nexus Study for Impact Fees.

# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2015-2016 Adopted Budget

### Building Services Division

#### Division Summary

##### SOURCE

	FY 2011-12 ACTUAL	FY 2013-14 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Charges for Services	229,630	230,000	352,400	350,500	421,000
Use of Resources	151,650	(17,900)	(70,600)	229,930	263,010
Special Revenue Fund	-	-	-	15,000	15,000
<b>TOTAL</b>	<b>381,280</b>	<b>212,100</b>	<b>281,800</b>	<b>595,430</b>	<b>699,010</b>

##### EXPENDITURE BY DIVISION

	FY 2011-12 ACTUAL	FY 2013-14 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Building Services Division	381,280	212,100	281,800	595,430	699,010
<b>TOTAL</b>	<b>381,280</b>	<b>212,100</b>	<b>281,800</b>	<b>595,430</b>	<b>699,010</b>

##### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2013-14 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	326,600	188,300	258,000	522,030	613,470
<b>Subtotal</b>	<b>326,600</b>	<b>188,300</b>	<b>258,000</b>	<b>522,030</b>	<b>613,470</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	50,700	23,600	23,700	70,500	82,640
Supplies and Materials	3,980	200	100	2,900	2,900
Capital Expenditures	-	-	-	-	-
<b>Subtotal</b>	<b>54,680</b>	<b>23,800</b>	<b>23,800</b>	<b>73,400</b>	<b>85,540</b>
<b>TOTAL</b>	<b>381,280</b>	<b>212,100</b>	<b>281,800</b>	<b>595,430</b>	<b>699,010</b>

	FY 2011-12 ADOPTED BUDGET	FY 2012-13 ADOPTED BUDGET	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Chief Building Official	1	1	1	1	1
Building Inspector	1	1	1	1	1
Building Permit Technician	1	1	2	2	2
* Code Enforcement Officer II	-	-	-	1	2
<b>TOTAL</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>

\* This position was established due to the 2015-16 Restructuring Plan.

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2015-2016 Adopted Budget

## Building Services Division Summary

### SERVICE DESCRIPTION

The Building Division ensures that existing and new/proposed development complies with the California Building Standards Code (Title 24, California Code of Regulations) and Fire Code. The Division provides customer assistance to residents, property owners, and businesses via the City's Permit Center, located at 1960 Tate Street; and coordinates with outside agencies such as the Menlo Park Fire Protection District and East Palo Alto Sanitary District. Services include plan review, permit activities coordination, inspections, and enforcement of state and local regulatory laws under the jurisdiction of the Community and Economic Development Department.

Building Division functions include: project plan review, inspections, permit activities coordination, evaluation, implementation of codes and policies, and construction-related code enforcement for existing and new development of all construction types and occupancies. The goal of the Division is to enforce minimum life safety laws for the built environment, which enhances the quality of life for residents and business.

Enhancement of development services and streamlining of review processes are a major component of the City's economic and business development effort. The Division is managed by the Chief Building Official.

The program focuses for Fiscal Year 2015-16 are to continue to improve the customer experience through:

- Ongoing training of staff and the incorporation of over-the-counter plan check review options for minor permits;
- Integration of Permit Center staff to answer minor planning and engineering related customer/applicant questions.
- Purchase and utilize mobile devices to increase field inspection accuracy, efficiency and productivity.

Additionally, the Building Division continues to add to customer service and operational efficiencies by developing and distributing educational handouts that address enforcement of the California State Building Standards, National Pollution Discharge and Elimination System (NPDES) requirements (Storm Water) related to new construction, and other California regulations related to new construction, additions, alterations, and repair of properties and structures in East Palo Alto.

The Division strategically addresses the following on an ongoing basis:

- Customer service and Permit Center operation;
- Coordination of Building Permit processing with other Divisions;
- In-house and contract plan check;
- Permit inspections;
- Code Enforcement and compliance;

# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2015-2016 Adopted Budget

### Building Services Division Summary

- Records management;
- Life safety Inspections specific to the built environment;
- Community outreach and education; and
- Disaster/emergency preparedness, mitigation, and recovery as assigned.

### SIGNIFICANT CHANGES

#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The FY 2015-2016 Adopted Budget of \$699,010 is an increase of \$103,580 over the FY 2014-2015 Adopted of \$595,430. The 14.8% increase primarily is due to the addition of a code enforcement officer as part of the 2015 Restructure Plan approved by City Council on April 21, 2015.

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2015-2016 Adopted Budget

**Building Services Division**

## FY 2014-2015 ACCOMPLISHMENTS

OBJECTIVE	RESULT
<p>1. Provide excellent service to the residents and businesses of East Palo Alto. Service excellence is defined as:</p> <ul style="list-style-type: none"><li>a. Maintain the Permit Center during normal hours of operation and assist the public accordingly.</li><li>b. Complete 95-percent of building plan checks within 21 business days and 100-percent within 30 business days.</li><li>c. Provide 100-percent of building inspections by the next business day of request.</li></ul>	<p>1.</p> <ul style="list-style-type: none"><li>a. In progress.</li><li>b. In progress.</li><li>c. Accomplished.</li></ul>
<p>2. Monitor the community, respond to all complaints and actively secure vacant and dangerous homes in the City during the fiscal year.</p>	<p>2. In progress. The Building Division is overwhelmed with past and new code enforcement complaints specific to illegal/unpermitted construction.</p>
<p>3. Provide at least two (2) follow up employee training classes for the use of the CRW Permit Tracking System during the fiscal year.</p>	<p>3. Accomplished.</p>
<p>4. Finalize and implement standard operating procedures (SOPs) for the use of the CRW permit tracking system during the fiscal year.</p>	<p>4. In progress. The CRW permitting system has been modified/ upgraded twice within the last year with additional modifications proposed.</p>
<p>5. Commence scanning of building permit file folders. Complete a minimum of five hundred (500) files during fiscal year.</p>	<p>5. Accomplished. All building permit applications and receipt information is now scanned and uploaded to CRW as a pdf file</p>
<p>6. Participate in at least one emergency preparedness exercise during the fiscal year.</p>	<p>6. Accomplished.</p>
<p>7. Provide assistance to City Code Enforcement efforts including support of the City's Code Enforcement Hearing process. Closure rate of 80-percent for fiscal year is the goal.</p>	<p>7. In progress. The Building Division is overwhelmed with the number of past and new code enforcement complaints specific to illegal/unpermitted construction.</p>

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2015-16 Adopted Budget

**Building Services Division**

## FY 2015-2016 OBJECTIVES

1. Integrate Community Development Code Enforcement Inspector and Community Development Code Enforcement Inspector into this Division;
2. Cross-train Permit Center staff to be able to provide information that answers customer questions addressing minor planning and engineering permits;
3. Work to improve the current CRW system for easy access to application submittals for permits to improve in-house tracking;
4. Train Permit Technicians to conduct over-the-counter plan check procedures for minor permit issuance;
5. Continue to develop digital plan-review options for minor permit submittals to improve turn-around times for application permitting;
6. Work with Finance and IT departments to develop and implement a plan to use credit cards at the counter;
7. Maintain the Permit Center during normal hours of operation and assist the public accordingly;
8. Complete 95-percent of first building plan checks within 21 business days;
9. Continue to provide 100-percent of inspections within two business days of request.

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# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2015-2016 Adopted Budget

### Planning and Housing Division

#### Division Summary

##### SOURCES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Charges for Services	197,180	226,600	240,200	226,000	225,860
Use of Resources	181,660	149,600	132,800	194,000	215,180
Special Revenue Funds	-	-	53,800	20,000	75,000
<b>TOTAL</b>	<b>378,840</b>	<b>376,200</b>	<b>426,800</b>	<b>440,000</b>	<b>516,040</b>

##### EXPENDITURES BY DEPARTMENT

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Planning and Housing Division	378,840	376,200	426,800	440,000	516,040
<b>TOTAL</b>	<b>378,840</b>	<b>376,200</b>	<b>426,800</b>	<b>440,000</b>	<b>516,040</b>

##### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	358,600	362,400	409,700	397,800	357,720
<b>Subtotal</b>	<b>358,600</b>	<b>362,400</b>	<b>409,700</b>	<b>397,800</b>	<b>357,720</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	19,540	13,600	17,000	41,700	158,320
Supplies and Materials	700	200	100	-	-
Capital Expenditures	-	-	-	500	-
<b>Subtotal</b>	<b>20,240</b>	<b>13,800</b>	<b>17,100</b>	<b>42,200</b>	<b>158,320</b>
<b>TOTAL</b>	<b>378,840</b>	<b>376,200</b>	<b>426,800</b>	<b>440,000</b>	<b>516,040</b>

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Planning Division Manager	1	1	1	1	1
Associate Planner	2	2	2	1	1
* Assistant Planner	-	-	-	1	1
** General Plan Project Manager	-	-	1	-	-
<b>TOTAL</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>

\* This position was established due to 2015 Restructure Plan.

\*\* This position was moved to Administration Division due to 2015 Restructure Plan.

# COMMUNITY AND ECONOMIC DEVELOPMENT

**FY 2015-2016 Adopted Budget**

## **Planning and Housing Division Summary**

### **SERVICE DESCRIPTION**

The Planning and Housing Division implements the City's planning and housing policies, which are intended to maintain and enhance the quality of life for City residents and visitors through provision of an attractive and functionally built environment, protection of desirable environmental and scenic amenities, efficient development review and approval and maintenance and enhancement of affordable housing opportunities. The Division provides quality development review and permitting services through efficient, professional and customer-friendly public processes under the policy direction of the Planning Commission and ultimately the City Council.

The functions of the Planning and Housing Division include current planning/development review, advanced/long range planning, and housing. In addition to regular staff, the Division also utilizes consultants for special projects and environmental reviews. In FY 2015-16, the City's consultants include Raimi & Associates, whose team consists of nine sub consultants retained to update of the City's General Plan and Development Code (Subdivision and Zoning). During FY 2015-16, the Planning and Housing Division will also retain professional services to review affordable housing development proposals for 965 Weeks Street and to create a more robust Geographical Information System (GIS).

While the emphasis of the FY 2015-16 budget is to update the General Plan and create a unified development code, which brings together the Zoning Ordinance and the Subdivision Regulations into one document, the Planning and Housing Division will continue to coordinate the design/build of 965 Weeks Street to accommodate the City's growing demand for affordable housing. Additionally, the Planning and Housing Division will continue to implement FEMA's Community Rating System, which has resulted in significant flood insurance savings. Core planning functions continue, such as processing high priority projects, responding to day-to-day inquiries, processing environmental and private development permit applications, and ensuring that divisional operations are conducted in an efficient, professional and customer-friendly manner. If staffing permits, the Planning and Housing Division will also prepare grant applications for water infrastructure and, in partnership with Canopy Inc., expand the City's urban forest.

The Planning Division also supports the work of the Planning Commission, whose resident members are appointed by the City Council. The Planning Commission is required under state law to review and act on matters related to planning and development. The Planning Division will continue to work towards process and systems improvement in the course of the objectives described in the objectives section of this narrative.

### **SIGNIFICANT CHANGES**

#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The FY 2015-2016 Adopted Budget of \$516,040 is an increase of \$76,040 (17.3%) over the FY 2014-2015 Adopted Budget of \$440,000. This 17.3% increase primarily is due to increased professional services costs (\$115,000) for a number of studies and services funded by both the General Fund and other restricted funds. The studies relate to affordable housing, bicycle/pedestrian, and GIS data. Other service costs include outside planning services, as well as tree planting. The purchased cost increases are partially offset by a reduction in budgeted personnel costs (\$40,080) due to lower estimated retirement and benefit costs. The lower benefit costs primarily are the result of hiring employees new to the City's Cal PERS retirement plan.

# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2015-2016 Adopted Budget Planning and Housing Division

### FY 2014-2015 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. Provide technical and administrative support to the General Plan Project Manager and consultant team.	1. Accomplished. <i>The Draft General Plan and Development Code (Subdivision and Zoning) will be provided in the summer of 2015.</i>
2. Complete streamlined update of the City Housing Element.	2. Accomplished. <i>The Housing Element was completed and presented to Council on May 5, 2015</i>
3. Maintain lead role in coordinating current planning and overall entitlement development review. Collaborate closely with Chief Building Official to ensure that plan checks are completed and other administrative level work is completed in a timely manner.	3. Ongoing. <i>Process improvements are still underway in response to the establishment of a new team</i>
4. In conjunction with the Chief Building Official, develop and implement an over-the-counter review program for Temporary Use Permits, Sign Permits and other planning-related permits to improve customer service and Department efficiency.	4. Ongoing
5. Continue to work toward implementation of the General Plan Housing Element action items; document progress; and, submit annual report to the State Office of Planning and Research, and the Department of Housing and Community Development as prescribed by law.	5. Accomplished.
6. Manage the City's Below Market Rate housing portfolio. This includes meeting with and assisting existing owners and tenants, processing refinance requests, monitoring for foreclosures and conducting annual audits.	6. Ongoing
7. Complete assessment of City's Geographic Information System capacity including software, hardware and staffing.	7. To be completed in FY 2015 to 2016
8. Organize and consolidate planning and housing files. Scan and convert to digital as time and funding allows.	8. In progress.

# COMMUNITY AND ECONOMIC DEVELOPMENT

2015-2016 Adopted Budget

## Planning and Housing Division

### FY 2015-2016 OBJECTIVES

1. Software enhancements – complete current planning improvements, and maintenance of existing programs. Improve permit tracking by training staff in the use of software such as CRW, ArborPro, and GIS that enhance citywide efficiencies.
2. Floodplain Management – maintain the National Flood Insurance Program’s Community Rating System score, which provides homeowners a 15 percent discount in flood insurance premiums equal to an annual savings of \$150,000 for approximately 700 policyholders. Investigate increasing the discount to 20% through higher regulatory standards
3. Long Range Planning – manage the consultants updating the 1999 General Plan, and 2003 Zoning Ordinance while continuing to implement the 1999 General Plan through activities identified in adopted plans and programs.
  - a. Adopt a new Hazard Mitigation Plan that identifies policies and actions that can be implemented over the long term to reduce risk and future losses, as required by Federal and State law.
  - b. Adopt a new Bicycle Transportation Plan, which is required to continue receiving CALTRANS funding for non-motorized improvements.
4. Housing – revise the Below Market Rate Program (Inclusionary Housing) Ordinance, and implement the comprehensive strategy for meeting the City’s housing needs, as identified in the FY 2015 to 2017 priorities plan.
5. Current Planning – provide new Frequently Asked Questions (FAQ) factsheets for all areas necessary to assist the public, especially targeting the high profile issues, such as a) water availability, b) tree protection requirements, c) fences, d) second units, and e) housing preference, among others.

# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2015-2016 Adopted Budget

### Rent Stabilization Division

#### Division Summary

##### SOURCES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Special Revenue Funds	451,030	423,690	637,370	625,930	430,770
<b>TOTAL</b>	<b>451,030</b>	<b>423,690</b>	<b>637,370</b>	<b>625,930</b>	<b>430,770</b>

##### EXPENDITURE BY DIVISION

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Rent Stabilization Division	451,030	423,690	637,370	625,930	430,770
<b>TOTAL</b>	<b>451,030</b>	<b>423,690</b>	<b>637,370</b>	<b>625,930</b>	<b>430,770</b>

##### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
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##### PERSONNEL

Salaries and Benefits

Subtotal	254,440	269,960	283,090	282,600	250,750
	<b>254,440</b>	<b>269,960</b>	<b>283,090</b>	<b>282,600</b>	<b>250,750</b>

##### SUPPLIES AND SERVICES

Purchased Services

Supplies and Materials

Other Expenditures

Subtotal	195,040	149,310	146,650	137,700	171,520
	1,550	4,420	13,310	4,500	8,500
	-	-	194,320	201,130	-
	<b>196,590</b>	<b>153,730</b>	<b>354,280</b>	<b>343,330</b>	<b>180,020</b>
<b>TOTAL</b>	<b>451,030</b>	<b>423,690</b>	<b>637,370</b>	<b>625,930</b>	<b>430,770</b>

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
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\* Housing Specialist I/II

RSP Housing Counselor II

RSP Administrator

TOTAL	1	1	1	-	-
	-	-	-	1	1
	1	1	1	1	1
	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

\* This position was reclassified to a RSP Housing Counselor II as part of the 2015 Restructure Plan.

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2015-2016 Adopted Budget

## Rent Stabilization Division Summary

### SERVICE DESCRIPTION

Administer and implement the voter approved Rent Stabilization and Eviction for Just Cause Ordinances. The primary purpose of these Ordinances is to 1) stabilize rents, 2) protect residential tenants from unreasonable rent increases and unjust or retaliatory evictions; and 3) facilitate improvements in maintenance and service levels of rental units in an economically viable rental housing market, and provide a forum for both tenants and landlords to address their grievances.

The Rent Stabilization Program is a division of the City Manager's Office charged with implementing the Rent Stabilization and Just Cause for Eviction Ordinances approved by voters in 1988 and 2010. This division is fully funded through revenues generated by annual registration fees paid by landlords, who may pass 50% of the fees onto their tenants, of regulated rental units, including rented mobile home spaces. In addition to supporting the Rent Board in adopting and implementing regulations for the Ordinances, the staff works directly with residents and landlords to gain compliance with the Ordinance and to improve living conditions for rental residents.

The division has a staffing level of 2 positions for these services, and is supported by staff from the City Attorney's Office and the Finance Department, contract Information Technology providers, hearing examiners, and temporary staff as needed.

### SIGNIFICANT CHANGES

#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$430,770 is a decrease of \$195,160 from the Fiscal Year 2014-2015 Adopted Budget of \$625,930. The 31.2% primarily is due to the reclassification of the administrative overhead allocation to non-departmental (\$201,130). This charge is comprised of various city departmental services to the program and not a direct charge of the division. The reduction was offset by an increase in other program costs targeted toward finalizing customized software changes and hearing cases related to the program.

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2015-2016 Adopted Budget

**Rent Stabilization Division**

## FY 2014-2015 ACCOMPLISHMENTS

### OBJECTIVE

### RESULT

- |   |  |
|---|--|
| <p>1. Issue certificates of Maximum Allowable Rent for 90% of regulated rental units by first quarter of 2015.</p>  | <p>1. Accomplished.</p>  |
| <p>2. Mail information to tenants on requirements pertaining to unjust evictions and how to seek assistance within one business day of receipt of an eviction notice submitted by a landlord.</p>                     | <p>2. Accomplished. 90% mailed on same business day; 10% mailed the next day.</p>                            |
| <p>3. Respond to landlords and tenants seeking information on how to secure their rights under the Ordinance within two days of a request.</p>  | <p>3. Accomplished. 90% of responses were mailed on the same business day; 10% were mailed the next day.</p> |
| <p>4. Redesign the Rent Stabilization Program website to make it more user friendly and to better inform landlords and tenants of rights and responsibilities for compliance with the Ordinance by June 30, 2015.</p> | <p>4. In progress.</p>   |
| <p>5. Conduct outreach to inform landlords and tenants of their rights under the Ordinance, including three informational workshops on how to seek assistance and how to comply by June 30, 2015.</p>                 | <p>5. In progress.</p>   |

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2015-2016 Adopted Budget

**Rent Stabilization Division**

## **FY 2015-2016 OBJECTIVES**

1. Assist the Rent Stabilization Board (Board) to review and adopt recommendations suggested in the review of the Rent Stabilization Program (Program) prepared by Stephen Barton. Submit recommendations to the City Council for its consideration, adoption and implementation.
2. Work with the Board and the City Council to ensure that rental units meet the building, housing and safety code standards by expanding a residential housing inspection program, so the Program's habitability goal in can be accomplished.
3. Assist the City Attorney's Office and contract legal counsel to draft regulations and amendments to the Rent Stabilization and Eviction for Just Cause Ordinance (Ordinance). Gain approval of amendments from the Board. Update forms, notices and informative materials to reflect any revisions adopted.
4. Work with the IT services provider to finish making any major programming needs to the Program's registration database and petition tracking system.
5. Conduct community outreach to educate both landlords and tenants of their rights and responsibilities under the Ordinance, including distributing an informative Updated Guide to Rent Control in East Palo Alto.
6. Provide information on the requirements for eviction in the Ordinance to landlords and tenants, including mailing information to tenants within one business day of receipt of notices of eviction.
7. Issue Certificates of Maximum Allowable Rent for new tenants within five business days of the Board's receipt of a completed Vacancy Registration Statement to comply with the Ordinance and regulations.
8. Mail 2016 Annual Registration Statements to landlords of regulated rental units by November 16, so that they can be submitted in time to meet the January 4, 2016 deadline established by the Ordinance.
9. Process pending petitions submitted by landlords and tenants within the timelines established in the Rent Stabilization Ordinance and regulations.
10. Submit notices of noncompliance to landlords when regulated rental units are not properly registered as required by the Ordinance and regulations with information about how to comply, the penalty fees that are accruing for noncompliance, and the procedure for submittal of a penalty waiver request for good cause.



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Public Works

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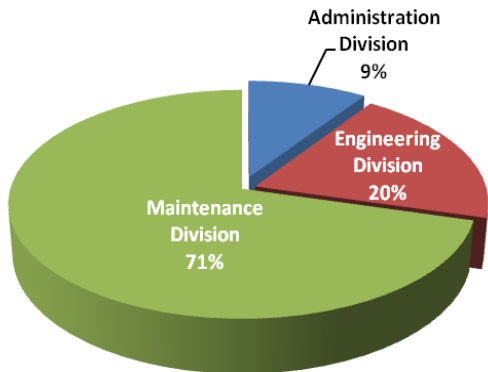
# PUBLIC WORKS DEPARTMENT

FY 2015-2016 Adopted Budget

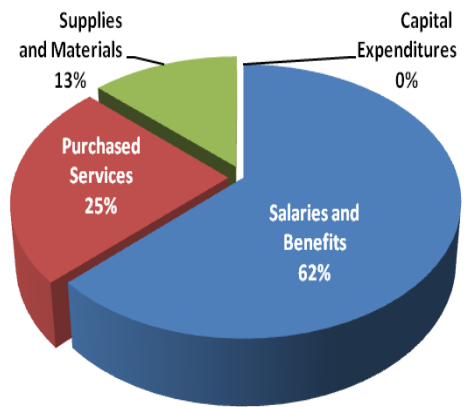
Operating \$ 3,401,360  
Positions 19

Public Works  
Department

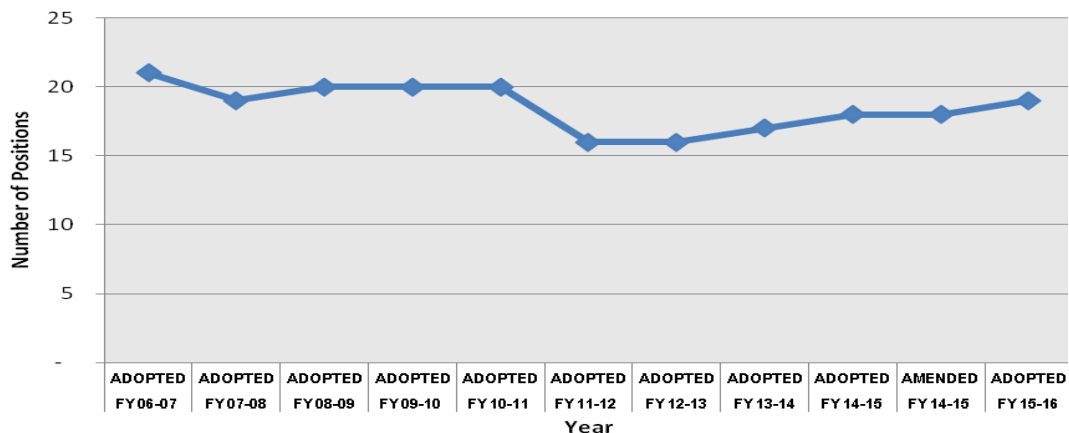
## EXPENDITURES BY DIVISION



## CHARACTER OF EXPENDITURES



## AUTHORIZED STRENGTH



# PUBLIC WORKS DEPARTMENT

FY 2015-2016 Adopted Budget

## Department Summary

### SOURCES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Charges for Services	42,780	79,300	164,700	149,600	150,000
Assigned Funds	24,950	-	-	-	-
Use of Resources	1,591,090	1,453,770	1,469,820	1,825,490	2,270,580
Special Revenue Funds	1,507,850	826,680	925,830	1,024,000	863,040
Capital Project Fund	1,720	320	1,670	266,030	-
Enterprise Funds	120,710	142,900	143,100	184,600	117,740
<b>TOTAL</b>	<b>3,289,100</b>	<b>2,502,970</b>	<b>2,705,120</b>	<b>3,449,720</b>	<b>3,401,360</b>

### EXPENDITURE BY DEPARTMENT

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Administration Division	-	-	-	-	323,710
Engineering Division	1,277,950	573,600	636,600	928,230	675,950
Maintenance Division	2,011,150	1,929,370	2,068,520	2,521,490	2,401,700
<b>TOTAL</b>	<b>3,289,100</b>	<b>2,502,970</b>	<b>2,705,120</b>	<b>3,449,720</b>	<b>3,401,360</b>

### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	1,367,300	1,373,170	1,499,820	2,066,120	2,135,590
<b>Subtotal</b>	<b>1,367,300</b>	<b>1,373,170</b>	<b>1,499,820</b>	<b>2,066,120</b>	<b>2,135,590</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	1,472,550	797,300	794,500	913,200	821,070
Supplies and Materials	340,950	329,300	381,800	470,400	444,700
Capital Expenditures	108,300	3,200	29,000	-	-
<b>Subtotal</b>	<b>1,921,800</b>	<b>1,129,800</b>	<b>1,205,300</b>	<b>1,383,600</b>	<b>1,265,770</b>
<b>TOTAL</b>	<b>3,289,100</b>	<b>2,502,970</b>	<b>2,705,120</b>	<b>3,449,720</b>	<b>3,401,360</b>

### AUTHORIZED STRENGTH

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Administration Division	-	-	-	-	2
Engineering Division	6	5	6	6	5
Maintenance Division	11	11	11	12	12
<b>TOTAL</b>	<b>17</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>

New Department created due to the 2015 Restructure Plan.

# PUBLIC WORKS DEPARTMENT

FY 2015-2016 Adopted Budget

## Administration Division

### Department Summary

#### SOURCES

General Fund:

Use of Resources

**TOTAL**

FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
-	-	-	-	323,710
-	-	-	-	<b>323,710</b>

#### EXPENDITURES BY DIVISION

Administration Division

**TOTAL**

FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
-	-	-	-	323,710
-	-	-	-	<b>323,710</b>

#### CHARACTER OF EXPENDITURES

##### PERSONNEL

Salaries and Benefits

**Subtotal**

##### SUPPLIES AND SERVICES

Purchased Services

Supplies and Materials

Capital Expenditures

**Subtotal**

**TOTAL**

FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
-	-	-	-	307,710
-	-	-	-	<b>307,710</b>
-	-	-	-	15,000
-	-	-	-	1,000
-	-	-	-	-
-	-	-	-	<b>16,000</b>
-	-	-	-	<b>323,710</b>

#### Position (FTE) Detail

\* Public Works Director

\*\* Admin. Assistant

FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
-	-	-	-	1
-	-	-	-	1
-	-	-	-	<b>2</b>

\* This position was established due to 2015 Restructure Plan.

\*\* This position was moved from the Community Economic Development Dept due to 2015 Restructure Plan.

# **PUBLIC WORKS DEPARTMENT**

**FY 2015-2016 Adopted Budget**

## **Administrative Division Summary**

### **MISSION STATEMENT**

The Public Works Department provides engineering and maintenance services that ensure the design, construction, maintenance, and operation of public infrastructure, parks, and facilities, are high-quality and sufficient to meet the needs of East Palo Alto residents, businesses, and visitors.

Day-to-day administration of the Public Works Department is led by the Public Works Director. The Public Works director manages the Engineering and Capital Projects and Maintenance and Public Works divisions. The Assistant City Manager oversees the Public Works Director. The Community and Economic Development Department provides administrative support to the Public Works Department.

### **SIGNIFICANT CHANGES**

#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The FY 2015-16 Public Works Administration Adopted Budget is \$323,710. Personnel costs consist of a new Public Works Director position and the transfer of one administrative position from the Community Development department. The division was created as part of the 2015 Restructure Plan approved by City Council on April 21, 2015. Supplies and services primarily consist of outside grant-writing services.

# **PUBLIC WORKS DEPARTMENT**

**FY 2015-16 Adopted Budget**

**Administration Division**

## **FY 2015-2016 OBJECTIVES**

1. Conduct in-house training for Maintenance Division staff to update them on construction methods, techniques and new tools to enhance quality and efficiency
2. Provide Engineering Division staff with training opportunities to improve performance.
3. Complete Safe Routes To School (SRTS) project construction
4. Monitor and solicit grant opportunities to fund necessary SRTS cycles identified in the “Existing Conditions” report.
5. Complete Bay Road Phase II/III Improvements to serve the Ravenswood Business Park area
6. Design the University Avenue/Highway 101 Interchange improvements as well as the Pedestrian/Bicycle Overcrossing to enhance connectivity between areas east and west of Highway 10 and improve pedestrian and bicycle access.
7. Reactivate the Gloria Way well to serve new businesses and homes.
8. Develop a groundwater management plan
9. Complete the Runnymede Storm Drain Phase II & O’Connor Pump Station Outfall Projects to reduce local storm flooding for a large portion of the city, including the Ravenswood area.
10. Update the City Urban Water Management Plan.
11. Work with the San Francisquito Creek Joint Powers Authority (SFCJPA) on the flood control projects to Provide flood protection from San Francisquito Creek and the San Francisco Bay.

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# PUBLIC WORKS DEPARTMENT

## FY 2015-2016 Adopted Budget

### Engineering Division

#### Division Summary

#### SOURCES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Funds:					
Charges for Services	42,780	79,300	164,700	149,600	150,000
Use of Resources	437,810	390,100	294,600	492,600	525,950
Special Revenue Funds	795,640	103,880	175,630	20,000	-
Capital Project Fund	1,720	320	1,670	266,030	-
<b>TOTAL</b>	<b>1,277,950</b>	<b>573,600</b>	<b>636,600</b>	<b>928,230</b>	<b>675,950</b>

#### EXPENDITURES BY DIVISION

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Engineering Division	1,277,950	573,600	636,600	928,230	675,950
<b>TOTAL</b>	<b>1,277,950</b>	<b>573,600</b>	<b>636,600</b>	<b>928,230</b>	<b>675,950</b>

#### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	449,100	418,000	451,000	837,330	659,350
<b>Subtotal</b>	<b>449,100</b>	<b>418,000</b>	<b>451,000</b>	<b>837,330</b>	<b>659,350</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	825,450	155,400	185,600	90,900	16,600
Supplies and Materials	3,400	200	-	-	-
Capital Expenditures	-	-	-	-	-
<b>Subtotal</b>	<b>828,850</b>	<b>155,600</b>	<b>185,600</b>	<b>90,900</b>	<b>16,600</b>
<b>TOTAL</b>	<b>1,277,950</b>	<b>573,600</b>	<b>636,600</b>	<b>928,230</b>	<b>675,950</b>

	FY 2011-12 ADOPTED BUDGET	FY 2012-13 ADOPTED BUDGET	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Assistant Civil Engineer	2	1	1	1	1
City Engineer	1	1	1	1	1
Engineering Technician	1	1	-	-	-
Public Works Inspector	1	-	1	1	1
Senior Engineer	1	2	1	1	1
Associate Engineer	-	-	1	1	1
* Management Analyst	-	-	1	1	-
	<b>6</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>5</b>

\* This position was eliminated due to 2015 Restructure Plan.

# **PUBLIC WORKS DEPARTMENT**

## **FY 2015-2016 Adopted Budget Engineering Division Summary**

### **SERVICE DESCRIPTION**

The Engineering Division develops and manages master infrastructure plans and capital projects to enhance community, economic and business development and retention. It manages the transportation network, coordinates maintenance of streets, facilities and infrastructure and provides development review services, ensuring adequate public improvements and services to existing and new development.

The Engineering Division is responsible for the maintenance and enhancement of existing infrastructure and public facilities as well as the design and construction of new public projects and infrastructure. Additionally, the Division is responsible for review and inspection of improvements required as part of new private developments. The Division provides primary support to the City's Public Works and Transportation Committee, in accordance with the Municipal Code.

The Division strategically addresses the following on an ongoing basis:

- Capital Improvement Program and projects;
- Storm drain and flood protection;
- Roads/traffic and transportation (new facilities, major rehabilitation and regular maintenance);
- Facilities and parks maintenance;
- Water utilities;
- NPDES and related Clean Water Act requirements;
- Land development/plan review;
- Encroachment Permit;
- Coordination with Caltrans and other agencies; and
- Disaster/emergency preparedness, mitigation, and recovery.

The program emphasis for Fiscal Year 2015-2016 is the enhancement of community, economic and business development through the implementation of the Ten Year Capital Improvement Program and FY 15-16 Capital Budget. Major projects include:

- Completion of Bay Road Phase II/III Improvements to serve the Ravenswood Business Park area
- Reactivation of the Gloria Way well to serve new businesses and homes;

# **PUBLIC WORKS DEPARTMENT**

**FY 2015-2016 Adopted Budget**

## **Engineering Division Summary**

- Development of a groundwater management plan, and completion of the Runnymede Storm Drain Phase II & O'Connor Pump Station Outfall Projects to reduce local storm flooding for a large portion of the city, including the Ravenswood area.
- Designing the University Avenue/Highway 101 Interchange improvements as well as the Pedestrian/Bicycle Overcrossing to enhance connectivity between areas east and west of Highway 101.

The Engineering Division will continue to improve its efficiency and effectiveness through training and cross-training staff members. Furthermore, the Division will continue to prioritize coordination of the Bay to Highway 101 (Reach 1) portion of the San Francisquito Creek Joint Powers Authority flood control project.

## **SIGNIFICANT CHANGES**

### **FY 2014-2015 Adopted FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$675,950 is a decrease of \$252,280 from the Fiscal Year 2014-2015 Adopted Budget of \$928,230. The 27.2% decrease primarily is due to reduced personnel costs (\$177,980) as a result of the elimination of the management analyst position and also due to budgeted rate true-up for workers' compensation, health, and retirement costs. Purchased services costs are reduced by \$74,000 due to eliminating budget for temporary engineering services and reducing budget for miscellaneous studies.

# PUBLIC WORKS DEPARTMENT

FY 2015-2016 Adopted Budget

## Engineering Division

### FY 2014-2015 ACCOMPLISHMENTS

#### OBJECTIVE

#### RESULT

- |   |   |
|---|---|
| <p>1. Provide excellent service to the residents and businesses of East Palo Alto. Service excellence is defined as:</p> <ul style="list-style-type: none"><li>a. Maintain the Permit Center during normal hours of operation and assist the public accordingly.</li><li>b. Complete 95-percent of plan checks within 21-days and 100-percent within 30-days.</li><li>c. Provide 95-percent of engineering inspections by the next business day of request.</li><li>d. Finalize CEQA/NEPA environmental documents and submit to federal, state and local environmental bodies and complete the design for the Runnymede SD Improvements Project by July 15, 2012.</li></ul> | <p>1.</p> <ul style="list-style-type: none"><li>a. Accomplished</li><li>b. In Progress; CIP workload and staffing changes have not permitted the Division to meet this objective within the established time frames.</li><li>c. Accomplished</li><li>d. In Progress; design and environmental review are complete. A substantial amount of construction was completed during spring 2015. We anticipate that construction will be 100% complete by spring 2016.</li></ul> |
| <p>2. Initiate design of Gloria Way Well/Secondary Water Source Study during the fiscal year.</p>   | <p>2. Accomplished; contracts for design awarded in September 2014 and April 2014.</p>  |
| <p>3. Commence construction of University Avenue overpass.</p>  | <p>3. In progress. Construction has been delayed by Caltrans requirement of a new traffic analysis and seismic redesign.</p>  |
| <p>4. Complete construction of Traffic Signals Modification Project (University/Bell and East Bayshore/ Pulgas Avenue).</p>   | <p>4. Accomplished</p>  |
| <p>5. Complete Phase I (Planning, Environmental, and Preliminary Design) for the Class I Pedestrian/Bicycle overcrossing at Highway101.</p>   | <p>5. Accomplished</p>  |
| <p>6. Continue work on water-related capital projects.</p>  | <p>6. In progress; test well completed in Summer 2014. We anticipate completion of GWMP in Summer 2015, and completion of the Gloria Way Well Treatment System final design in Fall 2015.</p>   |

# **PUBLIC WORKS DEPARTMENT**

**FY 2015-2016 Adopted Budget**

**Engineering Division**

## **FY 2014-2015 ACCOMPLISHMENTS**

### **Additional Accomplishments:**

- Completed substantial amount of Annual Streets Resurfacing Projects
- Began design of Safe Routes to School (SRTS) Project – Cycle 3
- Began design of Water Main Upgrade Project
- Completed Rail Spur Site Improvement Project – Phase I
- Completed inspection and condition assessment for the Storm Drainage Master Plan
- Completed flood damage recovery projects resulting from the December 23, 2012 East Palo Alto Flood event.

# **PUBLIC WORKS DEPARTMENT**

**FY 2015-16 Adopted Budget**

**Engineering Division**

## **FY 2015-2016 OBJECTIVES**

1. Improve public services and performance of the Engineering Division and enhance communication/coordination among CEDD divisions.
2. Oversee the design and delivery of strategic capital improvement projects, including water and flood control, bridges, streets, bike/pedestrian projects.
3. Work closely with maintenance division to improve overall efficiency and quality of maintenance services of city infrastructure.
4. Adopt City Standard Plans and Specifications and boiler plate to address current codes and reflect the needs of the City of East Palo Alto
5. Work on a comprehensive and feasible traffic circulation and parking study to address parking problems and focus on pedestrian safety and accessibility (starting in The Gardens neighborhood)
6. Conduct in-house training for Maintenance Division staff to update them on construction methods, techniques and new tools to enhance quality and efficiency
7. Provide Engineering Division staff with training opportunities to improve performance.
8. Complete Safe Routes To School (SRTS) project construction
9. Monitor and solicit grant opportunities to fund necessary SRTS cycles identified in the “Existing Conditions” report.
10. Complete Bay Road Phase II/III Improvements to serve the Ravenswood Business Park area
11. Design the University Avenue/Highway 101 Interchange improvements as well as the Pedestrian/Bicycle Overcrossing to enhance connectivity between areas east and west of Highway 10 and improve pedestrian and bicycle access.
12. Reactivate the Gloria Way well to serve new businesses and homes.
13. Develop a groundwater management plan
14. Complete the Runnymede Storm Drain Phase II & O’Connor Pump Station Outfall Projects to reduce local storm flooding for a large portion of the city, including the Ravenswood area.
15. Update the City Urban Water Management Plan.
16. Work with the San Francisquito Creek Joint Powers Authority (SFCJPA) on the flood control projects to Provide flood protection from San Francisquito Creek and the San Francisco Bay.

# PUBLIC WORKS DEPARTMENT

## FY 2015-2016 Adopted Budget

### Maintenance Division

#### Division Summary

#### SOURCES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Assigned Funds	24,950	-	-	-	-
Use of Resources	1,153,280	1,063,670	1,175,220	1,332,890	1,420,920
Special Revenue Funds	712,210	722,800	750,200	1,004,000	863,040
Enterprise Funds	120,710	142,900	143,100	184,600	117,740
<b>TOTAL</b>	<b>2,011,150</b>	<b>1,929,370</b>	<b>2,068,520</b>	<b>2,521,490</b>	<b>2,401,700</b>

#### EXPENDITURES BY DIVISION

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Maintenance Division	2,011,150	1,929,370	2,068,520	2,521,490	2,401,700
<b>TOTAL</b>	<b>2,011,150</b>	<b>1,929,370</b>	<b>2,068,520</b>	<b>2,521,490</b>	<b>2,401,700</b>

#### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	918,200	955,170	1,048,820	1,228,790	1,168,530
<b>Subtotal</b>	<b>918,200</b>	<b>955,170</b>	<b>1,048,820</b>	<b>1,228,790</b>	<b>1,168,530</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	647,100	641,900	608,900	822,300	789,470
Supplies and Materials	337,550	329,100	381,800	470,400	443,700
Other Expenditures	-	-	-	-	-
Capital Expenditures	108,300	3,200	29,000	-	-
<b>Subtotal</b>	<b>1,092,950</b>	<b>974,200</b>	<b>1,019,700</b>	<b>1,292,700</b>	<b>1,233,170</b>
<b>TOTAL</b>	<b>2,011,150</b>	<b>1,929,370</b>	<b>2,068,520</b>	<b>2,521,490</b>	<b>2,401,700</b>

	FY 2011-12 ADOPTED BUDGET	FY 2012-13 ADOPTED BUDGET	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Maintenance Division Manager	1	1	1	1	1
Electrician	1	1	1	1	1
Maintenance Worker I	5	5	5	4	4
Maintenance Worker II	2	2	2	3	3
Maintenance Worker III	1	1	1	2	2
Secretary I	1	1	1	1	1
<b>TOTAL</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>

# PUBLIC WORKS DEPARTMENT

FY 2015-2016 Adopted Budget

## Maintenance Division

### SERVICE DESCRIPTION

The Maintenance Division provides maintenance of parks, open spaces, medians, street, street lights, sidewalks, and facilities. The Division operates and manages storm drain facilities including the O'Connor Pump Station. The Division addresses graffiti abatement in public areas, manages fleet services, and manages other contract services.

The Maintenance Division is responsible for the day-to-day maintenance of all City-owned facilities, parks and infrastructure. It coordinates and assists other departments with the use of City facilities during special events, holidays, as well as the general use of City facilities and parks on a continuous basis. Under the direct supervision of the Maintenance Division Manager, the Division has a staffing level of 12 positions.

Emphasis for Fiscal Year 2015-16 will be on improving operational efficiencies and enhancing preventive maintenance efforts for the following assignments:

- **Drainage District:** Maintain the citywide storm drainage system, including operation of O'Connor pump station. Ensure compliance with National Pollution Discharge Elimination System (NPDES) mandates of the San Francisco Bay Regional Water Quality Control Board.
- **Facilities:** Provide maintenance services to the Senior Center, Police Department, Corporation Yard, Community Development, Cooley Landing, Re-entry Program, Space at YMCA, Jack Farrell and MLK Park concession buildings.
- **Parks:** Maintain all City Parks: Martin Luther King Jr., Jack Farrell, Bell Street, Joel Davis, Cooley Landing, and the Newbridge and Bay Road pocket park.
- **Open Space Landscaping:** Maintaining street medians, alleyways, sound walls, and the Rail Spur.
- **Trees:** Prune and maintain health of approximately 5,000 trees in public right of ways.
- **Graffiti Abatement Program:** Remove graffiti in public right of way, facilities, bus shelters, parks, signs, and the pump station.
- **Sidewalks:** Repair broken and uplifted sidewalks to prevent trips and falls.
- **Street:** Maintain existing streets and shoulders, and repair potholes throughout the city.
- **Regulatory Signage:** Install new regulatory signage and repair damaged signage.
- **Red Curb:** Maintain over four (4) miles of red curbs (no parking zones) throughout the City.
- **Traffic Signal:** Ensure proper function of traffic signals at 13 intersections.
- **Street Lighting:** Maintain approximately 900 LED street lights.
- **Illegal Dumping:** Report illegal dumping to Recology of San Mateo.
- **Street Sweeping Program:** Install new signage; repair damaged signs
- **Fleet:** Manage repair and services of Community and Economic Development Department vehicles.



# **PUBLIC WORKS DEPARTMENT**

**FY 2015-2016 Adopted Budget**

## **Maintenance Division**

- **Contract Services:** Manage multiple municipal service contracts.
- **After Hours Emergency:** Respond to emergencies, and maintain a list of on-call personnel.

### **SIGNIFICANT CHANGES**

#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$2,401,700 is a decrease of \$119,790 from the Fiscal Year 2014-2015 Adopted Budget of \$2,521,490. The 4.8% decrease is due to reduced budgeted personnel costs (\$60,260) as a result of budgeted rate true-up for workers' compensation, health, and retirement costs. Supplies and services costs are reduced by a total amount of \$59,530 in an effort to reduce budgeted costs for the division.

# PUBLIC WORKS DEPARTMENT

FY 2015-2016 Adopted Budget

Maintenance Division

## FY 2014-2015 ACCOMPLISHMENTS

### OBJECTIVE

1. Explore and evaluate a Preventive Maintenance Program, including an assessment of all maintenance requirements, identification of any backlog and a schedule for staff and resource allocations, for all City infrastructure and facilities.
2. Explore opportunities for contracting additional services as a means to reduce costs, improve efficiencies and focus staff on more preventive maintenance.
3. Evaluate and improve NPDES-related functions with emphasis addressing on-going/ annual clean-out of drainage system manholes and implementation of long-term trash reduction efforts.
4. Collaborate with Police Department, neighborhood groups, and other stakeholders to supplement Maintenance Division's graffiti abatement efforts.

### RESULT

1. In progress. Need to complete the Pavement Management System index with the Engineering Division.
2. In progress. RFPs for fleet maintenance and janitorial services will be released in April 2015.
3. Storm drain assessment is complete. Need to complete cost analysis for the storm drain maintenance function.
4. Presented graffiti abatement policy and practices to City Council on March 3, 2015. Will continue to explore recommendations from the Graffiti Task Force and identify funding sources.

# **PUBLIC WORKS DEPARTMENT**

**FY 2015-2016 Adopted Budget**

**Maintenance Division**

## **FY 2015-2016 OBJECTIVES**

1. Continue to explore and evaluate a preventive maintenance program. Assess the maintenance requirements of all City infrastructure and facilities, identify inefficiencies and backlog, and develop an assignment schedule for staff and resource allocation.
2. Explore opportunities for contracting additional services as a means to reduce costs, increase efficiency, and focus staff more on preventive maintenance.
3. Evaluate and improve National Pollution Discharge Elimination System (NPDES) related functions with emphasis on addressing ongoing/annual clean-out of drainage system manholes, and implementation of long-term trash reduction efforts.
4. Collaborate with the Police Department, neighborhood groups, and other stakeholders to supplement Maintenance Division's graffiti abatement efforts.
5. Initiate maintenance responsibility of Cooley Landing Park.
6. Initiate installation of fitness equipment in parks and program for artistic painting of utility boxes.

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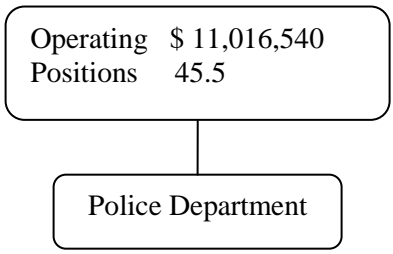
Public Safety

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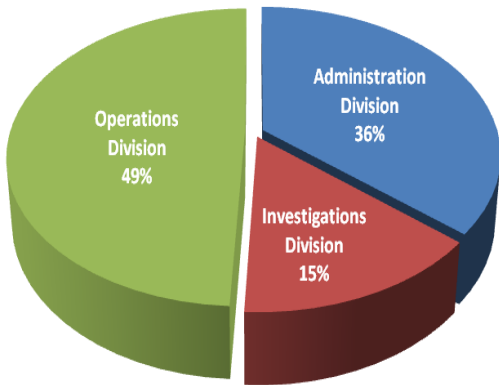
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# POLICE DEPARTMENT

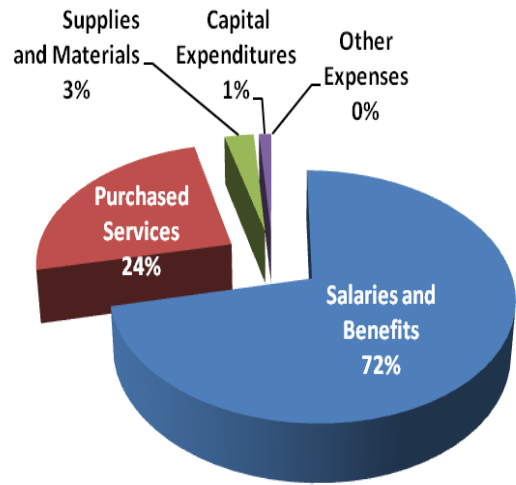
FY 2015-2016 Adopted Budget



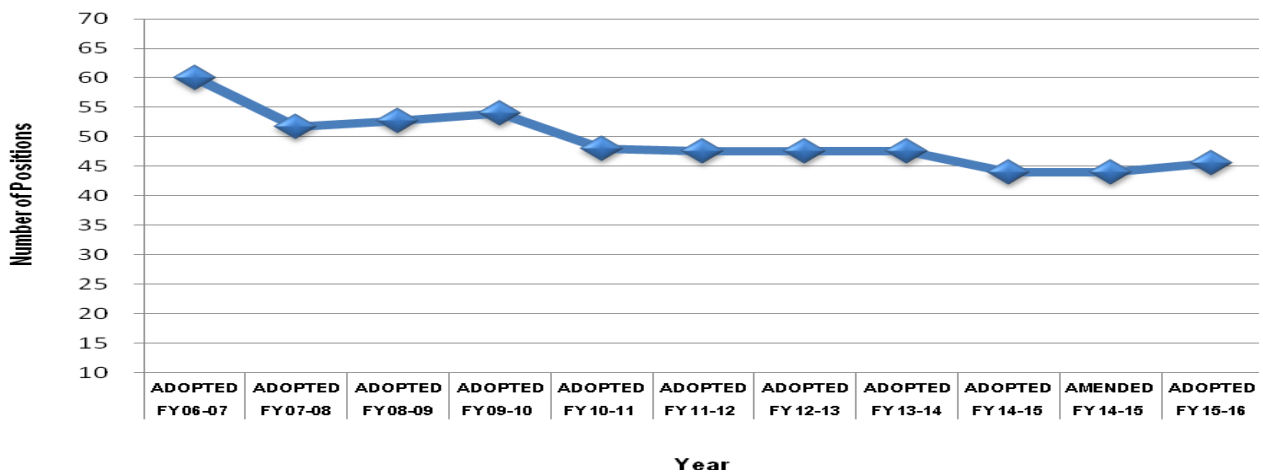
## EXPENDITURES BY DIVISION



## CHARACTER OF EXPENDITURES



## AUTHORIZED STRENGTH



# POLICE DEPARTMENT

## FY 2015-2016 Adopted Budget

### Department Summary

#### SOURCES

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ACTUAL	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET
General Fund:					
Charges for Services	256,400	242,970	249,000	301,500	336,700
Assigned Funds	63,830	33,870	111,660	114,200	194,900
Use of Resources	8,701,270	8,698,730	9,241,500	9,542,370	9,980,250
Special Revenue Funds	1,228,700	1,283,100	955,780	492,900	504,690
Capital Project Fund	-	124,355	-	-	-
<b>TOTAL</b>	<b>10,250,200</b>	<b>10,383,025</b>	<b>10,557,940</b>	<b>10,450,970</b>	<b>11,016,540</b>

#### EXPENDITURE BY DIVISION

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ACTUAL	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET
Administration Division	3,592,100	3,778,725	4,033,900	3,543,900	3,986,340
Investigations Division	1,057,100	1,117,600	747,760	1,522,500	1,605,800
Operations Division	5,601,000	5,486,700	5,776,280	5,384,570	5,424,400
<b>TOTAL</b>	<b>10,250,200</b>	<b>10,383,025</b>	<b>10,557,940</b>	<b>10,450,970</b>	<b>11,016,540</b>

#### CHARACTER OF EXPENDITURES

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ACTUAL	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	7,584,000	7,643,410	7,688,570	7,805,270	7,877,990
<b>Subtotal</b>	<b>7,584,000</b>	<b>7,643,410</b>	<b>7,688,570</b>	<b>7,805,270</b>	<b>7,877,990</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	2,352,000	2,276,810	2,456,880	2,246,700	2,697,550
Supplies and Materials	285,700	269,100	299,790	276,800	311,800
Capital Expenditures	123,000	191,760	112,700	122,200	129,200
Other Expenses	(94,500)	1,945	-	-	-
<b>Subtotal</b>	<b>2,666,200</b>	<b>2,739,615</b>	<b>2,869,370</b>	<b>2,645,700</b>	<b>3,138,550</b>
<b>TOTAL</b>	<b>10,250,200</b>	<b>10,383,025</b>	<b>10,557,940</b>	<b>10,450,970</b>	<b>11,016,540</b>

#### AUTHORIZED STRENGTH

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET
Administration Division	10.5	10.5	11	8	8
Investigations Division	5	5	5	8	8
Operations Division	32	32	32	28	29.5
<b>TOTAL</b>	<b>47.5</b>	<b>47.5</b>	<b>47.5</b>	<b>44.0</b>	<b>45.5</b>



# **POLICE DEPARTMENT**

**FY 2015-2016 Adopted Budget**

## **Department Summary**

### **MISSION STATEMENT**

Provide police patrol and investigations services 24 hours per day, 7 days per week to protect persons and property. To preserve the peace throughout the City and provide effective community-oriented policing law enforcement services.

### **BUDGET ORGANIZATION AND THE STRATEGIC PRIORITIES**

The Divisions of the Police Department consist of Administration, Investigations and Operations. The Department currently has a staffing level of 44 funded positions (36 sworn, 8 FTE-civilian). In addition, the Department carries Permanent Part-time 3 Community Service Aides to enhance parking enforcement.

The emphasis of Fiscal Year 2015-2016 budget is to maintain current service levels to the public. Attention will be focused on the priority of employee and organizational development, as well as community policing and crime reduction. In addition, the department will focus on ongoing maintenance of mandated services for general law enforcement, vehicle abatement and emergency response (as a single agency or in concert with other federal, state, and/or local agencies). The Police Department will strive for successful completion of the following strategic priorities:

- Complete an Organizational Review of the Department to assist with the development of future goals and objectives;
- Establish and maintain a current police officer eligibility list from which vacancies will be filled promptly;
- Work with Community and Economic Development Department to help them develop a graffiti database tracking graffiti location, type, and date of occurrence and use said database to design law enforcement graffiti reduction interventions;
- Preparation to move Police Evidence Unit from 2415 University Ave to 219 Demeter St. /CID;
- Create a weekly- Community Police Newsletter addressing safety concerns, crime trends and Neighborhood watch programs;

### **SIGNIFICANT CHANGES**

#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$11,016,540 is an increase of \$565,570 over the Fiscal Year 2014-2015 Adopted Budget of \$10,450,970. Of the 5.4% increase, \$72,720 consists of net personnel cost increases primarily related to the addition of up to three part-time positions created as part of the 2015 Restructure Plan approved by City Council on April 21, 2015. The remaining increase of \$492,850 is primarily related to County service contract costs for the animal shelter, crime lab, and dispatch services as more fully described in the division budgets.

# POLICE DEPARTMENT

FY 2014-2015 Adopted Budget

**POLICE CHIEF**  
Albert Pardini

Captain

**Community Policing/Professional Standards Unit**  
1 Sergeant

**Operations**

Adam Team  
1 Sgt., 5 Officers

Charles Team  
1 Sgt., 5 Officers

Boy Team  
1 Sgt., 5 Officers

David Team  
1 Sgt., 5 Officers

Community Policing  
Coordinator,  
School  
Resource Officer  
Crime Analysis  
Crime Prevention  
PAL, Explorers  
1 Officer  
1 CSO 1 CEO's

**Investigations**

Criminal Investigations  
1 Sgt., 4 Detectives

Narcotics Task Force  
1 Officer

Special Duty Unit  
2 Officers

**Administration**  
1 Admin. Svc. Mgr.

Records Unit  
1 Supervisor  
3 Records Clerks

Property and  
Evidence Unit  
1 Clerk

DB-90

Total FTE's: **44**

# POLICE DEPARTMENT

## FY 2015-2016 Adopted Budget

### Administration Division

#### Division Summary

#### SOURCES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Charges for Services	17,200	17,470	29,000	52,700	54,700
Assigned Funds	63,830	33,870	111,660	114,200	194,900
Use of Resources	2,877,770	3,025,130	3,400,440	3,369,000	3,678,560
Special Revenue Funds	633,300	577,900	492,800	8,000	58,170
Capital Project Fund	-	124,355	-	-	-
<b>TOTAL</b>	<b>3,592,100</b>	<b>3,778,725</b>	<b>4,033,900</b>	<b>3,543,900</b>	<b>3,986,330</b>

#### EXPENDITURES BY DIVISION

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Administration Division	3,592,100	3,778,725	4,033,900	3,543,900	3,986,330
<b>TOTAL</b>	<b>3,592,100</b>	<b>3,778,725</b>	<b>4,033,900</b>	<b>3,543,900</b>	<b>3,986,330</b>

#### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	1,073,500	1,175,010	1,309,000	1,054,200	1,014,190
<b>Subtotal</b>	<b>1,073,500</b>	<b>1,175,010</b>	<b>1,309,000</b>	<b>1,054,200</b>	<b>1,014,190</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	2,351,600	2,271,910	2,454,600	2,242,700	2,666,140
Supplies and Materials	138,500	138,100	157,600	124,800	176,800
Capital Expenditures	123,000	191,760	112,700	122,200	129,200
Other Expenditures	(94,500)	1,945	-	-	-
<b>Subtotal</b>	<b>2,518,600</b>	<b>2,603,715</b>	<b>2,724,900</b>	<b>2,489,700</b>	<b>2,972,140</b>
<b>TOTAL</b>	<b>3,592,100</b>	<b>3,778,725</b>	<b>4,033,900</b>	<b>3,543,900</b>	<b>3,986,330</b>

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Administration Services Manager	1	1	1	1	1
Community Services Officer	1	1	1	-	-
Police Chief	1	1	1	1	1
Police Property Officer	1	1	1	1	1
Police Record's Clerk I/II	3	3	3	3	3
Police Record's Supervisor	1	1	1	1	1
Police Sergeant	-	-	-	1	1
* Re-Entry Program Assistant	0.5	0.5	0.5	-	-
* Re-Entry Program Case Worker	1	1	1	-	-
* Re-Entry Program Coordinator	1	1	1	-	-
<b>TOTAL</b>	<b>10.5</b>	<b>10.5</b>	<b>10.5</b>	<b>8</b>	<b>8</b>

\* Temporary grant positions.

# **POLICE DEPARTMENT**

**FY 2015-2016 Adopted Budget**

## **Administration Division Summary**

### **SERVICE DESCRIPTION**

The Administration Division provides direction, coordination and oversight to police employees and operations involving grants, contracts, policy matters, training, discipline, and purchasing.

Under supervision of the Chief of Police and the Administrative Services Manager, the Division is comprised of the Records Section, Property and Evidence Unit, and the Community Services Unit. The Administration Division has a direct staffing level of 8 positions.

### **SIGNIFICANT CHANGES**

#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$3,986,330 is an increase of \$442,430 from the Fiscal Year 2014-2015 Adopted Budget of \$3,543,900. The 12.5% increase is due to a significant increase in purchased services (\$423,440). Of this amount, County Services accounts for \$197,190 of the increase and is related to animal control, citation pass-through payments, and crime-lab and dispatch fees. Other major cost increases relate to legal and professional services for investigations, professional unit standards, and Turbo data citation processing totaling approximately \$57,500; and debt lease payments totaling \$65,700 for recent vehicle purchases funded through capitalized lease payments. Supplies and materials increase \$52,000 primarily for new-hire uniform costs (\$30,000), utilities (\$15,000) and ammunition increases (\$5,000).

# POLICE DEPARTMENT

FY 2015-2016 Adopted Budget

**Administration Division**

## FY 2014-2015 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. Provide at least four training to community organizations and residents on law enforcement related topics such as gang awareness, violence prevention and domestic violence	1. Accomplished.
2. Complete analysis of our department's use of Shotspotter technology working in partnership with the Warren Institute of Law and Policy through the Smart Policing Initiative.	2. Accomplished.
3. Build/maintain partnership with three community organizations to assist the department in coordination of FIT Zones. Conduct 1-2 FIT Zone events in each FIT Zone location per week. Host a minimum of 100 FIT Zone Events.	3. Accomplished.
4. Work with Community and Economic Development Department to develop a graffiti database tracking graffiti location, type and data of occurrence and use said database to design law enforcement graffiti reduction interventions.	4. In- progress. Working with Community & Economic Development Department on design and implementation.
5. To conduct at least three "Chat with the Chief" sessions by June 30, 2015.	5. Accomplished.
6. Implement new Department policy and procedure manual incorporating best practices designed to enhance officers' skills.	6. In progress.

# **POLICE DEPARTMENT**

**FY 2015-2016 Adopted Budget**

**Administration Division**

## **FY 2015-2016 OBJECTIVES**

1. Conduct at least three public safety town hall meetings with the Chief- by June 30, 2016.
2. Complete update of the Police Personnel Duty Manual.
3. Work with Community and Economic Development Department to develop a graffiti database tracking graffiti location, type, and date of occurrence. Use said database to design law enforcement graffiti reduction interventions.
4. Create a weekly- Community Policing Newsletter addressing safety concerns, crime trends and neighborhood watch programs.
5. Complete analysis of East Palo Alto crime trends between 2012 and 2015
6. Determine appropriate community oriented strategies to reduce crime and violence in East Palo Alto. Include community oriented strategies in safe community plan.
7. Develop a Five year safe community plan that addresses crime prevention, intervention, enforcement and includes community engagement strategies.

# POLICE DEPARTMENT

## FY 2015-2016 Adopted Budget

### Investigations Division

#### Division Summary

##### SOURCES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Use of Resources	1,049,750	1,099,100	742,660	1,480,900	1,543,830
Special Revenue Funds	7,350	18,500	5,100	41,600	61,970
<b>TOTAL</b>	<b>1,057,100</b>	<b>1,117,600</b>	<b>747,760</b>	<b>1,522,500</b>	<b>1,605,800</b>

##### EXPENDITURE BY DIVISION

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Investigations Division	1,057,100	1,117,600	747,760	1,522,500	1,605,800
<b>TOTAL</b>	<b>1,057,100</b>	<b>1,117,600</b>	<b>747,760</b>	<b>1,522,500</b>	<b>1,605,800</b>

##### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	1,055,600	1,117,600	747,760	1,516,500	1,564,400
<b>Subtotal</b>	<b>1,055,600</b>	<b>1,117,600</b>	<b>747,760</b>	<b>1,516,500</b>	<b>1,564,400</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	-	-	-	4,000	31,400
Supplies and Materials	1,500	-	-	2,000	10,000
<b>Subtotal</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>6,000</b>	<b>41,400</b>
<b>TOTAL</b>	<b>1,057,100</b>	<b>1,117,600</b>	<b>747,760</b>	<b>1,522,500</b>	<b>1,605,800</b>

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Commander*	-	-	-	1	1
Police Officer	4	4	4	7	7
Police Sergeant	1	1	1	-	-
<b>TOTAL</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>8</b>	<b>8</b>

\*Police Sergeant position was converted to a Commander during FY 2014-15.

# **POLICE DEPARTMENT**

**FY 2015-2016 Adopted Budget**

## **Investigations Division Summary**

### **SERVICE DESCRIPTION**

The Investigations Division conducts all major criminal investigations, including homicides and aggravated assaults.

Under the direct supervision of the Criminal Investigations Commander, the Investigations Division is comprised of (5) Police Officers (Detectives). Police Officers assigned to the Investigations Division include 4 detectives assigned to criminal investigations, and (1) officer assigned to the Narcotics Task Force (NTF).

\*\* Up to 3 (0.5 FTE) Permanent Part-Time positions assigned to Parking Enforcement, 1 Community Service Officer assigned to Crime Analysis/Crime Prevention, and one Code Enforcement Officer.

### **SIGNIFICANT CHANGES**

#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$1,605,800 is an increase of \$83,300 over the Fiscal Year 2014-2015 Adopted Budget of \$1,522,500. Of the 5.5% increase, over half is comprised of salary increases related to budgeted true-up of officer classification from basic to intermediate or advanced. The remaining increase of \$35,400 relates to a grant-funded investigator (\$25,000) and other operating supplies (\$10,400).

\*\* Police Personnel will report to CID Commander for Supervision, but still will be funded from the Police Operation budget.



# POLICE DEPARTMENT

FY 2015-2016 Adopted Budget

## Investigations Division

### FY 2014-2015 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. The Special Duty Unit will partner with local agencies (Menlo Park Police Department, Gang Intelligence Unit, etc.) to conduct targeted investigations thus enhancing the enforcement of gang related issues.	1. Accomplished.
2. Utilize "Offender Watch" software to enhance the unit's ability to track registered sex offenders.	2. Accomplished.
3. Form a search warrant service team. Provide Training for search warrants service team designed to enhance officer safety during the execution of search warrants.	3. In progress.
4. Develop individualized training program for detectives, and ensure that needed specialized training is provided.	4. Accomplished.
5. Institute "Cold- Case Homicide Detail" .	5. In progress.

# **POLICE DEPARTMENT**

**FY 2015-2016 Adopted Budget**

**Investigations Division**

## **FY 2015-2016 OBJECTIVES**

1. Conduct two CA Penal Code Section 290/registered sex offender compliance projects by June 30-2016 to enhance tracking of sex offenders who fail to comply with legal standards.
2. Plan two domestic violence operations that target domestic violence suspects with outstanding warrants.
3. Develop a training program to improve detectives' abilities to execute high risk warrants in a matter that is safe for all parties – civilian and sworn.
4. Hire a new “cold case” homicide investigator.

# POLICE DEPARTMENT

## FY 2015-2016 Adopted Budget

### Operations Division

#### Division Summary

#### SOURCES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Charges for Services	239,200	225,500	220,000	248,800	282,000
Use of Resources	4,773,750	4,574,500	5,098,400	4,692,470	4,757,860
Special Revenue Funds	588,050	686,700	457,880	443,300	384,540
<b>TOTAL</b>	<b>5,601,000</b>	<b>5,486,700</b>	<b>5,776,280</b>	<b>5,384,570</b>	<b>5,424,400</b>

#### EXPENDITURES BY DIVISION

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Operations Division	5,601,000	5,486,700	5,776,280	5,384,570	5,424,400
<b>TOTAL</b>	<b>5,601,000</b>	<b>5,486,700</b>	<b>5,776,280</b>	<b>5,384,570</b>	<b>5,424,400</b>

#### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	5,454,900	5,350,800	5,631,810	5,234,570	5,299,400
<b>Subtotal</b>	<b>5,454,900</b>	<b>5,350,800</b>	<b>5,631,810</b>	<b>5,234,570</b>	<b>5,299,400</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	400	4,900	2,280	-	-
Supplies and Materials	145,700	131,000	142,190	150,000	125,000
<b>Subtotal</b>	<b>146,100</b>	<b>135,900</b>	<b>144,470</b>	<b>150,000</b>	<b>125,000</b>
<b>TOTAL</b>	<b>5,601,000</b>	<b>5,486,700</b>	<b>5,776,280</b>	<b>5,384,570</b>	<b>5,424,400</b>

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 AMENDED BUDGET	FY 2015-16 ADOPTED BUDGET
Code Enforcement Officer II	2	2	2	1	1
Community Service Officer	-	-	-	1	1
* Commander	-	-	-	1	1
** Police Captain	1	1	1	-	-
Police Officer	23	23	25	21	21
Police Officer (Grant Funded)	2	2	-	-	-
Police Sergeant	4	4	4	4	4
*** Part-time	-	-	-	-	1.5
<b>TOTAL</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>28</b>	<b>29.5</b>

\* This position was established during FY 2014-15.

\*\* This position was eliminated during FY 2014-15.

\*\*\* Part-time positions established due to the 2015 Restructure Plan.

# **POLICE DEPARTMENT**

**FY 2015-2016 Adopted Budget**

## **Operations Division Summary**

### **SERVICE DESCRIPTION**

The Operations Division provides effective police services throughout the City, handles calls for service, engages in problem-solving with the community, and keeps the peace.

Under direction of the Chief of Police, the Operations Division is led by (1) Commander. The Operations Division performs police patrols, calls for service response, traffic enforcement, and special enforcement activities. The Operations Division has a direct staffing level of 29.5 positions.

### **SIGNIFICANT CHANGES**

#### **FY 2014-2015 Adopted to FY 2015-2016 Adopted:**

The Fiscal Year 2015-2016 Adopted Budget of \$5,424,400 is an increase of \$39,830 over the Fiscal Year 2014-2015 Adopted Budget of \$5,384,570. The minor net increase of 0.74% is due to the addition of up to three part-time positions for traffic enforcement and other activities (\$79,205) and salary increases related to budgeted true-up of officer classification from basic to intermediate or advanced (\$96,105) offset by reduced budgeted benefits costs (\$110,840) and reduced budget for fuel of \$25,000 due to lower gas prices.

# POLICE DEPARTMENT

FY 2015-2016 Adopted Budget

## Operations Division

### FY 2014-2015 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. By June 30, 2015, conduct eight traffic enforcement programs including sobriety checkpoints, and seat belt and pedestrian crosswalk violations designed to reduce traffic accidents and fatalities.	1. Accomplished.
2. Involve officers in 1-2 FIT Zone events at each FIT Zone location per week. Minimum officer participation in 100 FIT Zone events.	2. Accomplished
3. Use Warren Institute of Law and Policy's analysis of our department's use of ShotSpotter technology to design and implement at least three gunshot reduction operations in areas with high concentrations of gun violence (shooting hot spots).	3. Accomplished
4. Conduct at least one monthly Beat Meeting in each of the three beats. Incorporate other City departments into beat meetings as appropriate to provide the community information and opportunities for feedback on City services.	4. Accomplished
5. Conduct regular school site visits by School Resource Officer for safety training and to address truancy problems.	5. In progress.

# **POLICE DEPARTMENT**

**FY 2015-2016 Adopted Budget**

**Operations Division**

## **FY 2015-2016 OBJECTIVES**

1. By June 30, 2016, conduct (4) Traffic enforcement operations to address speed enforcement, school safety violations, cell phone violations, parking enforcement seat belt and pedestrian crosswalk violations designed to reduce traffic accidents.
2. Apply for a new FIT Zone grant for new City locations by December 2015.
3. Hire a third Community Service Aide to enhance our parking enforcement efforts.
4. Fill all vacant Police Officer positions and operate at full authorized strength by June 30, 2016
5. Assign a School Resource Officer and collaborate with San Mateo County to address the truancy problem within our community.

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Non-Departmental

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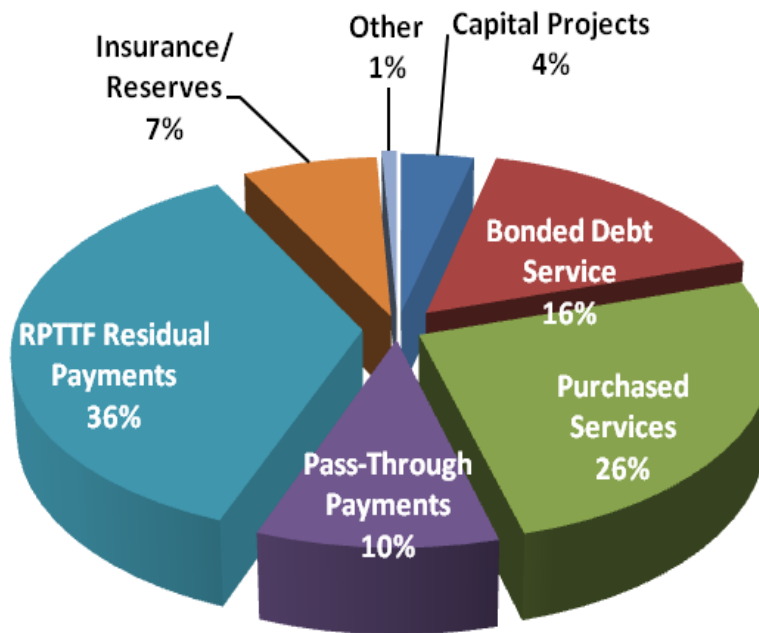


# NON-DEPARTMENTAL

FY 2015-2016 Adopted Budget

Operating \$11,875,095

## CHARACTER OF EXPENDITURES



# NON-DEPARTMENTAL

## FY 2015-16 Adopted Budget

### Department Summary

#### SOURCES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
General Fund:					
Assigned	522,040	689,105	627,490	783,050	1,080,900
Use of Fund Reserves	473,245	469,355	429,300	468,340	707,850
Special Revenue Funds	75,570	109,330	158,445	85,600	93,150
Enterprise Funds	2,582,485	2,202,980	2,400,845	2,348,225	2,351,120
Successor and Pension Trusts	6,996,405	8,751,960	9,419,090	8,683,755	7,642,075
	<b>10,649,745</b>	<b>12,222,730</b>	<b>13,035,170</b>	<b>12,368,970</b>	<b>11,875,095</b>

#### CHARACTER OF EXPENDITURES

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET
Capital Projects	216,815	393,055	333,435	222,530	450,700
<b>Subtotal</b>	<b>216,815</b>	<b>393,055</b>	<b>333,435</b>	<b>222,530</b>	<b>450,700</b>
Bonded Debt Service	4,187,640	3,366,085	3,433,115	3,357,245	3,353,440
Less: PFA Eliminating Entry	-	-	-	-	(1,411,665)
<b>Subtotal</b>	<b>4,187,640</b>	<b>3,366,085</b>	<b>3,433,115</b>	<b>3,357,245</b>	<b>1,941,775</b>
Insurance and Settlements	242,735	300,125	320,985	263,600	643,400
<b>Subtotal</b>	<b>242,735</b>	<b>300,125</b>	<b>320,985</b>	<b>263,600</b>	<b>643,400</b>
Other Non-Departmental:					
RPTTF Residual Payments	1,378,870	3,853,915	3,907,495	3,974,270	4,331,800
Pass-Thru Payments	1,243,255	1,258,200	1,286,240	1,260,990	1,180,000
Purchased Services	3,293,940	2,930,500	3,060,225	3,269,885	3,047,950
Reserves & Insurance Benefits	765	360	330	-	188,070
Supplies and Materials	26,350	9,190	7,525	14,400	12,900
401k Pension Distributions	15,260	71,450	604,720	-	-
Other Expenditures	44,115	39,850	81,100	6,050	78,500
<b>Subtotal</b>	<b>6,002,555</b>	<b>8,163,465</b>	<b>8,947,635</b>	<b>8,525,595</b>	<b>8,839,220</b>
<b>TOTAL</b>	<b>10,649,745</b>	<b>12,222,730</b>	<b>13,035,170</b>	<b>12,368,970</b>	<b>11,875,095</b>

#### Detail of Major Purchased Services:

Residential Garbage Services	2,354,805	1,968,840	2,145,065	2,277,600	2,321,200
Redwood City IT Services	257,800	295,700	273,085	310,120	-
Building and Equipment Lease	186,755	195,510	158,160	163,400	163,120
County Property Tax Administration	188,245	148,225	142,005	141,800	147,400
Professional Lobby Services	108,465	119,895	113,185	85,000	85,000
JPA Dues & Other Memberships	101,705	99,010	110,565	182,100	239,600
Other Miscellaneous	96,165	103,320	118,160	109,865	91,630
<b>Total</b>	<b>3,293,940</b>	<b>2,930,500</b>	<b>3,060,225</b>	<b>3,269,885</b>	<b>3,047,950</b>

# Miscellaneous

## Introduction

This section contains the following items of interest:

- MISC-2: Resolution No. 4631 establishing the Appropriation Limit for FY 2015- 2016.
- MISC-8: Resolution No. 4632 adopting the FY 2015- 2016 budget.
- MISC-11: Resolution No. 4633 adopting the ten-year Capital Improvement Program.
- MISC-16: FY 2015-2016 Adopted CIP Projects

**RESOLUTION NO. 4631**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO  
ESTABLISHING THE APPROPRIATION LIMIT  
FOR FISCAL YEAR 2015-2016 at \$27,085,675**

**WHEREAS**, the City is required to adopt a limit on appropriations subject to a formula outlined in Article XIIB of the California Constitution; and

**WHEREAS**, the California Constitution also requires a method of calculation of inflation and population growth to be chosen by the City Council; and,

**WHEREAS**, the City elects to use the following inflation and population growth factors for the calculation of the Appropriation Limit for FY 2015-2016:

Per Capita Cost of Living Change: Plus 3.82%

County of San Mateo Population Adjustment: Plus 1.00%

**WHEREAS**, a resolution establishing the annual appropriation limit is to be adopted at a regularly scheduled meeting or noticed special meeting of the City Council.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of East Palo Alto that:

1. The appropriation limit for Fiscal Year 2015-16 shall be and is hereby set at \$27,085,675 pursuant to Exhibit A attached hereto, and incorporated herein by this reference.
2. The appropriation limit of \$27,085,675 exceeds the proceeds from taxes calculated in the amount of \$19,743,822 by \$7,341,853 and the City of East Palo Alto is in compliance with the provisions of Article XIII B of the State Constitution.

**PASSED AND ADOPTED** this 16th day of June 2015, by the following vote:

**AYES:** RUTHERFORD, ROMERO, GAUTHIER, ABRICA, MOODY

**NAES:**

**ABSENT:**

**ABSTAIN:**

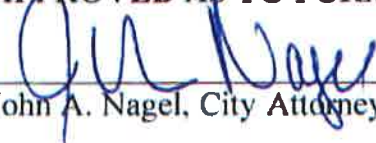
**SIGNED:**

  
\_\_\_\_\_  
Lisa Gauthier, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Terrie Gillen, Interim Deputy City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
John A. Nagel, City Attorney

CITY OF EAST PALO ALTO  
Appropriation Limitation Calculation  
2015-16

EXHIBIT A

Executive Summary

An annual calculation of the City's appropriation limitation is required by Article XIIB of the California Constitution. City expenditures may increase only in relation to changes in per capita income or growth in non-residential assessment valuation, whichever is greater, and the population change for the City or County, whichever is greater.

The City's 2015-16 proposed budget appropriations that are subject to limitation are \$7,249,005 million under the limitation as shown below:

I. Determination of Appropriation Limit:

2015-16 Appropriation Limit (Schedule 3) \$ 27,085,675

II. Determination of Appropriations Subject to Limitation:

2015-16 Revenue Sources for Appropriations (Schedule 2) \$ 26,941,385  
Deductions of Exempt Revenues and Debt Service (Schedule 1) (7,197,563)

2015-16 Appropriations Subject to Limitation (Schedule 1) \$ 19,743,822

III. Amount Under/(Over) Appropriation Limit (I-II) \$ 7,341,853

IV. Remaining Capacity as a Percent of FY 2015-16 Limit 27.11%

CITY OF EAST PALO ALTO  
 CALCULATION OF APPROPRIATIONS SUBJECT TO LIMITATION  
 2015-16

Total Revenue Sources For Appropriations (Schedule 2)	<u>\$ 26,941,385</u>
<u>Exclusions:</u>	
Non-Proceeds of Taxes (Schedule 2)	(7,097,563)
Qualifying Capital Outlay	<u>(100,000)</u>
Total Exclusions	<u>(7,197,563)</u>
Net Revenue Sources Subject to Limitation	<u>\$ 19,743,822</u>

CITY OF EAST PALO ALTO  
SUMMARY OF REVENUES-BY CATEGORY  
2015-16

SCHEDULE 2

	<u>Budgeted Proceeds of Tax</u>	<u>Budgeted Non-Proceeds of Tax</u>	<u>Total Revenues</u>
<b>Taxes</b>			
Property Taxes	\$ 10,656,870		\$ 10,656,870
Sales and Use Tax	4,243,100		4,243,100
Utility Users Tax	1,510,000		1,510,000
Transient Occupancy Tax	2,759,600		2,759,600
Other State and Local Taxes	-	\$ 714,770	714,770
	<u>\$ 19,169,570</u>	<u>\$ 714,770</u>	<u>\$ 19,884,340</u>
<b>Franchise Fees</b>			
Franchise Fees	\$ -	\$ 930,000	\$ 930,000
<b>Licenses, Fees, and Permits</b>			
Business License	\$ 600,000	\$ -	\$ 600,000
Building Permits		401,000	401,000
Rent Stabilization		555,000	555,000
NPDES		131,400	131,400
Other		17,400	17,400
	<u>\$ 600,000</u>	<u>\$ 1,104,800</u>	<u>\$ 1,704,800</u>
<b>Fines and Forfeitures</b>			
Vehicle Code and Parking Fines	\$ -	\$ 282,000	\$ 282,000
<b>Use of Money and Property (ex. Interest)</b>			
Loan Interest and Proceeds		\$ 79,500	\$ 79,500
Facility Use and Leases		252,000	252,000
	<u>\$ -</u>	<u>\$ 331,500</u>	<u>\$ 331,500</u>
<b>Grants and Intergovernmental (ex. Capital)</b>			
Federal COPS Grant		\$ 83,330	\$ 83,330
California SLESF		100,000	100,000
California Department of Aging		47,000	47,000
San Mateo County Transportation Authority		245,000	245,000
Other Intergovernmental		113,500	113,500
	<u>\$ -</u>	<u>\$ 588,830</u>	<u>\$ 588,830</u>
<b>Charges for Current Services</b>			
Solid Waste and Recycling Fees		\$ 2,399,545	\$ 2,399,545
Police Services		18,200	18,200
Engineering Fees		150,000	150,000
Development Service Fees		179,860	179,860
Building Fees		66,000	66,000
Miscellaneous Charges		10,000	10,000
	<u>\$ -</u>	<u>\$ 2,823,605</u>	<u>\$ 2,823,605</u>

CITY OF EAST PALO ALTO  
SUMMARY OF REVENUES-BY CATEGORY  
2013-14

SCHEDULE 2

	<u>Budgeted Proceeds of Tax</u>	<u>Budgeted Non-Proceeds of Tax</u>	<u>Total Revenues</u>
<b>Other Miscellaneous</b>			
Reimbursements		\$ 200,000	\$ 200,000
Repayments		64,000	64,000
Other		31,500	31,500
	<u>\$ -</u>	<u>\$ 295,500</u>	<u>\$ 295,500</u>
<b>Operating Budget Subtotal</b>	<b>\$ 19,769,670</b>	<b>\$ 7,071,006</b>	<b>\$ 26,840,676</b>
Percent of Total	73.66%	26.34%	100.00%
<b>Interest Allocation</b>	<b>\$ 74,252</b>	<b>\$ 26,558</b>	<b>\$ 100,810</b>
<b>TOTAL</b>	<b>\$ 19,843,822</b>	<b>\$ 7,097,563</b>	<b>\$ 26,941,385</b>



CITY OF EAST PALO ALTO  
 APPROPRIATIONS LIMIT COMPUTATION  
 CUMULATIVE GROWTH RATE  
 2015-16

FISCAL YEAR	BEGINNING LIMIT	POPULATION FACTOR	PER CAPITA INCOME FACTOR	ASSESSED VALUATION CHANGE FACTOR	ENDING LIMIT
1999-00	4,886,747	1.0038	1.0453	N/A	5,127,527
2000-01	5,127,527	1.1744 (1)	1.0491	N/A	6,317,437
2001-02	6,317,437	1.0099	1.0782	N/A	6,878,894
2002-03	6,878,894	1.047	N/A	1.1408	8,216,272
2003-04	8,216,272	0.9956	N/A	1.0262	8,394,440
2004-05	8,394,440	1.006	N/A	1.2956	10,941,091
2005-06	10,941,091	1.0123	N/A	1.3297	14,727,314
2006-07	14,727,314	1.01	1.0396	N/A	15,463,621
2007-08	15,463,621	1.0139	1.0442	N/A	16,371,558
2008-09	16,371,558	1.0126	N/A	1.092	18,103,000
2009-10	18,103,000	1.0121	N/A	1.112	20,374,116
2010-11	20,374,116	1.0117	N/A	1.008	20,777,393
2011-12	20,777,393	1.008	N/A	0.981	20,545,684
2012-13	20,545,684	1.0098	1.0377	N/A	21,529,194
2013-14	21,529,194	1.0109	1.0512	N/A	22,878,172
2014-15	22,878,172	1.0117	N/A	1.116	25,830,765
2015-16	25,830,765	1.01	1.0382	N/A	27,085,675

Sources: State Dept. of Finance, Budget Resolutions & Prior Year Appropriation Limits, San Mateo County Assessor's Office

(1) Corrected population growth based on Dept of Finance population of 25,568 for 1/1/99 and 30,027 for 1/1/00

N/A = Not applicable; calculation formula uses the higher of per capita or assessed valuation factors multiplied by population factor.

**RESOLUTION NO. 4632**

**RESOLUTION ADOPTING THE FISCAL YEAR 2015-16 REVENUE AND EXPENDITURE BUDGETS FOR THE CITY OF EAST PALO ALTO**

**WHEREAS**, City Council desires a spending plan for the City of East Palo Alto General, Special Revenue, Capital, Fiduciary, and Enterprise Funds in order to account for Fiscal Year 2015-16 anticipated revenues and to appropriate projected expenditures; and,

**WHEREAS**, the City of East Palo Alto Municipal Code section 3.08.110 requires the adoption of an annual budget no later than June 30<sup>th</sup> prior to the beginning of the fiscal year; and,

**WHEREAS**, the City Council held two Budget Study Sessions in May 2015, a Budget Study Session on June 9, 2015, and a Public Hearing on June 16, 2015, on the City's anticipated revenues and expenditure programs and to obtain public comment regarding the FY 2015-16 Proposed Budget including capital funding and expenditures; and,

**WHEREAS**, such public hearing was duly noticed not less than seven days prior to the public hearing held on June 16, 2015 in accordance with East Palo Alto Municipal Code section 3.08.070; and,

**WHEREAS**, the City Council further authorizes the use of available Reserve Balances totaling \$2,902,600 in order to fund certain capital improvements and other restricted fund operating deficits, and of this amount approximately \$2.34 million relates to approved capital projects and \$0.56 million relates to budgeted operating deficits, as follows:

<b>Fund</b>	<b>Description</b>	<b>Use of Reserves</b>
014	CIP Reserve (Excess ERAF and CIP Projects)	\$ (1,262,000)
201	State Gas Tax	\$ (384,930)
204	Rent Stabilization	\$ (87,080)
221	Lighting District	\$ (159,790)
222	Drainage District	\$ (52,650)
232	Parcel Tax (Measure C)	\$ (426,530)
510	Water Service Fund	\$ (529,620)

**NOW, THEREFORE, BE IT RESOLVED** by the City Council that the FY 2015-16 Budget is hereby adopted as follows:

**CITY OF EAST PALO ALTO  
FY 2015-16 ADOPTED BUDGET SUMMARY BY FUND**

Fund	Description	Recommended		Capital Improvement Plan	Operating Transfers		Net Change Fund Balance
		Revenues	Expenditures		In	Out	
010	General Fund	\$ 19,431,760	\$ (17,777,275)	\$ -	\$ -	\$ (1,654,485)	\$ -
011	IT Replacement Fund	\$ -	\$ (637,425)	\$ -	\$ 697,425		\$ 60,000
012	Equipment & Vehicles		\$ (202,900)	\$ -	\$ 332,100		\$ 129,200
013	Self Insurance	\$ -	\$ (590,200)	\$ -	\$ 590,200		\$ -
014	CIP Reserve (Excess ERAF and CIP Projects)	\$ 340,800	\$ (340,800)	\$ -		\$ (1,262,000)	\$ (1,262,000)
<b>SUBTOTAL GENERAL FUND</b>		<b>\$ 19,772,560</b>	<b>\$ (19,548,600)</b>	<b>\$ -</b>	<b>\$ 1,619,725</b>	<b>\$ (2,916,485)</b>	<b>\$ (1,072,800)</b>
201	State Gas Tax	\$ 722,790	\$ (607,720)	\$ (500,000)	\$ -	\$ -	\$ (384,930)
202	Measure A	\$ 571,000	\$ (149,790)	\$ -	\$ -	\$ -	\$ 421,210
203	NPDES	\$ 131,400	\$ (166,160)	\$ -	\$ 34,760	\$ -	\$ -
204	Rent Stabilization	\$ 556,000	\$ (643,080)	\$ -	\$ -	\$ -	\$ (87,080)
206	Park In Lieu	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ 600
207	Housing In Lieu	\$ 282,000	\$ (54,570)	\$ -	\$ -	\$ -	\$ 227,430
208	Public Improvements In Lieu	\$ 15,000	\$ (15,000)	\$ -	\$ -	\$ -	\$ -
209	Housing Assistance Program	\$ 5,500	\$ -	\$ -	\$ -	\$ -	\$ 5,500
213	Police Grants	\$ 183,330	\$ (183,330)	\$ -	\$ -	\$ -	\$ -
215	Misc Federal and State Grants	\$ 47,000	\$ (47,000)	\$ -	\$ -	\$ -	\$ -
221	Lighting District	\$ 345,950	\$ (305,740)	\$ (200,000)	\$ -	\$ -	\$ (159,790)
222	Drainage District	\$ 76,570	\$ (129,220)	\$ -	\$ -	\$ -	\$ (52,650)
230	Local Grants	\$ 245,000	\$ (245,000)	\$ -	\$ -	\$ -	\$ -
231	CYSFF Grant Fund	\$ 271,000	\$ (271,000)	\$ -	\$ -	\$ -	\$ -
232	Parcel Tax (Measure C)	\$ 700,000	\$ (1,126,530)	\$ -	\$ -	\$ -	\$ (426,530)
301	Capital Improvement Fund	\$ 10,842,000	\$ -	\$ (10,842,000)	\$ -	\$ -	\$ -
510	Water Service Fund	\$ 272,800	\$ (127,420)	\$ (1,937,000)	\$ 1,262,000	\$ -	\$ (529,620)
520	Garbage Service Fund	\$ 2,603,385	\$ (2,603,385)	\$ -	\$ -	\$ -	\$ -
926	Gateway Lo-Mod Housing Fund	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000
927	University Circle Lo-Mod Housing Fund	\$ 4,500	\$ -	\$ -	\$ -	\$ -	\$ 4,500
928	Ravenswood Lo-Mod Housing Fund	\$ 80,000	\$ (60,000)	\$ -	\$ -	\$ -	\$ 20,000
<b>SUBTOTAL CITY OPERATING FUNDS</b>		<b>\$ 37,783,385</b>	<b>\$ (26,283,545)</b>	<b>\$ (13,479,000)</b>	<b>\$ 2,916,485</b>	<b>\$ (2,916,485)</b>	<b>\$ (1,979,160)</b>
715	Pension Trust	\$ 18,500	\$ (18,500)	\$ -	\$ -	\$ -	\$ -
920	Successor Agency	\$ -	\$ (220,100)	\$ -	\$ 220,100	\$ -	\$ -
921	Gateway SA Fund	\$ 3,305,000	\$ (2,440,900)	\$ -	\$ -	\$ (906,336)	\$ (42,236)
922	University Circle SA Fund	\$ 4,018,000	\$ (2,873,350)	\$ -	\$ -	\$ (1,116,803)	\$ 27,847
923	Ravenswood SA Fund	\$ 387,000	\$ (342,550)	\$ -	\$ -	\$ (5,436)	\$ 39,014
945	Gateway University Debt Service	\$ 16,500	\$ (531,235)	\$ -	\$ 514,735	\$ -	\$ -
946	1999 TAB Debt Service	\$ 116,800	\$ (1,413,215)	\$ -	\$ 1,296,415	\$ -	\$ -
947	PFA Debt Service	\$ 1,411,665	\$ (1,408,990)	\$ -	\$ -	\$ (2,675)	\$ -
<b>SUBTOTAL TRUST FUNDS</b>		<b>\$ 9,273,465</b>	<b>\$ (9,248,840)</b>	<b>\$ -</b>	<b>\$ 2,031,250</b>	<b>\$ (2,031,250)</b>	<b>\$ 24,625</b>
<b>ELIMINATING ENTRIES</b>		<b>\$ (1,411,665)</b>	<b>\$ 1,411,665</b>	<b>\$ -</b>	<b>\$ (3,650,975)</b>	<b>\$ 3,650,975</b>	<b>\$ -</b>
<b>TOTAL OF ALL FUNDS</b>		<b>\$ 45,645,185</b>	<b>\$ (34,120,720)</b>	<b>\$ (13,479,000)</b>	<b>\$ 1,296,760</b>	<b>\$ (1,296,760)</b>	<b>\$ (1,954,535)</b>

**PASSED AND ADOPTED this 16th day of June 2015, by the following vote:**

**AYES: RUTHERFORD, ABRICA, GAUTHIER, MOODY, ROMERO**

**NAES:**

**ABSENT:**

**ABSTAIN:**

**SIGNED:**

  
\_\_\_\_\_  
Lisa Gauthier, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Terrie Gillen, Interim Deputy City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
John A. Nagel, City Attorney

**RESOLUTION NO. 4633**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO  
ADOPTING THE CITY OF EAST PALO ALTO  
TEN YEAR CAPITAL IMPROVEMENT PROGRAM**

**WHEREAS**, the Ten Year Capital Improvement Program (CIP) will facilitate the construction of capital projects which would further the goals and policies of the General Plan; and

**WHEREAS**, progress toward construction of the Ten Year CIP projects will further the City's goal to improve public infrastructure and facilities; and

**WHEREAS**, the Ten Year CIP plays a significant role in the City's Economic Development and grant application efforts and

**WHEREAS**, all capital projects in the Ten Year CIP were determined to be in conformance with the General Plan by the Planning Commission on May 11, 2015; and

**WHEREAS**, the Ten-Year Capital Improvement Program (CIP) was discussed by the City Council on May 26, 2015 and June 9, 2015; and

**WHEREAS**, the City Council affirms that adopting the Ten Year CIP is not a project under the California Environmental Quality Act (CEQA), pursuant to Sections 15061 and 15378 of the CEQA Guidelines.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of East Palo Alto adopts the attached Ten Year Capital Improvement Program (CIP) as contained in Exhibit A, which is attached hereto and incorporated herein by this reference.

**PASSED AND ADOPTED this 16th day of June 2015, by the following vote:**

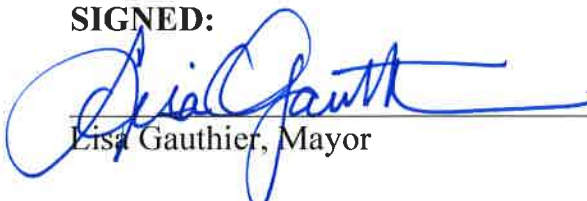
**AYES: RUTHERFORD, ROMERO, GAUTHIER, ABRICA, MOODY**

**NAES:**

**ABSENT:**

**ABSTAIN:**

**SIGNED:**

  
\_\_\_\_\_  
Lisa Gauthier, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Terrie Gillen, Interim Deputy City Clerk

  
\_\_\_\_\_  
John A. Nagel, City Attorney

**FY 2015/16 TEN YEAR CAPITAL IMPROVEMENT PROGRAM ANNUAL UPDATE - PROPOSED BUDGET SUMMARY**

STREETS & TRANSPORTATION	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	No Year	Total 10 Year
(Thousands of Dollars)												
ST-01 Traffic/Transportation Master Plan	\$ -	\$ 65	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65
ST-02 Traffic Signal Upgrade Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ST-03 Safe Routes to School: Cycle 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ST-04A Street Light Upgrade - Neighborhood Requests	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100
ST-04B Street Light Upgrade Project: Phase III	\$ 100	\$ 100	\$ 75	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325
ST-05 Bay Road Improvements (Roadway)	\$ 2,242	\$ 10,026	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,268
ST-06 Highway 101 Pedestrian-Bicycle Overcrossing	\$ 8,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,600
ST-07 Street Resurfacing Program	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000
ST-08 University Avenue Resurfacing & Signal Upgrade	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ST-09 Bicycle and Pedestrian Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ST-10 New Sidewalks, Curbs & Gutters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ST-11 Sidewalk Repair/ADA Ramp Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ST-12 Traffic Calming Program	\$ -	\$ -	\$ 25	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ -	\$ 125
ST-13 Major Street Reconstruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ST-14 University Avenue Bridge Overcrossing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ST-15 Signage & Striping Improvements	\$ -	\$ 50	\$ 50	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150
ST-16 Euclid Avenue Tunnel Assessment & Investigation	\$ -	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30
ST-17 New Loop Road	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ST-18 Neighborhood Traffic Transportation Plan (G)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ST-19 Runnymede at University Avenue Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ST-20 Pedestrian Accessibility Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ST-21 Scotfield Avenue Sidewalk Improvements	\$ -	\$ 130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130
<b>Total</b>	<b>\$ 11,542</b>	<b>\$ 10,901</b>	<b>\$ 15,650</b>	<b>\$ 620</b>	<b>\$ 20</b>	<b>\$ 20</b>	<b>\$ 20</b>	<b>\$ 20</b>	<b>\$ 20</b>	<b>\$ 20</b>	<b>\$ 17,050</b>	<b>\$ 55,843</b>

FY 2015-16 Ten Year Capital Improvement Program Annual Update - Proposed Budget Summary

COMMUNITY FACILITIES	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	No Year	Total	
	(Thousands of Dollars)												
FA-01 Community Facilities & Parks Master Plan	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	
FA-02 Community Development Building	\$ -	\$ 10	\$ 80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90	
FA-03 2277 University Avenue Building	\$ -	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10	
FA-04 Senior Center Building	\$ -	\$ 20	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30	
FA-05 New Police Department Building	\$ -	\$ -	\$ 7,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	
FA-06 Corporation Yard	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	
FA-07 City Hall Purchase	\$ -	\$ -	\$ 10,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	
FA-08 Media Center Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
FA-09 New Facilities in Ravenswood Specific Plan Area	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,375	\$ 21,375	
FA-10 Electric Vehicle Charging Stations	\$ -	\$ 230	\$ 30	\$ 30	\$ 30	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350	
FA-11 City Facility Energy Upgrades	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50	
<b>Total</b>	\$ -	\$ 510	\$ 17,120	\$ 8,040	\$ 30	\$ 30	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ 21,375	\$ 47,105

PARKS & OPEN SPACE	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	No Year	Total	
	(Thousands of Dollars)												
PK-01 Cooley Landing	\$ -	\$ 106	\$ 6,968	\$ 498	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,572	
PK-02 Tree Planting Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
PK-03 Rail Spur Site Improvement Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
PK-04 MLK Park Expansion & Improvements	\$ -	\$ 30	\$ 40	\$ 380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450	
PK-05 Joel Davis Park Improvements	\$ -	\$ 30	\$ -	\$ -	\$ 20	\$ 210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260	
PK-06 New Sidewalks & Trails in Ravenswood Specific Plan Area	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,600	\$ 10,600	
PK-07 San Francisco Creek Park/Trail	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,250	\$ 3,250	
PK-08 Jack Farrell Park Improvements	\$ -	\$ 30	\$ 20	\$ 170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220	
PK-09 Baylands Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,368	\$ 4,368	
PK-10 Bell Street Park Improvements	\$ -	\$ -	\$ 390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 390	
PK-11 New Parks in Ravenswood Specific Plan Area	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,900	\$ 21,900	
PK-12 Hetch Hetchy Aqueduct Linear Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,025	\$ 3,025	
PK-13 Park Irrigation Upgrades	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60	
PK-14 Park Fitness Equipment Installation	\$ -	\$ 20	\$ 20	\$ 20	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80	
<b>Total</b>	\$ 60	\$ 216	\$ 7,438	\$ 1,068	\$ 20	\$ 20	\$ 210	\$ -	\$ -	\$ -	\$ -	\$ 43,143	\$ 52,175

FY 2015-16 Ten Year Capital Improvement Program Annual Update - Proposed Budget Summary

STORM DRAIN	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	No Year	Total
<b>(Thousands of Dollars)</b>												
SD-01 Storm Drain Master Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SD-02 Runnymede Storm Drain Project: Phase II	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SD-03 Repair of University Village Outfalls	\$ -	\$ 80	\$ 80	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190
SD-04 Street Sweeping Signage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SD-05 O'Connor Pump Station Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SD-06 Implementation of Storm Drainage Master Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SD-07 Weeks Street Storm Drain Improvements	\$ -	\$ 30	\$ 255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 285
SD-08 Trash Capture Device Installation	\$ -	\$ 125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125
<b>Total</b>	\$ -	\$ 235	\$ 335	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600

WATER SUPPLY	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	No Year	Total
<b>(Thousands of Dollars)</b>												
WS-01A Emergency Water Connections - City of Palo Alto	\$ -	\$ 179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179
WS-01B Emergency Water Connections - Palo Alto Park Mu	\$ -	\$ 532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 532
WS-01C Emergency Water Connections - O'Connor Tract	\$ -	\$ 344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 344
WS-02 Gloria Well Retrofit	\$ 555	\$ 405	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 960
WS-03A New Storage Tank - East of HWY 101	\$ -	\$ 1,000	\$ 2,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,150
WS-03B New Storage Tank - West of HWY 101	\$ -	\$ 1,000	\$ 2,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,150
WS-04 Second Groundwater Well	\$ 800	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,300
WS-05 Groundwater Management & Monitoring Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WS-06 Groundwater Monitoring Network	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200
WS-07 Annual Groundwater Monitoring Program	\$ -	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ -	\$ 234
WS-08 MLK Park Storm Water Capture & Reuse Facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630	\$ 630
<b>Total</b>	\$ 1,355	\$ 5,186	\$ 4,326	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ 630	\$ 11,679



FY 2015-16 Ten Year Capital Improvement Program Annual Update - Proposed Budget Summary

<b>WATER DISTRIBUTION</b>	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	No Year	Total
<i>(Thousands of Dollars)</i>												
WD-01 Water System Master Plan	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100
WD-02 Urban Water Management Plan	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120
WD-03 Water Rate Study	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WD-04 Water Main Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,420	\$ 29,420
WD-05 Water Meter Replacement Program	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ 2,103
WD-06 Fire Hydrant Replacement Program	\$ -	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ -	\$ -	\$ 448
WD-07 Water Valve Replacement Program	\$ 162	\$ 162	\$ 162	\$ 162	\$ 162	\$ 162	\$ 162	\$ 162	\$ -	\$ -	\$ -	\$ 1,296
<b>Total</b>	\$ 522	\$ 518	\$ 518	\$ 618	\$ 518	\$ 578	\$ 518	\$ 218	\$ 56	\$ -	\$ 29,420	\$ 33,487

<b>SPECIAL PROJECTS</b>	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	No Year	Total
<i>(Thousands of Dollars)</i>												
SP-01 Targeted General Plan & Zoning Code Update	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SP-02A SF Creek Flood Control Project: Hwy 101 Improvem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SP-02B SF Creek Flood Control Project: Bay to Hwy 101	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200
SP-03 Flood Damage Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SP-04 Purchase of Financial Software	\$ -	\$ 225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225
SP-05 Coastal Flood Protection Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SP-06 New Benchmarks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SP-07 Newell Bridge Replacement Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SP-08 Willow Road/Hwy 101 Interchange Reconstruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SP-09 Capital Impact Fee Study	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SP-10 Accessibility Study and Citywide Transition Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SP-11 Flood Emergency Recovery Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SP-12 City Digital Aerial Photography/Topographic Map	\$ -	\$ 125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125
<b>Total</b>	\$ -	\$ 550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 550

<b>TOTAL - ALL PROJECTS</b>	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	No Year	Total
<b>Total</b>	\$ 13,479	\$ 18,116	\$ 45,387	\$ 10,402	\$ 614	\$ 674	\$ 774	\$ 264	\$ 82	\$ 26	\$ 111,618	\$ 201,439

## FY 2015-2016 Capital Improvement Projects

PROJECT		FUND	SOURCE	AMOUNT
ST-04A	Street Light Upgrade	F221	District Reserves	\$ 100
ST-04B	Street Light Upgrade	F221	District Reserves	\$ 100
ST-05	Bay Road	F301	Federal Grants	\$ 2,242
ST-06	Highway 101 POC	F301	Federal Grants	\$ 8,600
ST-07	Street Resurfacing	F201	Gas Tax Reserves	\$ 500
<b>Total Streets/Transportation</b>				<b>\$ 11,542</b>
PK-13	Park Irrigation	F510	Water Reserves	\$ 60
<b>Total Parks &amp; Open Space</b>				<b>\$ 60</b>
WS-02	Gloria Way Well	F510	Water Reserves	\$ 555
WS-04	Second Water Well	TBD	CIP/Capital Surchg	\$ 800
<b>Total Water Supply</b>				<b>\$ 1,355</b>
WD-02	Urban Water Plan	F510	Water Reserves	\$ 60
WD-05	Water Meter Replace	TBD	CIP/Capital Surchg	\$ 300
WD-07	Water Valve	TBD	CIP/Capital Surchg	\$ 162
<b>Total Water Supply</b>				<b>\$ 522</b>
<b>TOTAL FY 2015-16 CIP FUNDING</b>				<b>\$ 13,479</b>

# Glossary

**AB x1 26** - legislation adopted and signed by Governor Jerry Brown in June 2011 and upheld by the California Supreme Court in California Redevelopment Association, et al. v. Ana Matosantos, et al., which eliminated redevelopment agencies. As a result, the Redevelopment Agency of the City of East Palo Alto (RDA) was dissolved effective February 1, 2012. AB x1 26 provides that the City may become the Successor Agency to the Redevelopment Agency (affirmed by the City Council on January 10, 2012), and continue to satisfy “enforceable obligations” of the former RDA and administer the dissolution and wind down of the former RDA

**AB 1484** - legislation adopted and signed by Governor Jerry Brown in June 2012 that amended various provisions of AB x1 26.

**ADOPTED BUDGET** - The City budget for a fiscal year, adopted by the City Council by resolution following the close of budget hearings.

**APPROPRIATION** - Legal authorization granted by City Council or other policy body to make expenditures and incur obligations for a specific purpose within a specific time frame.

**ASSESSED VALUATION** - A dollar value placed on real estate or other property by the County as a basis for levying property taxes.

**AUDIT** - A review of the City's accounts by an independent auditing firm to substantiate fiscal year-end balances and assure compliance with generally accepted standards for financial accounting and reporting.

**AVAILABLE FUND BALANCE** - The amount of fund balance available to finance appropriation requirements after deducting reserves.

**BOND PROCEEDS** - The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

**BONDS** - A certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest, by a specified future date.

**BUDGET** - A plan of financial operation, embodying an estimate of proposed expenditures/ expenses for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). Upon approval by the City Council, the budget appropriation resolution is the legal basis for expenditures in the fiscal year.

**BUDGET AUTHORITY** - Under certain circumstances, the City Council may adjust the budgeted appropriations for reasons unforeseen at the time of the adoption of the original budget. Such amendments are made by Council resolution. The City Manager may make transfers of appropriations within a fund.

**BUDGETARY CONTROL** - The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

**BUSINESS LICENSE TAX** - This is a general tax on businesses for the privilege of conducting business within the city. Rates are set at each city's discretion but may not be discriminatory or confiscatory.

**CAPITAL IMPROVEMENT BUDGET** - Annual appropriations for capital improvement projects such as street improvements, building construction and various kinds of major facility maintenance. Capital projects are outlined in a five-year expenditure plan which details funding sources and expenditure amounts. They often are multi-year projects which require funding beyond the one-year period of the annual budget.

**CAPITAL OUTLAY** - Expenditures which result in the acquisition of, or addition to, fixed assets.

**CAPITAL PROJECT** - Any project having assets of significant value and a useful life of five years or more. Capital projects include the purchase of land, design, engineering, and construction of buildings, infrastructure such as streets, bridges, drainage, street lighting, water/sewer systems, etc. Capital projects may include the acquisition of heavy equipment management control technique of formal

budgetary and machinery or rolling stock using capital funding sources.

**CAPITAL PROJECTS FUND** - A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**CAPITALIZATION POLICY** - The criteria used by a government to determine which outlays should be reported as fixed assets.

**CASH WITH FISCAL AGENT** - An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

**CAPITAL INVESTMENT PROGRAM (CIP)** - A section in the five-year capital plan listing projects for which some level of funding is available.

**COMMUNITY ORIENTED POLICING SERVICES (COPS)** - A grant program supporting community involvement offered by the U.S. Department of Justice.

**CONSUMER PRICE INDEX (CPI)** - A statistical description of price levels provided by the U.S. Department of Labor. The change in this index from year to year is used to measure the cost of living and economic inflation.

**CONTINGENCY** - An amount of money appropriated for unforeseen expenditures. It is limited to not more than 15% of the appropriations in any fund.

**CURRENT SERVICE CHARGES** - These are charges imposed to support services provided to individuals. These charges may not exceed the cost of providing the service plus overhead. The rationale behind service charges is that certain services are primarily for the benefit of individuals rather than the general public.

**DEBT SERVICE** - Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes or leasing arrangements.

**DEBT SERVICE FUND** - A fund established to account for the accumulation of resources for, and

the payment of, general long term debt principal and interest.

**DEFICIT** - An excess of expenditures or expenses over revenues (resources).

**DEPARTMENT** - An organizational unit comprised of divisions or programs. It is the basic unit of service responsibility encompassing a broad mandate of related activities.

**DEPRECIATION** - (1) Expiration in the service life of fixed assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. (2) The portion of the cost of a fixed asset, other than wasting assets, charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

**DESIGNATED FUND BALANCE**- A portion of an unreserved fund balance that has been "earmarked" by the City Manager or the City Council for specified purposes.

**DESIGNATION** - An account containing money set aside by the City Council for a specific future use. Money in a designation is earmarked for specific use, but may not be legally restricted to that use.

**DEVELOPMENT IMPACT FEES** - Fees placed on the development of land or conditions required for the approval of a development project such as the donation ("dedication" or "exaction") of certain lands (or money) to specific public uses. The fees are typically justified as an offset to the future impact that development will have on existing infrastructure.

**DIVISION** - A sub-section (or activity) within a department which furthers the objectives of the City by providing specific services or programs.

**ENCUMBERANCE** - An anticipated expenditure committed for the payment of goods and services not yet received or paid for. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of

expenditures ultimately to result if unperformed contracts in process are completed.

**ENTERPRISE FUND** - A fund established to account for operations financed and operated in a manner similar to private business enterprises (e.g., water, gas and electric utilities, airports, parking garages, or transit systems). In this case the governing body intends that costs (i.e., expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. A fund established because the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management controls, accountability or other purposes.

**ERAF** - Educational Revenue Augmentation Fund. The state enacted legislation in 1992 whereby partial responsibility of funding education was shifted to local governments, directing specified amounts of local agency property taxes to be deposited into such funds to support schools.

**EXCESS ERAF REFUND** - Accounts for the remaining funds in ERAF account after the County of San Mateo has met the State's revenue limits for schools and community colleges. The revenue limit is based on several factors such as average daily attendance and cost of living increases. The excess is then refunded proportionally to each agency's contribution based on state statute.

**EXPENDITURES** - Monies spent, including current operating expenses, debt service and capital outlays.

**EXPENSE** - The actual spending of funds by an enterprise fund set aside by an appropriation.

**FINES FORFEITURES AND PENALTIES** - Revenues received and/or bail monies forfeited upon conviction of a misdemeanor or municipal infraction.

**FISCAL YEAR** - In accounting terms, it is the net of a twelve-month period used for budgeting and accounting purposes. For the City of East Palo Alto, the fiscal year is from July 1 to June 30.

**FIXED ASSETS** - Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment, and improvements other than buildings and land. In the private sector, these assets are referred to most often as property, plant and equipment.

**FORFEITURE**- See Fines, forfeitures, and penalties.

**FRANCHISES FEES**- Fees paid to a municipality from a franchisee for "rental" or as a "toll" for the use of city streets and rights-of-way. The businesses required to pay franchise fees in East Palo Alto include utilities such as water, gas, electricity, cable television and solid waste collection and disposal. Telephone utilities are specifically exempted from franchise fees by State law.

**FULL-TIME EQUIVALENT (FTE)** - The amount of time a regular full or part-time position has been budgeted for in terms of the amount of time an employee works in a year. Except as noted, part-time services provided by casual/seasonal employees, such as those for summer recreation programs, are not included.

**FUND** - An independent fiscal and accounting entity with a self-balancing set of accounts. Examples are the General Fund, Special Revenue Funds, Capital Projects, Enterprise, and Internal Service Funds.

**FUND BALANCE** - The amount of financial resources available for use. Generally, this represents a summary of all the annual operating surpluses and deficits since the fund's inception.

**FY** - Fiscal year.

**GASOLINE TAX (HIGHWAY USERS TAX)** - The Gasoline Tax is a 26-cent per gallon tax on fuel used to propel a motor vehicle or aircraft. The use of these revenues is restricted to "research, planning, construction, improvement, maintenance, and operation of public streets and

highways or public mass transit guideways". The basic means of distribution to cities is population. The allocation formula is very complicated.

**GENERAL FUND** - The primary fund used to account for all revenues and expenditures of the City not legally restricted as to use. This fund is used to offset the cost of the City's general operations. Examples of departments financed by the General Fund include the Police and Administrative Support Services Departments, such as the City Manager's Office.

**GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB)** - A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

**GRANT** - Contributions, gifts of cash or other assets from another governmental entity to be used or expended for a specific purpose, activity or facility.

**HOMEOWNER'S PROPERTY TAX RELIEF** - Revenue from the state to offset city loss of property tax for state-imposed \$7,000 per dwelling homeowner exemption.

**INFRASTRUCTURE** - Facilities on which the continuance and growth of a community depend, such as streets and roads, sewers, public buildings, parks, etc.

**INTRAFUND TRANSFERS** - A transfer of moneys between departments in the same fund.

**INVESTMENT EARNINGS** - Revenue earned from the investment of idle public funds.

**JOINING POWERS AUTHORITY** - The Joint Exercise of Powers Act authorizes local public agencies to exercise common powers and to form joint powers authorities (JPAs) for the purpose of jointly receiving or providing specific services.

**LEGAL LEVEL OF BUDGETARY CONTROL** - The level at which spending in excess of budgeted amounts would be a violation of law.

**LEVEL OF BUDGETARY CONTROL** - One of the three possible levels of budgetary control and authority to which organizations, programs, activities and functions may be subject. These

levels of budgetary control are: (a) appropriated budget, (b) legally authorized non-appropriated budget review and approval process, which is outside the appropriated budget process or (c) non-budgeted financial activities, which are not subject to the appropriated budget and the appropriation process or to any legally authorized non-appropriated budget review and approval process, but still are relevant for sound financial management and oversight.

**LEVY** - (Verb) to impose taxes, special assessments or service charges for the support of governmental activities; (noun) the total amounts of taxes, and/or special assessments and/or service charges imposed by a governmental agency.

**LICENSES AND PERMITS** - Charge designed to reimburse City for costs of regulating activities being licensed, such as licensing of animals and bicycles, etc.

**LIEN** - A claim on assets, especially property, for the payment of taxes or utility service charges.

**LIQUIDITY** - Refers to the ability to rapidly convert an investment into cash.

**LOCAL AGENCY INVESTMENT FUND (LAIF)** - Was established by the state to enable treasurers to place idle funds in a pool for investment. Each agency is currently limited to LAIF to an investment of \$20 million plus any bond proceeds.

**MISSION STATEMENT**- A succinct description of the scope and purpose of a City department.

**MEASURE C PARCEL TAX** - A measure passed by the voters on the November 2006 ballot that calls for a 10 year special tax on all City parcels. Revenue generated from such tax will be used for public safety and crime prevention programs.

**MOTOR VEHICLE IN-LIEU FEES** - State residents pay a fee to the State each year that is computed as a percent of the depreciated value of their motor vehicles. Each city and county in California receives a portion, based on population, of the total motor vehicle license fees collected by the State. In 2004, the State reduced local government allocation from 2.0% to 0.67%. The difference of 1.33% was a swap for local property tax, now known as Property Tax in Lieu of VLF.

**OBJECTIVES** - The expected results or achievements of a budget activity which can be measured and achieved within a given time frame. Achievement of the objective advances the organization towards a corresponding goal.

**OPERATING BUDGET** - Annual appropriation of funds for on-going program costs, including salaries and benefits, services and supplies, debt service and capital outlay.

**ORDINANCE** - A formal legislative enactment by the City Council. It has the full force and effect of law within City boundaries unless preempted by a higher form of law. An ordinance has a higher legal

**OTHER EXPENDITURES-** This category reflects transfer outs of the General Fund and excise tax settlement payments. Transfers are used to move funds to other operating funds in order to finance the operations of another fund or to reimburse the other fund for certain services provided to the General Fund.

**OTHER FINANCING SOURCES** - Governmental fund general long-term debt proceeds, amounts equal to the present value of minimum lease payments arising from capital leases, proceeds from the sale of general fixed assets, and operating transfers in.

**OTHER FINANCING USES** - Governmental fund operating transfers out and the amount of refunding bond proceeds deposited with the escrow agent. Such amounts are classified separately from expenditures on the governmental operating statement.

**OTHER REVENUES** - This category includes reimbursements from other government agencies, interest earned on investments and contributions. This category also includes some loan repayments made to the General Fund, i.e., from the Redevelopment Agency for budget purposes only.

**OVERHEAD ALLOCATION** - A methodology for identifying and allocating overhead, (indirect) costs incurred by central services departments to the direct cost programs.

**OVERSIGHT BOARD** – this board provides some oversight to the Successor Agency (see definition) and has the fiduciary responsibility to

holders of enforceable obligations and the taxing entities that benefit from the distribution of the revenues, especially property tax revenue.

**PERFORMANCE MEASURE-** An annual indicator of achievement or measures of prediction for a program of work unit as defined in the organization of the budget. Measures may be expressed as a number count, fraction, or a percent of achievement related to the size of the problem or service being provided.

**PERMITS, FEES AND CHARGES FOR SERVICES-** This category includes the City's charges and fees for licenses and permits issued by the City; as well as, the community development services of staff, provided to customers. The license and permit revenues are designed to reimburse the City for costs of regulating the activities being licensed. Fees and charges for services are imposed to support services provided to individuals and businesses.

**PERS** - Public Employees' Retirement System.

**P.O.S.T** - Peace Officer Standards and Training - a State reimbursement program for Police Officer Training.

**PROPERTY TAX** - Homes, businesses, and other taxable real and personal property are subject to a property tax rate of 1% of assessed value. Since Proposition 13 was enacted in 1978, the assessed valuation of real property in the "base year" of 1975-1976 may increase each year by the change in the Consumer Price Index (CPI), not to exceed 2% as long as it is held by the same owner. When there is a transfer of property ownership, or when property is newly constructed, it is reappraised at its current full market value. The property tax is imposed on real property (land and permanently attached improvements such as buildings) and tangible personal property (movable property) located within the state. By definition, this ad valorem tax is based on the property value, as defined in law, rather than on a fixed amount or benefit.

**PROPOSED BUDGET** - The financial and operating document submitted by the City Manager to the City Council for consideration.

**PROPOSITION 13** - Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the maximum annual increase of any ad valorem tax on real property to 1% of the full cash value of such property.

**PURCHASED SERVICES** - This category covers a wide-range of services such as consulting services, outside professional, legal, and auditing services, county services, i.e., supplemental police patrol, and animal control services; City facilities maintenance services, etc.

**RDA** - Redevelopment Agency.

**RECEIVABLES-REDEVELOPMENT**

**AGENCY**- This receivable sets out amounts due the City from the Redevelopment Agency making those funds unavailable for appropriations until received.

**REGULAR POSITION** - Any permanent position in the classified service that is required to be filled through certification, or by provisional appointment.

**REIMBURSEMENT FOR STATE MANDATED COSTS** - Article XIII B, Section 6 of the California Constitution which requires the State to reimburse local agencies for the cost of state-imposed programs. Process is commonly called "SB 90" after its original 1972 legislation.

**RESERVE** - An account used to record a portion of the fund balance as legally segregated for a specific use, usually at a future time.

**RESOLUTION** - A special order of the City Council which has a lower legal standing than an ordinance.

**REVENUES** - Monies received or anticipated by a local government from both tax and non-tax sources during the fiscal year.

**SALARIES AND BENEFITS** - This major category accounts for full-time and part-time employees, overtime expenses and all employee benefits, such as medical, dental, retirement, life insurance, long term disability, and workers compensation. Where applicable, uniform allowance is also included in this category.

**SALES TAX** - This tax is levied on goods and services at the point-of-sale. Sales tax in San Mateo County is 8.25% of which approximately 1% is returned to East Palo Alto for those sales which take place in East Palo Alto.

**SB 90** - Reimbursement process for state mandated costs, named after its original 1972 legislation.

**SERVICE CHARGES** - Charges imposed to support services to individuals or to cover the cost of providing such services. The fees charged are limited to the cost of providing the service or regulation required (plus overhead).

**SERVICES** - Expenditures/expenses for services.

**SINGLE AUDIT** - An audit performed in accordance with the Single Audit Act of 1984 and the Office of Management & Budget (OMB) Circular A-128, Audits of State and Local Governments. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of the federal agencies.

**SPECIAL REVENUE FUND** - A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes. GAAP only require the use of special revenue funds when legally mandated.

**SUCCESSOR AGENCY** – designated as the entity to the former redevelopment agency. The agency is given the authority, rights, powers, duties, and obligations previously provided to the former redevelopment agency under the Community Redevelopment Law, except for those that were repealed, restricted or amended in Assembly Bill 1X26. The purpose of the agency are 1)make payments on the redevelopment agency's enforceable obligations; and 2)wind down the activities of the redevelopment agency.



**SUPPLEMENTAL PROPERTY TAX** - In the event a property changes ownership, the county collects a supplemental property tax assessment in the current tax year by determining a supplemental value. In future tax periods, the property carries the full cash value.

**SUPPLIES AND MATERIALS** - This category of expenses relates to supplies needed and required to operate as a cost of doing business. Some of the major supplies consist of general office supplies, safety supplies, utilities and fuel for City vehicles, etc.

**TAX** - Compulsory charge levied by a government for the purpose of financing services performed for the common benefit.

**TAX ALLOCATED BONDS** - Bonds issued by redevelopment agencies to revitalize blighted and economically depressed areas of the community and to promote economic growth.

**TAX BASE** - The objects or transactions to which a tax is applied (e.g., parcels of property, retail sales, etc.). State law or local ordinances define the tax base and the objects or transactions exempted from taxation.

**TAX INCREMENT FINANCING** - A tax incentive designed to attract business investment by dedicating to the project area the new property tax revenues generate by redevelopment. The increase in revenues (increment) is used to finance development-related costs in that district.

**TAX RATE** - The amount of tax applied to the tax base. The rate may be flat, incremental or a percentage of the tax base, or any other reasonable method.

**TEMPORARY POSITION** - A non-regular, temporary position created to meet a peak workload or other unusual work situation; can include seasonal or recurrent intermittent employment.

**TRANSIENT OCCUPANCY TAX (TOT)** - This is a general tax imposed on occupants for the privilege of occupying rooms in hotels, motels, inns, or other lodging facilities for 30 days or less. The current tax rate in East Palo Alto is 12%. Of the total tax anticipated to be received by the City, there is a 10% set-aside for children, youth, senior

and families services and another 10% for housing services for the residents of East Palo Alto.

**TRUST FUNDS** - Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

**UNDESIGNATED FUND BALANCE** - The City will maintain an Undesignated General Fund Balance to help mitigate the effects of such unanticipated situations as the following:

- a) Economic downturns
- b) Loss of revenues to or imposition of additional costs by other governmental agencies
- c) Errors in financial forecasting
- d) Natural disasters

**UNRESERVED FUND BALANCE** - That portion of a fund balance available for spending or appropriation in the future.

**UTILITY USER'S TAX** - This tax is imposed on the consumer (residential or commercial) of utilities – electric, gas, cable television, and telephone services. The current tax rate is 5%. The tax is collected by the companies providing the service as part of their billing process and is issued to the City.

**VLF** - See Motor Vehicle In-Lieu Fee.

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