

**CITY OF EAST PALO ALTO  
ADOPTED BIENNIAL BUDGET  
FISCAL YEARS 2016-2018**



*Cooley Landing Nature Education and Gathering Center  
Grand Opening April 16, 2016*

*Photographer: Unknown - Photo Obtained from Architizer.com*

# FY 2016-2018 Adopted Budget

## Mayor



Donna Rutherford

## Vice Mayor



Larry Moody

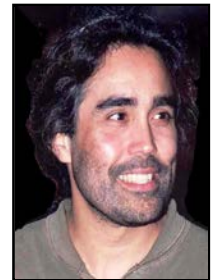
## Council Members



Rubén Abrica



Lisa Gauthier



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 Clerk  
*City Manager's Office*

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

Marie McKenzie, Administrative Services Director  
*Administrative Services Department*

Brenda Olwin, Finance Director  
*Finance Department*

Kamal Fallaha, Public Works Director  
*Public Works*

Albert Pardini, Police Chief  
*Police Department*

Rafael E. Alvarado, Jr.  
*City Attorney's Office*

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

## Budget Team

Carlos Martínez, City Manager/City Clerk

Brenda Olwin, Finance Director

Paul Maumalanga, Fiscal Analyst

Melvin Gaines, Management Analyst

Ana Maria Torres, Acting Accountant

Joseph Prado, Executive Assistant to the City Manager

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# TRANSMITTAL LETTER

April 26, 2016  
Updated May 19, 2016  
Adopted June 21, 2016

To the Honorable Mayor and City Council:

## **Fiscal Years 2016-17 and 2017-18 Operating and Capital Budget Transmittal:**

It is my pleasure to present to you a draft of the City's first biennial budget for Fiscal Years 2016-17 and 2017-18. This is a draft budget. Staff will continue assessing tax revenue information through early May and any changes will be updated in the Adopted Budget.

The City Council's agenda for the last year and next year is perhaps one of the most bold and ambitious in the City's history; addressing structural infrastructure, organizational, and financial deficiencies the City has historically grappled with. Many, if not most, of these goals are long term and will require sustained effort, investment, patience and sharp focus to bring them systematically to fruition.

It is clear that in order to maintain rapid police response times and the number of police officers patrolling neighborhood streets, upgrade our drinking water and storm drain infrastructure, repair and maintain our streets, protect and create affordable housing, enhance youth and senior programs and other vital City services, and continue improving our residents' quality of life we'll need more than ever to keep finding ways to expand and carefully manage our resources while strategically concentrating our work on those efforts that will maximize the City's ability to maintain and provide a higher level of quality community services.

As a result, the adopted budgets include an additional level of discipline to "tighten" the gap between budgeted and actual operating activity. Salaries in this budget are not projected at top step, but in "real-time," which leaves very limited room for variances, and will require a heightened level of management and monitoring of staff costs, as well as monitoring fiscal revenue and capital projects costs, and other activity across funds.

The information presented in the attached Budget Financial Summaries reflects the budgeted financial stability for each City fund. As such, the financial summaries are intended to demonstrate the City's fiscal resources available to maintain and manage public infrastructure resources and assets, and implement City Council priorities.

Furthermore, this information is intended as a tool to both generate community input and invite a City Council conversation regarding the overall fiscal stability of the City, and the financial limitations and opportunities of the City to maintain and enhance City services. Below is an overview of the adopted biennial budget.

FY 16-18 Adopted Operating and Capital Budget										
Description	FY2016-17 (000's)					FY2018-17 (000's)				
	General Fund	General Reserves	Total General and Reserves	All Other Funds	TOTAL	General Fund	General Reserves	Total General and Reserves	All Other Funds	TOTAL
Total Revenues	21,001	80	21,081	13,977	35,058	21,786	-	21,786	15,449	37,235
Total Expenditures	18,714	2,074	20,788	16,110	36,898	19,862	1,761	21,623	16,632	38,255
Net Sources / (Uses)	2,287	(1,994)	293	(2,133)	(1,840)	1,924	(1,761)	163	(1,183)	(1,020)
Net Transfers	(3,227)	2,105	(1,122)	1,122	-	(3,674)	1,861	(1,813)	1,813	-
Change in Fund Balance	(940)	111	(829)	(1,011)	(1,840)	(1,750)	100	(1,650)	630	(1,020)
<b>Total Projected Balance</b>										
Beginning Balance	6,249	5,882	12,131	17,478	29,609	5,309	5,993	11,302	16,467	27,769
Ending Balance	5,309	5,993	11,302	16,467	27,769	3,559	6,093	9,652	17,097	26,749

Citywide revenues (excluding trust funds) total \$35.06M and \$37.23M for FY2016-17 and FY17-18, respectively.

Even though revenues are now at all time highs, there are significant national and international economic leveling trends. “The US economy first quarter performance reflected an economy close to stalling out. With wages picking up, but productivity still weak, corporate profit margins are being squeezed. Overall, the U.S. economy should remain on a modest growth track of about 2 percent with low risk of recession in 2016, but growing in 2017<sup>1</sup>.” Therefore, the assumption behind the adopted budget is that some revenue trends will level off during FY2017-18.

The increase of \$2.17M in Total Revenues, from \$35.06 in FY2016-17 to \$37.23M in FY2017-18 is primarily due to increased capital grant revenues offset by operating revenue reductions due Measure C expiring, and reduced development impact fees in the Special Revenue Fund / Other Funds.

Increased General Fund revenues include the “Sand Hill Properties” purchase which is projected to increase assessed property valuations by approximately \$200M in FY2017-18. Assessed property valuations are expected to surpass previous high of \$2.3B. Sales Tax and Transient Occupancy Tax (TOT) growth is expected to keep pace with inflation through

<sup>1</sup> Conference Board of Economic Forecast for the US Economy – April 13, 2016



2018. However, there is significant uncertainty regarding permits and charges for services as a result of City's lack of water supply.

Due to the projected improvements of the revenue base, the General Fund was able to absorb higher labor costs due to moderate salary increases, reduced restricted and grant funding for Public Works and Community Development, and the sunset of Measure C funding for police. In other restricted funds, recent development and capital fees have resulted in significant increase in affordable housing, parks, and water capital reserves which staff is planning to explore leveraging by the end of the 2016 calendar year.

City expenditures total \$36.90M and \$38.25M for FY2016-17 and FY2017-18 respectively. This expenditures trend reflects \$9.7M of capital spending in FY2016-17 and \$10.9M of capital spending in FY2017-18. The operating expenditure trend is relatively flat across both years, and is attributed to a variety of factors including conservative budgeting for salaries, technology, vehicles and equipment in FY2017-18 compared to FY2016-17 as the General Fund absorbs the 2016 added service positions and reduced salary funding in the Special Revenue and Other Funds. The 2016 service positions added or adopted are:

- One (0.5) part-time Community Service Aides for parking enforcement and Police Department community initiatives.
- A permanent part-time Cold Case Detective
- Permanent Senior Planner, Grants Coordinator, Senior Accountant

In FY2016-17 the growth in revenues allowed for expanded investment in equipment and vehicles including a vacuum truck. However, while higher General Fund revenues are projected in FY2017-18; those revenues primarily are absorbed by personnel costs that were paid before from Special Revenue or Other Funds, as mentioned above. As a result spending on equipment or capital was not sustained at the same level in FY2017-18.

## **CONCLUSION:**

The expenditures for the biennial budget reflect a modest level of service expansion and strengthening of the organization through increased staffing levels, staff training, and lower vacancy levels. The General Fund budget is funding continued departmental service initiatives and investment in parks maintenance, technology, equipment and vehicles. Critical equipment purchases include a vacuum truck for storm drain cleaning and flood control. Additional expenses also include costs associated with renewing the lease of several city facilities at fair market value, with relatively favorable terms.

While the current, and ideally, an even stronger staffing structure is necessary to continue moving the multiple ongoing capital projects and initiatives forward; over the long run, the current staffing structure is not financially sustainable without substantial additional sources of funding. As a result, and at the direction of the City Council, staff continues working toward placing ballot measures on the November ballot.

Should voters approve such measures, the City could maintain the current level of services including Police service response times, continue to address the lack of infrastructure funding particularly for critical capital projects, and possibly expand housing-related services.

In addition to staffing resources to complete the multiple critical capital projects, it is important that additional financial resources are allocated to capital improvement projects, because many of the multiple ongoing projects are only partially funded through design, and, or environmental, but not through construction. Furthermore, even after complete design, in the current environment is very likely that bids will come over the Engineer’s estimate and additional financial resources will be needed. Without those financial resources available, projects will have to wait and be delayed until additional sources of funding are identified to award a contract to complete the project.

However, as the table below shows, despite record levels of budgeted General Fund revenues, the City is no longer setting aside budgeted capital reserves on a sustained basis.

**GENERAL FUND ACTUAL AND PROJECTED RESERVE BALANCES**

Description	Audited 06/30/2014	Audited 06/30/2015	Projected 06/30/2016	Projected 06/30/2017	Projected 06/30/2018
Capital Improvement Reserve*	\$ 5,317	\$ 2,077	\$ -	\$ -	\$ -
Information Technology Reserve	\$ 720	\$ 832	\$ 892	\$ 892	\$ 892
Vehicles and Equipment Reserve	\$ 249	\$ 284	\$ 561	\$ 561	\$ 561
Self-Insurance Reserve	\$ 1,159	\$ 1,429	\$ 1,429	\$ 1,429	\$ 1,429
Community Benefit Fund	\$ -	\$ 400	\$ -	\$ -	\$ -
<b>Sub-total Internal Reserves</b>	<b>\$ 7,445</b>	<b>\$ 5,022</b>	<b>\$ 2,882</b>	<b>\$ 2,882</b>	<b>\$ 2,882</b>
Other General Reserves	\$ 2,116	\$ 5,537	\$ 6,249	\$ 5,309	\$ 3,559
Minimum Reserve - 15%	\$ 2,743	\$ 2,743	\$ 3,000	\$ 3,111	\$ 3,211
<b>Sub-total Minimum Reserves</b>	<b>\$ 4,859</b>	<b>\$ 8,280</b>	<b>\$ 9,249</b>	<b>\$ 8,420</b>	<b>\$ 6,770</b>
<b>GRAND TOTAL</b>	<b>\$ 12,304</b>	<b>\$ 13,302</b>	<b>\$ 12,131</b>	<b>\$ 11,302</b>	<b>\$ 9,652</b>

\* Assumes Capital Reserve Fund Closed and Transferred to Capital Improvement Fund at June 30, 2016.

Budgeted Reserves are being spent due to the capital work being done, but not growing despite the unprecedented economic expansion due to necessary service and staffing increases that are required to bring these projects to fruition and provide long-term sustainability solutions. Thus, we are at a critical point where we have advanced multiple projects closer to completion, and invested in the personnel necessary to manage those projects and initiatives. Nevertheless, we still need additional financial resources to maintain the same levels of effort, staffing, and services, while at the same time finance those projects and initiatives.

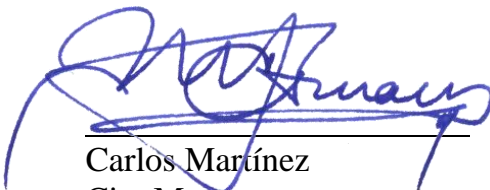
We have great challenges in front of us the next two fiscal years. However, every year, incrementally, we are getting to a better place, and the City Council has many options to resolve these issues through a combination of efforts; among them, continuing carefully managing our limited resources, focusing on resource initiatives, using a portion of the General Fund reserves to help fund these improvements, leveraging the water infrastructure surcharge, attracting revenue generating uses and closing our jobs housing imbalance, and seeking State and Federal grants.

My closing remarks of the previous year still hold true, "...the apparently healthy fund balance is only relative, when compared to the potentially large, unknown contingencies ahead." We are closer to defining those contingencies that we have ever been, but still have work ahead.

I want to thank all City staff, Department Heads and the entire Executive Team for all the work that they did during this fiscal year, and in the last two months putting this two year budget together. It was a monumental task that happened only after many internal staff and departmental meetings, and animated discussions with our Finance Department and the City Manager's office. I know it consumed a lot of the available oxygen of the organization, but despite all that, staff remained focused and continued energized and graciously conducting the day to day business of the City.

I get to present this budget transmittal letter to the City Council, but these budgets really are a team effort, our collective best thinking of resource utilization to meet the City Council priorities and the City's 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.

Respectfully submitted,



Carlos Martínez  
City Manager

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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 when the City Council discusses and establishes goals and objectives for the upcoming year; and, when the budget is developed. The City's 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 over a biennial period.
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 adopted 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 and/or reviews 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 the plan is altered as needed, as conditions and assessments change.

#### **Implement Program**

- Through the Council, develop City Manager's Initiatives. The multi-year strategies and financial plans are implemented through these Initiatives. 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 Initiatives, service group and departmental objectives, and biennial budget 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 Biennial Work Plans**

- Using the Council Strategic Plan as the basis for goals and objectives, as well as to address current issues, the City Manager identifies special activities for the organization to focus on during each year and compares those activities to those planned during the biennial budget process (January – February).
- Develop biennial group and departmental objectives. Objectives are established between the City Manager's Office and department staff to determine work plans for the ensuing biennial period (February).
- Develop biennial departmental budgets with mid-cycle update during the biennial budget period. 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 biennial fiscal spending plan. The budget document balances not only revenues and expenditures, but also community priorities and interests. The Budget Document is divided into ten 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 "big picture" summary for the upcoming biennial period. 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 biennial 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, including a mid-cycle update during the biennial period.

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

Below is a brief summary of the 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 Initiatives 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 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", and East Palo Alto demographic statistics.

### **Financial Summary Information**

This section contains the following financial summary information:

- FY 2016-2018 Citywide Budget by Fund Category
- FY 2016-2018 General Fund and Reserves Budget
- FY 2016-2018 Special Revenue Funds Budget
- FY 2016-2018 Enterprise Funds Budget
- FY 2016-2018 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 the City provides, including public safety, maintenance, and general government functions needed

to support direct services to the community. This section also places the budget in context with the General Fund financial forecast and provides a two-year historical view 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 and current staffing for each department/ division along with a departmental organizational chart.

### **Miscellaneous**

This section contains the calculated Appropriation Limit for FY 2016-17 and the detail capital project funding approved during the biennial period.

### **Glossary**

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



**2016-2018 CITY COUNCIL STRATEGIC  
GOALS AND OBJECTIVES  
FY 2016-18 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 program**

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

**\*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 Public Works Inspection Department**

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

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

Objective: Prepare small business assistance plan.

**GOAL #2D: General Fund monies are set aside 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.

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

Objective: A comprehensive system that effectively evaluates the City Manager and City Attorney

**2016-2018 CITY COUNCIL STRATEGIC  
GOALS AND OBJECTIVES  
FY 2016-18 Adopted Budget**

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

**\*\*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 Bay Road and related Infrastructure

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

Objective: 1) Complete University Avenue Interchange and 2) complete design of Highway 101 Pedestrian & Bicycle Overcrossing (POC) at Newell Road & Clarke

**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 supplies 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.

**\*\*\*GOAL #4H: Develop a comprehensive transportation & mobility plan**

Objective: Develop a Comprehensive City wide traffic mitigation and street parking strategy

***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**

**2016-2018 CITY COUNCIL STRATEGIC  
GOALS AND OBJECTIVES  
FY 2016-18 Adopted Budget**

Objective: Public and distribute quarterly newsletter.

***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 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 AND SAFE COMMUNITY***

**\*\*\*GOAL #6A: Improve pedestrian and 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**

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: Rent Stabilization Program is effectively managed and streamlined

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

Objective: Improve the health and safety of residents of East Palo Alto

**GOAL #6E: Develop a strategy to keep East Palo Alto Youth on educational track**

Objective: Through My Brother's Keeper initiative, develop play to keep youth on educational track.

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

Objective: Expand and enhance park facilities for EPA residents.

**GOAL #6G: 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.

**CITY COUNCIL STRATEGIC PRIORITIES UPDATED 4/5/16**

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

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	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 Department (PD)</b>	<b>This goal requires tracking to ensure continued update, improvements and results.</b>
1	Receive community input on crime and violence	Ongoing	Implemented		This is implemented and is ongoing utilizing Town Hall and Beat meetings, appearances at community centers, and numerous community events that allows the department to receive input. Additionally, the department is involved in numerous community outreach projects that have fostered a positive working relationship with the community.
2	Conduct comprehensive analysis of crime in the City	Ongoing	Implemented	Crime data being entered in the RIMS and sRIMS systems.	Crime data is being entered into the RIMS and sRIMS systems, allowing the PD to capture and analyze crime statistics.
3	Develop long-term plan that addresses: Prevention, Intervention, Enforcement & Sustainability	Ongoing	Implemented	Implement new long-term strategies and review ideas from Community members and Police Staff.	Implemented and ongoing. The department is using these strategies that include Town Hall and Beat meetings, attendance at community events throughout the city, expanding the FIT Zones to include the new CLEAN Zone program to abate litter and graffiti, obtaining a \$75K grant to fund the FIT/CLEAN zones, establishing a liaison with the school district, and connecting the department with community and faith based groups. In addition to the community based effort, EPA PD is now sharing crime data and working in partnership with surrounding law enforcement agencies to solve cases by using all available resources. The department continues to be involved with community based organizations such as OneEPA and the Crime reduction task force.
4	Identify the role of the community and City in strategy	In Process	Implemented	Develop a relationship with the community and partner in solving crime and quality of life problems.	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	Implemented	Develop a relationship with the community and partner in solving crime and quality of life problems	Many of these activities are being done by volunteers from the community and some of the materials needed are being donated by citizens and businesses in the region. The FIT/CLEAN zones received a \$75K grant to facilitate them and local non-profits were brought in as partners to accomplish the goals of the project.

SP-4

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<b>1B 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>			<b>Administrative Services Department (ASD)</b>	<b>This goal requires tracking to ensure continued update, improvements, and results.</b>
1	Develop and distribute Request for Proposal (RFP) to fund programs for 90% grants	Ongoing	Implemented	A robust RFP and response review process has been developed, becoming a regular procedural process.	RFP's are issued and awards made periodically
2	Develop Request for Proposal (RFP) for TOT programs	Ongoing	Implemented	Same as above	The RFP/Application is more rigorous than past years, requiring applications to map programs using a Logic Model, and discussing the sustainability of their proposed programs. Staff prepared a RFP and is in the process of evaluating the efficiency of the Measure C Program, including Police Department funds.
<b>1C GOAL STATEMENT: IMPLEMENT ANTI-GRAFFITI PROGRAM</b>					
	<b>Reduce graffiti in the City</b>			<b>PD &amp; Department of Public Works (DPW)</b>	
1	Identify all locations in the City with chronic graffiti	In Process	Implemented		Coordinating with the Department of Public Works (PW) to locate and schedule the removal of graffiti. The Police Department is supporting the PW effort by establishing the CLEAN Zone program.
2	Implement a graffiti removal program	In Process	Implemented		Established the CLEAN Zone program to support Public works effort to remove graffiti. Obtained a \$75K grant to support community groups removing graffiti and obtaining paint removal supplies from a local vendor.
3	Explore civil sanctions against chronic violators/locations	In Process	Not Implemented	Explore issue in November, after adoption and certification of General Plan and EIR, and placing ballot measures	PD will work with Public Works and City Attorney's office to research issue and develop prosecuting process and sanction options..

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<b>1D</b>	<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: PD &amp; ASD. Support: City Manager's Office</b>	<b>This goal requires tracking to ensure continued update, improvements, and results.</b>
1	Obtain funding and purchase notification system	In Process	Implemented		Utilizing the San Mateo County Alert System (SMC-Alert) to make notifications to the community. Continue coordination with CERT team, entered into a SM County wide Public Works Mutual Aid Agreement and a San Francisquito Creek Multi Agency Coordination agreement. Improved SF Creek notification and flood prediction system.
<b>1E</b>	<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: PD &amp; ASD. Support: City Manager's Office</b>	<b>This goal requires tracking to ensure continued update, improvements, and results.</b>
1	Provide Incident Command System (ICS) and Standardized Emergency Management System (SEMS) training to all City personnel	Ongoing	Implemented		Continue providing periodic training to all appropriate City personnel.
2	Offer CERT training to community	Ongoing	Implemented		Will continue coordinating 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	Implemented		Emergency Preparedness information has been updated and added to website under Emergency and General Flood Information tabs
4	Provide emergency preparedness informational workshop to the community and provide overview of available resources and materials	Ongoing	Implemented		Community Workshop was conducted, information material and video posted in City's website.

SP-6

**PRIORITY AREA #2: ENHANCE ECONOMIC VITALITY**

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
2A	<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>	<b>This goal requires tracking to ensure continued update, improvements, and results.</b>
1	Prepare semi-annual Recognized Obligation Payment Schedule (ROPS) and obtain Successor Agency and Oversight Board (OSB) approval	Completed	Complete	Complete	Process will continue until all Enforceable Obligations end. ROPS completed: 13-14B, 14-15A, 14-15B, 15-16A, 15-16B all complete. Continue working with Senator Hill's office on SB 107 to ensure that East Palo Alto City Loans made to the RDA can be repaid as part of the dissolution process.
2	Present budget recommendations to address reduced administrative overhead and project implementation reimbursements	N/A OSB approved	N/A OSB Approved	Issue may 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 to General Fund, creating budget deficit to address. To date, City has received full reimbursement through ROPS 15-16B.
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 for construction of University Plaza project</b>			<b>Community &amp; Economic Development Department (C&amp;EDD) &amp; City Attorney (CA) Office</b>	<b>The project completed the entitlement phase. 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	Ongoing	Ongoing		City retained an outside planning professional to supplement planning to streamline permit processing, coordinate regular meetings with development team, and reduce offsite impacts. All major permits issued for on and offsite work.
2	Inspect construction of University Plaza project	Ongoing	Ongoing		Weekly coordination meetings occur to minimize construction impacts and ensure timely inspections. Staff created and implemented successful project communication program.

SP-7

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<b>2C</b>	<b>GOAL STATEMENT: PROVIDE ASSISTANCE TO SMALL BUSINESSES (PERMITTING, LICENSING, AND SUPPORT)</b>				
	<b>Prepare small business assistance plan</b>			<b>C&amp;EDD</b>	
1	Prepare and implement small business assistance plan.	Pending	Not Completed	Council to consider small business support program in April 2016	Scheduled to now be completed in FY 15-16.
<b>2D</b>	<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 C&amp;EDD</b>	<b>This goal requires tracking to ensure continued update, improvements, and results.</b>
1	Adopt Capital Improvement Plan Budget	Completed	Completed	On-going	Capital Improvement Plan Budget will be updated in FY 2016-18 budget processes.
2	Ensure proper monitoring and controls in place and formally present project carry forward balances each year.	Initiated	Completed	On-going	Finance initiated major 4 year look back to implement forward balances from FY2014-15. Finance completed "look-back" project. All Council-approved appropriation adjustments are recorded in G/L system. Capital budget was appropriated in Adopted Budget in FY 15-16. Capital roll forwards was presented in February 2016.
<b>2E</b>	<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: C&amp;EDD Support: City Attorney (CA), City Manager (CM) Offices, and Finance</b>	<b>This goal requires tracking to ensure continued update, improvements, and results.</b>
1	Adopt Development Impact Fee program	Pending	Ongoing		Awarded contract to consultant (AECOM) in December 2015. Planning to adopt County's Affordable Housing Commercial Linkage Fee. To be completed second part 2016.
2	Conduct a Revenue Enhancement Study for Council consideration	Pending	Completed		NBS Revenue Study presented in on July 21, 2015. Revisit and continue evaluating alternatives for FY 16-18



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

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<b>3A</b>	<b>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: CM &amp; Finance,</b>	<b>Support: All Departments</b>
1	Provide revenue options for City Council consideration	In Progress	Complete		, Staff will provide recommendations for Council consideration.
2	Provide 5 year and 10 year financial overview	In Progress	Five Year Complete		Five year Forecast will be presented during FY16-18 budget process, currently no staff resources to prepare 10 year.
3	Place half cent Sales Tax measure in November's 2016 ballot		In Progress		Developed draft language, conducted polling, hired Lew Edwards Group to finalize language and informational material.
<b>3B</b>	<b>GOAL: DEVELOP A STAFF WORKFORCE PROFESSIONAL GROWTH PLAN</b>				
	<b>Operate an effective and efficient organization</b>			<b>Lead: CM's Office Support: All Departments.</b>	<b>This goal requires tracking to ensure continued update, improvements, and results.</b>
1	Review existing organizational structure and systems for efficiency and effectiveness	In Progress	Ongoing		Review underway, staffing adjustments proposed before the end of FY15-16 and for FY16-18
2	Provide recommendations for organizational changes as needed	In Progress	Ongoing		Periodic review and changes will be proposed as needed.
3	Cross-train staff and centralize administrative services	In Progress	Ongoing	Finance is 85% payroll cross trained	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	Ongoing		Ongoing. We will be offering Customer Service Training to all Interns at City Hall. HR Manager is developing a training program and Customer Service standards for all City Employees.
<b>3C</b>	<b>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</b>	<b>Support: CM &amp; CA Offices</b>
	Develop uniform process and forms for annual evaluation	In Progress	Ongoing		City Attorney Evaluation completed, City Manager Evaluation completed, next year baseline criteria has been developed.

SP-9

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	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 Records Management systems</b>			<b>Lead: CM's Office. Support: Finance, City Clerk, &amp; ASD</b>	<b>This goal will require additional funding resources and will be added to the CIP Plan. FY 2016-18 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	On hold pending other priorities	Assigned to Administrative Services	Assessment has been on hold due to staffing resources and competing priorities, but an Implementation Readiness Assessment is planned for FY16-17. Potential implementation to occur in second half of FY16-17, or FY17-18.
2	Assess human resources needs and integration with financial software	In Progress	Assessment Study to start in FY16-17	Administrative Services	Ongoing HR Manager recruitment. HR and finance system should be integrated. Administrative Services will conduct an assessment study to find alternative HR, IS, and payroll systems other cities use. Integration benefits may be substantial, including lower costs, streamlined operations, increase productivity. However, system migration would require substantial staffing time and resources currently not available.
3	Assess electronic records management needs	In Progress	In Progress	City Clerk/IT	Deputy City Clerk and IT are working with ECS Imaging to implement the Laserfiche Software commonly used throughout City Clerk Offices to scan, maintain, and retrieve records in a timely and efficient manner.
4	Identify systems options and cost estimates	Pending	Assessment Study to start in FY16-17.	Administrative Services	FY 2016-17 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	Report after results of Assessment Study	City Manager	Finding to be reported to Budget and Finance Committee after results of Readiness Assessment is completed.

SP-10

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

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<b>4A</b>	<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: C&amp;EDD / DPW. Support: CA'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 SRTS projects (complete construction)	In Progress	Completed	C&EDD & DPW	Design of SRTS Project has been completed and waiting for Caltrans Authorization to bid out the project and start construction in Spring/early Summer 2016.
2	Prepare grant applications for future TAP cycles based upon "Existing Conditions" report	In Progress	Completed		The Transportation Alternative Program (TAP) replaced the previous Safe Routes to Schools grants. The City successfully obtained \$8.6 million toward the construction of the Pedestrian/Bicycle Overcrossing over 101 at Pad D/Newell St.
<b>4B</b>	<b>GOAL STATEMENT: COMPLETE BAY ROAD AND RELATED INFRASTRUCTURE</b>				
	<b>Complete Bay Road and related Infrastructure</b>			<b>Lead: C&amp;EDD &amp; DPW. Support: CA'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	C&EDD & DPW	Design has been delayed due to utility conflicts, PG&E Utility undergrounding and other environmental reviews by Caltrans. We are at 65% design and anticipate design completion by the end of 2016.
2	Advertise, solicit bid, review and award bid(s) for construction of Bay Road	Pending	Pending Design Completion		Upon completion of road and utilities Design
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. Executed preliminary cost sharing agreement to resolve utility conflicts with EPASD in September 2015. Anticipated completion end of 2016.

SP-11

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	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 Road &amp; Clarke</b>			<b>Lead: C&amp;EDD &amp; DPW. Support: CA's Office and Finance</b>	<b>This goal will require additional funding resources. These projects are included in the CIP Plan.</b>
1	Complete design modifications of University Avenue Interchange and complete updated traffic analysis	In Progress	In Progress	C&EDD & DPW	Design modifications reviewed and considered unfeasible. New Design and Environmental work is currently underway, Estimated completion Fall 2016.
2	Advertise, solicit bids, review and award bid(s) for construction of University Avenue Interchange	Pending Design	Pending design and funding		The City was approved for \$5 million from San Mateo County Transportation Authority (TA) toward the construction of the overcrossing. Since the original design has been changed, the TA indicated that the project purpose and need might not qualify under Measure A funding priorities. The City is still negotiating with the TA to maintain the \$5M grant. The project can be advertised for construction in Summer 2017, if construction funding source is identified. The City still had about \$1.5 million of earmark federal funding for the project.
3	Complete environmental review of 101 POC	In Progress	In Progress		Upon completion of the 65% schematic drawings, it was determined that a Pylon sign would have to be relocated which requires revisions to the environmental documents, and their recirculation. Given this finding, the Planning Commission is anticipated to consider the design (Architectural Supervision), and approve the environmental documents in early 2016.
4	Submit grant applications seeking funding for design and construction of Highway 101 POC	In Progress	Complete but Ongoing		Staff was successful in obtaining TAP 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	Ongoing		Completed: more intensive use of current space is not anticipated. Ongoing lease negotiations with the County may facilitate potential tenant and space arrangement improvements.
2	Develop a Public Facilities Plan	In Progress	Ongoing		Preliminary space needs assessment, and lease negotiations underway. Working on stabilizing leases for all City facilities. Contracted with architect to examine options at the City-owned 1798 Bay Road. More detailed Facilities Plan to be developed in FY16-17.

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
4E	<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>C&amp;EDD &amp; DPW</b>	<b>This goal will require additional funding resources.</b>
1	Implement City water supply blueprint		In Progress		Pursue water supply transfer options. Recommend uses of adopted Water Capital Surcharge
2	Complete design of Gloria Way Well	In Progress	In Progress		Awarded design contract to EKI in September 2014; At 65% design. Award SWQCRB approval to reactivate in Fall 2015. Design completion anticipated in summer/fall 2016.
3	Complete construction of Gloria Way Well including treatment facility	In Progress	In Progress		\$700K CDBG grant submitted to the San Mateo County Board of Supervisors and Prop 84 IRWM Grant of \$1.5m were awarded in 2015 for both Gloria Way Well and Pad D.
4	Complete ground water management and monitoring plans & explore additional municipal wells (Pad D)	In Progress	In Progress		City completed Groundwater Management Plan in November 2015 and initiated first year of groundwater monitoring. City issued RFP and awarded contract for design and environmental review of Pad D.
4F	<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>C&amp;EDD &amp; DPW Support: CA &amp; CM's Offices</b>	<b>This goal will require additional funding resources.</b>
1	Adopt City water conveyance and storage strategy	In Progress	In Progress		Pipe replacement strategy already identified in Water System Master Plan. 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	In Progress		Palo Alto has conceptually agreed to re-establishing the intertie at staff level. Pending staffing resources, agreement negotiations, and design completion, staff will complete improvements.
3	Update Urban Water Management Plan	Pending	In Progress		Staff will issue an RFP to update in 2016.
4	Evaluate contract with American Water Enterprises/formulate future strategy	Pending	In Progress		Hired legal, technical and financial support consultant team to support ongoing new lease structure negotiations.

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<b>4G</b>	<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>C&amp;EDD &amp; DPW</b>	<b>This goal will require additional funding resources.</b>
1	Monitor SFCJPA Phase I project for the San Francisquito Creek (SFC)	In Progress	In Progress		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	In Progress		Entered into a Multi-agency Coordination Agreement for Emergency Response. Staff will continue exploring options for cost sharing and/or subcontracting levee and creek maintenance obligations. City added 600' of shotcrete covered sandbags north of Verbena and 400 feet of flood fence at Woodland and University. Purchased 1,200+ sandbags and deployed at existing low spots along the creek and several key staging area.
3	Work with Palo Alto on design of Newell Road Bridge	In Progress	In Progress		Palo Alto is preparing Environmental Impact Report. City staff submitted a letter of comment during the NOP process.
4	Work with SFCJPA on design of Phase II SFC improvements	In Progress	In Progress		Ongoing; project has slowed from original schedule; current emphasis has been focused in completing Phase I
5	Work with SFCJPA on Phase I (Planning study) of tidal levee project	In Progress	In Progress		The Planning and Housing Manager is participating in the San Mateo Sea Level Rise Policy Team, as a member, and coordinate expert assistance from NOAA which has resulted in recommendations to improve interoperability of Palo Alto's existing systems with NOAAs.
<b>4H</b>	<b>GOAL STATEMENT: DEVELOP A COMPREHENSIVE TRANSPORTATION &amp; MOBILITY PLAN</b>				
	<b>1) Develop a Comprehensive City wide traffic mitigation and street parking strategy.</b>			<b>Lead: C&amp;EDD &amp; DPW. Support: CA's Office and Finance</b>	<b>This goal will require additional funding resources, supporting General Plan Goals T-6 &amp; T-8</b>
1	Adopt Transportation Demand Management and adequate street parking strategies	N.A.	Pending	Deferred until staffing resources are available	Develop TDM standards for new development, and public parking strategies to mitigate traffic congestion, and facilitate emergency access and bike and pedestrian circulation

**PRIORITY AREA #5: IMPROVE COMMUNICATION AND ENHANCE COMMUNITY ENGAGEMENT**

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<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>			City Manager's Office	
1	Establish and implement a website management plan	Pending	Not completed		Will be undertaken in FY 16-17
2	Identify appropriate staff and resources to maintain and update website content	Pending	Not completed		Will be undertaken in FY 16-17
<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	Ongoing		Monthly City Manager newsletter is being produced and distributed

SP-15

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<b>5C</b>	<b>GOAL STATEMENT: FOSTER COMMUNITY CULTURAL EVENTS AND ACTIVITIES IN PUBLIC SPACES SUCH AS PARKS</b>				
	<b>Conduct a multi-event anniversary celebration as a way to further engage the community in public spaces</b>			<b>Lead: ASD &amp; CM's Office. Support: All departments</b>	<b>This goal may require additional staffing and financial resources depending on extent of celebration desired.</b>
1	Anniversary Celebration with multiple events was conducted.	Pending	Complete		Multi-event celebration was planned and conducted for City Anniversary at Bell St. Park.
<b>5D</b>	<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: CM's Office &amp; ASD. Support: All departments</b>	<b>This goal will require additional funding and staffing resources</b>
1	Present communication plan to City Council	Pending	Not completed		To be developed internally in calendar year 2016
2	Implement approved communication plan	Pending	Not completed		Implementation upon Council approval
3	Incorporate Community Opinion Survey into communication plan	Pending	Not completed		Implementation upon Council approval



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

NO.	OUTCOME	FY 14-15 Second Half (Jan- June)	FY 15-16 First Half (Jul-Dec)	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: C&amp;EDD &amp; DPW. Support: PD</b>	<b>This goal will require additional funding resources</b>
1	Complete an “Existing Conditions” Report	In Process	In Process	C&EDD & DPW	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	In Process		The Public Draft General Plan will contain six policies addressing complete streets, which fall under two comprehensive goals (Goal T-6, and Goal T-4)
3	Identify projects for inclusion in TAP program	Ongoing	Ongoing		Ongoing. TAP 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		Implementation of the Bicycle Transportation Plan’s SRTS/TAP component regarding safe, secure and available bicycle racks is complete with new 65 bicycle racks serving school children deployed during the 2015/2016 holiday season.
<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: CM’s Office Support: CA’s Office, Finance and C&amp;EDD</b>	<b>This goal will require additional staffing and funding resources</b>
1	Conduct inventory of available facilities	Pending	Not completed		Not completed due to Administrative Services and Legal staff time availability, and competing priorities.
2	Continue negotiation of a joint use agreement	Ongoing	Ongoing		Initial contact has been made with District to begin discussions.
3	Approve joint use agreement by all agencies	Pending	Pending		Agreement will be brought to the Council for approval after completing negotiations.

SP-17

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
6C	<b>GOAL STATEMENT: FULLY IMPLEMENT THE RENT STABILIZATION PROGRAM</b>				
	<b>Rent Stabilization Program is effectively managed and streamlined</b>			City Manager's Office	
1	Review of Proposed Amendments to the Rent Stabilization Ordinance	Ongoing	Ongoing		Continue working with the City Council, City Manager's Office, and City Attorney's Office to review and possibly place proposed amendments to the Ordinance in the November 2016 ballot.
2	Issue registration statements and other forms in a timely manner	Ongoing	Ongoing		During this Program Year, the Program has issued registration statements before the deadlines; has been issuing Initial Maximum Allowable Rent Certificates on the same day a change in tenancy / vacancy registration statement is filed in most of the cases and before the deadlines in a few number of cases; has been responding to public inquiries within the same day or a couple of days; and has been coordinating with the Deputy City Clerk and City Attorney Office and timely responding to public request for information.
3	Process pending petitions within Ordinance timelines	Ongoing	Ongoing		During this Program Year, the Program has been timely scheduling individual rent adjustment petitions. To resolve the backlog of petitions with pending hearing examiner decisions after hearing, the Program also conducted a recruitment process and entered into a contract with a second hearing examiner. The Program is expecting to enter into a contract with a third hearing examiner within this Program Year.
4	Conduct community outreach to educate both landlords and tenants of their rights under the new ordinance	Ongoing	Ongoing		The Program has greatly improved its website to make it more accessible to landlords and tenants; has created electronically fillable forms that can be easily accessed at the Program's website; is making efforts to enlarge its email list; provides landlords already in the email list with copies of the Rent Stabilization Board meeting agendas; has done an additional mass mailing to tenants with information of new regulations and workshops; has had landlord attorneys, tenant attorneys; tenant advocates; county agencies doing presentations for landlords and tenants and the public at large on issues related to rent control. The Program has also done two regular mass mailings to tenants; one with registration information provided by landlords in February and the other one with information on the annual general adjustment in May. The Program continues to have an open door policy and answers inquiries from landlords, tenants, and the public at large who contact the Program in person, by phone and/or by email on a daily basis.

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	LEAD/ SUPPORT DEPARTMENT	COMMENTS
<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: C&amp;EDD. Support: CA's Office</b>	
1	Complete evaluation of existing conditions	Complete	Ongoing		A Health and Equity Chapter included in the City's General Plan
2	Initiate and engage community through outreach program	Ongoing	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	Ongoing		Public Health Agencies and other interest groups were involved in the General Plan Update
4	Evaluate open space, parks and recreational opportunities as part of Westside Area Plan	Ongoing	Ongoing		Being undertaken with General Plan Update
<b>6E GOAL STATEMENT: DEVELOP A STRATEGY TO KEEP EAST PALO ALTO YOUTH ON EDUCATIONAL TRACK</b>					
<b>Through My Brother's Keeper' initiative, develop plan to keep youth on educational track.</b>				<b>Administrative Services Department</b>	
1	Convene Local Action Summit, and formulate recommendations for action	Ongoing	Ongoing		Continue working with consultant to prepare and launch a plan of action, next steps for implementation and initiative progress review.

NO.	OUTCOME	FY 14-15 Second Half (Jan-June)	FY 15-16 First Half (Jul-Dec)	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 EPA residents.</b>			<b>C&amp;EDD</b>	<b>This goal will require additional funding and staffing resources.</b>
1	Identify funding source for plan	Completed	Completed		Included in Ten Year Capital Improvement Plan with anticipated completion in FY15-16
2	Prepare Request for Proposals (RFP) and award contract	Pending	Pending		Not initiated due to staffing vacancies and competing priorities.
3	Develop Master Plan	Pending	Pending		Initiate after General Plan is adopted.
4	Develop implementation plan (including evaluation of impact fee options) once Master Plan is completed	Pending	Pending		Will be undertaken after completion of Master Plan, and after Plan is funded.
5	Pursue expansion of MLK Park through exchange or acquisition of County owned land on Beech St.	Pending	Ongoing		Informal discussions had between County and City.
6	Complete design for Phases 2-5 of Cooley Landing Park	Ongoing	Partially completed		Construction of Phases II and III (access and utilities), and design of education center have been completed. City is resolving few remaining construction issues. Process to solicit an operator and maintenance partner is ongoing.
<b>6F</b>	<b>GOAL STATEMENT: PRESERVE AND EXPAND AFFORDABLE HOUSING IN EAST PALO ALTO</b>				
	<b>Develop an Affordable Housing Strategy</b>			<b>C&amp;EDD</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	Pending, to be initiated after adoption of the General Plan and EIR certification		City created a Housing Subcommittee. City expended significant resources (\$700,000 and significant staffing time) for the 41 unit Senior Housing Project. To meet project readiness goals, City processed the building permit applications approximately 3 months. City added a potential affordable housing commercial linkage fee to the Impact Fee study that will be completed in 2016. City will initiate related to 965 Weeks Street in the fall of 2016. Planning and Housing has begun the process of reviewing the existing affordable housing stock through administrative division staff. However, existing resources are insufficient.

# 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 adopted 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.
2. **Financial Plan Summary:** A brief summary and assessment of the ability to meet the goal of fiscal resiliency as related to the FY 2016-17 to FY 2020-2021 adopted and projected periods.
3. **Multi-Year General Fund Projection:** The multi year plan is designed to provide information regarding the projected financial ramifications of current operating and funding decisions. The financial plan is projected for the General Fund through Fiscal Year 2019-2020. *It is a static projection based upon one set of various assumptions and is not indicative of possible scenarios that are likely to impact the outcome of the projections.*
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. The City Council implemented a 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.

The FY 2016-2018 Adopted Biennial Budget marks the eleventh 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 methodically address financial challenges in a methodical manner.

## The Fund Structure

The General Fund represents the source of funds which accounts for 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 generally will be supported by General Fund dollars if appropriate and necessary.

### Major Services

The major services financed by the General Fund include:

- a. Public Safety services including community policing, criminal investigations, parking enforcement and contracted dispatch and animal control services.
- b. Maintenance of facilities, signs, graffiti abatement, public right-of-way.
- c. Building Inspection, permitting, and code enforcement, engineering and planning services.
- d. Parks, trees, landscaping and median maintenance.
- e. Limited community programs and senior services.
- f. General government support for services.
- g. Limited Capital Improvement financing.

### Major Sources and Uses

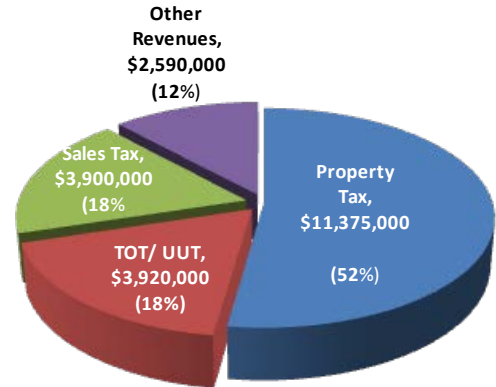
The major General Fund revenue sources and expenditures uses by category of the General Fund and the percent that each is projected to contribute in Fiscal Year 2017-18 are represented below.

Major sources of revenue include property, sales, and transient occupancy and utility user tax which comprise approximately 88% of all General Fund sources during FY 2017-18.

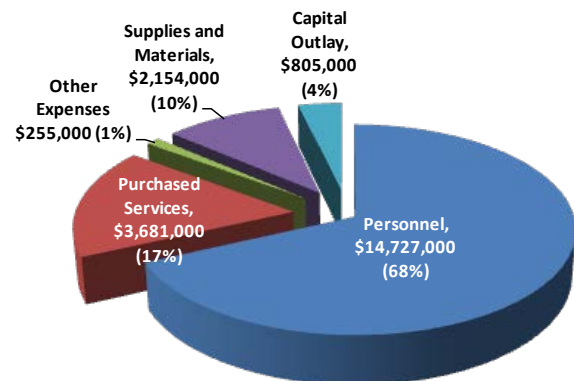
Major expenditure uses include personnel, purchased services, supplies and materials and other. Personnel costs comprise approximately 68% of all General Fund expenditures.

## Fiscal Year 2017-18 Adopted Budget Statistics

### 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 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 new and efficient ways to deliver necessary and desired services. City Council approved financial policies are intended to provide guidance on the fiscal plan. Long-term fiscal policy and budget development is determined through a set of Council budget parameters adopted in FY 2006-07. The major components include:

1. Personnel costs will be fully supported by two local taxes: property and sales tax. This places an automatic maximum amount that can be spent to pay for labor costs. **The FY 2016-18 Adopted Budget meets this parameter as the result of unprecedented property tax revenue growth.**
2. Overtime costs will not exceed 5% of total personnel costs. **The FY 2016-18 Adopted Budget overtime costs are approximately 6.4% of personnel costs. These costs represent the lowest ratio of overtime to personnel in recent years. Most incurred overtime is Public Safety and current numbers reflect assumptions of both low vacancy levels and continued improvement in crime statistics.**
3. Medical Insurance benefit costs will not exceed 7% of total personnel costs. **In the FY 2016-18 Adopted Budget, health insurance costs are approximately 10% of personnel costs. In recent years, the parameter has risen from 7.2% to 10% indicating a need to address the City's current plans.**

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 met the minimum target and additional reserves were utilized to fund matching costs for critical capital expenditures over the biennial period. Given the economic risk**

**profile in general, and the City's risk profile in particular; any excess reserves over Council minimums will provide valuable "cushion" to weather unanticipated economic, or other natural events over the forecast period.**

Over the projection period, the City's local development activity and economic participation in the "Silicon Story" has dramatically improved the overall budget and forecast results. The well-known sale of approximately 80% of the City's multi-family housing units resulted in an estimated property tax valuation gain of \$200M. At the same time, the City has two major development projects estimated to add an additional \$95M in property valuation to the City through FY 2018-19. While the projections assume tamped inflation increases over the remaining period, the City is also more vulnerable given the likely valuation appeals that could and do occur during an economic downturn. This risk is heightened during the projection period also because the City has primarily absorbed the additional revenue resources through hiring critical technical support staff, and also absorbing the loss of restricted funding formally available for approximately \$0.45M in public safety salaries during the period. Further, the City's development revenues are vulnerable and subject to volatility during the period due to the dependence on Council development priorities, water security, and economic conditions. *While the FY 2016-18 Adopted Budget contains cost initiatives to provide improvements for the delivery of City services, the historic gains in total revenues have mostly sustained and improved, not expanded, the provision of citizen program services.*

More than ever, the City must take a studied approach to establishing goals, standards, and initiatives for the long-term fiscal sustainability of City services. Over the biennial period, a number of studies will be aimed at improving cost accounting, user-fee service recovery levels, and providing Council with information to determine a reasonable level of emergency, contingency, retirement, and other internal liability, and equipment/technology reserves.

Furthermore, it is widely acknowledged that the City had the resources for necessary, minimum investments in new initiatives and infrastructure maintenance, repairs, and replacement. While the City has been able to make certain "after the fact" capital contributions through rapidly rising non-budgeted or one-time revenues and high levels of staff vacancies – the

budget surpluses recently derived from this un-planned process will diminish due both to improved revenue forecasting and improved hiring processes. ***While an improvement over previous years, the forecast period through FY 2020-21 clearly reflects that additional funding for Capital Improvement Projects currently must be funded through existing reserves. The overall balance of operating versus capital expenditures is not sustainable over the long term, and demonstrates that other funding considerations or solutions must be considered.***

***Without further expanded resources and local development and/or service delivery adjustments, the City will not be able to sustain basic inflationary cost pressures and continue to deliver the current level of services for an extended period of time.***

Utilizing fiscal policies, together with concerted efforts toward expanding revenue resources (including supporting commercial development that creates jobs and generates economic activity), increasing local water resources, diversity, and security; and maintaining careful, considered expenditure control will provide improved ability to plan and deliver sustained or improved service levels in the future.



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

Revenues	AMENDED	ADOPTED		PROJECTED		
	2016	2017	2018	2019	2020	2021
Property Tax	10,025	10,700	11,375	11,728	11,956	12,189
Sales Tax	3,680	3,815	3,900	4,005	4,113	4,225
Transient Occupancy Tax	2,220	2,290	2,325	2,372	2,419	2,467
Utility Users Tax	1,510	1,565	1,595	1,611	1,627	1,643
Licenses, Fees, Permits	2,030	1,677	1,710	1,730	1,747	1,765
Charges for Current Svcs	854	330	306	309	312	315
Other Revenues	1,906	704	574	577	580	583
<b>Total Revenues</b>	<b>22,225</b>	<b>21,081</b>	<b>21,785</b>	<b>22,331</b>	<b>22,755</b>	<b>23,187</b>
<b>Expenditures</b>						
Salaries	9,028	9,762	10,271	10,629	10,816	11,005
Benefits:						
Insurance and Other	2,290	2,432	2,670	2,784	2,872	2,937
PERS	1,389	1,497	1,786	1,880	2,080	2,215
<b>Subtotal Benefits</b>	<b>3,679</b>	<b>3,929</b>	<b>4,456</b>	<b>4,664</b>	<b>4,952</b>	<b>5,152</b>
<b>Subtotal Personnel</b>	<b>12,707</b>	<b>13,691</b>	<b>14,727</b>	<b>15,293</b>	<b>15,768</b>	<b>16,157</b>
Professional Services	4,457	3,654	3,681	3,791	3,905	4,022
Services and Supplies	2,061	2,136	2,154	2,208	2,263	2,320
Lease Payments	625	673	647	665	684	703
Capital Outlay	784	1,128	805	708	708	708
Insurance and Settlements	225	260	225	225	281	281
Overhead Allocation	(830)	(754)	(617)	(617)	(617)	(617)
<b>Total Expenditures</b>	<b>20,029</b>	<b>20,788</b>	<b>21,622</b>	<b>22,274</b>	<b>22,993</b>	<b>23,574</b>
<b>Operating Income / (Loss)</b>	<b>2,196</b>	<b>293</b>	<b>163</b>	<b>58</b>	<b>(238)</b>	<b>(387)</b>
<b>Sources/Uses</b>						
Transfers In/Proceeds	-	-	-	-	-	-
Transfers Out	(3,395)	(1,122)	(1,813)	(1,066)	(1,076)	(1,082)
<b>Net Operating Transfers</b>	<b>(3,395)</b>	<b>(1,122)</b>	<b>(1,813)</b>	<b>(1,066)</b>	<b>(1,076)</b>	<b>(1,082)</b>
<b>Change in Fund Balance</b>	<b>(1,199)</b>	<b>(829)</b>	<b>(1,650)</b>	<b>(1,008)</b>	<b>(1,314)</b>	<b>(1,469)</b>
Other Reserve Changes	1,910	(111)	(100)	-	-	-
<b>Balance*</b>						
<b>July 01 Balance</b>	<b>5,538</b>	<b>6,249</b>	<b>5,309</b>	<b>3,559</b>	<b>2,551</b>	<b>2,551</b>
<b>June 30 Balance</b>	<b>6,249</b>	<b>5,309</b>	<b>3,559</b>	<b>2,551</b>	<b>1,237</b>	<b>1,081</b>

\* Projected Reserve Balance does not include certain restricted and assigned balances

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

	ADOPTED		PROJECTED		
	2017	2018	2019	2020	2021
<b>Revenues</b>					
Property Tax	6.7%	6.3%	3.1%	2.0%	2.0%
Sales Tax	3.7%	2.2%	2.7%	2.7%	2.7%
Transient Occupancy Tax	3.2%	1.5%	2.0%	2.0%	2.0%
Utility Users Tax	3.6%	1.9%	1.0%	1.0%	1.0%
Licenses, Fees, Permits	-17.4%	2.0%	1.0%	1.0%	1.0%
Charges for Current Svcs	-61.4%	-7.3%	1.0%	1.0%	1.0%
Other Revenues	-63.1%	-18.5%	0.5%	0.5%	0.5%
<b>Total Revenues</b>	<b>-5.1%</b>	<b>3.3%</b>	<b>2.5%</b>	<b>1.9%</b>	<b>1.9%</b>
<b>Expenditures</b>					
Salaries	8.1%	5.2%	3.5%	1.8%	1.7%
Benefits:					
Insurance and Other	6.2%	9.8%	4.3%	3.2%	2.3%
PERS	7.8%	19.3%	5.3%	10.6%	6.5%
<b>Subtotal Benefits</b>	<b>6.8%</b>	<b>13.4%</b>	<b>4.7%</b>	<b>6.2%</b>	<b>4.0%</b>
<b>Subtotal Personnel</b>	<b>7.7%</b>	<b>7.6%</b>	<b>3.8%</b>	<b>3.1%</b>	<b>2.5%</b>
Professional Services	-18.0%	0.7%	3.0%	3.0%	3.0%
Services and Supplies	3.6%	0.8%	2.5%	2.5%	2.5%
Lease Payments	7.7%	-3.9%	2.8%	2.8%	2.8%
Capital Outlay	43.9%	-28.6%	-12.0%	0.0%	0.0%
Insurance and Settlements	15.6%	-13.5%	0.0%	25.0%	0.0%
Overhead Allocation	-9.2%	-18.2%	0.0%	0.0%	0.0%
<b>Total Expenditures</b>	<b>3.8%</b>	<b>4.0%</b>	<b>3.0%</b>	<b>3.2%</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 6.7% in FY 2016-17 and then grow at a more robust pace of 6.3% and 3.1% through FY 2018-19 due to the Sand Hill Properties purchase, University Plaza, and DKB Homes. Growth then is estimated to level off in Fiscal Year 2020 and 2021. *The forecasted numbers do not assume a recessionary decrease over the five-year period; however, only Prop 13 maximum inflationary valuation growth (2%) is projected beyond FY 2018-19, and certain transfer and supplemental taxes are estimated to soften to "recessionary levels" during the 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 increase from 2.2% to 3.7% over the period which represents a slightly conservative, but non-recessionary projection based estimated turn-over of certain retail business and the high concentration and dependence of overall growth on the retail sector.
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 projected at 1.5% to 3.2% 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 increase 3.6% from the prior year as a result of underlying price increases in the cost of the utilities provided. The overall forecast assumes that higher wholesale water rates won't be fully offset by reduced demand, and assumes increased wholesale gas prices; but otherwise assumes overall general low growth and demand. The revenue is projected at 1.0% in the forecast period.
5. **Licenses, Permits, & Fees** - are collected for development permits, business license, and garbage, water, and cable franchise fees. Revenues for FY 2016-17 are projected to decrease by -17.4% as a result of the significant development activity in the prior two years winding down, and possibly severely restricted, due to lack of available water supply to support additional development projects beyond those in process or entitled. Given the City's current water issues and the wind-down of certain development activity in process, the forecast assumes only minimal overall category increases in business license and other non-development activity. *Given the significant barriers to future development, it is difficult to forecast this category and current budgeted revenues could result in notable volatility during the budget cycle and forecast period.*
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 2016-18 are projected to reduce dramatically by -61.4% and -7.3%, respectively. As noted above, *given the significant barriers to future development, it is difficult to forecast this category and current budgeted revenues could result in notable volatility during the budget cycle and forecast period.*

**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 decrease by -63.1% in FY 2016-17 primarily due to one-time SB90, insurance reimbursement, grants, community benefit and development reimbursement contract revenues during FY 2015-16 not projected to continue in FY 16-18; and, further softening in FY 2017-18 due to assumed improved parking compliance over time. Revenues are projected to increase one-half percent annually over the forecast period.

### **General Fund Expenditure Assumptions**

**1. Personnel Costs** – account for approximately 68% of General Fund operating expenditures. The FY 16-18 adopted budget reflects increased accuracy in the budget methodology established in FY 2015-16, including improvements to step rate changes and health benefit cost accuracy.

The FY 16-18 adopted budget salary costs increase 8.1% and 5.2%, respectively primarily due to continued cost shifting from restricted sources to the General Fund, negotiated salary increases in FY 16-17 (average 2%), step increases, and 3.5 new full-time equivalent positions. The percentage of General Fund to total personnel costs has increased from 80% to 94% since FY 2009-10. Forecast assumptions over the projected period include salary increases for job and step promotions and minor, dampened inflationary wage increases. *This purposefully illustrates that at current staffing levels, the City will have difficulty sustaining normal inflationary price increases in labor costs at current staffing levels.*

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 adopted budget these costs, too, have been aligned more closely with historical average cost plus estimated inflationary increases. *To date, the City has not received final rates for workers' compensation renewal and such costs remain volatile. This volatility is heightened by recent costly claims and cost experience.*

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, asset returns, and a fairly robust percentage of PEPR employees. Employer rates for retirement are expected to continue to increase significantly over the forecast period. Staff opinion is that the Cal PERS forecast amounts are lower than ought to be assumed due to both the current market investment cycle and due to the City's payroll costs not keeping pace with plan assumptions. *The budget and forecast figures include a provision for Cal PERS pension rate stabilization in FY 2017-18. This will be studied further during the FY 2016-18 periods.*

**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. The notable decrease of -18.0% from FY 2015-16 Amended Budget is due to the rotation of vacancy savings during 2015-16 into contractual consulting "back-fill" and, also, increased outside services related to unusually high development activity. The increase over the FY 2015-16 Adopted Budget of \$3.54M results in an actual year over year budgeted increase of 3% in FY 2016-17. The actual budgeted costs have increased only 3% due to on-going efforts to refine budgeted costs across all divisions. While this methodology will improve budget accuracy and budget-to-actual performance; it clearly tightens departmental flexibility and the ability to attend to unplanned events. These costs are projected to increase by 3.0% annually during the projection period.

**3. Services and Supplies** – accounts for supplies, fuel, maintenance contracts, property services, and other similar costs. Costs increased 3.6% and 0.8% in FY 16-18, respectively. Cost increases relate to certain community programs grant activity and estimated operating costs for Cooley Landing. These costs are projected to increase by 2.5% annually during the projection period.

**4. Facility Lease Payments** – accounts for facility lease costs for City Hall, Police, and the Corporation Yard, and certain vehicle and equipment lease costs. In FY 2015-16, the City Manager renegotiated the Police and Corporation Yard facility leases for an average annual cost increase estimated at approximately 2.8%.

Differences between the average increases and those reflected in the General Fund relate to varying allocation of lease costs across all City funds year over year. City property, and also, the retirement of certain vehicle lease debt during FY 2017-18. *The recent renegotiation of the leases represents a significant improvement in the City's facility security over the next five years. Beyond that, however, the City is critically vulnerable and must consider long-term facility needs and resources on a comprehensive basis.*

5. **Capital Outlay** – consists of planned technology software and capital spending, police vehicles and major temporary increases for a storm drain vacuum truck, dump truck, emergency generator, and other overdue vehicle replacements – *the City's current resources and operating costs do not provide for increased levels of equipment replacement budgeted beyond FY 2018-19. Furthermore, planned capital infrastructure is reflected as an operating transfer to the Capital Improvement Fund and the forecast reflects that these costs are funded through reserves, not annual operating revenues. As reserves dwindle over time, this practice is not sustainable or recommended.*
6. **Insurance and Settlements** – accounts for settlement reserves for the City's \$100,000 per claim self-insurance liability 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 maintain and improve reserve levels in the event of a significant spike in settlement claims or lawsuits. At the current levels of activity, the City will basically maintain current reserve levels which may be inadequate in the event of a series of major lawsuits. *The long-term adequacy of the reserve level will be studied during the FY 2016-18 periods.*
7. **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 decreases of 9.2% and 18.2% for FY 2016-18, respectively. The decreases are a result of assumed reductions in allocation to the Successor Agency Trust as a result of the wind-down of the dissolution process. Further, the projection assumes no change

thereafter due to plans to initiate cost allocation plan based upon the staff and cost structure existing today. *The allocation in future years may increase or decrease depending upon the study results.*

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

The FY 2016-18 Adopted Budget reflects a balanced budget with funding set-asides for maintaining the minimum required contingency reserves (15%). The current budget methodology of “digging deeper” to reflect more accurate revenue and expenditure assumptions is reflected in improved operating statistics in the forecast data; but, as the forecast discussion indicates - much more study is required to improve the viability and relevance of forecasted figures and how such forecasts relate to real, fiscal sustainability over time. Clearly, there are a number of services the City simply “goes without” in order to achieve a balanced operating budget in the short-term.

While acknowledging that revenue sources are difficult to forecast and subject to a level of volatility not presented in this static scenario; the City is currently at an all-time high for General Fund budgeted revenue, and yet, unable to significantly expand service delivery, or even keep pace with recent and projected wage inflation. The City has articulated the need to address anticipated long-term gaps in service maintenance, service delivery, and infrastructure improvements. A number of initiatives are planned over the FY 16-18 Biennial period which will result in improved understanding of the City's long-term fiscal sustainability.

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

Projected reserves consist of projected amounts over the 15% minimum reserve. During FY 2016-18, staff will bring forward discussion regarding studied minimum reserve levels in order for Council to determine a use of the reserves recently accumulated as the result of significant one-time revenues and elevated levels of staff vacancies. *This process will occur in FY 2016-18 as the City is rapidly utilizing reserves to address current capital projects in progress; and also has immediate and critical service needs particularly in the areas of affordable housing, homelessness, code abatement, and temporary assistance.*

## **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 water supply, diversity, and groundwater resources.
- Fixed PERS retirement costs and control over rising rates.
- Results of labor negotiations exceeding minimum parameters.
- Lawsuit and settlements, and insurance rates 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).
- 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 FY 2016-18 Biennial Budget is balanced across both periods and a balanced budget is forecasted to extend through FY 2018-19. Over the forecast period, expenditure growth is eventually expected to exceed revenues and the City often leaves many regulatory improvements and service needs unfunded in order to achieve a short-term balanced operating budget.

The City has a current opportunity to study and address long-term needs. This process was initiated in FY 2015-16 with the Revenue Study presented to Council in July 2015 and will continue over the Biennial period with a number of studies to inform our

understanding of the ways to stabilize and improve fiscal sustainability while at the same time seek ways to maintain and improve current service levels.

It is well-established that given current service levels and capital investment, *when considered comprehensively, both funded and unfunded needs outpace projected revenue resources and the City must articulate and address the need for additional resources to sustain services, promote economic activity, improve the current housing crisis, and improve and replace critical infrastructure.*

# Financial Policies

## Introduction

The financial plan policies for City Council consideration and deliberation are intended to set forth the framework for the overall fiscal management of the City. Operating independently of changing circumstances and conditions, these policies assist the City Council's decision-making process; and, guide the 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 an extended period.

### **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 adapt to changes in local and regional economic conditions.*
- 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 cover the largest expenditure-type; personnel costs shall not exceed property and sales tax revenues.
3. Medical insurance shall continue to be a shared responsibility between the City and employees. Such expenditures shall be 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 will adopt a balanced budget for the ensuing fiscal year by June 30th of each year.
10. 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.
11. The City shall develop an annual operating budget realistically and conservatively, projecting revenues and expenditures for the current and forthcoming fiscal year.
12. During the budget development process, the City shall examine existing base budget thoroughly to assure the cost effectiveness of the services or programs provided.
13. The City shall include the cost of new capital projects in the final adopted operating budget.
14. 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.

15. 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 determination that the actual results of operations will not require the partial or full use of the previously authorized appropriation.
16. The City shall prepare the 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-term fluctuations in any one revenue source.
2. The City will study and communicate the need for major revenue sources if such is determined necessary in order to maintain long-term fiscal stability.
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 periodically and will design or modify revenue systems to include provisions that allow charges to grow at a rate that keeps pace with the cost of providing the service.
5. The City shall estimate its revenues conservatively using reasonable estimates and sound professional judgment, with sensitivity to both local and regional economic conditions.
6. The City will not use "one-time" or limited duration revenue sources for ongoing operating expenses. "One-time" revenues will be used for one-time expenditures only, including capital outlay and improvement projects, and reserves.



7. The City will actively pursue federal, state, and other grant opportunities when deemed appropriate.
8. 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 respective program budgets. Department heads are accountable for the department level of control for fund-types 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. City departments are directed to deposit all material receipts no later than the next business day from receipt of funds; minor funds collected shall be deposited within the week of collection.
2. 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.

3. Generally Accepted Accounting Principles require 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 periodic 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 adopted capital project, prior to submitting adopted 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. Unidentified funding for future projects in the CIP has not been secured or legally authorized and is therefore subject to change.
4. The ongoing maintenance and operating costs of any 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.

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# CITY OF EAST PALO ALTO CITY ORGANIZATIONAL CHART

FY 2016-2018 Adopted Budget

**RESIDENTS OF EAST PALO ALTO**

**CITY COUNCIL**

**CITY ATTORNEY'S OFFICE**

**BOARDS & COMMISSIONS**

- Planning
- Public Works & Transportation
- Rent Stabilization Board
- Senior Advisory Board
- Measure "C" Oversight Committee

**CITY MANAGER/ CITY CLERK**

**ASSISTANT CITY MANAGER**

**COMMUNITY & ECONOMIC DEVELOPMENT**  
Administration/Building  
Planning & Housing  
Rent Stabilization

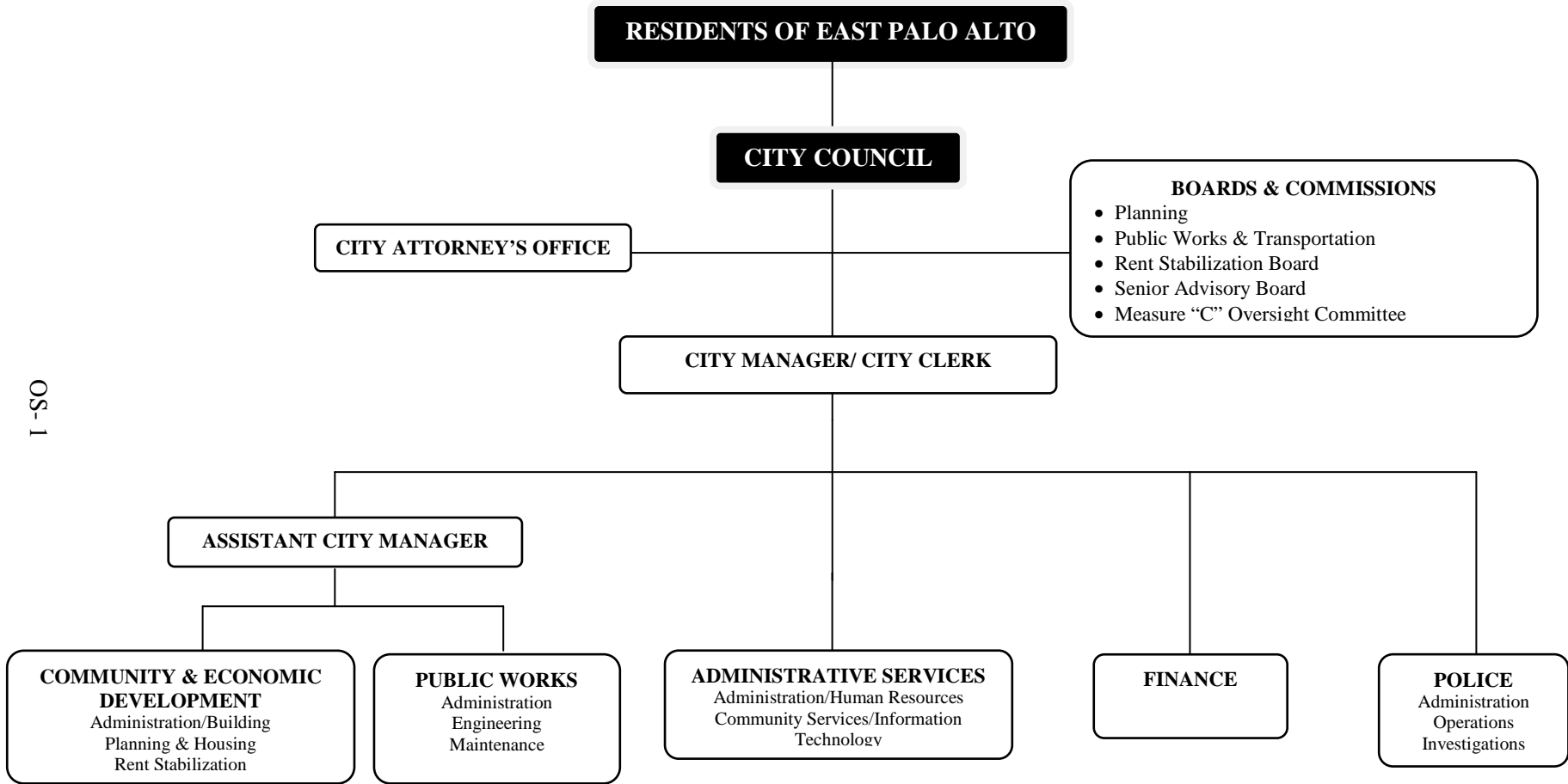
**PUBLIC WORKS**  
Administration  
Engineering  
Maintenance

**ADMINISTRATIVE SERVICES**  
Administration/Human Resources  
Community Services/Information  
Technology

**FINANCE**

**POLICE**  
Administration  
Operations  
Investigations

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**CITY OF EAST PALO ALTO  
TEN-YEAR POSITION SUMMARY**

Fiscal Year 2008-2009 Through Fiscal Year 2017-2018

	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED
<b>Policy &amp; Executive</b>										
City Council	5	5	5	5	5	5	5	5	5	5
City Attorney's Office	3	3	3	3	3	3	3	3	3	3
City Manager's Office	4	4	4	3	3	4	4	4	3	3
<b>Sub-Total</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>11</b>	<b>11</b>
<b>Administrative Support Services</b>										
City Clerk's Office	1	1	1	1	1	1	1	1	1	1
Finance Department	6	6	6	5	5	5	5	5	6	6
Administrative Services	-	-	-	-	-	-	-	1	3	3
Community Services	-	-	-	2	2	4	5.13	4.38	4.38	4.38
Human Resources	2	3	3	2	2	2	2	2	2	2
<b>Sub-Total</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>12</b>	<b>13.13</b>	<b>13.38</b>	<b>16.38</b>	<b>16.38</b>
<b>Community and Economic Dev</b>										
Administration Division	-	2	2	5.5	5.5	7	8	4	4	4
Development Services Division	5	5	5	3	3	4	5	6	7	7
Economic Development	-	-	-	5	5	2	-	-	-	-
Redevelopment	6	6	6	-	-	-	-	-	-	-
Planning and Housing Division	5	5	5	3	3	4	3	3	4	4
Rent Stabilization Program	1	1	2	2	2	2	2	2	2	2
Senior Services Division	-	-	-	1.63	1.63	1.63	-	-	-	-
<b>Sub-Total</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</b>	<b>17</b>	<b>17</b>
<b>Community Services</b>										
Administration	2	2	2	-	-	-	-	-	-	-
Recreation Services Division	1	1	2	-	-	-	-	-	-	-
Senior Services Division	1.38	1.38	1.38	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>4.38</b>	<b>4.38</b>	<b>5.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Housing Services</b>										
Administration	2	2	2	-	-	-	-	-	-	-
Housing Development	1	1	1	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Public Safety</b>										
Administration Division	13.75	15	9	10.5	10.5	10.5	8	8	8	8
Investigations Division	5	5	5	5	5	5	8	8	8.5	8.5
Operations Division	34	34	34	32	32	32	28	29.5	29	29.0
<b>Sub-Total</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>45.5</b>	<b>45.5</b>
<b>Public Works</b>										
Administration Division	2	2	2	-	-	-	-	2	2	2
Engineering Division	6	6	6	5	5	6	6	5	5	5
Maintenance Division	12	12	12	11	11	11	12	12	12	12
<b>Sub-Total</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>19</b>	<b>19</b>
<b>TOTAL POSITIONS</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>	<b>108.88</b>	<b>108.88</b>

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

	FTE's FY 2015-16	FTE's FY 2016-18		FTE's FY 2015-16	FTE's FY 2016-18
<b>Policy and Executive</b>					
<b>City Council</b>			<b>Planning and Housing Division</b>		
a. Council Member	5	5	a. Planning Manager	1	1
<b>City Attorney's Office</b>			b. Senior Planner	0	1
a. City Attorney	1	1	c. Associate Planner	1	1
b. Deputy City Attorney I/II	1	1	d. Assistant Planner	<u>1</u>	<u>1</u>
c. Legal Secretary	<u>1</u>	<u>1</u>		<b>3</b>	<b>4</b>
	<b>3</b>	<b>3</b>	<b>Rent Stabilization Division</b>		
<b>City Manager's Office</b>			a. RS Administrator	1	1
a. City Manager	1	1	b. Housing Counselor II	<u>1</u>	<u>1</u>
b. Assistant City Manager	1	1		<b>2</b>	<b>2</b>
c. Executive Assist. to City Mgr	1	1	<b>Public Works</b>		
d. Office Assistant	<u>1</u>	<u>0</u>	<b>Administration Division</b>		
	<b>4</b>	<b>3</b>	a. Public Works Director	1	1
<b>City Clerk's Office</b>			b. Admin. Assistant	<u>1</u>	<u>1</u>
a. Deputy City Clerk	1	1		<b>2</b>	<b>2</b>
<b>Administrative Services</b>					
<b>Administration Division</b>			<b>Engineering Division</b>		
a. Administrative Svcs Director	1	1	a. City Engineer	1	1
b. Grants Coordinator	0	1	b. Senior Engineer	1	1
c. Office Assistant	<u>0</u>	<u>1</u>	c. Associate Engineer	1	1
	<b>1</b>	<b>3</b>	d. Assistant Civil Engineer	1	1
<b>Community Services Division</b>			e. Public Works Inspector	<u>1</u>	<u>1</u>
a. Community Programs Manager	1	1		<b>5</b>	<b>5</b>
b. Recreation Leader II (2 PT)	1	1	<b>Maintenance Division</b>		
c. Van Driver (2 PT)	1	1	a. Division Manager	1	1
d. Nutrition Site Supervisor (1 PT)	0.63	0.75	b. Electrician	1	1
e. Kitchen Aide (1 PT)	0	0.63	c. Maintenance Worker I	4	4
f. Measure C Program Coord.	<u>0.75</u>	<u>0</u>	d. Maintenance Worker II	3	3
	<b>4.38</b>	<b>4.38</b>	e. Maintenance Worker III	2	2
<b>Human Resources Division</b>			f. Secretary I	<u>1</u>	<u>1</u>
a. HR Manager	1	1		<b>12</b>	<b>12</b>
b. HR Assistant	<u>1</u>	<u>1</u>	<b>Police</b>		
	<b>2</b>	<b>2</b>	<b>Administration Division</b>		
<b>Finance</b>			a. Police Chief	1	1
a. Finance Director	1	1	b. Administrative Manager	1	1
b. Fiscal Analyst	1	1	c. Police Property Officer	1	1
c. Senior Accountant	0	1	d. Police Record's Clerk I/II	3	3
d. Accountant I/II	2	2	e. Police Records Supervisor	1	1
e. Accounting Technician	<u>1</u>	<u>1</u>	f. Police Sergeant Advance	<u>1</u>	<u>1</u>
	<b>5</b>	<b>6</b>		<b>8</b>	<b>8</b>
<b>Community and Economic Development</b>					
<b>Administration Division</b>			<b>Investigations Division</b>		
a. Management Analyst	2	2	a. Commander	1	1
b. Secretary II	1	1	b. Police Officer	7	4
c. Office Assistant	<u>1</u>	<u>1</u>	c. Community Services Officer	0	1
	<b>4</b>	<b>4</b>	d. Community Service Aide (4 PT)	0	2
<b>Building Services Division</b>			e. Cold Case Investigator	<u>0</u>	<u>0.5</u>
a. Chief Building Official	1	1		<b>8</b>	<b>8.5</b>
b. Building Inspector	1	1	<b>Operations Division</b>		
c. Building Permit Technician	2	2	a. Commander	1	1
d. Code Enforcement Officer II	<u>2</u>	<u>3</u>	b. Police Sergeant	4	4
	<b>6</b>	<b>7</b>	c. Police Officer	21	24
<b>Total FTE's</b>					
	<b>104.88</b>	<b>108.88</b>	d. Code Enforcement Officer II	1	0
			e. Community Services Officer	1	0
			f. (3) Part-time	<u>1.5</u>	<u>0</u>
				<b>29.5</b>	<b>29</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: Donna Rutherford, Nov. 2018  
Vice Mayor: Larry Moody, Nov. 2016  
Council Member: Ruben Abrica, Nov. 2018  
Council Member: Lisa Gauthier, Nov. 2016  
Council Member: Carlos Romero, 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 2016/2017<sup>1</sup>*

City Council.....	5
City Manager.....	3
City Attorney.....	3
City Clerrk.....	1
Finance.....	6
Administrative Services.....	9.38
Community Development.....	17
Police.....	45.5
Public Works.....	19
<b>Total.....</b>	<b>108.88</b>

## Demographics

*Land Area: 2.5 squar miles*

*Population<sup>2</sup>*

1990.....	23,570
2000.....	29,506
2005.....	29, 431
2010.....	28,155
2015.....	29,137

*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).....	61.00%
White.....	8.20%
Black or African American.....	15.20%
Asian.....	3.50%
Nativan Hawaiian and Other Pacific Islander.....	9.90%
Other.....	2.20%

*Level of Education Attainment of people 25 years ad older*

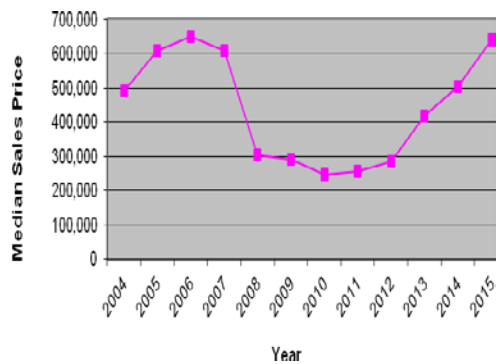
Graduate/ Professional Degree.....	7.00%
Bachelor's Degree.....	11.30%
Associate Degree.....	4.00%
Some College (no Degree).....	17.10%
High School Graduate.....	26.80%
Grades 9-12 (no diploma).....	14.30%
Less than 9 <sup>th</sup> Grade.....	19.50%

*Median Household Income*

(In 2013)<sup>3</sup>: \$48,734

*Median Sales Price for Single Family Residences*<sup>4</sup>

\$502,500 year 2014



**Notes**

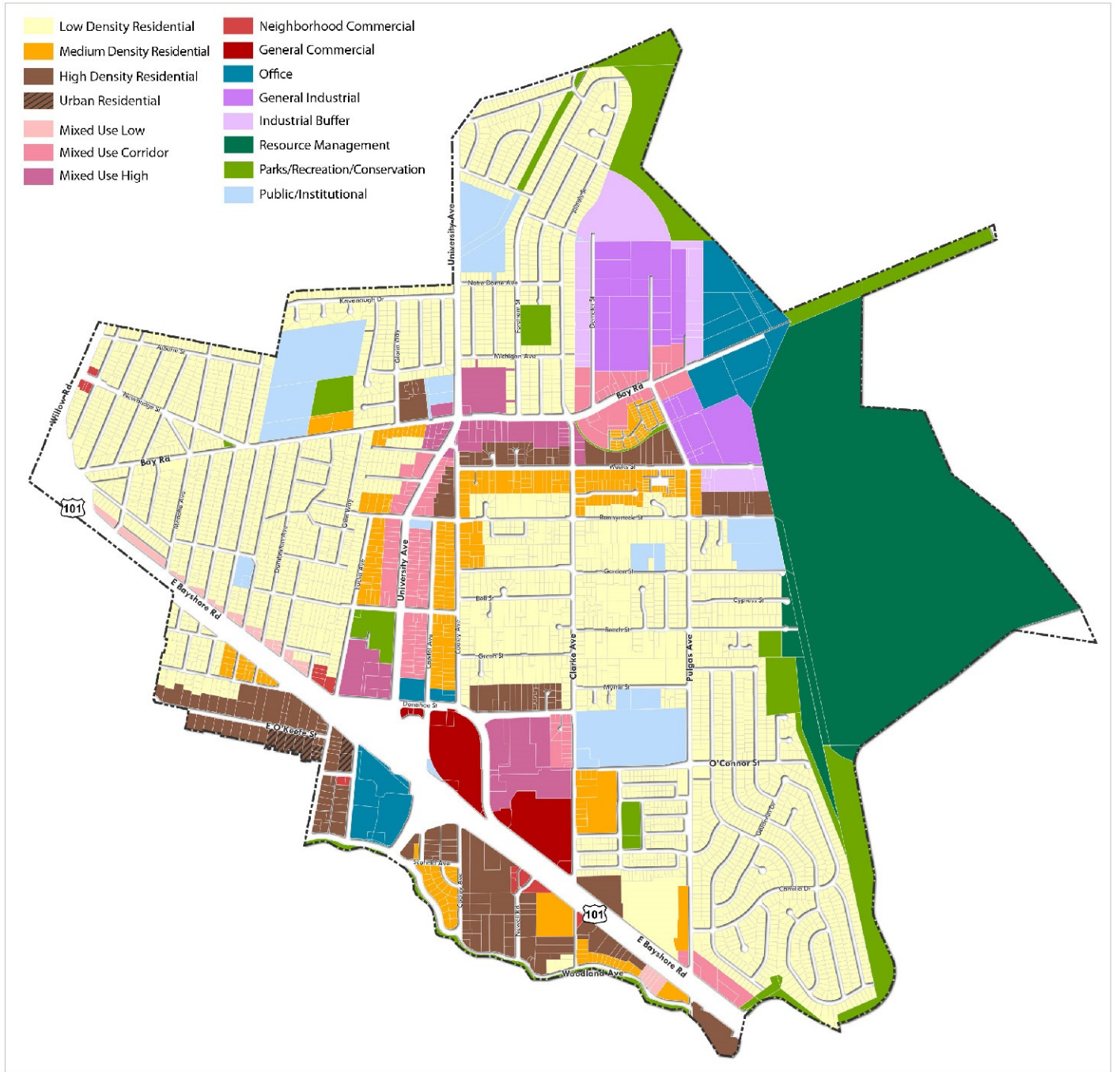
<sup>1</sup> Human Resources Department, City of East Palo Alto

<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

**Figure 4-2: General Plan Land Use Designations**



# FINANCIAL SUMMARY

## FY 2016-2018 Adopted Budget

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

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

- **Citywide Budget Overview**
- FY 2016-17 Budget by Fund Category
- FY 2017-18 Budget by Fund Category
- **General Fund Overview**
- FY 2016-17 General Fund and Internal Reserve Funds Budget
- FY 2017-18 General Fund and Internal Reserve Funds Budget
- **Special Revenue Funds Overview**
- FY 2016-17 Special Revenue Funds Budget
  - FY 2016-17 Community and Housing Programs Budget
  - FY 2016-17 Transportation and Infrastructure Programs Budget
- FY 2017-18 Special Revenue Funds Budget
  - FY 2017-18 Community and Housing Programs Budget
  - FY 2017-18 Transportation and Infrastructure Programs Budget
- **Enterprise Funds Overview**
- FY 2016-17 Enterprise Fund Budget
- FY 2017-18 Enterprise Fund Budget
- Trust and Agency Funds Overview
- FY 2016-17 Agency and Pension Trust Budget
- FY 2017-18 Agency and Pension Trust Budget

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

- General Fund Revenues by Major Category
- General Fund Expenditures by Major Category
- General Fund Property Tax Trends
- General Fund Sales Tax Trends

# 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 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 2016-2017 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	10,700,000	1,154,980	-	-	11,854,980	1,015,000	12,869,980
Sales Tax	3,815,000	605,000	-	-	4,420,000	-	4,420,000
Utility Users Tax	1,565,000	-	-	-	1,565,000	-	1,565,000
Transient Occupancy Tax	2,290,000	572,500	-	-	2,862,500	-	2,862,500
Other State and Local Taxes	11,800	603,300	-	-	615,100	-	615,100
Franchise Fees	933,730	-	-	-	933,730	-	933,730
Licenses, Fees, and Permits	743,000	1,720,800	-	770,000	3,233,800	-	3,233,800
Fines and Forfeitures	455,000	-	-	-	455,000	-	455,000
Use of Money and Property	67,000	128,685	-	283,340	479,025	18,500	497,525
Grants and Intergovernmental	71,250	696,000	4,857,000	-	5,624,250	-	5,624,250
Charges for Current Services	330,200	-	-	2,325,000	2,655,200	-	2,655,200
Other Miscellaneous	99,000	60,000	-	200,000	359,000	-	359,000
<b>Total Revenues</b>	<b>21,080,980</b>	<b>5,541,265</b>	<b>4,857,000</b>	<b>3,578,340</b>	<b>35,057,585</b>	<b>1,033,500</b>	<b>36,091,085</b>
<b>Expenditures</b>							
City Council	197,895	-	-	-	197,895	-	197,895
City Attorney	761,500	-	-	5,000	766,500	-	766,500
City Clerk	192,445	-	-	-	192,445	-	192,445
City Manager	815,495	-	-	-	815,495	-	815,495
Administrative Services	1,745,870	728,000	-	-	2,473,870	-	2,473,870
Finance	1,048,840	3,850	-	27,500	1,080,190	-	1,080,190
Community Development	1,965,225	826,675	-	16,175	2,808,075	-	2,808,075
Public Works	3,000,615	1,042,520	-	126,435	4,169,570	-	4,169,570
Police	10,467,060	452,500	-	-	10,919,560	-	10,919,560
<b>Non-Departmental</b>							
Capital/Technology	326,295	966,000	5,717,000	2,937,000	9,946,295	-	9,946,295
Debt Service	-	-	-	-	-	1,510,000	1,510,000
Insurance and Settlements	480,000	-	-	-	480,000	-	480,000
Other Non-Departmental	541,180	113,620	-	2,530,300	3,185,100	89,500	3,274,600
Overhead Allocation	(754,470)	456,010	-	160,960	(137,500)	137,500	-
<b>Total Expenditures</b>	<b>20,787,950</b>	<b>4,589,175</b>	<b>5,717,000</b>	<b>5,803,370</b>	<b>36,897,495</b>	<b>1,737,000</b>	<b>38,634,495</b>
<b>Net Sources / (Uses)</b>	<b>293,030</b>	<b>952,090</b>	<b>(860,000)</b>	<b>(2,225,030)</b>	<b>(1,839,910)</b>	<b>(703,500)</b>	<b>(2,543,410)</b>
<b>Other Financing Sources / (Uses)</b>							
Transfers In	-	62,030	1,060,000	-	1,122,030	955,000	2,077,030
Transfers Out	(1,122,030)	-	-	-	(1,122,030)	(955,000)	(2,077,030)
<b>Net Operating Transfers</b>	<b>(1,122,030)</b>	<b>62,030</b>	<b>1,060,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>(829,000)</b>	<b>1,014,120</b>	<b>200,000</b>	<b>(2,225,030)</b>	<b>(1,839,910)</b>	<b>(703,500)</b>	<b>(2,543,410)</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>							
July 01, 2016 Balance	12,130,785	14,421,405	-	3,057,230	29,609,420	(29,984,655)	(375,235)
June 30, 2017 Balance	11,301,785	15,435,525	200,000	832,200	27,769,510	(30,688,155)	(2,918,645)

**CITY OF EAST PALO ALTO**  
**FY 2017-2018 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	11,375,000	400,590	-	-	11,775,590	1,662,000	13,437,590
Sales Tax	3,900,000	620,000	-	-	4,520,000	-	4,520,000
Utility Users Tax	1,595,000	-	-	-	1,595,000	-	1,595,000
Transient Occupancy Tax	2,325,000	581,240	-	-	2,906,240	-	2,906,240
Other State and Local Taxes	11,800	543,100	-	-	554,900	-	554,900
Franchise Fees	949,500	-	-	-	949,500	-	949,500
Licenses, Fees, and Permits	760,500	720,800	-	810,000	2,291,300	-	2,291,300
Fines and Forfeitures	405,000	-	-	-	405,000	-	405,000
Use of Money and Property	68,400	126,970	-	301,500	496,870	18,500	515,370
Grants and Intergovernmental	71,500	143,000	8,592,000	-	8,806,500	-	8,806,500
Charges for Current Services	306,700	-	-	2,350,000	2,656,700	-	2,656,700
Other Miscellaneous	17,000	60,000	-	200,000	277,000	-	277,000
<b>Total Revenues</b>	<b>21,785,400</b>	<b>3,195,700</b>	<b>8,592,000</b>	<b>3,661,500</b>	<b>37,234,600</b>	<b>1,680,500</b>	<b>38,915,100</b>
<b>Expenditures</b>							
City Council	154,365	-	-	-	154,365	-	154,365
City Attorney	771,100	-	-	5,000	776,100	-	776,100
City Clerk	216,235	-	-	-	216,235	-	216,235
City Manager	894,625	-	-	-	894,625	-	894,625
Administrative Services	1,649,715	693,000	-	-	2,342,715	-	2,342,715
Finance	1,051,380	4,050	-	2,750	1,058,180	-	1,058,180
Community Development	1,987,695	544,515	-	18,405	2,550,615	-	2,550,615
Public Works	2,778,510	918,270	-	128,370	3,825,150	-	3,825,150
Police	11,121,800	100,000	-	-	11,221,800	-	11,221,800
<b>Non-Departmental</b>							
Capital/Technology	371,295	278,000	10,342,000	270,000	11,261,295	-	11,261,295
Debt Service	-	-	-	-	-	1,568,200	1,568,200
Insurance and Settlements	480,000	-	-	-	480,000	-	480,000
Other Non-Departmental	762,460	111,150	-	2,600,750	3,474,360	89,500	3,563,860
Overhead Allocation	(616,970)	456,010	-	160,960	-	-	-
<b>Total Expenditures</b>	<b>21,622,210</b>	<b>3,104,995</b>	<b>10,342,000</b>	<b>3,186,235</b>	<b>38,255,440</b>	<b>1,657,700</b>	<b>39,913,140</b>
<b>Net Sources / (Uses)</b>	<b>163,190</b>	<b>90,705</b>	<b>(1,750,000)</b>	<b>475,265</b>	<b>(1,020,840)</b>	<b>22,800</b>	<b>(998,040)</b>
<b>Other Financing Sources / (Uses)</b>							
Transfers In	-	63,190	1,750,000	-	1,813,190	1,602,000	3,415,190
Transfers Out	(1,813,190)	-	-	-	(1,813,190)	(1,602,000)	(3,415,190)
<b>Net Operating Transfers</b>	<b>(1,813,190)</b>	<b>63,190</b>	<b>1,750,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>(1,650,000)</b>	<b>153,895</b>	<b>-</b>	<b>475,265</b>	<b>(1,020,840)</b>	<b>22,800</b>	<b>(998,040)</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>							
July 01, 2017 Balance	11,301,785	15,435,525	200,000	832,200	27,769,510	(30,688,155)	(2,918,645)
June 30, 2018 Balance	9,651,785	15,589,420	200,000	1,307,465	26,748,670	(30,665,355)	(3,916,685)



# 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 approximately 88% of total General Fund revenues. General Fund uses primarily consist of personnel, contract and purchase services, supplies and materials, and other 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.

### **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.

### **Contingency Reserve**

The Contingency Reserve is a separate sub-fund created to hold cash reserves of a minimum of 15% of total General Fund budgeted expenditures.

**CITY OF EAST PALO ALTO**  
**FY 2016-2017 GENERAL FUND AND RESERVES BUDGET**

	General Fund F010	Info Services Reserve F011	Equipment and Vehicle Reserve F012	Insurance Reserve F013	Contingency Reserve F015	Eliminating Entry	Total
<b>Revenues</b>							
Property Tax	10,700,000	-	-	-	-	-	10,700,000
Sales Tax	3,815,000	-	-	-	-	-	3,815,000
Utility Users Tax	1,565,000	-	-	-	-	-	1,565,000
Transient Occupancy Tax	2,290,000	-	-	-	-	-	2,290,000
Other State and Local Taxes	11,800	-	-	-	-	-	11,800
Franchise Fees	933,730	-	-	-	-	-	933,730
Licenses, Fees, and Permits	743,000	-	-	-	-	-	743,000
Fines and Forfeitures	455,000	-	-	-	-	-	455,000
Use of Money and Property	67,000	-	-	-	-	-	67,000
Grants and Intergovernmental	71,250	-	-	-	-	-	71,250
Charges for Current Services	330,200	-	-	-	-	-	330,200
Other Miscellaneous	19,000	-	80,000	-	-	-	99,000
<b>Total Revenues</b>	<b>21,000,980</b>	<b>-</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,080,980</b>
<b>Expenditures</b>							
City Council	154,895	43,000	-	-	-	-	197,895
City Attorney	686,500	-	-	75,000	-	-	761,500
City Clerk	192,445	-	-	-	-	-	192,445
City Manager	815,495	-	-	-	-	-	815,495
Administrative Services	1,367,870	315,000	63,000	-	-	-	1,745,870
Finance	1,048,840	-	-	-	-	-	1,048,840
Community Development	1,935,225	-	30,000	-	-	-	1,965,225
Public Works	2,580,615	-	400,000	20,000	-	-	3,000,615
Police	10,065,360	75,000	251,700	75,000	-	-	10,467,060
<b>Non-Departmental</b>							
Capital/Technology	80,000	246,295	-	-	-	-	326,295
Debt Service	-	-	-	-	-	-	-
Insurance and Settlements	-	-	-	480,000	-	-	480,000
Other Non-Departmental	541,180	-	-	-	-	-	541,180
Overhead Allocation	(754,470)	-	-	-	-	-	(754,470)
<b>Total Expenditures</b>	<b>18,713,955</b>	<b>679,295</b>	<b>744,700</b>	<b>650,000</b>	<b>-</b>	<b>-</b>	<b>20,787,950</b>
<b>Net Sources / (Uses)</b>	<b>2,287,025</b>	<b>(679,295)</b>	<b>(664,700)</b>	<b>(650,000)</b>	<b>-</b>	<b>-</b>	<b>293,030</b>
<b>Other Financing Sources / (Uses)</b>							
Transfers In	-	679,295	664,700	650,000	111,000	(2,104,995)	-
Transfers Out	(3,227,025)	-	-	-	-	2,104,995	(1,122,030)
<b>Net Operating Transfers</b>	<b>(3,227,025)</b>	<b>679,295</b>	<b>664,700</b>	<b>650,000</b>	<b>111,000</b>	<b>-</b>	<b>(1,122,030)</b>
<b>Change in Fund Balance</b>	<b>(940,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111,000</b>	<b>-</b>	<b>(829,000)</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>							
July 01, 2016 Balance	6,248,635	892,190	561,460	1,428,500	3,000,000	-	12,130,785
June 30, 2017 Balance	5,308,635	892,190	561,460	1,428,500	3,111,000	-	11,301,785

**CITY OF EAST PALO ALTO**  
**FY 2017-2018 GENERAL FUND AND RESERVES BUDGET**

	General Fund F010	Info Services Reserve F011	Equipment and Vehicle Reserve F012	Insurance Reserve F013	Contingency Reserve F015	Eliminating Entry	Total
<b>Revenues</b>							
Property Tax	11,375,000	-	-	-	-	-	11,375,000
Sales Tax	3,900,000	-	-	-	-	-	3,900,000
Utility Users Tax	1,595,000	-	-	-	-	-	1,595,000
Transient Occupancy Tax	2,325,000	-	-	-	-	-	2,325,000
Other State and Local Taxes	11,800	-	-	-	-	-	11,800
Franchise Fees	949,500	-	-	-	-	-	949,500
Licenses, Fees, and Permits	760,500	-	-	-	-	-	760,500
Fines and Forfeitures	405,000	-	-	-	-	-	405,000
Use of Money and Property	68,400	-	-	-	-	-	68,400
Grants and Intergovernmental	71,500	-	-	-	-	-	71,500
Charges for Current Services	306,700	-	-	-	-	-	306,700
Other Miscellaneous	17,000	-	-	-	-	-	17,000
<b>Total Revenues</b>	<b>21,785,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,785,400</b>
<b>Expenditures</b>							
City Council	154,365	-	-	-	-	-	154,365
City Attorney	696,100	-	-	75,000	-	-	771,100
City Clerk	166,235	50,000	-	-	-	-	216,235
City Manager	894,625	-	-	-	-	-	894,625
Administrative Services	1,303,965	345,750	-	-	-	-	1,649,715
Finance	1,051,380	-	-	-	-	-	1,051,380
Community Development	1,987,695	-	-	-	-	-	1,987,695
Public Works	2,608,510	-	145,000	25,000	-	-	2,778,510
Police	10,778,300	91,000	177,500	75,000	-	-	11,121,800
<b>Non-Departmental</b>							
Capital/Technology	75,000	296,295	-	-	-	-	371,295
Debt Service	-	-	-	-	-	-	-
Insurance and Settlements	-	-	-	480,000	-	-	480,000
Other Non-Departmental	762,460	-	-	-	-	-	762,460
Overhead Allocation	(616,970)	-	-	-	-	-	(616,970)
<b>Total Expenditures</b>	<b>19,861,665</b>	<b>783,045</b>	<b>322,500</b>	<b>655,000</b>	<b>-</b>	<b>-</b>	<b>21,622,210</b>
<b>Net Sources / (Uses)</b>	<b>1,923,735</b>	<b>(783,045)</b>	<b>(322,500)</b>	<b>(655,000)</b>	<b>-</b>	<b>-</b>	<b>163,190</b>
<b>Other Financing Sources / (Uses)</b>							
Transfers In	-	783,045	322,500	655,000	100,000	(1,860,545)	-
Transfers Out	(3,673,735)	-	-	-	-	1,860,545	(1,813,190)
<b>Net Operating Transfers</b>	<b>(3,673,735)</b>	<b>783,045</b>	<b>322,500</b>	<b>655,000</b>	<b>100,000</b>	<b>-</b>	<b>(1,813,190)</b>
<b>Change in Fund Balance</b>	<b>(1,750,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>(1,650,000)</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>							
July 01, 2017 Balance	5,308,635	892,190	561,460	1,428,500	3,111,000	-	11,301,785
June 30, 2018 Balance	3,558,635	892,190	561,460	1,428,500	3,211,000	-	9,651,785

# 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.

## **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**

The CYSFF 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 and tax collection ends in FY 16-17. Revenues collected from the special parcel tax are 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.

**CITY OF EAST PALO ALTO**  
**FY 2016-2017 SPECIAL REVENUE FUNDS BUDGET**

	Public Safety Grants F213	Federal and State Grants F211/ F215	Local Grants F230	Sub-total Grant Programs	Community and Housing Programs	Transporation and Infrastructure Programs	Total
<b>Revenues</b>							
Property Tax	-	-	-	-	700,000	454,980	1,154,980
Sales Tax	-	-	-	-	-	605,000	605,000
Utility Users Tax	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	572,500	-	572,500
Other State and Local Taxes	-	-	-	-	-	603,300	603,300
Franchise Fees	-	-	-	-	-	-	-
Licenses, Fees, and Permits	-	-	-	-	1,571,800	149,000	1,720,800
Fines and Forfeitures	-	-	-	-	-	-	-
Use of Money and Property	-	-	-	-	105,665	23,020	128,685
Grants and Intergovernmental	100,000	448,000	148,000	696,000	-	-	696,000
Charges for Current Services	-	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	60,000	-	60,000
<b>Total Revenues</b>	<b>100,000</b>	<b>448,000</b>	<b>148,000</b>	<b>696,000</b>	<b>3,009,965</b>	<b>1,835,300</b>	<b>5,541,265</b>
<b>Expenditures</b>							
City Council	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-
Administrative Services	-	43,000	40,000	83,000	645,000	-	728,000
Finance	-	-	-	-	1,700	2,150	3,850
Community Development	-	-	-	-	626,300	200,375	826,675
Public Works	-	-	-	-	-	1,042,520	1,042,520
Police	100,000	-	-	100,000	352,500	-	452,500
<b>Non-Departmental</b>							
Capital/Technology	-	405,000	108,000	513,000	-	453,000	966,000
Debt Service	-	-	-	-	-	-	-
Insurance and Settlements	-	-	-	-	-	-	-
Other Non-Departmental	-	-	-	-	28,000	85,620	113,620
Overhead Allocation	-	-	-	-	241,060	214,950	456,010
<b>Total Expenditures</b>	<b>100,000</b>	<b>448,000</b>	<b>148,000</b>	<b>696,000</b>	<b>1,894,560</b>	<b>1,998,615</b>	<b>4,589,175</b>
<b>Net Sources / (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,115,405</b>	<b>(163,315)</b>	<b>952,090</b>
<b>Other Financing Sources / (Uses)</b>							
Transfers In	-	-	-	-	-	62,030	62,030
Transfers Out	-	-	-	-	-	-	-
<b>Net Operating Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,030</b>	<b>62,030</b>
<b>Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,115,405</b>	<b>(101,285)</b>	<b>1,014,120</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, 2016 Balance</b>	<b>29,655</b>	<b>73,485</b>	<b>(29,810)</b>	<b>73,330</b>	<b>8,520,655</b>	<b>5,827,420</b>	<b>14,421,405</b>
<b>June 30, 2017 Balance</b>	<b>29,655</b>	<b>73,485</b>	<b>(29,810)</b>	<b>73,330</b>	<b>9,636,060</b>	<b>5,726,135</b>	<b>15,435,525</b>

**CITY OF EAST PALO ALTO**  
**FY 2016-2017 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	-	286,250	-	286,250	-	-	572,500
Other State and Local Taxes	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-
Licenses, Fees, and Permits	571,800	1,000,000	-	-	-	-	1,571,800
Fines and Forfeitures	-	-	-	-	-	-	-
Use of Money and Property	1,000	15,000	5,500	1,500	3,165	79,500	105,665
Grants and Intergovernmental	-	-	-	-	-	-	-
Charges for Current Services	-	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	60,000	60,000
<b>Total Revenues</b>	<b>572,800</b>	<b>1,301,250</b>	<b>5,500</b>	<b>287,750</b>	<b>703,165</b>	<b>139,500</b>	<b>3,009,965</b>
<b>Expenditures</b>							
City Council	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-
Administrative Services	-	-	-	270,000	375,000	-	645,000
Finance	-	-	-	-	1,700	-	1,700
Community Development	485,300	75,000	5,000	-	-	61,000	626,300
Public Works	-	-	-	-	-	-	-
Police	-	-	-	-	352,500	-	352,500
<b>Non-Departmental</b>							
Capital/Technology	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Insurance and Settlements	-	-	-	-	-	-	-
Other Non-Departmental	11,500	10,000	-	-	6,500	-	28,000
Overhead Allocation	206,560	17,570	-	16,930	-	-	241,060
<b>Total Expenditures</b>	<b>703,360</b>	<b>102,570</b>	<b>5,000</b>	<b>286,930</b>	<b>735,700</b>	<b>61,000</b>	<b>1,894,560</b>
<b>Net Sources / (Uses)</b>	<b>(130,560)</b>	<b>1,198,680</b>	<b>500</b>	<b>820</b>	<b>(32,535)</b>	<b>78,500</b>	<b>1,115,405</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>(130,560)</b>	<b>1,198,680</b>	<b>500</b>	<b>820</b>	<b>(32,535)</b>	<b>78,500</b>	<b>1,115,405</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>							
July 01, 2016 Balance	413,660	5,888,170	136,040	598,175	671,755	812,855	8,520,655
June 30, 2017 Balance	283,100	7,086,850	136,540	598,995	639,220	891,355	9,636,060

**CITY OF EAST PALO ALTO**  
**FY 2016-2017 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	-	-	-	-	-	378,500	76,480	454,980
Sales Tax	-	605,000	-	-	-	-	-	605,000
Utility Users Tax	-	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-	-
Other State and Local Taxes	603,300	-	-	-	-	-	-	603,300
Franchise Fees	-	-	-	-	-	-	-	-
Licenses, Fees, and Permits	-	-	134,000	-	15,000	-	-	149,000
Fines and Forfeitures	-	-	-	-	-	-	-	-
Use of Money and Property	8,020	8,500	-	600	-	5,000	900	23,020
Grants and Intergovernmental	-	-	-	-	-	-	-	-
Charges for Current Services	-	-	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>611,320</b>	<b>613,500</b>	<b>134,000</b>	<b>600</b>	<b>15,000</b>	<b>383,500</b>	<b>77,380</b>	<b>1,835,300</b>
<b>Expenditures</b>								
City Council	-	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-	-
Administrative Services	-	-	-	-	-	-	-	-
Finance	-	1,500	650	-	-	-	-	2,150
Community Development	-	115,000	34,175	-	50,000	1,200	-	200,375
Public Works	627,145	10,000	80,780	-	-	198,135	126,460	1,042,520
Police	-	-	-	-	-	-	-	-
<b>Non-Departmental</b>								
Capital Projects	-	275,000	5,000	-	173,000	-	-	453,000
Debt Service	-	-	-	-	-	-	-	-
Insurance and Settlements	-	-	-	-	-	-	-	-
Other Non-Departmental	75,000	-	6,720	-	-	3,200	700	85,620
Overhead Allocation	121,730	11,540	7,770	-	-	61,660	12,250	214,950
<b>Total Expenditures</b>	<b>823,875</b>	<b>413,040</b>	<b>135,095</b>	<b>-</b>	<b>223,000</b>	<b>264,195</b>	<b>139,410</b>	<b>1,998,615</b>
<b>Net Sources / (Uses)</b>	<b>(212,555)</b>	<b>200,460</b>	<b>(1,095)</b>	<b>600</b>	<b>(208,000)</b>	<b>119,305</b>	<b>(62,030)</b>	<b>(163,315)</b>
<b>Other Financing Sources / (Uses)</b>								
Transfers In	-	-	-	-	-	-	62,030	62,030
Transfers Out	-	-	-	-	-	-	-	-
<b>Net Operating Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,030</b>	<b>62,030</b>
<b>Change in Fund Balance</b>	<b>(212,555)</b>	<b>200,460</b>	<b>(1,095)</b>	<b>600</b>	<b>(208,000)</b>	<b>119,305</b>	<b>-</b>	<b>(101,285)</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, 2016 Balance	1,623,685	1,221,475	17,940	1,135,820	566,975	1,183,445	78,080	5,827,420
June 30, 2017 Balance	1,411,130	1,421,935	16,845	1,136,420	358,975	1,302,750	78,080	5,726,135



**CITY OF EAST PALO ALTO**  
**FY 2017-2018 SPECIAL REVENUE FUNDS BUDGET**

	Public Safety Grants F213	Federal and State Grants F215	Local Grants F230	Sub-total Grant Programs	Community and Housing Programs	Transportation and Infrastructure Programs	Total
<b>Revenues</b>							
Property Tax	-	-	-	-	-	400,590	400,590
Sales Tax	-	-	-	-	-	620,000	620,000
Utility Users Tax	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	581,240	-	581,240
Other State and Local Taxes	-	-	-	-	-	543,100	543,100
Franchise Fees	-	-	-	-	-	-	-
Licenses, Fees, and Permits	-	-	-	-	571,800	149,000	720,800
Fines and Forfeitures	-	-	-	-	-	-	-
Use of Money and Property	-	-	-	-	103,200	23,770	126,970
Grants and Intergovernmental	100,000	43,000	-	143,000	-	-	143,000
Charges for Current Services	-	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	60,000	-	60,000
<b>Total Revenues</b>	<b>100,000</b>	<b>43,000</b>	<b>-</b>	<b>143,000</b>	<b>1,316,240</b>	<b>1,736,460</b>	<b>3,195,700</b>
<b>Expenditures</b>							
City Council	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-
Administrative Services	-	43,000	-	43,000	650,000	-	693,000
Finance	-	-	-	-	1,800	2,250	4,050
Community Development	-	-	-	-	493,415	51,100	544,515
Public Works	-	-	-	-	-	918,270	918,270
Police	100,000	-	-	100,000	-	-	100,000
<b>Non-Departmental</b>							
Capital/Technology	-	-	-	-	-	278,000	278,000
Debt Service	-	-	-	-	-	-	-
Insurance and Settlements	-	-	-	-	-	-	-
Other Non-Departmental	-	-	-	-	22,500	88,650	111,150
Overhead Allocation	-	-	-	-	241,060	214,950	456,010
<b>Total Expenditures</b>	<b>100,000</b>	<b>43,000</b>	<b>-</b>	<b>143,000</b>	<b>1,408,775</b>	<b>1,553,220</b>	<b>3,104,995</b>
<b>Net Sources / (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(92,535)</b>	<b>183,240</b>	<b>90,705</b>
<b>Other Financing Sources / (Uses)</b>							
Transfers In	-	-	-	-	-	63,190	63,190
Transfers Out	-	-	-	-	-	-	-
<b>Net Operating Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,190</b>	<b>63,190</b>
<b>Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(92,535)</b>	<b>246,430</b>	<b>153,895</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>							
July 01, 2017 Balance	29,655	73,485	(29,810)	73,330	9,636,060	5,726,135	15,435,525
June 30, 2018 Balance	29,655	73,485	(29,810)	73,330	9,543,525	5,972,565	15,589,420

**CITY OF EAST PALO ALTO**  
**FY 2017-2018 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	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-
Utility Users Tax	-	-	-	-	-	-	-
Transient Occupancy Tax	-	290,620	-	290,620	-	-	581,240
Other State and Local Taxes	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-
Licenses, Fees, and Permits	571,800	-	-	-	-	-	571,800
Fines and Forfeitures	-	-	-	-	-	-	-
Use of Money and Property	1,000	15,000	6,000	1,700	-	79,500	103,200
Grants and Intergovernmental	-	-	-	-	-	-	-
Charges for Current Services	-	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	60,000	60,000
<b>Total Revenues</b>	<b>572,800</b>	<b>305,620</b>	<b>6,000</b>	<b>292,320</b>	<b>-</b>	<b>139,500</b>	<b>1,316,240</b>
<b>Expenditures</b>							
City Council	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-
Administrative Services	-	-	-	275,000	375,000	-	650,000
Finance	-	-	-	-	1,800	-	1,800
Community Development	427,415	-	5,000	-	-	61,000	493,415
Public Works	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
<b>Non-Departmental</b>							
Capital/Technology	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Insurance and Settlements	-	-	-	-	-	-	-
Other Non-Departmental	11,500	11,000	-	-	-	-	22,500
Overhead Allocation	206,560	17,570	-	16,930	-	-	241,060
<b>Total Expenditures</b>	<b>645,475</b>	<b>28,570</b>	<b>5,000</b>	<b>291,930</b>	<b>376,800</b>	<b>61,000</b>	<b>1,408,775</b>
<b>Net Sources / (Uses)</b>	<b>(72,675)</b>	<b>277,050</b>	<b>1,000</b>	<b>390</b>	<b>(376,800)</b>	<b>78,500</b>	<b>(92,535)</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>(72,675)</b>	<b>277,050</b>	<b>1,000</b>	<b>390</b>	<b>(376,800)</b>	<b>78,500</b>	<b>(92,535)</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>							
July 01, 2017 Balance	283,100	7,086,850	136,540	598,995	639,220	891,355	9,636,060
June 30, 2018 Balance	210,425	7,363,900	137,540	599,385	262,420	969,855	9,543,525

**CITY OF EAST PALO ALTO**  
**FY 2017-2018 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	-	-	-	-	-	324,200	76,390	400,590
Sales Tax	-	620,000	-	-	-	-	-	620,000
Utility Users Tax	-	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-	-
Other State and Local Taxes	543,100	-	-	-	-	-	-	543,100
Franchise Fees	-	-	-	-	-	-	-	-
Licenses, Fees, and Permits	-	-	134,000	-	15,000	-	-	149,000
Fines and Forfeitures	-	-	-	-	-	-	-	-
Use of Money and Property	8,020	9,000	-	1,000	-	5,000	750	23,770
Grants and Intergovernmental	-	-	-	-	-	-	-	-
Charges for Current Services	-	-	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>551,120</b>	<b>629,000</b>	<b>134,000</b>	<b>1,000</b>	<b>15,000</b>	<b>329,200</b>	<b>77,140</b>	<b>1,736,460</b>
<b>Expenditures</b>								
City Council	-	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-	-
Administrative Services	-	-	-	-	-	-	-	-
Finance	-	1,600	650	-	-	-	-	2,250
Community Development	-	-	34,900	-	15,000	1,200	-	51,100
Public Works	500,030	10,000	81,590	-	-	199,370	127,280	918,270
Police	-	-	-	-	-	-	-	-
<b>Non-Departmental</b>								
Capital/Technology	-	-	-	-	278,000	-	-	278,000
Debt Service	-	-	-	-	-	-	-	-
Insurance and Settlements	-	-	-	-	-	-	-	-
Other Non-Departmental	77,500	-	7,050	-	-	3,300	800	88,650
Overhead Allocation	121,730	11,540	7,770	-	-	61,660	12,250	214,950
<b>Total Expenditures</b>	<b>699,260</b>	<b>23,140</b>	<b>131,960</b>	<b>-</b>	<b>293,000</b>	<b>265,530</b>	<b>140,330</b>	<b>1,553,220</b>
<b>Net Sources / (Uses)</b>	<b>(148,140)</b>	<b>605,860</b>	<b>2,040</b>	<b>1,000</b>	<b>(278,000)</b>	<b>63,670</b>	<b>(63,190)</b>	<b>183,240</b>
<b>Other Financing Sources / (Uses)</b>								
Transfers In	-	-	-	-	-	-	63,190	63,190
Transfers Out	-	-	-	-	-	-	-	-
<b>Net Operating Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,190</b>	<b>63,190</b>
<b>Change in Fund Balance</b>	<b>(148,140)</b>	<b>605,860</b>	<b>2,040</b>	<b>1,000</b>	<b>(278,000)</b>	<b>63,670</b>	<b>-</b>	<b>246,430</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, 2017 Balance	1,411,130	1,421,935	16,845	1,136,420	358,975	1,302,750	78,080	5,726,135
June 30, 2018 Balance	1,262,990	2,027,795	18,885	1,137,420	80,975	1,366,420	78,080	5,972,565

## 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 Funds**

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.

The fund group also includes the Capital and Meter Surcharges approved in July 2015.

**CITY OF EAST PALO ALTO**  
**FY 2016-2017 ENTERPRISE FUNDS BUDGET**

	Water System F510-512	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	770,000	-	770,000
Fines and Forfeitures	-	-	-
Use of Money and Property	279,500	3,840	283,340
Grants and Intergovernmental	-	-	-
Charges for Current Services	-	2,325,000	2,325,000
Other Miscellaneous	-	200,000	200,000
<b>Total Revenues</b>	<b>1,049,500</b>	<b>2,528,840</b>	<b>3,578,340</b>
<b>Expenditures</b>			
City Council	-	-	-
City Attorney	5,000	-	5,000
City Clerk	-	-	-
City Manager	-	-	-
Administrative Services	-	-	-
Finance	-	27,500	27,500
Community Development	-	16,175	16,175
Public Works	28,800	97,635	126,435
Police	-	-	-
<b>Non-Departmental</b>			
Capital Projects	2,937,000	-	2,937,000
Debt Service	-	-	-
Insurance and Settlements	-	-	-
Other Non-Departmental	14,300	2,516,000	2,530,300
Overhead Allocation	43,500	117,460	160,960
<b>Total Expenditures</b>	<b>3,028,600</b>	<b>2,774,770</b>	<b>5,803,370</b>
<b>Net Sources / (Uses)</b>	<b>(1,979,100)</b>	<b>(245,930)</b>	<b>(2,225,030)</b>
<b>Other Financing Sources / (Uses)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
<b>Net Operating Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>(1,979,100)</b>	<b>(245,930)</b>	<b>(2,225,030)</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>			
<b>July 01, 2016 Balance</b>	<b>2,369,490</b>	<b>687,740</b>	<b>3,057,230</b>
<b>June 30, 2017 Balance</b>	<b>390,390</b>	<b>441,810</b>	<b>832,200</b>

**CITY OF EAST PALO ALTO**  
**FY 2017-2018 ENTERPRISE FUNDS BUDGET**

	Water System F510-512	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	810,000	-	810,000
Fines and Forfeitures	-	-	-
Use of Money and Property	295,000	6,500	301,500
Grants and Intergovernmental	-	-	-
Charges for Current Services	-	2,350,000	2,350,000
Other Miscellaneous	-	200,000	200,000
<b>Total Revenues</b>	<b>1,105,000</b>	<b>2,556,500</b>	<b>3,661,500</b>
<b>Expenditures</b>			
City Council	-	-	-
City Attorney	5,000	-	5,000
City Clerk	-	-	-
City Manager	-	-	-
Administrative Services	-	-	-
Finance	-	2,750	2,750
Community Development	-	18,405	18,405
Public Works	29,500	98,870	128,370
Police	-	-	-
<b>Non-Departmental</b>			
Capital/Technology	270,000	-	270,000
Debt Service	-	-	-
Insurance and Settlements	-	-	-
Other Non-Departmental	14,700	2,586,050	2,600,750
Overhead Allocation	43,500	117,460	160,960
<b>Total Expenditures</b>	<b>362,700</b>	<b>2,823,535</b>	<b>3,186,235</b>
<b>Net Sources / (Uses)</b>	<b>742,300</b>	<b>(267,035)</b>	<b>475,265</b>
<b>Other Financing Sources / (Uses)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
<b>Net Operating Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>742,300</b>	<b>(267,035)</b>	<b>475,265</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>			
July 01, 2017 Balance	390,390	441,810	832,200
June 30, 2018 Balance	1,132,690	174,775	1,307,465

## 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 2016-2017 AGENCY AND PENSION TRUST BUDGET**

	Administration F920	Tax Increment F921-923	Debt Service F984	Total Successor Agency	Pension Trust	Total Agency and Trust
<b>Revenues</b>						
Property Tax	-	1,015,000	-	1,015,000	-	1,015,000
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	-	-	-	-	18,500	18,500
Grants and Intergovernmental	-	-	-	-	-	-
Charges for Current Services	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	-
<b>Total Revenues</b>	-	1,015,000	-	1,015,000	18,500	1,033,500
<b>Expenditures</b>						
City Council	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Administrative Services	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Police	-	-	-	-	-	-
<b>Non-Departmental</b>						
Capital/Technology	-	-	-	-	-	-
Debt Service	-	-	1,510,000	1,510,000	-	1,510,000
Insurance and Settlements	-	-	-	-	-	-
Other Non-Departmental	-	60,000	11,000	71,000	18,500	89,500
Overhead Allocation	137,500	-	-	137,500	-	137,500
<b>Total Expenditures</b>	137,500	60,000	1,521,000	1,718,500	18,500	1,737,000
<b>Net Sources / (Uses)</b>	(137,500)	955,000	(1,521,000)	(703,500)	-	(703,500)
<b>Other Financing Sources / (Uses)</b>						
Transfers In	137,500	-	817,500	955,000	-	955,000
Transfers Out	-	(955,000)	-	(955,000)	-	(955,000)
<b>Net Operating Transfers</b>	137,500	(955,000)	817,500	-	-	-
<b>Change in Fund Balance</b>	-	-	(703,500)	(703,500)	-	(703,500)
<b>Other Changes</b>	-	-	-	-	-	-
<b>Projected Fund Balance</b>						
July 01, 2016 Balance	-	(9,251,035)	(20,733,620)	(29,984,655)	-	(29,984,655)
June 30, 2017 Balance	-	(9,251,035)	(21,437,120)	(30,688,155)	-	(30,688,155)

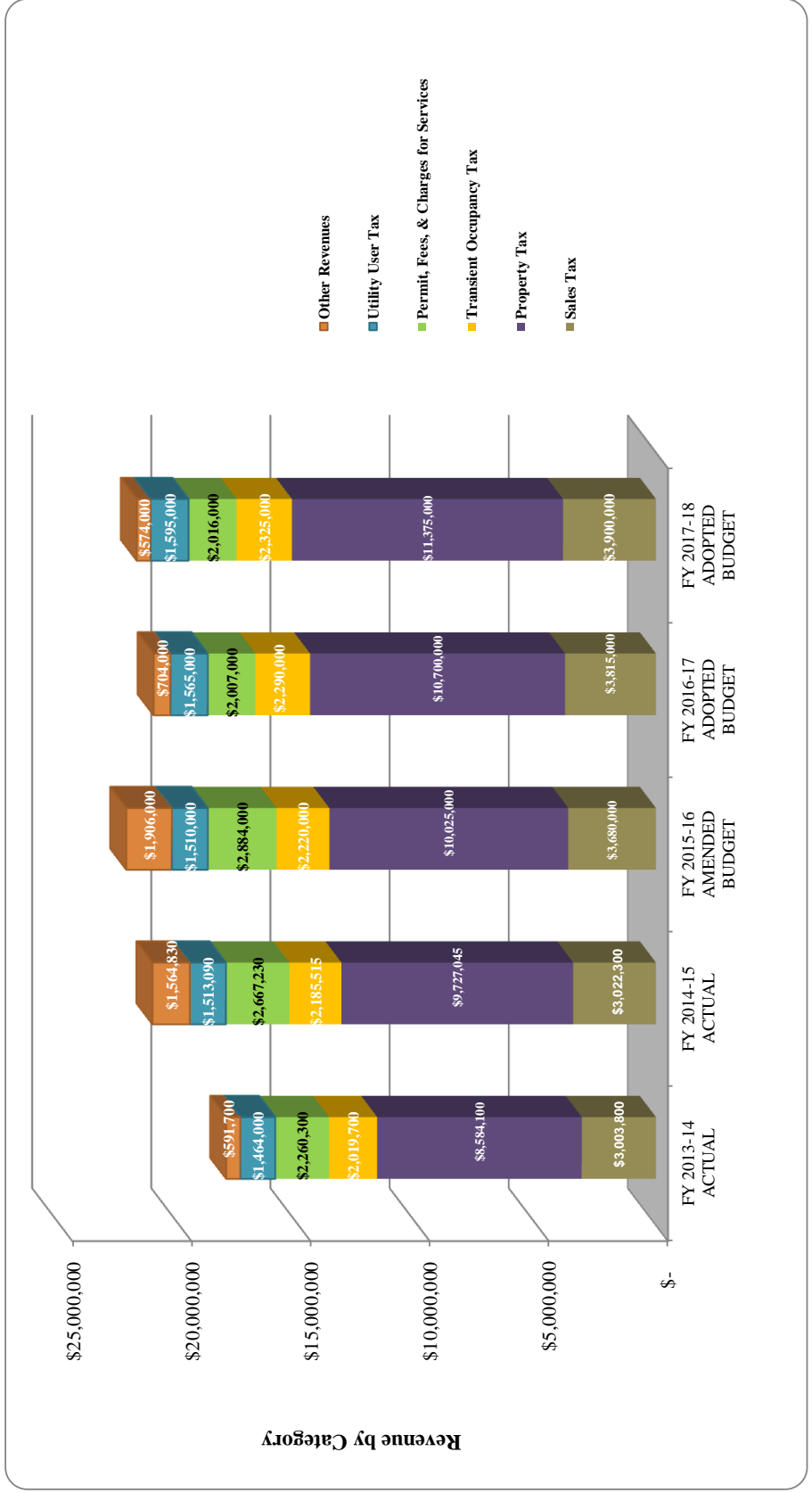


**CITY OF EAST PALO ALTO**  
**FY 2017-2018 AGENCY AND PENSION TRUST BUDGET**

	Tax Increment F921-923	Debt Service F984	Total Successor Agency	Pension Trust	Total Agency and Trust
<b>Revenues</b>					
Property Tax	1,662,000	-	1,662,000	-	1,662,000
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	-	-	-	18,500	18,500
Grants and Intergovernmental	-	-	-	-	-
Charges for Current Services	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<b>1,662,000</b>	<b>-</b>	<b>1,662,000</b>	<b>18,500</b>	<b>1,680,500</b>
<b>Expenditures</b>					
City Council	-	-	-	-	-
City Attorney	-	-	-	-	-
City Clerk	-	-	-	-	-
City Manager	-	-	-	-	-
Administrative Services	-	-	-	-	-
Finance	-	-	-	-	-
Community Development	-	-	-	-	-
Public Works	-	-	-	-	-
Police	-	-	-	-	-
<b>Non-Departmental</b>					
Capital/Technology	-	-	-	-	-
Debt Service	-	1,568,200	1,568,200	-	1,568,200
Insurance and Settlements	-	-	-	-	-
Other Non-Departmental	60,000	11,000	71,000	18,500	89,500
Overhead Allocation	-	-	-	-	-
<b>Total Expenditures</b>	<b>60,000</b>	<b>1,579,200</b>	<b>1,639,200</b>	<b>18,500</b>	<b>1,657,700</b>
<b>Net Sources / (Uses)</b>	<b>1,602,000</b>	<b>(1,579,200)</b>	<b>22,800</b>	<b>-</b>	<b>22,800</b>
<b>Other Financing Sources / (Uses)</b>					
Transfers In	-	1,602,000	1,602,000	-	1,602,000
Transfers Out	(1,602,000)	-	(1,602,000)	-	(1,602,000)
<b>Net Operating Transfers</b>	<b>(1,602,000)</b>	<b>1,602,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>-</b>	<b>22,800</b>	<b>22,800</b>	<b>-</b>	<b>22,800</b>
<b>Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projected Fund Balance</b>					
July 01, 2017 Balance	(9,251,035)	(21,437,120)	(30,688,155)	-	(30,688,155)
June 30, 2018 Balance	(9,251,035)	(21,414,320)	(30,665,355)	-	(30,665,355)

# GENERAL FUND REVENUES BY MAJOR CATEGORY

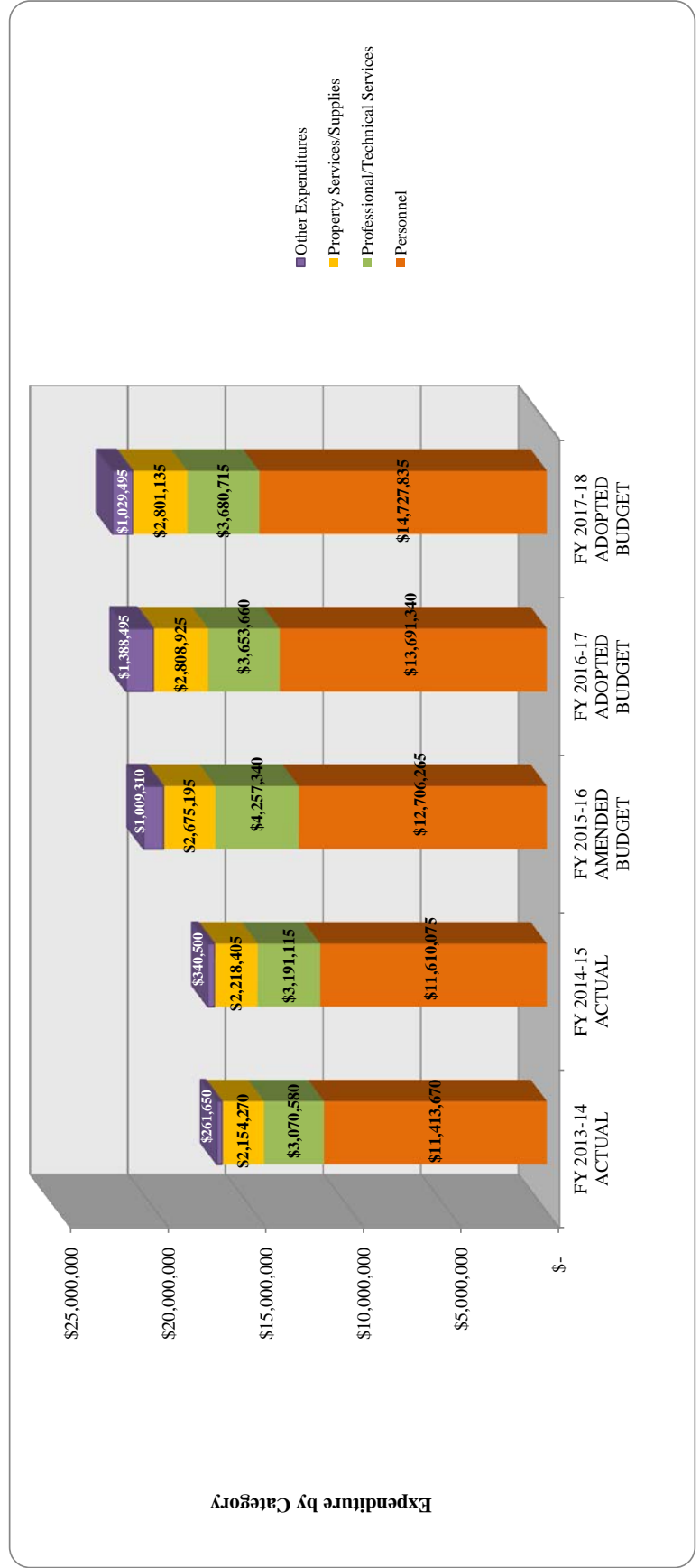
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Property Tax	\$ 8,584,100	\$ 9,727,045	\$ 10,025,000	\$ 10,700,000	\$ 11,375,000
Sales Tax	\$ 3,113,700	\$ 3,471,045	\$ 3,680,000	\$ 3,815,000	\$ 3,900,000
Transient Occupancy Tax	\$ 2,019,700	\$ 2,185,515	\$ 2,220,000	\$ 2,290,000	\$ 2,325,000
Utility User Tax	\$ 1,464,000	\$ 1,513,090	\$ 1,510,000	\$ 1,565,000	\$ 1,595,000
Permit, Fees, & Charges for Services	\$ 2,260,300	\$ 2,667,230	\$ 2,884,000	\$ 2,007,000	\$ 2,016,000
Other Revenues	\$ 591,700	\$ 1,564,830	\$ 1,906,000	\$ 704,000	\$ 574,000
<b>Total General Fund Revenues*</b>	<b>18,033,500</b>	<b>21,128,755</b>	<b>22,225,000</b>	<b>21,081,000</b>	<b>21,785,000</b>



\* Excludes Transfer In

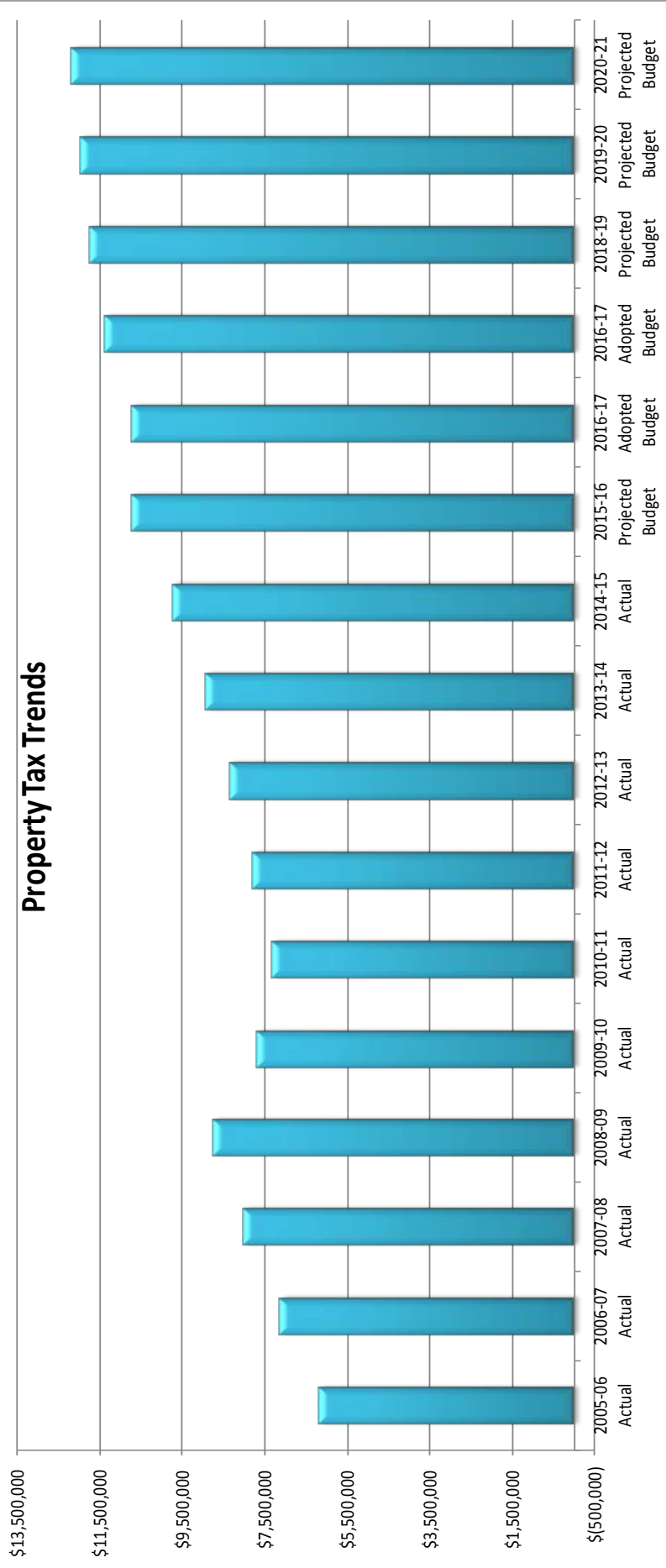
## GENERAL FUND EXPENDITURES BY MAJOR CATEGORY

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Personnel	\$ 11,413,670	\$ 11,610,075	\$ 12,706,265	\$ 13,691,340	\$ 14,727,835
Professional/Technical Services	\$ 3,070,580	\$ 3,191,115	\$ 4,257,340	\$ 3,653,660	\$ 3,680,715
Property Services/Supplies	\$ 2,154,270	\$ 2,218,405	\$ 2,675,195	\$ 2,808,925	\$ 2,801,135
Other Expenditures	\$ 261,650	\$ 340,500	\$ 1,009,310	\$ 1,388,495	\$ 1,029,495
<b>Total General Fund Expenditures Before Allocations</b>	<b>\$ 16,900,170</b>	<b>\$ 17,360,095</b>	<b>\$ 20,648,110</b>	<b>\$ 21,542,420</b>	<b>\$ 22,239,180</b>
Overhead Allocation to Other Funds	\$ (809,570)	\$ (836,445)	\$ (830,870)	\$ (754,470)	\$ (616,970)
<b>Total Net General Fund Expenditures*</b>	<b>\$ 16,090,600</b>	<b>\$ 16,523,650</b>	<b>\$ 19,817,240</b>	<b>\$ 20,787,950</b>	<b>\$ 21,622,210</b>

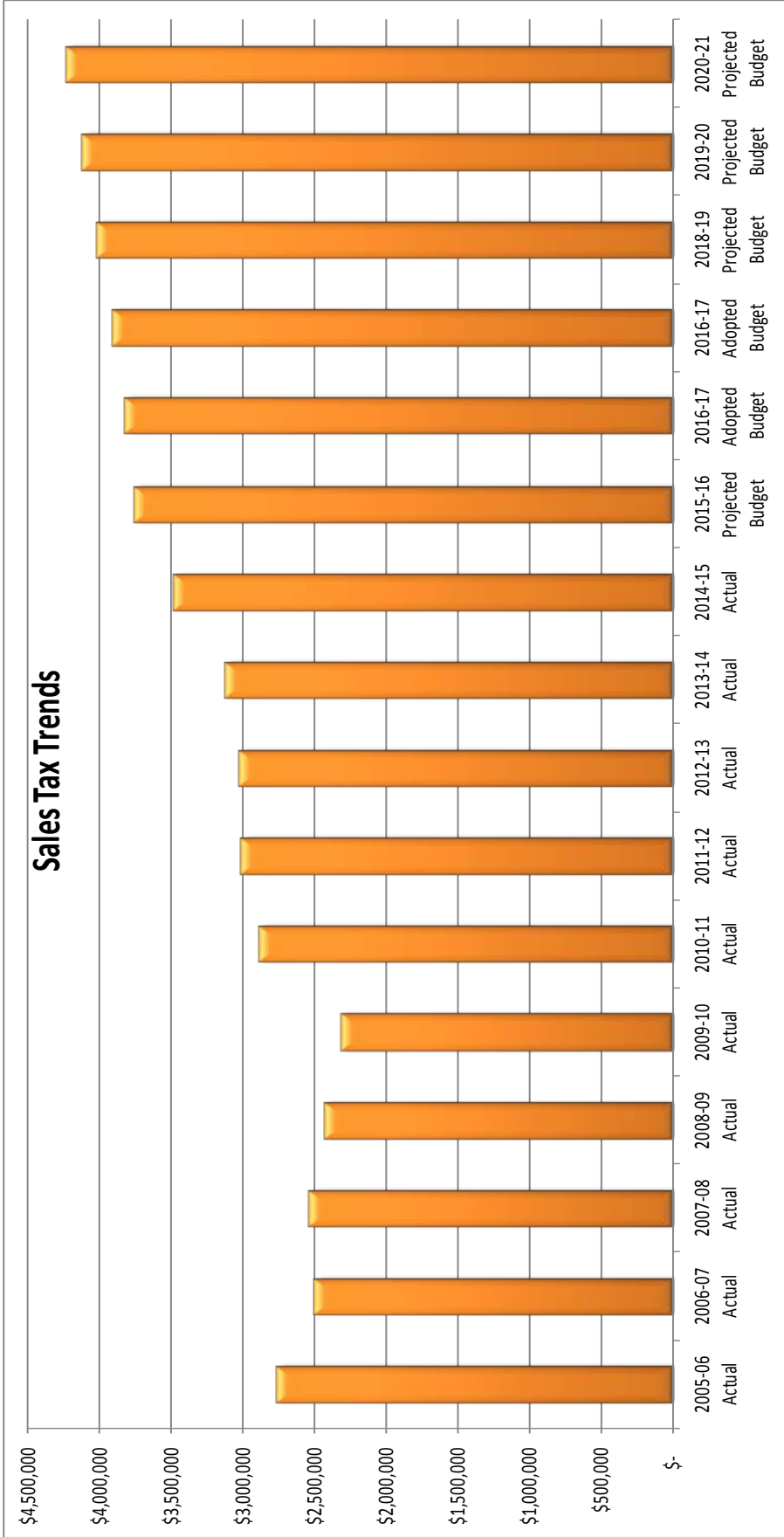


\* Excludes Transfer out

### Property Tax Trends



. \* 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.



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# CITY COUNCIL

FY 2016-2018 Adopted Budget

## FY 2016-17

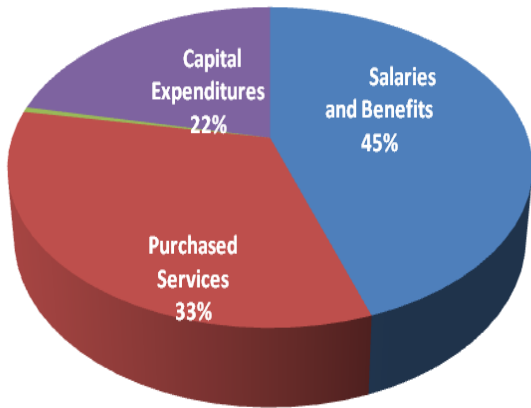
Operating        \$197,895  
Positions         5

## FY 2017-18

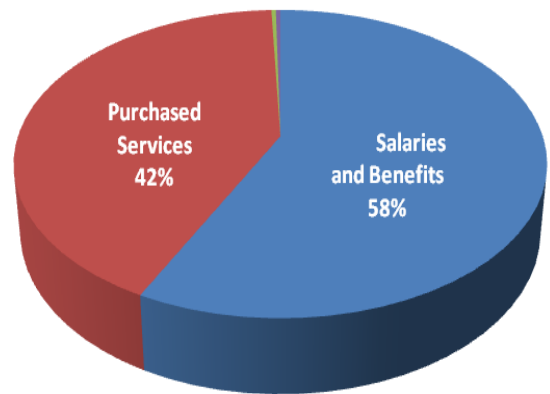
Operating        \$154,365  
Positions         5

## CHARACTER OF EXPENDITURES

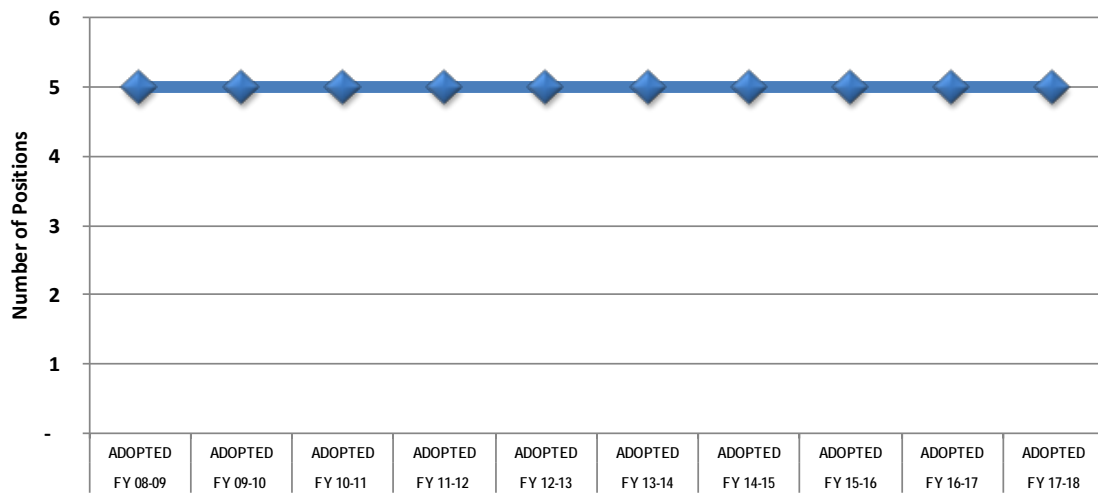
### FY 2016-17



### FY 2017-18



## AUTHORIZED STRENGTH



Year

**CITY COUNCIL**  
**FY 2016-2018 Adopted Budget**

**Department Summary**

SOURCES	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Assigned Funds	-	-	30,000	43,000	-
Use of Resources	88,000	106,680	131,460	154,895	154,365
<b>TOTAL</b>	<b>88,000</b>	<b>106,680</b>	<b>161,460</b>	<b>197,895</b>	<b>154,365</b>

EXPENDITURES BY DEPARTMENT	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
City Council	88,000	106,680	161,460	197,895	154,365
<b>TOTAL</b>	<b>88,000</b>	<b>106,680</b>	<b>161,460</b>	<b>197,895</b>	<b>154,365</b>

CHARACTER OF EXPENDITURES	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	59,200	61,500	92,560	88,545	88,605
<b>Subtotal</b>	<b>59,200</b>	<b>61,500</b>	<b>92,560</b>	<b>88,545</b>	<b>88,605</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	28,300	44,680	38,400	65,350	64,760
Supplies and Materials	500	500	500	1,000	500
Capital Expenditures	-	-	30,000	43,000	500
<b>Subtotal</b>	<b>28,800</b>	<b>45,180</b>	<b>68,900</b>	<b>109,350</b>	<b>65,760</b>
<b>TOTAL</b>	<b>88,000</b>	<b>106,680</b>	<b>161,460</b>	<b>197,895</b>	<b>154,365</b>

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 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 2016-2018 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 Chamber 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".

### **ACCOMPLISHMENTS**

Among the many City Council accomplishments are:

- Filling, former Councilmember Laura Martinez's seat by appointing Carlos Romero, instead of having a costly Special Election. The City Council established a recruitment process similar to appointing members to advisory bodies.
- Passing a balanced budget, and reaching labor agreements with all bargaining units.
- Attending many federal, state, regional and local meetings to represent the City, find solutions, and funding for many of the City of East Palo Alto's projects and initiatives.
- Appointing Carlos Martínez as City Manager.
- Authorizing the refunding of former Redevelopment Agency bonds, saving \$2.5 million.
- Allocating \$1 million to construct a groundwater well to expand the City's water supply.
- Approving the development and construction of the 40 unit, 100 percent affordable Mid-Peninsula Senior Housing project on University Avenue, the University Square project at 2100 University Avenue, and the Cooley Landing Education Center.
- Taking on President's Obama, My Brother's Keeper initiative to address persistent opportunity gaps and ensure all our youth reach their full potential.
- Approving the construction of over 1,000 linear feet of flood control improvements in the Garden and Woodland areas, protecting residents from potential El Niño flooding.
- Initiating revisions to strengthen the City's Rent Control Ordinance.
- Concluded the City Council's FY 2016-18 strategic goals and objectives that was discussed at their retreat on January 30, 2016.

**CITY COUNCIL**  
**FY 2016-2018 Adopted Budget**  
**Department Summary (con't.)**

**IN-PROGRESS**

- The first update of the City’s General Plan and its companion Environmental Impact Report is out for public comment, with expected final adoption in the 2017 calendar year.
- Approval of community priorities outreach to consider a potential sales tax ballot measure to make neighborhoods safer by maintaining rapid police response times/number of police officers patrolling neighborhood streets; repairing streets/potholes; updating drinking water/storm drain infrastructure; enhancing youth/senior programs and other vital City services.

**SIGNIFICANT CHANGES**

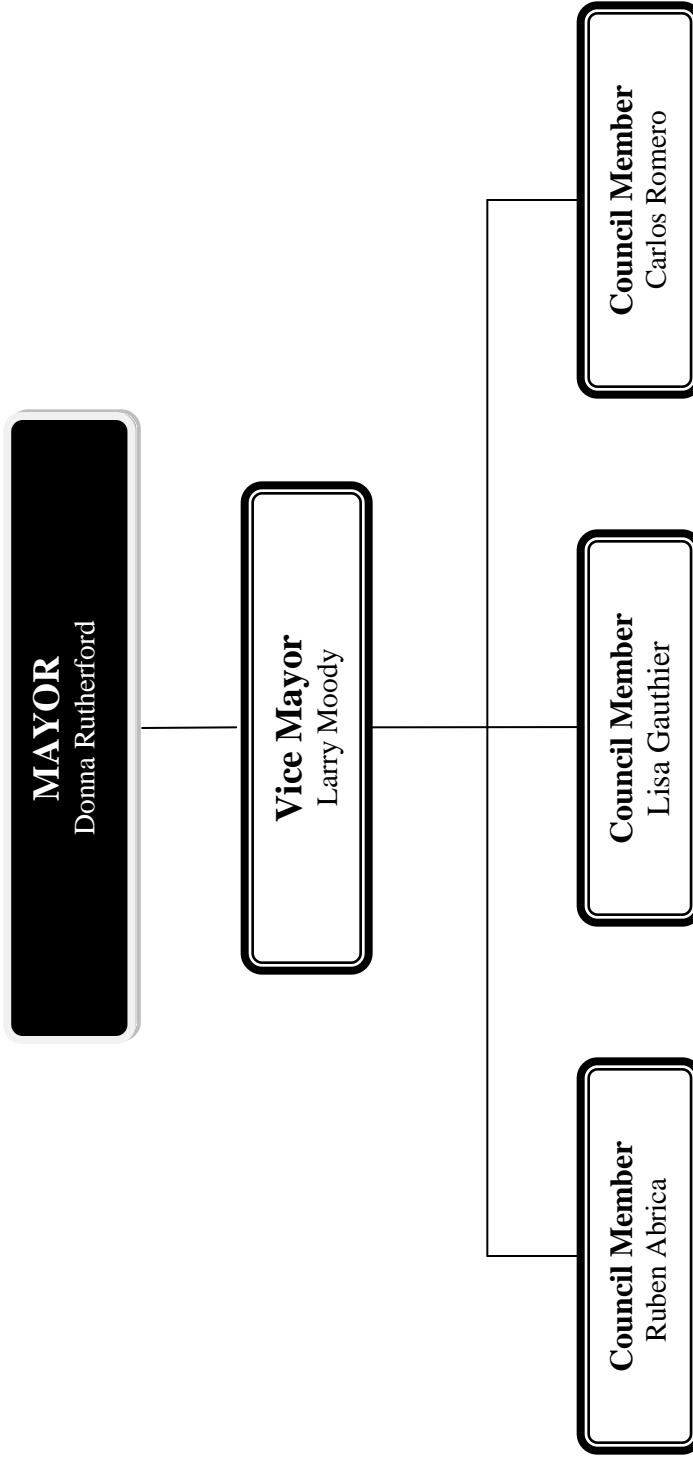
**FY 2015-2016 Amended to FY 2016-2018 Adopted:**

The increase of \$36,435 (22.6%) from the Amended FY 2015-16 Budget to the Adopted FY 2016-17 Budget is primarily the result of \$15,000 increase in purchased services, \$10,950 for increased travel and training, and \$13,000 for audio-visual capital improvements to the Council Chambers.

The decrease of \$43,530 (22.0%) from the Adopted FY 2016-17 Budget to the Adopted FY 2017-18 Budget is primarily attributed to the completion of capital improvements to the Council Chambers.

<b>Fiscal Year (FY)</b>	<b>Budget</b>	<b>\$ Change From Previous FY</b>	<b>% Change From Previous FY</b>
2015-16 Amended	\$ 161,460		
2016-17	\$ 197,895	\$ 36,435	22.6%
2017-18	\$ 154,365	\$ (43,530)	-22.0%

**CITY COUNCIL**  
FY 2016-2018 Adopted Budget



Total FTE's: 5

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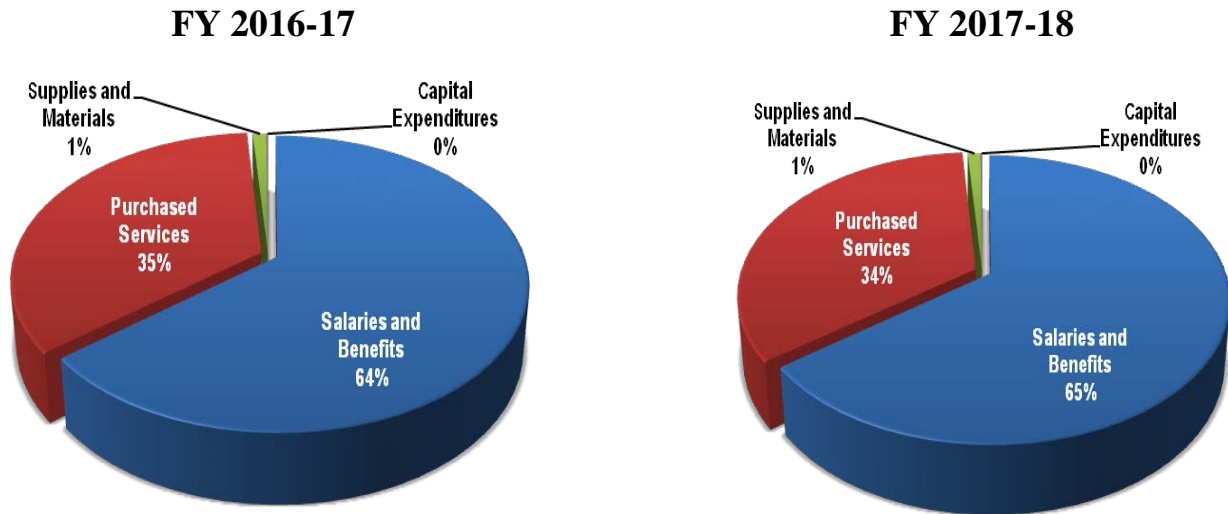
# CITY ATTORNEY'S OFFICE

## FY 2016-2018 Adopted Budget

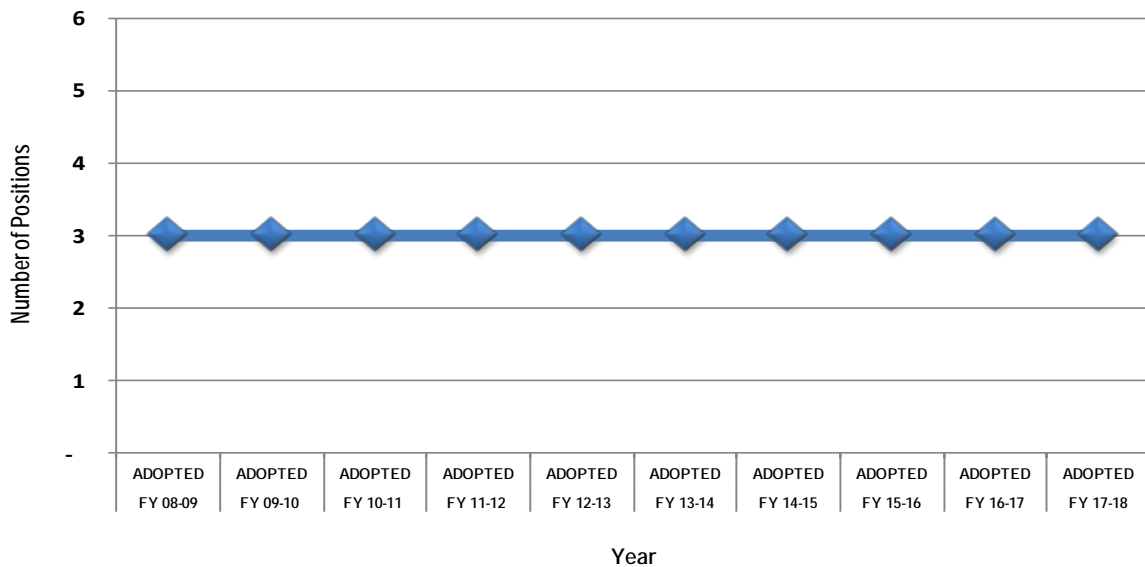
<b>FY 2016-17</b>	
Operating	\$ 766,500
Positions	3

<b>FY 2017-18</b>	
Operating	\$ 776,100
Positions	3

### CHARACTER OF EXPENDITURES



### AUTHORIZED STRENGTH



# CITY ATTORNEY'S OFFICE

## FY 2016-2018 Adopted Budget

### Department Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Assigned Funds	123,020	26,980	110,000	75,000	75,000
Use of Resources	581,980	607,690	665,200	686,500	696,100
Enterprise Funds	-	-	10,000	5,000	5,000
<b>TOTAL</b>	<b>705,000</b>	<b>634,670</b>	<b>785,200</b>	<b>766,500</b>	<b>776,100</b>

#### EXPENDITURES BY DEPARTMENT

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
City Attorney's Office	705,000	634,670	785,200	766,500	776,100
<b>TOTAL</b>	<b>705,000</b>	<b>634,670</b>	<b>785,200</b>	<b>766,500</b>	<b>776,100</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	310,000	461,830	406,930	492,000	502,700
<b>Subtotal</b>	<b>310,000</b>	<b>461,830</b>	<b>406,930</b>	<b>492,000</b>	<b>502,700</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	387,300	163,620	371,170	265,500	264,400
Supplies and Materials	6,700	8,010	6,100	8,000	8,000
Capital Expenditures	1,000	1,210	1,000	1,000	1,000
<b>Subtotal</b>	<b>395,000</b>	<b>172,840</b>	<b>378,270</b>	<b>274,500</b>	<b>273,400</b>
<b>TOTAL</b>	<b>705,000</b>	<b>634,670</b>	<b>785,200</b>	<b>766,500</b>	<b>776,100</b>

#### Position (FTE) Detail

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
City Attorney	1	1	1	1	1
Deputy City Attorney I/II	1	1	1	1	1
Legal Secretary	1	1	1	1	1
<b>TOTAL</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

# CITY ATTORNEY'S OFFICE

FY 2016-2018 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 to the entity 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 in the Fiscal Year 2016-2018 budget is the continued delivery of quality professional legal services which promote reliable and useful advice and effective advocacy. The basic services include attendance and advice at public meetings, drafting resolutions and ordinances, providing legal opinions and advice on a wide range of municipal topics, 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 undertakes 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 laws and other matters, 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 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;
- Provide legal advice on the critical water issues facing the City;

# CITY ATTORNEY'S OFFICE

**FY 2016-2018 Adopted Budget**

**Department Summary cont.**

- Provide code enforcement legal services through outside special counsel;
- Work with the City Manager's Office to reduce exposure to claims, litigation and industrial injuries/illnesses;
- Draft ordinances on topics designated as high priority by the City Council;
- 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 adoption of the General Plan Update, which includes the Westside Area Plan; and
- Provide legal advice on land use issues related to adopted development projects.

## SIGNIFICANT CHANGES

### **FY 2015-2016 Amended to FY 2016-2018 Adopted:**

The decrease of \$18,700 (-2.4%) from the Amended FY 2015-16 Budget to the Adopted FY 2016-17 Budget is primarily the result of \$36,000 reduction in professional services and offset by \$15,560 increase in personnel costs due to reclassification of Deputy City Attorney position from a I to II.

The increase of \$9,600 (1.3%) from the Adopted FY 2016-17 Budget to the Adopted FY 2017-18 Budget is primarily attributed to higher personnel costs.

<b>Fiscal Year (FY)</b>	<b>Budget</b>	<b>\$ Change From Previous FY</b>	<b>% Change From Previous FY</b>
2015-16 Amended	\$ 785,200		
2016-17	\$ 766,500	\$ (18,700)	-2.4%
2017-18	\$ 776,100	\$ 9,600	1.3%



# CITY ATTORNEY'S OFFICE

FY 2016-2018 Adopted Budget

## FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. Attend and provide advice at all Regular and Special City Council meetings.	1. Accomplished.
2. Attend and provide advice at all Regular and Special Planning Commission meetings.	2. Accomplished.
3. Attend and provide advice at all Regular and Special Rent Stabilization Program Board meetings.	3. Accomplished.
4. Respond to <i>Pitchess</i> motions 100% of the time.	4. Accomplished.
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.	5. Accomplished.
6. Provide legal advice to the Code Enforcement Division and file code enforcement actions as needed.	6. Accomplished.
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.	7. Accomplished.
8. Provide legal advice to all city departments regarding responses to Public Records Act requests	8. Accomplished.
9. Provide legal advice to all city departments regarding responses to subpoenas.	9. Accomplished.
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.	10. Not Started.
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.	11. Accomplished.

# CITY ATTORNEY'S OFFICE

FY 2016-2018 Adopted Budget

## FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVE	RESULT
12. Assist the Community and Economic Development Department in establishing development impact fees for City Council adoption.	12. Not Started (requires completion of consultant study).
13. Provide legal advice regarding the public bidding and administration of public works projects and provide legal advice regarding City procurement practices and policies.	13. Accomplished.
14. Provide legal advice to Planning Division on major project applications.	14. Accomplished.
15. Assist City Manager in the drafting and revising administrative policies.	15. Accomplished.
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.	16. Accomplished.
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.	17. Accomplished.
18. Meet with all City departments to revise the City's consultant and professional services agreement template.	18. Accomplished.
19. Provide training to Rent Stabilization Board and Planning Commission regarding due process issues.	19. Accomplished.
20. Provide training to all City boards, commissions and committees regarding the Brown Act, Public Records Act and conflict of interest laws.	20. Accomplished.
21. Prepare an amendment extending the Clarum Homes Development Agreement for 3 years.	21. Accomplished.
22. Prepare an ordinance for the Groundwater Management Plan.	22. Accomplished.
23. Prepare an unruly noise and unruly gathering ordinance to establish a citation system for recovery of police response costs.	23. Accomplished.
24. Update the City's tobacco regulations.	24. Accomplished.

# CITY ATTORNEY'S OFFICE

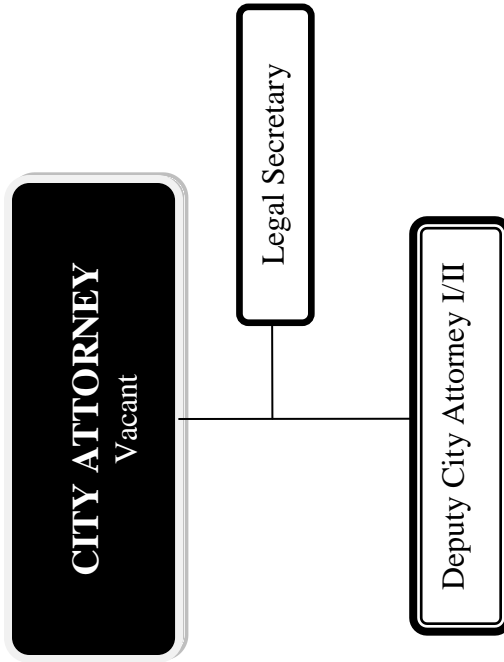
**FY 2016-2018 Adopted Budget**

## **FY 2016-2018 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 to all city departments regarding responses to Public Records Act requests.
8. Provide legal advice to all city departments regarding responses to subpoenas.
9. 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.
10. Provide legal advice to the Rent Stabilization Program and City Council regarding revisions to the Rent Stabilization Ordinance anticipated to be put on the November 2016 ballot.
11. Assist the Community and Economic Development Department in establishing development impact fees for City Council adoption.
12. Provide legal advice regarding the public bidding and administration of public works projects and provide legal advice regarding City procurement practices and policies.
13. Provide legal advice to Planning Division on major project applications.
14. Assist Public Works Department with resolving operational issues with Palo Alto Park Mutual Water Company.
15. Provide legal advice regarding the on development of the Westside and the General Plan Update.
16. Provide legal advice in conjunction with the new Development (Zoning) Code and new Subdivision Code.
17. Provide training to all City boards, commissions and committees regarding the Brown Act, Public Records Act and conflict of interest laws.
18. Assist with the preparation of an ordinance establishing a City-wide development impact fee program, including a commercial linkage fee.
19. Assist with the preparation of a ordinance update density bonus provisions consistent with state law (AB 744 and AB 2222)
20. Prepare an ordinance that will allow staff to accept parking easements pursuant to Government Code section 65871 on behalf of the City to facilitate shared parking arrangements.

# CITY ATTORNEY'S OFFICE

FY 2016-2018 Adopted Budget



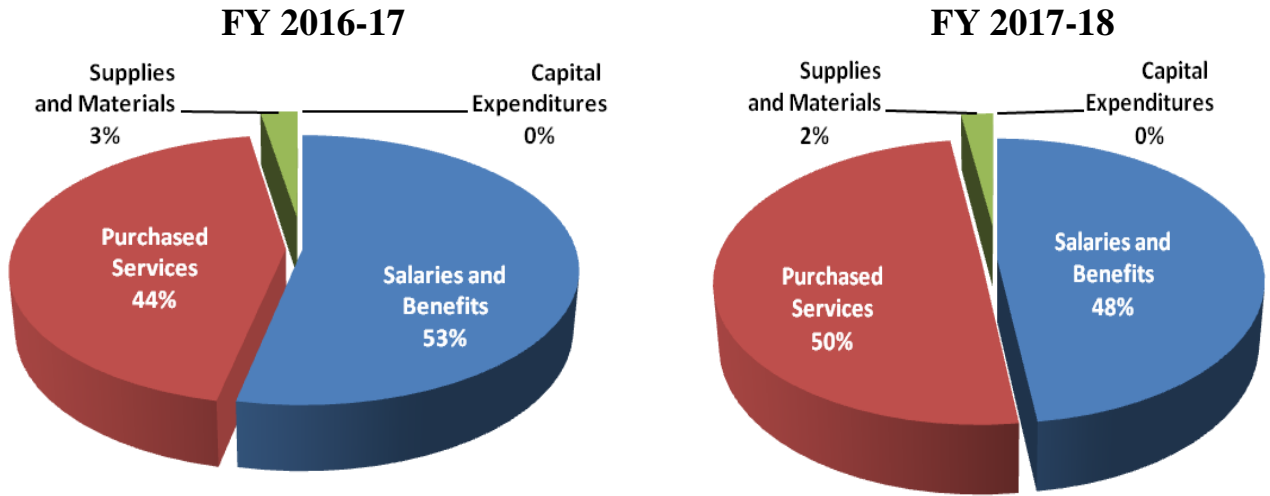
# CITY CLERK'S OFFICE

FY 2016-2018 Adopted Budget

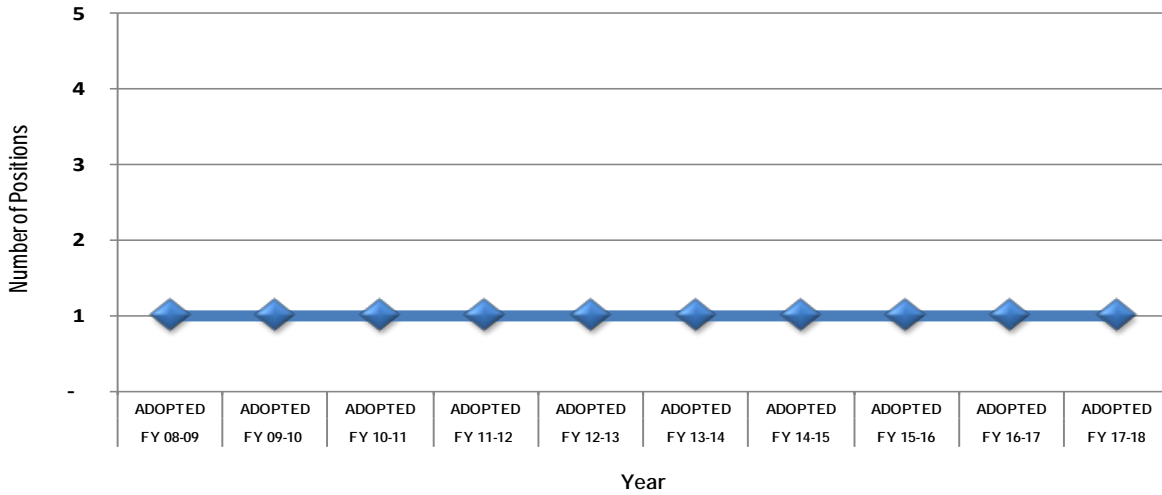
FY 2016-17	
Operating	\$192,445
Positions	1

FY 2017-18	
Operating	\$216,235
Positions	1

## CHARACTER OF EXPENDITURES



## AUTHORIZED STRENGTH



# CITY CLERK'S OFFICE

## FY 2016-2018 Adopted Budget

### Department Summary

#### SOURCES

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	ACTUAL	ACTUAL	AMENDED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET
General Fund:					
Assigned Funds	-	-	-	-	50,000
Use of Resources	126,400	139,550	170,945	192,445	166,235
<b>TOTAL</b>	<b>126,400</b>	<b>139,550</b>	<b>170,945</b>	<b>192,445</b>	<b>216,235</b>

#### EXPENDITURES BY DEPARTMENT

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	ACTUAL	ACTUAL	AMENDED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET
City Clerk's Office	126,400	139,550	170,945	192,445	216,235
<b>TOTAL</b>	<b>126,400</b>	<b>139,550</b>	<b>170,945</b>	<b>192,445</b>	<b>216,235</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	ACTUAL	ACTUAL	AMENDED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	97,500	107,200	102,525	102,590	103,640
<b>Subtotal</b>	<b>97,500</b>	<b>107,200</b>	<b>102,525</b>	<b>102,590</b>	<b>103,640</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	23,600	27,140	61,660	84,855	107,595
Supplies and Materials	5,300	5,210	6,760	5,000	5,000
Capital Expenditures	-	-	-	-	-
<b>Subtotal</b>	<b>28,900</b>	<b>32,350</b>	<b>68,420</b>	<b>89,855</b>	<b>112,595</b>
<b>TOTAL</b>	<b>126,400</b>	<b>139,550</b>	<b>170,945</b>	<b>192,445</b>	<b>216,235</b>

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	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 2016-2018 Adopted Budget

## MISSION STATEMENT

The City Clerk's 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 and ensuring 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 Office of the City Clerk include assisting City Council with office support, responding to Public Records Act requests, scheduling and performing legally required activities for matters such as elections, administering hearings and Oaths of Office, and recruiting residents of the City of East Palo Alto to the City's Boards, Committees, and Commissions. 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 2016-2018 budget is to maintain current levels of service to the public with a focus on accuracy and efficiency such as the following:

- Prepare Election Filings and Manage the 2016 General Election for three City Council positions, Ballot Measure for a Sales Tax, and possible Ballot Measure to amend the Rent Stabilization Ordinance
- Plan, direct and coordinate functions and activities as directed by the City Council and City Manager/City Clerk's Office
- Continue to maintain the City's compliance with the State of California and the Federal Government pertaining to the Brown Act and the Public Records Act
- Purchase and utilization of technological equipment for City Staff, including Council to utilize, such as an Audio/Visual for City Council meetings, citywide copiers and possibly printers, and an Agenda Management System (automated/manual) to utilize a better efficient system for compiling agenda packets.
- Transfer many of the City's records to be digitally scanned for the recent purchase of Laserfiche Avanté, that maintains all of the City's records for all Staff to utilize
- To achieve City Clerk certification and continue Notary Public certification

# CITY CLERK'S OFFICE

## FY 2016-2018 Adopted Budget

### SIGNIFICANT CHANGES

#### **FY 2015-2016 Amended to FY 2016-2018 Adopted:**

The increase of \$21,500 (12.6%) from the Amended FY 2015-16 Budget to the Adopted FY 2016-17 Budget is primarily the result of \$26,700 increase in purchased services for the 2016 general election.

The increase of \$23,790 (12.4%) from the Adopted FY 2016-17 Budget to the Adopted FY 2017-18 Budget is due to the planned purchase of an agenda management system (automated/manual) to utilize a more efficient system for compiling agenda packets.

<b>Fiscal Year (FY)</b>	<b>Budget</b>	<b>\$ Change From Previous FY</b>	<b>% Change From Previous FY</b>
2015-16 Amended	\$ 170,945		
2016-17	\$ 192,445	\$ 21,500	12.6%
2017-18	\$ 216,235	\$ 23,790	12.4%



# CITY CLERK'S OFFICE

FY 2016-2018 Adopted Budget

## FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. To utilize an automated Records Management System to create the history and to maintain the City's records	1. Accomplished with the purchase of the Laserfiche Avantéf
2. Prepare for the 2016 Election	2. Accomplished by attending the Elections Process through the Technical Training for City Clerks and the City Clerk's New Law and Elections Workshop conducted by the League of CA Cities, meeting with the San Mateo County Elections Office, and meeting with the Fair Political Practice Commission
3. Update the City Clerk's Website, Elections Webpage, and City Council Website	3. Accomplished by providing more or updating the information
4. Continue the inventory of active and inactive City records eligible for destruction	4. Accomplished by destroying 178 boxes of Citywide documents that are in agreement with the records retention schedule.
5. To post and broadcast Special and Regular City Council Meeting agendas at least <u>24 hours</u> prior to the meeting, post those minutes, and replay the meetings via video on the City's website from July 2015 – June 2016.	5. Accomplished
6. Provide a Paperless Agenda Packet Policy for the City Council	6. Accomplished with the approval of the City Council to approve the policy and procure electronic tablets.
7. Create a Motion Order document to keep track of the motions City Council approved at their Special and Regular Meetings	7. Accomplished as of January 2016
8. Continue 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.
9. With the City Attorney Department, conduct a Public Records Act Workshop for City Staff	9. Accomplished.

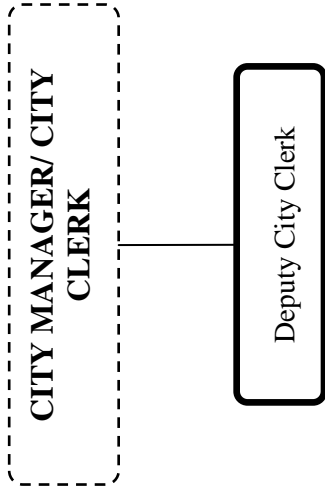
# CITY CLERK'S OFFICE

**FY 2016-2018 Adopted Budget**

## **FY 2016-2018 OBJECTIVES**

1. Conduct a smooth and systematic election process for the November 2016 General Election, which includes three candidates, and two to three potential ballot measures.
2. Conduct a Request for Proposals to purchase/ maintain citywide copiers and perhaps citywide printers of the same brand.
3. Update the Auto/Video equipment for the broadcasting of City Council and Planning Commission meetings.
4. Hire a vendor to conduct a one-time process of scanning City documents not currently in the City's servers or recently acquired Laserfiche Avanté system.
5. 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.
6. Continue to update the City's City Clerk and Election web pages, and Laserfiche Avanté system.
7. Continue the inventory of active and inactive records which may be eligible for destruction and/or proper retention pursuant to the records retention schedule.
8. Continue to provide training to Staff as needed on the policy, retention schedule, and legal destruction of inactive records; as well as the Public Records Act and Brown Act.
9. Ensure proper posting and noticing of agendas for public meetings/hearings to comply with Brown Act and to maintain open and transparent government.
10. Coordinate a seamless and systematic Advisory Body annual recruitment and appointment process; and conduct an orientation for them.
11. Continue working with the City Council, Staff, and candidates to process various Fair Political Practices Commission forms.
12. Continue informing the Media Center of upcoming City Council and Planning Commission meeting to schedule for public broadcasting.
13. Become a certified City Clerk and Notary Public.
14. Manage the 2017 Council of Cities' Dinner/Meeting for the City Council.
15. Update the City's Conflict of Interest Code, which includes working with the Human Resources Department to determine Staff's positions.
16. Work with the City Council and City Staff to establish policies regarding a general City Council policy, an Electronic Usage policy, and a Social Media Policy.

**CITY CLERK'S OFFICE**  
FY 2016-2018 Adopted Budget



Total FTE's: 1

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# CITY MANAGER'S OFFICE

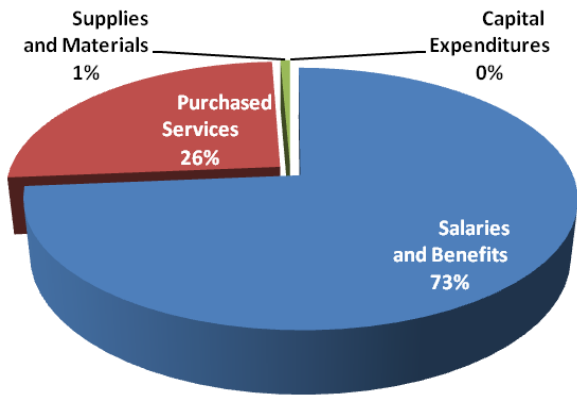
FY 2016-2018 Adopted Budget

<b>FY 2016-17</b>	
Operating	\$815,495
Positions	3

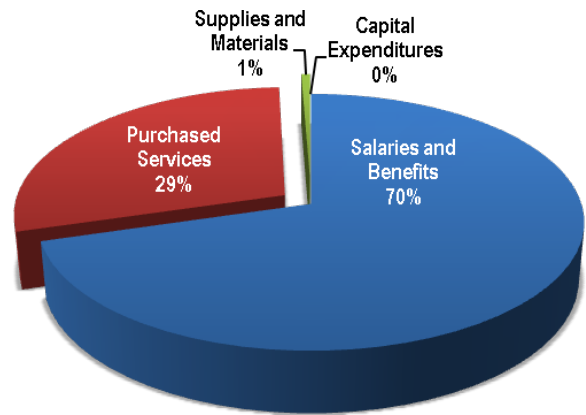
<b>FY 2017-18</b>	
Operating	\$894,625
Positions	3

## CHARACTER OF EXPENDITURES

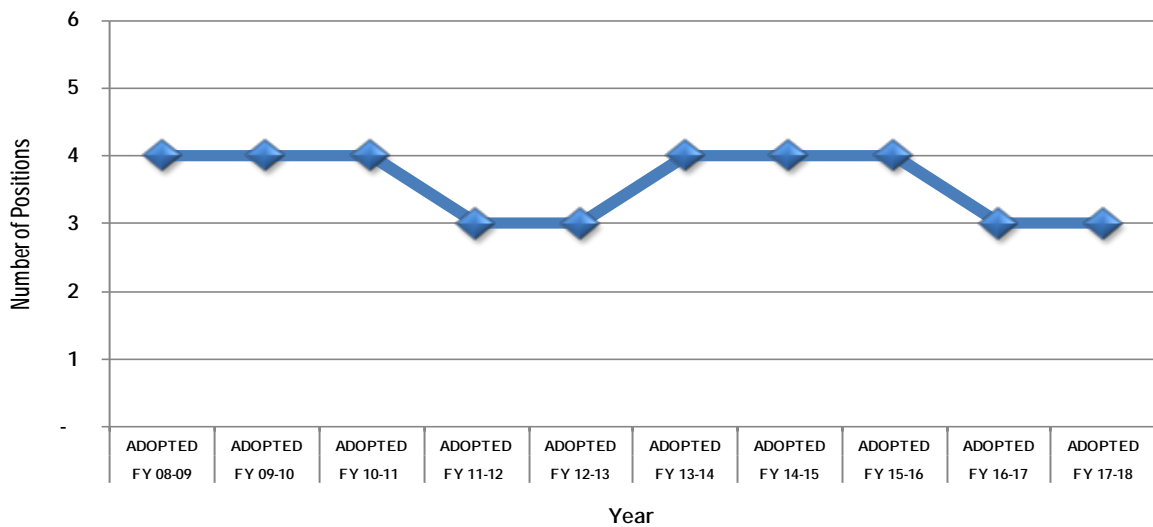
**FY 2016-17**



**FY 2017-18**



## AUTHORIZED STRENGTH



# CITY MANAGER'S OFFICE

## FY 2016-2018 Adopted Budget

### Department Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Use of Resources	715,160	609,930	844,905	815,495	894,625
<b>TOTAL</b>	<b>715,160</b>	<b>609,930</b>	<b>844,905</b>	<b>815,495</b>	<b>894,625</b>

#### EXPENDITURES BY DEPARTMENT

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
City Manager's Office	715,160	609,930	844,905	815,495	894,625
<b>TOTAL</b>	<b>715,160</b>	<b>609,930</b>	<b>844,905</b>	<b>815,495</b>	<b>894,625</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	594,780	529,150	673,305	600,695	629,825
<b>Subtotal</b>	<b>594,780</b>	<b>529,150</b>	<b>673,305</b>	<b>600,695</b>	<b>629,825</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	112,800	76,640	166,100	209,300	259,300
Supplies and Materials	4,180	4,140	5,500	5,500	5,500
Capital Expenditures	3,400	-	-	-	-
<b>Subtotal</b>	<b>120,380</b>	<b>80,780</b>	<b>171,600</b>	<b>214,800</b>	<b>264,800</b>
<b>TOTAL</b>	<b>715,160</b>	<b>609,930</b>	<b>844,905</b>	<b>815,495</b>	<b>894,625</b>

#### Position (FTE) Detail

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
City Manager	1	1	1	1	1
Assistant City Manager	1	1	1	1	1
Executive Assistant to City Manager	1	1	1	1	1
Office Assistant*	1	1	1	-	-
<b>TOTAL</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>

Position transferred to Administrative Services Administration Division.

# CITY MANAGER'S OFFICE

FY 2016-2018 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 FY2016-17 is proposing to transfer one, the Office Assistant position, to the Administrative Services Department.

The emphasis of Fiscal Year 2016-18 budgets is to, 1) adding a greater level of budget management and discipline to carefully track revenues, expenses, and capital costs to ensure our operating expenses are matching our projected revenues; and, 2) continue pursuing ways to expand our limited financial resources to maintain rapid police response times and the number of police officers patrolling neighborhood streets, upgrade our drinking water and storm drain infrastructure, repair and maintain our street, protect and create affordable housing, and other vital City services, to maintain and continue improving our residents' quality of life.

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.

# CITY MANAGER'S OFFICE

FY 2016-2018 Adopted Budget

Department Summary (cont.)

## SIGNIFICANT CHANGES

### **FY 2015-2016 Amended to FY 2017-18 Adopted:**

The decrease of \$29,410 (3.5%) from the Amended FY 2015-16 Budget to the Adopted FY 2016-17 Budget is due to the transfer of one staff position, the Office Assistant, from the City Manager's office to the Administrative Services Division; and increased professional services due to the reclassification of the citywide lobby purchased services from Non-departmental.

The increase of \$79,130 (9.7%) from the Adopted FY 2016-17 Budget to the Adopted FY 2017-18 is due to increased personnel costs and increased purchased services for potential ballot measure polling and community outreach.

<b>Fiscal Year (FY)</b>	<b>Budget</b>	<b>\$ Change From Previous FY</b>	<b>% Change From Previous FY</b>
2015-16 Amended	\$ 844,905		
2016-17	\$ 815,495	\$ (29,410)	-3.5%
2017-18	\$ 894,625	\$ 79,130	9.7%



# CITY MANAGER'S OFFICE

FY 2016-2018 Adopted Budget

## FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. Present to the City Council a fiscal year 2014-15 balanced budget, with options including cost reductions and potential new revenue generating alternatives.	1. A balanced budget was presented to the City Council on April 26, 2016.
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.	2. The City Manager's Office continue producing the monthly Update newsletter, as well as the City's website, and the Nextdoor and OPENGOV applications, and will initiate community visits/forums to improve community communications.
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).	3. The City entered into a SFCJPA Multi Agency Coordination Agreement including the SCVWD, Menlo Fire, Stanford, San Mateo & Santa Clara Co., Palo Alto, Menlo Park and East Palo Alto. It also built more than 1,000' of flood protection, protecting residents from a potential SF Creek flood.
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.	4. Staff secured more than \$1.5 million in state funds and the City Council allocated \$1 million in Community Benefits towards the construction of Pad D and Gloria Bay groundwater wells.
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.	5. The City Manager's office will propose in July, as part of an alternative FY17-18 budget, potential service enhancements. City entered into a new grant agreement with the Senior Center Inc., and provided funds for 3 Senior Advisory Committee adopted events.
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.	6. The City Manager's office maintains an open door policy, having daily interactions with residents, business owners and, or community organizations.

# **CITY MANAGER'S OFFICE**

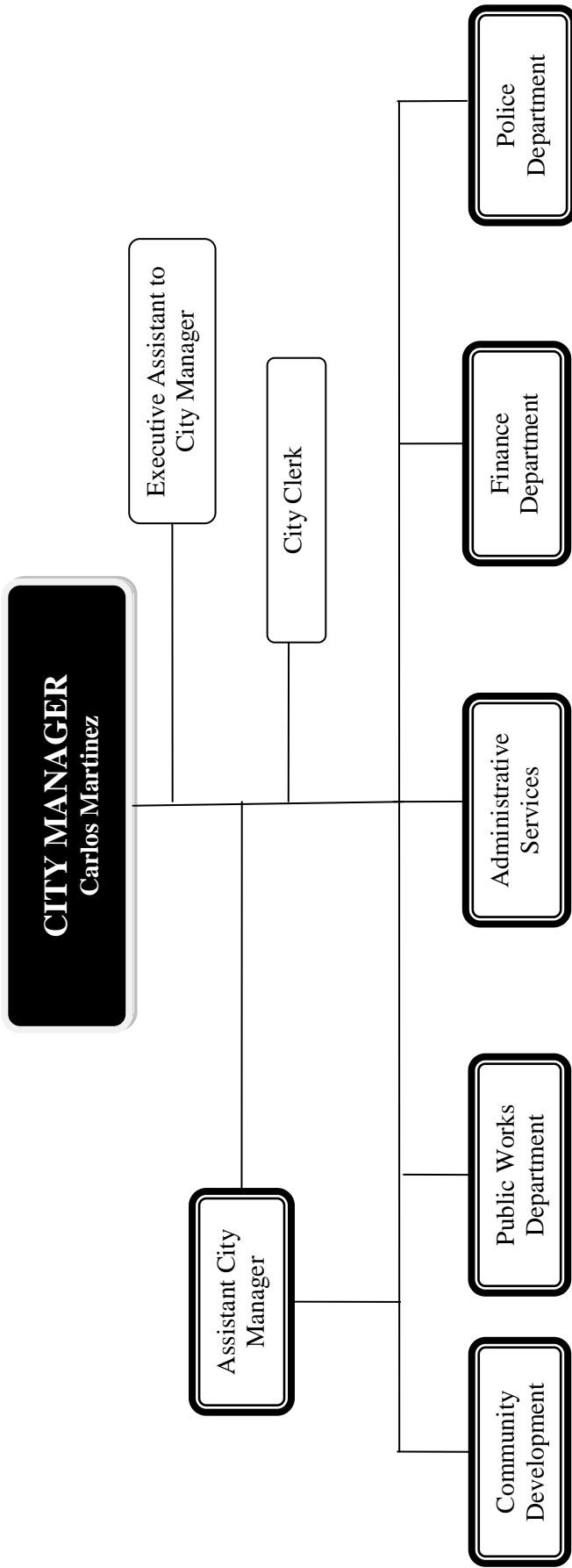
**FY 2016-2018 Adopted Budget**

## **FY 2016-2018 OBJECTIVES**

1. Present to the City Council a fiscal year 2017-18 balanced budget with options including cost reductions and potential new revenue generating alternatives.
2. Continue to use current communications vehicles (e.g. City Manager's Update newsletter, City website, e-mail blasts) and develop new means of communication including a stronger social network presence.
3. Tracking and providing the City Council a progress update regarding ongoing Public Works projects and City Council initiatives.
4. Expand outreach to community organizations to identify issues of concern and inform residents of city's project and initiatives.
5. Identify and report to Council community issues of concern, proposing actions taken or planned to resolve them.
6. Keep a City calendar of event in the City's website.
7. Provide to the City Council, regular Human Resources recruitment progress updates.

# CITY MANAGER'S OFFICE

FY 2016-2018 Adopted Budget



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# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2016-2018 Adopted Budget

## FY 2016-17

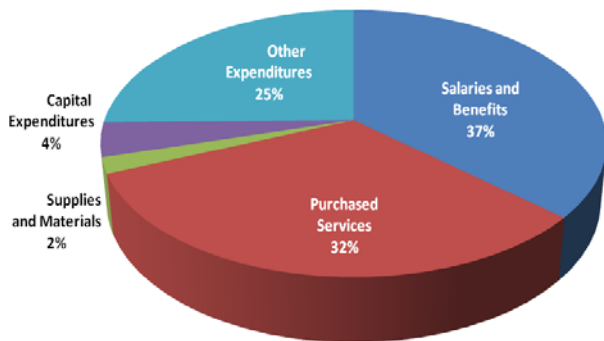
Operating \$ 2,473,870  
Positions 9.38

## FY 2017-18

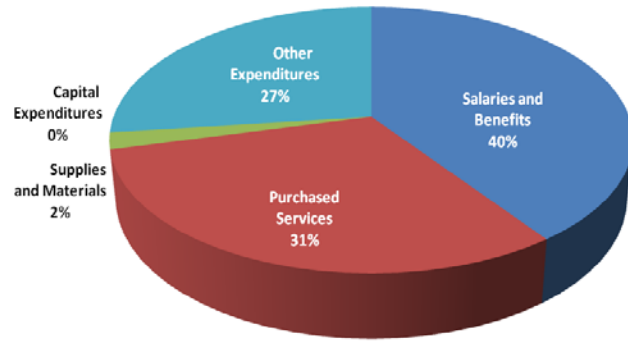
Operating \$ 2,342,715  
Positions 9.38

## CHARACTER OF EXPENDITURES

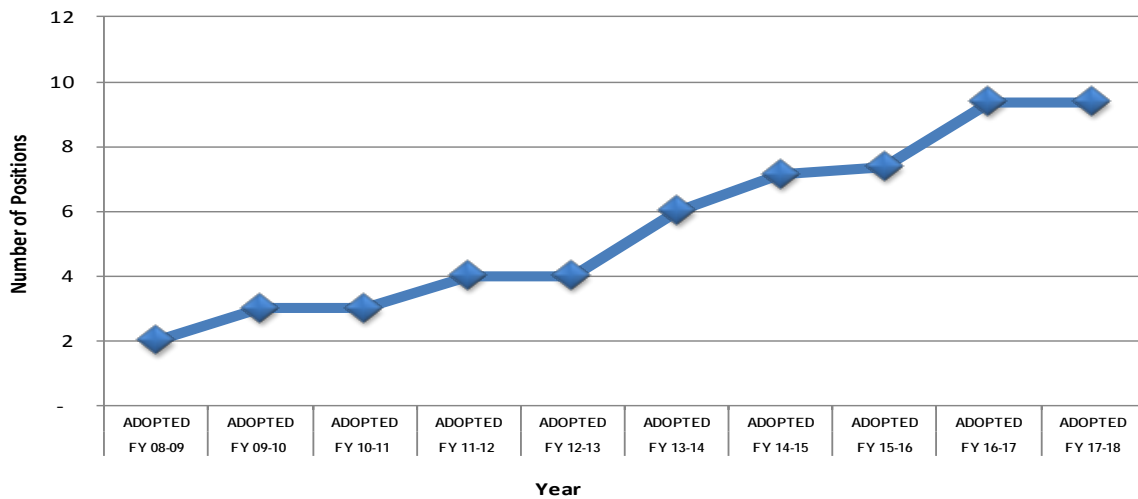
### FY 2016-17



### FY 2017-18



## AUTHORIZED STRENGTH



# ADMINISTRATIVE SERVICES DEPARTMENT

## FY 2016-2018 Adopted Budget

### Department Summary

#### SOURCES

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	ACTUAL	ACTUAL	AMENDED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET
General Fund:					
Assigned Funds	-	-	507,525	378,000	345,750
Use of Resources	366,830	615,400	978,995	1,367,870	1,303,965
Special Revenue Funds	523,170	655,250	1,115,880	728,000	693,000
<b>TOTAL</b>	<b>890,000</b>	<b>1,270,650</b>	<b>2,602,400</b>	<b>2,473,870</b>	<b>2,342,715</b>

#### EXPENDITURES BY DIVISION

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	ACTUAL	ACTUAL	AMENDED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET
Administration Division	-	-	694,085	716,500	764,500
Community Services Division	594,500	911,870	1,493,300	1,240,920	1,126,780
Human Resources Division	295,500	358,780	415,015	516,450	451,435
<b>TOTAL</b>	<b>890,000</b>	<b>1,270,650</b>	<b>2,602,400</b>	<b>2,473,870</b>	<b>2,342,715</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	ACTUAL	ACTUAL	AMENDED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	369,300	428,160	729,435	905,570	939,580
<b>Subtotal</b>	<b>369,300</b>	<b>428,160</b>	<b>729,435</b>	<b>905,570</b>	<b>939,580</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	94,800	249,890	939,255	793,200	725,885
Supplies and Materials	3,700	9,380	32,700	47,100	47,250
Capital Expenditures	500	-	5,000	103,000	-
Other Expenditures	421,700	583,220	896,010	625,000	630,000
<b>Subtotal</b>	<b>520,700</b>	<b>842,490</b>	<b>1,872,965</b>	<b>1,568,300</b>	<b>1,403,135</b>
<b>TOTAL</b>	<b>890,000</b>	<b>1,270,650</b>	<b>2,602,400</b>	<b>2,473,870</b>	<b>2,342,715</b>

#### AUTHORIZED STRENGTH

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET
Administrative Services Admin Division	-	-	1.00	3.00	3.00
Community Services Division	4.00	5.13	4.38	4.38	4.38
Human Resources Division	2.00	2.00	2.00	2.00	2.00
<b>TOTAL</b>	<b>6.00</b>	<b>7.13</b>	<b>7.38</b>	<b>9.38</b>	<b>9.38</b>

# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2016-2018 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.

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

# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2016-2018 Adopted Budget

Department Summary (con't.)

## SIGNIFICANT CHANGES

### **FY 2015-2016 Amended to FY 2016-2018 Adopted:**

The decrease of \$128,530 (4.9%) from the Amended FY 2015-16 Budget to the Adopted FY 2016-17 is more fully described in each division and primarily consists of (\$271,010) decrease in Measure C and TOT grant awards, a reduction of \$146,055 in purchased services, offset by an increase of \$176,135 in personnel costs from adding a full-time grant coordinator position and reclassification of an office assistant position from the City Manager's Office, and \$63,000 to purchase a new van for senior activities.

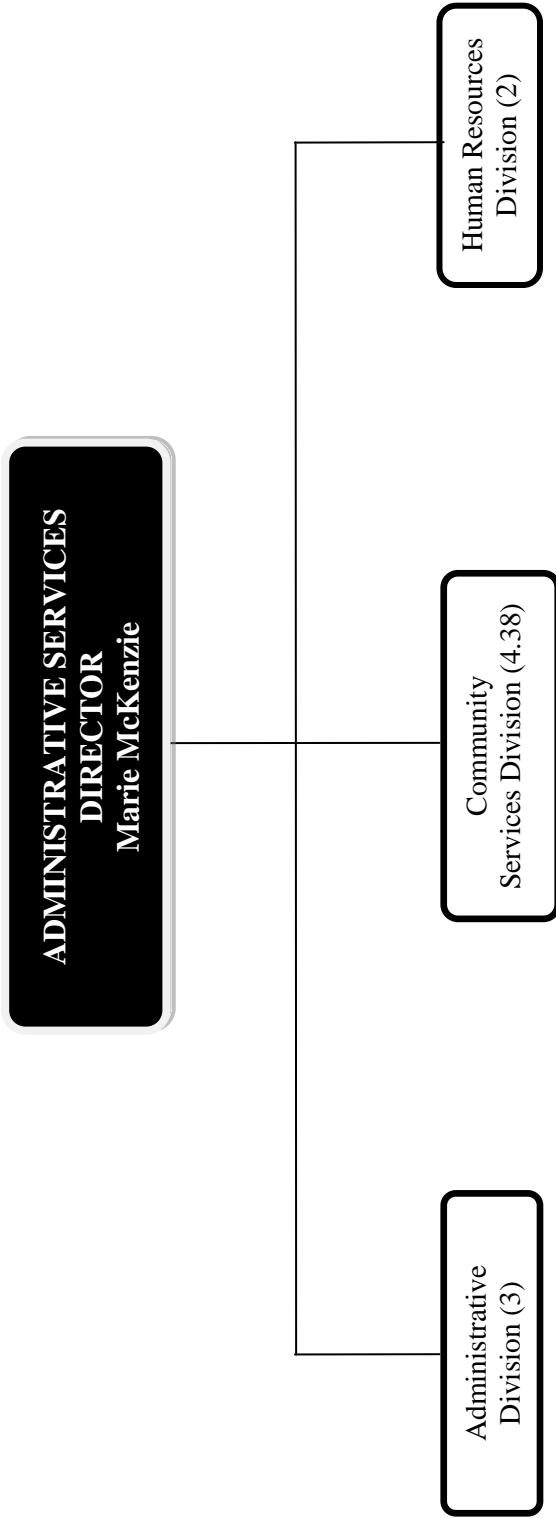
The decrease of \$131,155 (5.3%) from the Adopted FY 2016-17 Budget to the Adopted FY 2017-18 Budget is primarily attributed to no capital expenditures budgeted and further reductions in purchased services due to wind-down and allocation of Measure C funding.

<b>Fiscal Year (FY)</b>	<b>Budget</b>	<b>\$ Change From Previous FY</b>	<b>% Change From Previous FY</b>
2015-16 Amended	\$ 2,602,400		
2016-17	\$ 2,473,870	\$ (128,530)	-4.9%
2017-18	\$ 2,342,715	\$ (131,155)	-5.3%



# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2016-2018 Adopted Budget



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# ADMINISTRATIVE SERVICES DEPARTMENT

## FY 2016-2018 Adopted Budget

### Administration Division

#### Division Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Assigned Funds	-	-	507,525	315,000	345,750
Use of Resources	-	-	186,560	401,500	418,750
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>694,085</b>	<b>716,500</b>	<b>764,500</b>

#### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Administration Division	-	-	694,085	716,500	764,500
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>694,085</b>	<b>716,500</b>	<b>764,500</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	-	-	155,270	368,300	385,400
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>155,270</b>	<b>368,300</b>	<b>385,400</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	-	-	538,315	347,100	377,850
Supplies and Materials	-	-	500	1,100	1,250
Capital Expenditures	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>538,815</b>	<b>348,200</b>	<b>379,100</b>
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>694,085</b>	<b>716,500</b>	<b>764,500</b>

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Administrative Services Director	-	-	1	1	1
Grants Coordinator*	-	-	-	1	1
Office Assistant**	-	-	-	1	1
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>3</b>	<b>3</b>

\* Position exchanged from temporary Measure C Coordinator and transferred from Community Services.

\*\* Position transferred from City Manager's Office.

# ADMINISTRATIVE SERVICES DEPARTMENT

## FY 2016-2018 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 three positions and Redwood City IT contract services equal to a full-time Senior IT technician.

### SIGNIFICANT CHANGES

#### FY 2015-2016 Amended to FY 2016-2018 Adopted:

The increase of \$22,415 (3.2%) from the Amended FY 2015-16 Budget to the Adopted FY 2016-17 Budget is due to \$213,030 increased in personnel costs as a result of adding a grants coordinator position, reclassification of the office assistant position from the City Manager's Office, and negotiated pay or step increases. These increases are offset by a decrease of \$191,215 in purchased services primarily attributed to authorized and amended commitment of \$200,000 community benefits for job-training activities through FY 2017-18.

The increase of \$48,000 (6.7%) from the Adopted FY 2016-17 Budget to the Adopted FY 2017-18 Budget is primarily attributed to projected increase of \$30,750 in IT purchased services and \$17,100 increase in personnel costs due to anticipated step increases and higher benefit costs.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2015-16 Amended	\$ 694,085		
2016-17	\$ 716,500	\$ 22,415	3.2%
2017-18	\$ 764,500	\$ 48,000	6.7%

# **ADMINISTRATIVE SERVICES DEPARTMENT**

**FY 2016-2018 Adopted Budget**

## **FY 2016-2018 OBJECTIVES**

1. To provide and demonstrate excellent customer service to all departments in the City.
2. To resurrect the first source hiring and Local Business Enterprise Program.
3. To support local non-profit with grant funding information.
4. To provide small business assistance and support through community partners.
5. To provide staff development and organizational management support.

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# ADMINISTRATIVE SERVICES DEPARTMENT

## FY 2016-2018 Adopted Budget

### Community Services Division

#### Division Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Assigned Funds	-	-	-	63,000	-
Use of Resources	71,330	256,620	377,420	449,920	433,780
Special Revenue Funds	523,170	655,250	1,115,880	728,000	693,000
<b>TOTAL</b>	<b>594,500</b>	<b>911,870</b>	<b>1,493,300</b>	<b>1,240,920</b>	<b>1,126,780</b>

#### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Community Programs	594,500	695,990	1,152,700	828,600	774,350
Senior Programs	-	215,880	340,600	412,320	352,430
<b>TOTAL</b>	<b>594,500</b>	<b>911,870</b>	<b>1,493,300</b>	<b>1,240,920</b>	<b>1,126,780</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	166,000	233,820	321,850	274,520	283,280
<b>Subtotal</b>	<b>166,000</b>	<b>233,820</b>	<b>321,850</b>	<b>274,520</b>	<b>283,280</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	4,600	86,930	240,440	194,600	169,700
Supplies and Materials	1,700	7,900	30,000	43,800	43,800
Capital Expenditures	500	-	5,000	103,000	-
Other Expenditures	421,700	583,220	896,010	625,000	630,000
<b>Subtotal</b>	<b>428,500</b>	<b>678,050</b>	<b>1,171,450</b>	<b>966,400</b>	<b>843,500</b>
<b>TOTAL</b>	<b>594,500</b>	<b>911,870</b>	<b>1,493,300</b>	<b>1,240,920</b>	<b>1,126,780</b>

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Community Programs Manager	1.00	1.00	1.00	1.00	1.00
Recreation Leader II (2 PT)	1.00	1.00	1.00	1.00	1.00
Van Drivers (2-PT)*	-	1.00	1.00	1.00	1.00
Nutrition Site Supervisor (PT)*	-	0.63	0.63	0.75	0.75
Kitchen Aide (PT)	-	-	-	0.63	0.63
Measure C Coordinator (LTD)**	1.00	0.75	0.75	-	-
School Social Worker (LTD)	1.00	0.75	-	-	-
<b>TOTAL</b>	<b>4.00</b>	<b>5.13</b>	<b>4.38</b>	<b>4.38</b>	<b>4.38</b>

\*Senior Services transferred to Community Programs in FY 2014-15.

\*\* Position exchanged to permanent Grants Coordinator and transferred to Administrative Services Admin Division.

# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2016-2018 Adopted Budget

## Community Services Division Summary

### SERVICE DESCRIPTION

The Community Services 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 Administrative Services Director, the Division is staffed with:

- 1 Community Programs Manger
- 1 part-time Measure C Program and Volunteer Coordinator
- 2 part-time Community Programs Assistants (Recreation Leaders)
- 1 three-quarter time Nutrition Site Supervisor
- 1 part-time Kitchen Aide
- 2 part-time Van Drivers

The Community Services Division activities rely on interdepartmental, inter-jurisdictional, and community partnerships to deliver services that enhance the quality of life for East Palo Alto residents with a focused effort on increasing community engagement. During Fiscal Years 2016-2018, 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
  - Release and monitor for compliance TOT Grants and Large Measure C Grants
  - Prepare to closeout Measure C Program
  - Implement MBK Local Action Plan
- 3) Managing the City's recreation efforts and use of parks and facilities:
  - Identify and implement opportunities to leverage technology to improve operations (online processing of applications, online calendar, internal tracking/reporting system, etc.)
  - Implement community event (movies, concerts, and food-truck events) in the parks.
  - Solicit a operator manager for Cooley Landing Environmental Education Center
  - Review and revise park and facilities rental/user fees



# ADMINISTRATIVE SERVICES DEPARTMENT

**FY 2016-2018 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 and update their employee files to reflect the training
  - Recruit and train more East Palo Alto based CERTs
  
- 5) Provide a Senior Nutrition Program
  - Seek a qualified operator manager for the East Palo Alto Senior Center
  - Maintain program's good standing with the San Mateo County Office of Aging and Adult Services (OAAS)\*
    - 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
  - Update website to include a Community Programs Page and Public Information Page
  - Update City website/content to provide a better user experience
  - Work with IT to develop and implement Social Media Policy

### **Other Responsibilities**

- The Community Programs Manager also serves as the city's Public Information Officer
- The Community Services Division provides staffing support to the following committees:
  - Senior Advisory Board
  - Measure C Oversight Committee
  - Community Grants Review Panel
  - Recruit to fill vacancies with committed residents that represent the myriad of skill/talent, interests, and cultural diversity of the community

# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2016-2018 Adopted Budget

## Community Services Division Summary

### SIGNIFICANT CHANGES

#### **FY 2015-2016 Amended to FY 2016-2018 Adopted:**

The decrease of \$252,380 (16.9%) from the Amended FY2015-16 Budget to the Adopted FY 2016-17 is mainly due to reduction of \$271,010 in Measure C and TOT grant awards, the reclassification and transfer of the former Measure C Coordinator to a permanent Grants Coordinator in the Administrative Services Administration Division. These decreases are offset by an increase of \$98,000 in capital expenditures for a new Senior Van and a \$40,000 grant for interpretive signs at Cooley Landing.

The decrease of \$114,140 (9.2%) from the Adopted FY 2016-17 Budget to the Adopted FY 2017-18 Budget is primarily attributed to no budgeted capital compared to the prior year and reductions in purchased services.

<b>Fiscal Year (FY)</b>	<b>Budget</b>	<b>\$ Change From Previous FY</b>	<b>% Change From Previous FY</b>
2015-16 Amended	\$ 1,493,300		
2016-17	\$ 1,240,920	\$ (252,380)	-16.9%
2017-18	\$ 1,126,780	\$ (114,140)	-9.2%

# ADMINISTRATIVE SERVICES DEPARTMENT

## FY 2016-2018 Adopted Budget Community Services Division

### FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Plan, organize and implement citywide events, celebrations and sponsored activities.	1. On Going
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	2. Accomplished, On Going
3. Recruit three (3) Measure C Committee members for a total of 15 as required by the ordinance	3. Accomplished
4. Solicit independent evaluator for the Measure C Program	4. Accomplished
5. Undertake a review of the pilot Truancy Reduction Program	5. Accomplished
6. Release and monitor for compliance Small Summer TOT Grants and Large Measure C Grants as funded	6. Accomplished
7. Hire and train Recreation Leaders to open and close city facilities and parks as needed	7. In Progress
8. Develop a revised field use fee and new park and field use policies for City Council adoption.	8. In Progress
9. Identify and implement opportunities to leverage technology to improve operations (online processing of applications, online calendar, internal tracking/reporting system, etc.)	9. In Progress
10. Update and test the Emergency Operations Center (EOC) including defining roles of EOC staff training staff on EOC operations	10. In Progress
11. Work with County and city members of the Joint Powers Authority to draft updated Emergency Operations Plan	11. In Progress
12. Explore opportunities to purchase an emergency notification system and make a recommendation to City Council.	12. Not Started
13. Conduct City EOC Tabletop Exercise	13. In Progress
14. Participate in the San Mateo County Silver Dragon Emergency Training exercise	14. Accomplished
15. Provide all City employees and CERT members with appropriate training as required by Disaster Service Workers	15. Accomplished, On Going
16. Maintain updated emergency preparedness information on the City's website	16. In Progress
17. Provide emergency preparedness informational workshops to community members	17. Not Started
18. Maintain Senior Nutrition Program's good standing with the San Mateo County Office of Aging and Adult Services (OAAS)*	18. Accomplished
19. Develop a Memorandum of Agreement with Senior Center, Inc. for operations and programming at the Senior Center	19. In Progress

# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2016-2018 Adopted Budget  
Community Services Division

## FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVES	RESULTS
20. Evaluate opportunities to enhance ridership and nutrition program participation	20. In Progress
21. Evaluate other potential models for providing nutrition and transportation services	21. In Progress
22. Strengthen the Senior Congregate Nutrition and Transportation programs	22. On Going
23. Develop positive relationship with various media outlets	23. On Going

# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2016-2018 Adopted Budget

**Community Services Division**

## FY 2016-2018 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. Prepare to close out Measure C
4. Recruit three 2 Senior Advisory Committee Members
5. Program remaining Measure C funding
6. Release and monitor for compliance Small Summer TOT Grants and Large Measure C Grants as funded
7. Develop a revised field use fee and new park and field use policies for City Council adoption.
8. Identify and implement opportunities to leverage technology to improve operations (online processing of applications, online calendar, internal tracking/reporting system, etc.)
9. Develop and implement a social media policy that increases city's outreach and communications with residents and businesses
10. Solicit a qualified operator manager for Cooley Landing 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. Recruit 25 East Palo Alto residents for CERT training
17. Maintain updated emergency preparedness information on the City's website
18. Provide emergency preparedness informational workshops to community members
19. Maintain Senior Nutrition Program's good standing with the San Mateo County Office of Aging and Adult Services (OAAS)\*
20. Solicit a qualified operator manager for the Senior Center
21. Purchase new bus and evaluate opportunities to enhance ridership and nutrition program participation
22. Evaluate other potential models for providing nutrition and transportation services
23. Strengthen the Senior Congregate Nutrition and Transportation programs
24. Develop positive relationship with various media outlets

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# ADMINISTRATIVE SERVICES DEPARTMENT

## FY 2016-2018 Adopted Budget

### Human Resources Division

#### Division Summary

#### SOURCES

General Fund:

Use of Resources

**TOTAL**

FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
295,500	358,780	415,015	516,450	451,435
<b>295,500</b>	<b>358,780</b>	<b>415,015</b>	<b>516,450</b>	<b>451,435</b>

#### EXPENDITURES BY DIVISION

Human Resources Division

**TOTAL**

FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
295,500	358,780	415,015	516,450	451,435
<b>295,500</b>	<b>358,780</b>	<b>415,015</b>	<b>516,450</b>	<b>451,435</b>

#### CHARACTER OF EXPENDITURES

##### PERSONNEL

Salaries and Benefits

**Subtotal**

##### SUPPLIES AND SERVICES

Purchased Services

Supplies and Materials

Capital Expenditures

**Subtotal**

**TOTAL**

FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
203,300	194,340	252,315	262,750	270,900
<b>203,300</b>	<b>194,340</b>	<b>252,315</b>	<b>262,750</b>	<b>270,900</b>
90,200	162,960	160,500	251,500	178,335
2,000	1,480	2,200	2,200	2,200
-	-	-	-	-
<b>92,200</b>	<b>164,440</b>	<b>162,700</b>	<b>253,700</b>	<b>180,535</b>
<b>295,500</b>	<b>358,780</b>	<b>415,015</b>	<b>516,450</b>	<b>451,435</b>

Human Resources Manager

Human Resources Assistant

**TOTAL**

FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 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 2016-2018 Adopted Budget

## Human Resources Division Summary

### MISSION STATEMENT

The Human Resources Division provides quality services to the City Council, City Staff, and potential employees. Our goal is to attract the most diverse, competent, professional, and talented workforce. We provide policy direction and consultation; maintain equitable and competitive salaries and benefits; coordinate required training programs for City employees; manage the worker's compensation program and safety of employees; and last, but not least, maintain positive labor relations between all bargaining units and the City.

The Human Resources Division (HR) is within the Administrative Services Department. Two positions are assigned to the Division - a Human Resources Manager, and a Human Resources Assistant.

Core functions of the HR Division include:

- Recruiting new staff and filling vacant positions
- Overseeing labor negotiations with bargaining units
- Developing and implementing policies and procedures to ensure employee wellness
- Managing personnel issues, including evaluations, salary step increases, grievances, evaluations, resignations, and retirements
- Conducting new hire orientations
- Ensuring City staff have adequate training and development opportunities
- Managing employee medical, life, and retirement benefits

HR's emphasis for the Fiscal Year 2016-2017 and Fiscal Year 2017-2018 budgets is to continue working to achieve the City of East Palo Alto's strategic mission while ensuring City employees are engaged and motivated to help East Palo Alto residents, businesses, organizations, and visitors. This will be accomplished by identifying issues and executing corrective measures effectively.

HR will enhance customer service skills throughout the City by utilizing a team approach, building business partner relationships with all departments, and further utilizing HR resources. The Human Resources team has targeted its operation initiatives to align to the City Council's Strategic Plan by initially identifying ways to recognize our hard working staff and develop training programs as well as welcome our new hires to our great moving City. The HR Division's goal is to be a results-oriented business partner providing support to all levels of the City, and not only hire the best people, but develop and retain our existing staff.



# ADMINISTRATIVE SERVICES DEPARTMENT

## FY 2016-2018 Adopted Budget

### Human Resources Division Summary

#### SIGNIFICANT CHANGES

##### **FY 2015-2016 Amended to FY 2016-2018 Adopted:**

The increase of \$101,435 (24.4%) from the Amended FY 2015-16 Budget to the Adopted FY 2016-17 Budget is mainly due to professional services for compensation salary survey negotiated during FY 2014-15, labor negotiations, and workers' compensation case support.

The decrease of \$65,015 (12.6%) from the Adopted FY 2016-17 Budget to the Adopted FY 2017-18 Budget is primarily due to projected completion of the compensation salary survey.

<b>Fiscal Year (FY)</b>	<b>Budget</b>	<b>\$ Change From Previous FY</b>	<b>% Change From Previous FY</b>
2015-16 Amended	\$ 415,015		
2016-17	\$ 516,450	\$ 101,435	24.4%
2017-18	\$ 451,435	\$ (65,015)	-12.6%

# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2016-2018 Adopted Budget

**Human Resources Division**

## FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Recruit and hire a Human Resources Manager	1. Accomplished
2. Meet and confer with employee bargaining units about health and dental insurance plans concerning premiums, plan design and employee/employer contributions.	2. In Progress (Have met with all bargaining units and have prepared an RFP in order to seek a Benefit Brokerage and Consulting Firm). City Council has provided City Manager authority to go out to bid for a brokerage firm.
3. Develop and implement a new, more effective and user-friendly Employee Performance Review System.	3. Not Started
4. Implement the new employee orientation and annual training requirements of the Injury/Illness Prevention Plan.	4. Accomplished
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. In Progress. When a position is vacant, the job description is reviewed with hiring manager and updated prior to posting of job opening. In reference to the missing job descriptions, an audit will be conducted to identify those missing and then we will meet and confer with hiring manager, employee and bargaining units.
6. Implementation of a Loan Program within the 457 Deferred Compensation Plan.	6. Accomplished
7. Searched and signed agreement with Steve Areola with Felice Consulting in order to get information on our supplemental insurance provided to our current staff.	7. Accomplished
8. MHN Employee Assistance Program – Contacted and requested information regarding services for the staff.	8. Accomplished
9. Conducted an Audit of all work related injuries in order to close any pending claims.	9. Accomplished

# ADMINISTRATIVE SERVICES DEPARTMENT

FY 2016-2018 Adopted Budget

**Human Resources Division**

## **FY 2015-2016 ACCOMPLISHMENTS**

- |   |   |
|---|---|
| 10. Conducted all staff I-9 audit and verified accuracy of employee compensation.                   | Accomplished  |
| 11. Implement employee suggestion comment card boxes at all Divisions asking for ideas or concerns. | 11. Accomplished  |
| 12. Develop an in-house customer service training program for all clerical support.                 | 12. In Progress: Training will take place during the month of April 2016. |

# **ADMINISTRATIVE SERVICES DEPARTMENT**

**FY 2016-2018 Adopted Budget**

**Human Resources Division**

## **FY 2016-2018 OBJECTIVES**

1. Continue to meet and confer with employee bargaining units about health and dental insurance plans concerning premiums, plan design and employee/employer contributions.
2. Implement and develop a recognition award program for City staff at the beginning of the FY 2016-2017, which includes: Employee of the Month, Employee of the Year, Manager of the Month and Manager of the Year and Service Awards.
3. Conduct an Employee Satisfaction Survey to all City Staff and conduct meetings to discuss results and plan of action that will be taken regarding feedback provided.
4. Implement an online Ergonomic Self-Screening for all new hires (no charge to the City). The City will incur charges only if an assessment is required.
5. Develop and implement a new and improved Employee Performance Review System.
6. Review and update Personnel Policies and Procedures Manual and meet and confer with employee bargaining units prior to City Council final approval.
7. Introduce and implement a Wellness Program “Humana Vitality” Voluntary program. All participants will establish a personal pathway to goal setting by first completing a Health Assessment. Humana Vitality will suggest goals using your Health Assessment results. The program offers education, fitness, prevention and healthy living. This is a way to motivate our employees and stimulate our business. Purpose of the program to help our employees become healthier, more productive, lower healthcare costs, and fewer sick days.
8. Research and implement a HRIS system in order to facilitate reporting capabilities and process improvement.

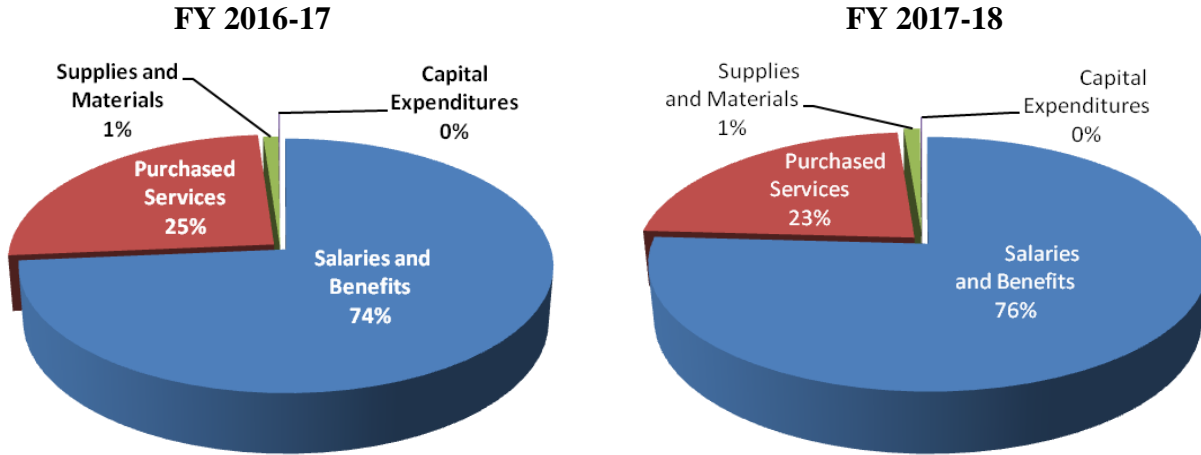
# FINANCE DEPARTMENT

FY 2016-2018 Adopted Budget

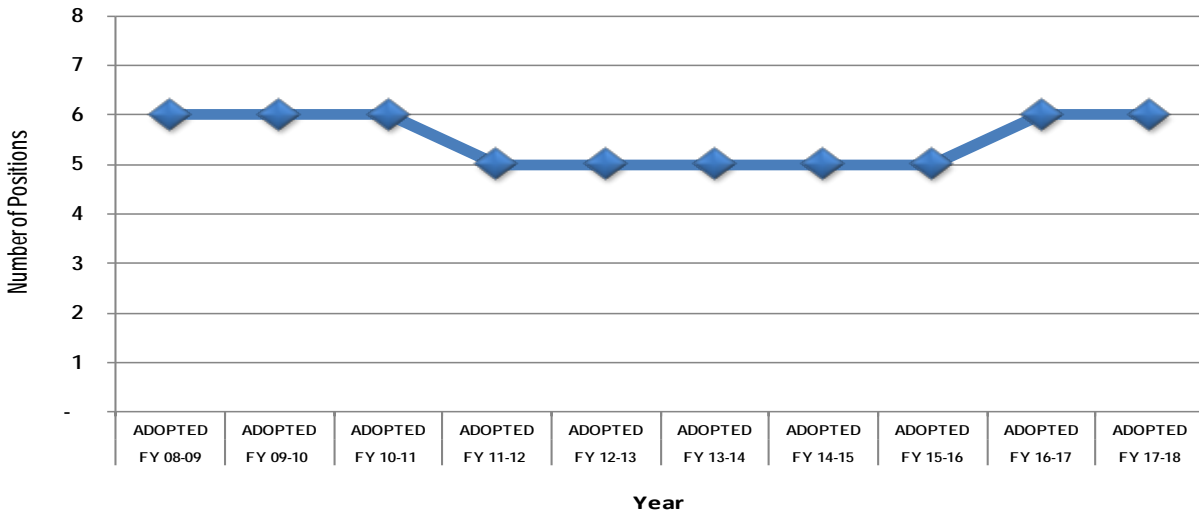
<b>FY 2016-17</b>	
Operating	\$1,080,190
Positions	6

<b>FY 2017-18</b>	
Operating	\$1,058,180
Positions	6

## CHARACTER OF EXPENDITURES



## AUTHORIZED STRENGTH



# FINANCE DEPARTMENT

## FY 2016-2018 Adopted Budget

### Department Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Use of Resources	683,600	772,700	968,995	1,048,840	1,051,380
Special Revenue Funds	3,600	3,690	3,750	3,850	4,050
Enterprise Funds	2,400	2,370	2,500	27,500	2,750
Successor Agency Trust Fund	-	15,800	8,200	-	-
<b>TOTAL</b>	<b>689,600</b>	<b>794,560</b>	<b>983,445</b>	<b>1,080,190</b>	<b>1,058,180</b>

#### EXPENDITURES BY DEPARTMENT

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Finance Department	689,600	794,560	983,445	1,080,190	1,058,180
<b>TOTAL</b>	<b>689,600</b>	<b>794,560</b>	<b>983,445</b>	<b>1,080,190</b>	<b>1,058,180</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	556,500	640,500	653,235	795,190	803,130
<b>Subtotal</b>	<b>556,500</b>	<b>640,500</b>	<b>653,235</b>	<b>795,190</b>	<b>803,130</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	126,500	148,080	319,900	272,600	242,150
Supplies and Materials	6,600	5,980	10,310	11,200	11,700
Capital Expenditures	-	-	-	1,200	1,200
<b>Subtotal</b>	<b>133,100</b>	<b>154,060</b>	<b>330,210</b>	<b>285,000</b>	<b>255,050</b>
<b>TOTAL</b>	<b>689,600</b>	<b>794,560</b>	<b>983,445</b>	<b>1,080,190</b>	<b>1,058,180</b>

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Finance Director	1	1	1	1	1
Fiscal Analyst	1	1	1	1	1
Senior Accountant	-	-	-	1	1
Accountant I/II	2	2	2	2	2
Account Technician I/II	1	1	1	1	1
<b>TOTAL</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>

# FINANCE DEPARTMENT

**FY 2016-2018 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; payroll; risk management, and business licensing. In support of the long-term goals, the department has a revised staffing level of six positions, including: Finance Director, Fiscal Analyst, Senior Accountant, Accountant II, and Accountant I and Account Technician.

The Finance Department emphasis remains focused on goals primarily targeted toward organization-wide issues that improve financial stability and mitigate financial risk rather than projects that are directly related to needed improvements and enhancements inside the Finance Department. Once a satisfactory level of stability and risk reduction has been met, the Department will focus internally on several areas of procedural and information process improvements. For FY 2016-18, the emphases will be: (a) implementing, securing, and stabilizing local resources; (b) improving the quality of financial analytics and practices in financial management and risk mitigation strategies; and, (c) improving business practices through the implementation of better, improved technology and information systems. In order to continue and achieve the broad goals stated above, the Finance Department will concentrate efforts in the following order:

#### **Implementing, Securing, and Stabilizing Local Resources**

The Finance Department will enter the last phase of a two-year emphasis on improving and stabilizing local resources. This focus area includes:

- 2015 Successor Agency Bond Refunding
- Re-establishing approximately \$11.8 million in Sponsoring Entity Loans
- Process for approval to place a local tax measure on the ballot
- Cost Allocation Plan and Master Fee Study

#### **Improving Financial Analytics, Practices, and Risk Mitigation Strategies**

This phase begins approximately fall of 2016. This focus area includes:

- Implement written grant procedures and process improvements
- Perform preliminary study of refuse rates and issues
- Assess internal controls to adopt California Uniform Public Cost Code Accounting procedures
- Study and analysis of insurance risk for workers' compensation, general and property liability
- Study and analysis of CalPERS' Retirement Liability
- Study and analysis of Financial Risk Profile
- Council Study Session on types/levels of City Reserves

# FINANCE DEPARTMENT

## FY 2016-2018 Adopted Budget

### Department Summary

#### Improving Technology and Information Systems

The Finance Department will begin major initiation of this focus area approximately summer of 2017. Initially, the Finance and Administrative Services IT departments will study and establish the need for new information systems. Depending upon the level of organizational support and project management, a well-organized implementation typically takes a minimum of 18-months to implement upon the award of the technology contract. This focus area includes:

- Study and present Council established need for new systems
- Assess current information and financial system environment through functional area surveys and business process reviews
- Perform vendor market research
- Issue RFP for Enterprise Resource Planning (ERP) system

### SIGNIFICANT CHANGES

#### **FY 2015-2016 Amended to FY 2016-2018 Adopted:**

The decrease of \$96,745 (9.8%) from the Amended FY 15-16 Budget to the Adopted FY 16-17 Budget is the result of adding the Senior Accountant position and increasing the Accountant Technician to an Accounting 1 position (pending); offset by a reduction in professional and other purchased services due to a large sales tax audit payment in FY 15-16 not estimated to occur during FY 16-18.

The decrease of \$22,010 (2.0%) from the Adopted FY 16-17 Budget to the Adopted FY 17-18 Budget is due to step and benefit increase in personnel services offset by a reduction in professional services due to the wind-down of utilizing outside consultants to achieve fiscal resiliency, data transparency, and risk mitigation goals of the department through June 2017. These costs will be replaced with an emphasis on other possible resource studies as well as other technical services costs related to technology and information projects initiated during FY 17-18.

<b>Fiscal Year (FY)</b>	<b>Budget</b>	<b>\$ Change From Previous FY</b>	<b>% Change From Previous FY</b>
2015-16 Amended	\$ 983,445		
2016-17	\$ 1,080,190	\$ 96,745	9.8%
2017-18	\$ 1,058,180	\$ (22,010)	-2.0%



# FINANCE DEPARTMENT

## FY 2016-2018 Adopted Budget

### FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Prepare and adopt the FY 2015-16 Operating Budget by June 30, 2015.	1. Adopted on June 16, 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.	2. Adopted on June 16, 2015
3. Implement a Biennial Budget (two-year) cycle beginning with budget FY 2017-19.	3. Early Adoption Achieved for FY 2016-18 Biennial
4. Initiate and complete implementation of GASB 68 on Accounting and Financial Reporting for Pensions.	4. Completed
5. Initiate and complete Affordable Care Act reporting requirements and implement AB 1522 California sick leave requirements.	5. Supported, HR completed
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.	6. Completed on December 30, 2015
7. Strategize and support the 2015 City negotiations with employee union bargaining groups due to vacancies in Human Resources Division.	7. Completed with two-year contracts all units
8. Monitor municipal bond market and initiate refunding of Successor Agency debt by August 2015.	8. Completed effective September 1, 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.	9. Transferred to Human Resources effective July 1, 2015 due to hiring HR Manager and Admin SVCS Director
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.	10. Phase I Completed in July 2015. Phase II Completed in January 2016 –initiated community engagement and information outreach

# FINANCE DEPARTMENT

FY 2016-2018 Adopted Budget

## FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVES	RESULTS
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.	11. Cost Allocation Plan delayed due to early adoption of other initiatives
12. Implement Open.gov web-based access to City's historical, current, and projected financial information by December 2015.	12. Completed 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.	13. Completed and presented January 2016
14. Provide financial analysis and support for the economic projections related to the City's General Plan Update project.	14. Completed as requested
15. Initiated and completed payroll audit of employee compensation codes, health benefit actual.	15. Unplanned Objective
16. Supported water rate increase study, lease negotiations, and water capital fees study with historical and projected financial analysis	16. Unplanned Objective

# **FINANCE DEPARTMENT**

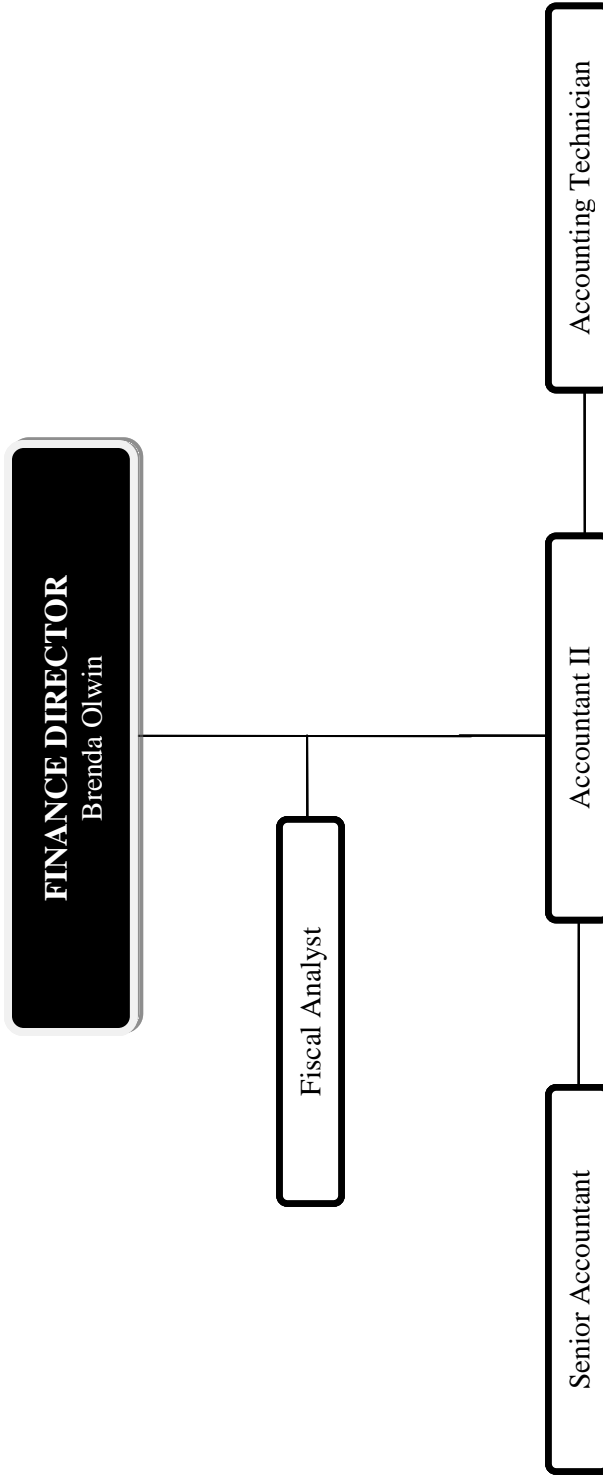
## **FY 2016-2018 Adopted Budget**

### **FY 2016-2018 OBJECTIVES**

1. Prepare and present the Preliminary FY 2016-18 Biennial Financial Summary and Budget Message by April 30, 2016.
2. Prepare and adopt the FY 2016-18 Biennial Operating and Capital Budget by June 30, 2016.
3. Perform process to consider placement of a local tax measure on the ballot in November 2016.
4. Implement written grant procedures and internal controls in order to improve the reporting and reimbursement of grant-related funding sources by December 2016.
5. Perform preliminary study of refuse rates and issues.
6. Assess procedures to consider adopting California Uniform Public Construction Cost Accounting Act procedures in order to better-manage and simplify bidding processes by January 2017.
7. Strategize and support the 2017 City negotiations with employee union bargaining groups beginning January 2017.
8. Complete and present comprehensive cost allocation plan and present results to Council and the City's Rent Stabilization Board by March 2017. Initiate user fee study by March 2017.
9. Prepare analytical studies of insurance risk, retirement liability, and City Financial Risk Profile by April 2017.
10. Prepare and present Mid-Cycle Operating Budget Update for the Biennial FY 2016-18 budget period by April 30, 2017.
11. Initiate stewardship for a city-wide Enterprise Resource Planning (ERP) Committee to be formed by May 2017.
12. Prepare Council Study Session regarding types and levels of long-term City reserves by June 2017.
13. ERP Committee to study and present Council with established need for new information systems including project implementation timeline and costs by October 2017.
14. Begin assessment of current information and financial system environments through functional area surveys and business process reviews in fall of 2017, and continue ERP implementation steps as determined by the ERP Committee through June 2018.

# FINANCE DEPARTMENT

FY 2016-2018 Adopted Budget



# COMMUNITY AND ECONOMIC DEVELOPMENT

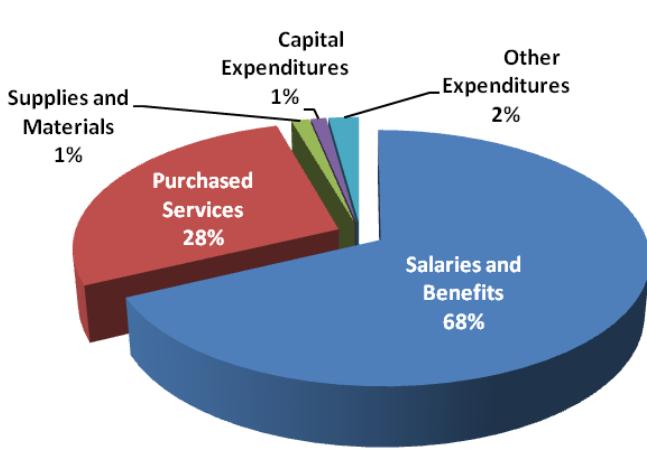
FY 2016-2018 Adopted Budget

**FY 2016-17**  
 Operating \$ 2,808,075  
 Positions 17

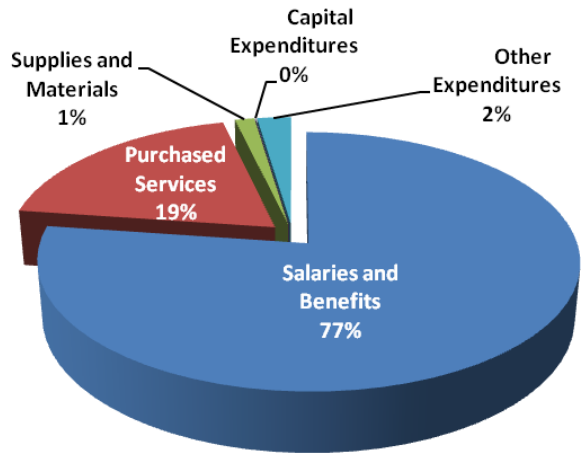
**FY 2017-18**  
 Operating \$ 2,550,615  
 Positions 17

## CHARACTER OF EXPENDITURES

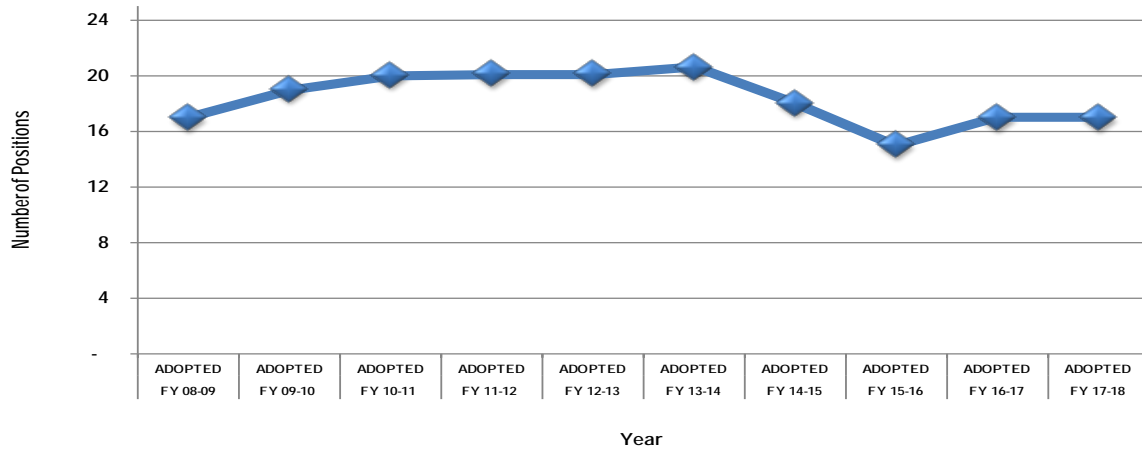
**FY 2016-17**



**FY 2017-18**



## AUTHORIZED STRENGTH



# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2016-2018 Adopted Budget

### Department Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Charges/Fees for Services	592,620	799,515	950,860	370,000	390,000
Assigned Funds	-	-	100,620	30,000	-
Use of Resources	1,321,955	1,076,805	760,390	1,565,225	1,597,695
Special Revenue Funds	1,436,160	802,490	1,158,730	826,675	544,515
Capital Project Fund	1,576,660	-	-	-	-
Enterprise Funds	43,500	43,720	135,045	16,175	18,405
Successor Agency Trust Fund	378,690	78,160	-	-	-
<b>TOTAL</b>	<b>5,349,585</b>	<b>2,800,690</b>	<b>3,105,645</b>	<b>2,808,075</b>	<b>2,550,615</b>

#### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Administration Division	3,207,860	1,313,470	1,210,975	618,790	575,730
Building Services Division	281,800	548,600	767,830	958,555	913,800
Planning and Housing Division	426,800	398,830	685,840	745,430	633,670
Rent Stabilization Division	637,370	539,790	441,000	485,300	427,415
Economic Development Division	574,090	-	-	-	-
Senior Services Division	221,665	-	-	-	-
<b>TOTAL</b>	<b>5,349,585</b>	<b>2,800,690</b>	<b>3,105,645</b>	<b>2,808,075</b>	<b>2,550,615</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	2,018,440	1,743,630	1,634,510	1,906,835	1,969,375
<b>Subtotal</b>	<b>2,018,440</b>	<b>1,743,630</b>	<b>1,634,510</b>	<b>1,906,835</b>	<b>1,969,375</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	2,764,405	819,530	1,360,235	775,090	485,990
Supplies and Materials	61,440	28,960	43,400	35,550	34,650
Capital Expenditures	15,210	7,440	7,500	30,600	600
Other Expenditures	490,090	201,130	60,000	60,000	60,000
<b>Subtotal</b>	<b>3,331,145</b>	<b>1,057,060</b>	<b>1,471,135</b>	<b>901,240</b>	<b>581,240</b>
<b>TOTAL</b>	<b>5,349,585</b>	<b>2,800,690</b>	<b>3,105,645</b>	<b>2,808,075</b>	<b>2,550,615</b>

#### AUTHORIZED STRENGTH

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Administration Division	7	8	4	4	4
Building Services Division	4	5	6	7	7
Planning and Housing Division	4	3	3	4	4
Rent Stabilization Division	2	2	2	2	2
ED/Senior Services Divisions	3.63	-	-	-	-
<b>TOTAL</b>	<b>20.63</b>	<b>18</b>	<b>15</b>	<b>17</b>	<b>17</b>

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2016-2018 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 were 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 2016-2018 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 2016-2018 Adopted Budget

Department Summary con't.

## SIGNIFICANT CHANGES

### **FY 2015-2016 Amended to FY 2016-2018 Adopted:**

The decrease of \$297,570 (9.6%) from the Amended FY 2015-16 Budget to the Adopted FY 2016-17 is more fully described in each division and primarily the result of the elimination of the shuttle service (\$245,000), further reduction in professional services from amended due to various impact fee and water studies authorized and amended during FY 2015-16; as well as planned reduction in outside plan check services. These decreases are offset by an increase of (\$272,325) in personnel costs primarily the result of adding the Senior Planner position as a full-time permanent, the reclassification of one Code Enforcement Office II from the Police Department to the Building Division, and salary and benefit cost increases.

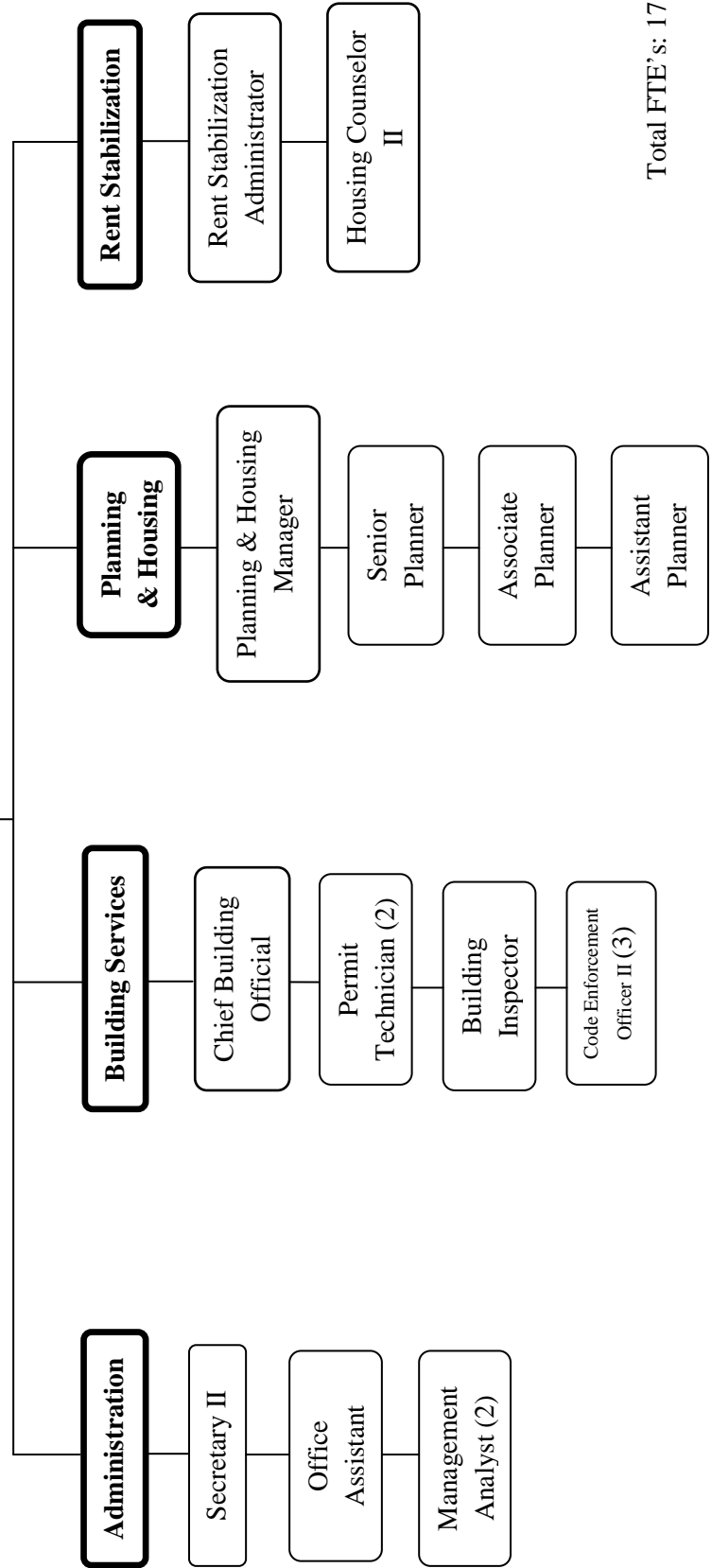
The decrease of \$257,460 (9.2%) from the Adopted FY 2016-17 Budget to the Adopted FY 2017-18 Budget is primarily attributed to further reductions in contracted services due to the elimination of the shuttle service charges to local measure A, as well as, a reduction in planning studies compared to the prior year.

<b>Fiscal Year (FY)</b>	<b>Budget</b>	<b>\$ Change From Previous FY</b>	<b>% Change From Previous FY</b>
2015-16 Amended	\$ 3,105,645		
2016-17	\$ 2,808,075	\$ (297,570)	-9.6%
2017-18	\$ 2,550,615	\$ (257,460)	-9.2%

# COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

FY 2016-2018 Adopted Budget

**Assistant City Manager**  
Sean Charpentier



Total FTE's: 17

# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2016-2018 Adopted Budget

### Administration Division

#### Division Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Use of Resources	961,860	928,890	448,200	442,240	461,225
Special Revenue Funds	625,840	262,700	627,730	160,375	96,100
Capital Project Fund	1,576,660	-	-	-	-
Enterprise Funds	43,500	43,720	135,045	16,175	18,405
Successor Agency	-	78,160	-	-	-
<b>TOTAL</b>	<b>3,207,860</b>	<b>1,313,470</b>	<b>1,210,975</b>	<b>618,790</b>	<b>575,730</b>

#### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Administration Division	3,207,860	1,313,470	1,210,975	618,790	575,730
<b>TOTAL</b>	<b>3,207,860</b>	<b>1,313,470</b>	<b>1,210,975</b>	<b>618,790</b>	<b>575,730</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	751,860	866,870	412,480	408,090	426,030
<b>Subtotal</b>	<b>751,860</b>	<b>866,870</b>	<b>412,480</b>	<b>408,090</b>	<b>426,030</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	2,417,300	417,780	706,495	147,150	85,050
Supplies and Materials	26,400	21,380	32,000	3,550	4,650
Capital Expenditures	12,300	7,440	-	-	-
Other Expenditures	-	-	60,000	60,000	60,000
<b>Subtotal</b>	<b>2,456,000</b>	<b>446,600</b>	<b>798,495</b>	<b>210,700</b>	<b>149,700</b>
<b>TOTAL</b>	<b>3,207,860</b>	<b>1,313,470</b>	<b>1,210,975</b>	<b>618,790</b>	<b>575,730</b>

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Management Analyst	2	2	2	2	2
Secretary II	1	1	1	1	1
Office Assistant	1	1	1	1	1
Community Development Director	1	1	-	-	-
Community Development Deputy Director	1	1	-	-	-
* Administrative Assistant	1	1	-	-	-
General Plan Proj Mgr (CIP funding)	-	1	-	-	-
<b>TOTAL</b>	<b>7</b>	<b>8</b>	<b>4</b>	<b>4</b>	<b>4</b>

\* Position transferred to Public Works Administration Division in 2015 Restructure Plan.

# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2016-2018 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.

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. The Administration Division manages the activities of, and sets policy for, the department, prepares and maintains budgets, and coordinates grant writing and grant management. Additionally, the Administration Division supports engineering and capital projects, parks, streets and facilities maintenance, long-range planning and development services. The Administration Division 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.

#### SIGNIFICANT CHANGES

##### FY 2015-2016 Amended to FY 2016-2018 Adopted:

The decrease of \$592,185 (48.9%) from the Amended FY 2015-16 Budget to the Adopted FY 16-17 Budget is primarily the result of the elimination of the shuttle service (\$245,000), reduction in professional services for various impact fee and water studies authorized and amended during FY 2015-16, and reclassification of various operating costs previously included in the Administration Division budget to other CEDD Divisions. In total, costs for services are reduced by \$559,345.

The decrease of \$43,060 (6.9%) from the Adopted FY 16-17 Budget to the Adopted FY 17-18 Budget is primarily attributed to further reductions in contracted services due to the elimination of the shuttle service charges to local measure A.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2015-16 Amended	\$ 1,210,975		
2016-17	\$ 618,790	\$(592,185)	-48.9%
2017-18	\$ 575,730	\$ (43,060)	-6.9%

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2016-2018 Adopted Budget

Administration Division

## FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. Develop and implement project management procedures and project tracking system.	1. Accomplished. Relevant CEDD and PW divisions use the TRAKiT system.
2. Standardize file system and consolidate filing. Implement scanning and digital storage of files including scanning of existing microfiche.	2. In progress.
3. Develop standard operating procedures and policies for the Department.	3. In progress.
4. Evaluate customer service and consider opportunities to improve services.	4. No comprehensive review occurred.
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.	5. Completed/On-going.
6. Complete General Plan Update and Environmental Impact Report (EIR).	6. In progress. The Final Draft General Plan will be submitted for City Council adoption in Fall 2016.
7. Implement short term recommendations for the Maintenance Division.	7. Maintenance Division moved to the Public Works Department.
8. Manage special projects and programs including NPDES, City Shuttle, and Business Retention.	8. Ongoing.
9. Coordinate implementation of a comprehensive strategy for enhancing water supply and upgrading the water system for the City.	9. In progress. Working on projects to improve and expand the water system.
10. Finalize design and environmental review for the US 101 Pedestrian and Bicycle Overcrossing.	10. In progress. Design is complete; environmental is underway.
11. Complete Cooley Landing Education Center and develop ongoing maintenance protocols.	11. Accomplished. The grand opening was 4/16/2016.
12. Complete Public Facilities Plan and Affordable Housing Strategy	12. Plan to release RFPs in summer 2016.
13. Update and adopt a Nexus Study for Impact Fees.	13. Underway. Contract granted to AECOM to complete the Nexus Study and Impact Fee update; commercial linkage fee study purchased from 21 Elements.

# **COMMUNITY AND ECONOMIC DEVELOPMENT**

**FY 2016-2018 Adopted Budget**

**Administration Division**

## **FY 2016-2018 OBJECTIVES**

1. Present a draft Affordable Housing Plan to the community and City Council.
2. Institute a customer feedback procedure to evaluate customer service levels.
3. Submit final General Plan document and Environmental Impact Report for City Council adoption.
4. Plan and implement water meter replacement program.
5. Pursuit funding opportunities for water capital improvement projects.
6. Complete a Public Facilities Plan.
7. Adopt a Citywide Development Impact Fee program.
8. Continue implementation of the Water Strategy Blueprint

# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2016-2018 Adopted Budget

### Building Services Division

#### Division Summary

##### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Charges/Fees for Services	464,135	631,610	666,000	253,500	270,500
Assigned Funds	-	-	-	30,000	-
Use of Resources	(182,335)	(83,010)	86,830	625,055	628,300
Special Revenue Funds	-	-	15,000	50,000	15,000
<b>TOTAL</b>	<b>281,800</b>	<b>548,600</b>	<b>767,830</b>	<b>958,555</b>	<b>913,800</b>

##### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Building Services Division	281,800	548,600	767,830	958,555	913,800
<b>TOTAL</b>	<b>281,800</b>	<b>548,600</b>	<b>767,830</b>	<b>958,555</b>	<b>913,800</b>

##### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	258,000	353,920	497,290	732,555	754,300
<b>Subtotal</b>	<b>258,000</b>	<b>353,920</b>	<b>497,290</b>	<b>732,555</b>	<b>754,300</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	23,700	193,150	260,140	182,500	148,000
Supplies and Materials	100	1,530	2,900	13,500	11,500
Capital Expenditures	-	-	7,500	30,000	-
<b>Subtotal</b>	<b>23,800</b>	<b>194,680</b>	<b>270,540</b>	<b>226,000</b>	<b>159,500</b>
<b>TOTAL</b>	<b>281,800</b>	<b>548,600</b>	<b>767,830</b>	<b>958,555</b>	<b>913,800</b>

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Chief Building Official	1	1	1	1	1
Building Inspector	1	1	1	1	1
Building Permit Technician	2	2	2	2	2
* Code Enforcement Officer II	-	1	2	3	3
<b>TOTAL</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>7</b>

\* One Position transferred from Police Department Operations Division.

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2016-2018 Adopted Budget

## Building Services Division Summary

### SERVICE DESCRIPTION

The Building Division ensures that existing and new/adopted development complies with the California Building Standards Code, including California Code of Regulations Titles 8, 19, 24, and 25 as mandated by the State of California. The Division provides customer assistance to residents, property owners, contractors, developers, Design Professionals and businesses via the City's Permit Center. Services include plan review, permit issuance and assistance, inspections, and enforcement of state and local regulatory laws under the jurisdiction of the Community and Economic Development Department.

Building Services Division responsibilities include: project plan review, inspections, permit activities coordination, evaluation, implementation of codes and policies, and construction-related code enforcement for existing and new buildings and properties 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 and constant improvement of building services and streamlining of the permitting and inspection 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 Years 2016-18 are to continue to improve the customer experience through:

- Ongoing training and certification of staff and the incorporation of value added methodology of the construction industry, i.e. "if it doesn't add value we don't do it";
- Integration, education and development of Permit Center staff to answer minor planning and engineering related customer and applicant questions.
- Purchase and utilize mobile devices to increase field inspection accuracy, efficiency and productivity as well as increase our online abilities to ease customer efforts.

Additionally, the Building Services Division continues to add to customer service and operational efficiencies by developing and distributing educational handouts, policies, procedures and written interpretations that address enforcement and have provide these resources online to aid our customers in their efforts related to new construction, additions, alterations, maintenance and repair of properties and structures in the City of East Palo Alto.

The Division strategically addresses the following on an ongoing basis:

- Customer service, satisfaction and efficient Permit Center operations;
- Coordination of Building Permit processing with other Divisions;
- In-house and contract plan check;
- Permit inspections;
- Code Enforcement and compliance;
- Records management;



# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2016-2018 Adopted Budget

### Building Services Division Summary

- Life safety Inspections specific to the built environment;
- Community outreach and education;
- Disaster/emergency preparedness, mitigation, and recovery as required under the CAL-OES Safety Assessment Program requirements.

### SIGNIFICANT CHANGES

#### FY 2015-2016 Amended to FY 2016-2018 Adopted:

The increase of \$190,725 (24.8%) the Amended FY 15-16 Budget to the Adopted FY 16-17 Budget is due to the transfer of a Code Enforcement II officer from the Police Department and the purchase of a vehicle, offset by a reduction in outside plan check services.

The decrease of \$44,755 (4.6%) from the Adopted FY 16-17 Budget to the Adopted FY 17-18 Budget is primarily a result of no truck purchase being made in FY 2017-18.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2015-16 Amended	\$ 767,830		
2016-17	\$ 958,555	\$ 190,725	24.8%
2017-18	\$ 913,800	\$ (44,755)	-4.6%

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2016-2018 Adopted Budget

**Building Services Division**

## FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. Integrate Community Development Code Enforcement Inspector and Community Development Code Enforcement Inspector into this Division;	1. Accomplished.
2. Cross-train Permit Center staff to be able to provide information that answers customer questions addressing minor planning and engineering permits;	2. In Progress (program scope increased in 2016).
3. Work to improve the current CRW system for easy access to application submittals for permits to improve in-house tracking;	3. Accomplished (increased project scope for 2017).
4. Train Permit Technicians to conduct over-the-counter plan check procedures for minor permit issuance;	4. In Progress (increased project scope 2016).
5. Continue to develop digital plan-review options for minor permit submittals to improve turn-around times for application permitting;	5. Accomplished (going digital program expanded for 2017).
6. Work with Finance and IT departments to develop and implement a plan to use credit cards at the counter;	6. In Progress.
7. Maintain the Permit Center during normal hours of operation and assist the public accordingly;	7. Accomplished.
8. Complete 95-percent of first building plan checks within 21 business days;	8. Accomplished.
9. Continue to provide 100-percent of inspections within two business days of request.	9. Accomplished.

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2016-2018 Adopted Budget

**Building Services Division**

## **FY 2016-2018 OBJECTIVES**

1. Continue to pursue our Health & Safety objectives as requested and approved by Council through Code Enforcement efforts, outreach and education.
2. Continue to improve service quality, efficiencies and customer service levels significantly.
3. Develop and implement a “Quality of Service” program including online customer surveys, customer feedback cards and an in house mantra of constant improvement.
4. Continue to pursue all applicable certifications, training and education for staff to develop and achieve staff potential and exemplary customer benefits.
5. Adopt, amend and clarify the new 2015 California Building Standards Code prior to its effective date of 1/1/17.
6. Amend, simplify and adopt an updated and well defined, clear and concise fee schedule for Building Services.
7. Continue to update vehicles, technology and tools to better serve the community and provide a modern and safe working environment for staff.
8. Continue to develop partnerships with both City Departments and outside agencies to ensure compliance with all laws and regulations relating to the built and natural environment.
9. Develop a regimented program for addressing illegal dumping.
10. Increase revenue by 10% while keeping costs down per project. This will occur by increasing the volume of construction actually obtaining permits through appropriate code enforcement efforts.

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# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2016-2018 Adopted Budget Planning and Housing Division

### Division Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Charges/Fees for Services	128,485	167,905	284,860	116,500	119,500
Assigned Funds	-	-	100,620	-	-
Use of Resources	244,515	230,925	225,360	497,930	508,170
Special Revenue Funds	53,800	-	75,000	131,000	6,000
<b>TOTAL</b>	<b>426,800</b>	<b>398,830</b>	<b>685,840</b>	<b>745,430</b>	<b>633,670</b>

#### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Planning and Housing Division	426,800	398,830	685,840	745,430	633,670
<b>TOTAL</b>	<b>426,800</b>	<b>398,830</b>	<b>685,840</b>	<b>745,430</b>	<b>633,670</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	409,700	320,790	463,760	511,310	521,050
<b>Subtotal</b>	<b>409,700</b>	<b>320,790</b>	<b>463,760</b>	<b>511,310</b>	<b>521,050</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	17,000	78,030	222,080	224,120	102,620
Supplies and Materials	100	10	-	10,000	10,000
Capital Expenditures	-	-	-	-	-
<b>Subtotal</b>	<b>17,100</b>	<b>78,040</b>	<b>222,080</b>	<b>234,120</b>	<b>112,620</b>
<b>TOTAL</b>	<b>426,800</b>	<b>398,830</b>	<b>685,840</b>	<b>745,430</b>	<b>633,670</b>

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Planning Manager	1	1	1	1	1
* Senior Planner	-	-	-	1	1
Associate Planner	2	1	1	1	1
Assistant Planner	-	1	1	1	1
General Plan Project Manager (LTD)	1	-	-	-	-
<b>TOTAL</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>

\* Position rotated into permanent position in FY 16-18. Initially hired as 2-year Limited Duration.

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2016-2018 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.

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.

# COMMUNITY DEVELOPMENT

## FY 2016-2018 Adopted Budget

### Planning and Housing Division Summary

#### SIGNIFICANT CHANGES

##### **FY 2015-2016 Amended to FY 2016-2018 Adopted:**

The increase of \$59,590 (8.7%) from the Amended FY 2015-16 Budget to the Adopted FY 16-17 Budget is primarily the result of adding the Senior Planner position as a full-time permanent, offset by reductions in consultant costs.

The decrease of \$111,760 (15%) from the Adopted FY 16-17 Budget to the Adopted FY 17-18 Budget is primarily attributed to completion of the affordable housing study and the bicycle/pedestrian transportation plans.

<b>Fiscal Year (FY)</b>	<b>Budget</b>	<b>\$ Change From Previous FY</b>	<b>% Change From Previous FY</b>
2015-16 Amended	\$ 685,840		
2016-17	\$ 745,430	\$ 59,590	8.7%
2017-18	\$ 633,670	\$ (111,760)	-15.0%

# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2016-2018 Adopted Budget Planning and Housing Division

### FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVE	RESULT
<p>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.</p>	<p>1. In Progress (Additional Funding Allocated for GIS Services)</p>
<p>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</p>	<p>2. In Progress</p>
<p>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.</p> <p>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.</p> <p>b. Adopt a new Bicycle Transportation Plan, which is required to continue receiving CALTRANS funding for non-motorized improvements.</p>	<p>3. In Progress</p>
<p>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.</p>	<p>4. In Progress</p>
<p>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.</p>	<p>5. In Progress</p>



# COMMUNITY AND ECONOMIC DEVELOPMENT

2016-2018 Adopted Budget

## Planning and Housing Division

### FY 2016-2018 OBJECTIVES

1. 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.
2. 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.
3. Adopt a new Bicycle Transportation Plan, which is required to continue receiving CALTRANS funding for non-motorized improvements.
4. Improve the customer service experience by enhancing the department website and providing user friendly forms.
5. Continue to implement the Community Rating System (CRS) and obtain a Class 6 designation from FEMA
6. Provide environmental planning support to the Engineering Division for the PAD D project.
7. Approve a minimum of 8 secondary dwelling units in support of the Housing Element.

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# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2016-2018 Adopted Budget

### Rent Stabilization Division

#### Division Summary

##### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Special Revenue Funds	637,370	539,790	441,000	485,300	427,415
<b>TOTAL</b>	<b>637,370</b>	<b>539,790</b>	<b>441,000</b>	<b>485,300</b>	<b>427,415</b>

##### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Rent Stabilization Division	637,370	539,790	441,000	485,300	427,415
<b>TOTAL</b>	<b>637,370</b>	<b>539,790</b>	<b>441,000</b>	<b>485,300</b>	<b>427,415</b>

##### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	283,090	202,050	260,980	254,880	267,995
<b>Subtotal</b>	<b>283,090</b>	<b>202,050</b>	<b>260,980</b>	<b>254,880</b>	<b>267,995</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	146,590	130,570	171,520	221,320	150,320
Supplies and Materials	8,750	6,040	8,500	8,500	8,500
Capital Expenditures	2,910	-	-	600	600
Other Expenditures	196,030	201,130	-	-	-
<b>Subtotal</b>	<b>354,280</b>	<b>337,740</b>	<b>180,020</b>	<b>230,420</b>	<b>159,420</b>
<b>TOTAL</b>	<b>637,370</b>	<b>539,790</b>	<b>441,000</b>	<b>485,300</b>	<b>427,415</b>

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
RS Administrator	1	1	1	1	1
Housing Counselor II	-	1	1	1	1
Housing Specialist I/II	1	-	-	-	-
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

# COMMUNITY AND ECONOMIC DEVELOPMENT

## FY 2016-2018 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 two (2) positions for these services, and is supported by staff from the City Attorney's Office and the Finance Department, contracts Information Technology providers, hearing examiners, and temporary staff as needed.

#### SIGNIFICANT CHANGES

##### FY 2015-2016 Amended to FY 2016-2018 Adopted:

The increase of \$44,300 (10%) the Amended FY 15-16 Budget to the Adopted FY 16-17 Budget is due mostly to increases in professional and other technical services; particularly costs for litigation services and hearing examiners. The program anticipates an increased volume of hearings in FY 2016-17.

The decrease of \$57,885 (11.9%) the Adopted FY 16-17 Budget to the Adopted FY 17-18 Budget is primarily due to a reduction in professional services.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2015-16 Amended	\$ 441,000		
2016-17	\$ 485,300	\$ 44,300	10.0%
2017-18	\$ 427,415	\$ (57,885)	-11.9%

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2016-2018 Adopted Budget

Rent Stabilization Division

## FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVE	RESULT
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.	1. The Board adopted most of Stephen Barton's recommendations and submitted to the Council for its consideration. Staff is currently working with a Council's Ad-Hoc Committee.
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.	2. The Board held public presentations by the County's Environmental Health Division and the Mosquito and Vector District; and the Program mailed invitations to landlords and tenants. It has also been coordinating code enforcement inspections with Building, Code Enforcement, and the County.
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.	3. In collaboration with the City Attorney's Office, the Board has amended and adopted new parking regulations. The Program has provided tenants and landlords with proper updates.
4. Work with the IT services provider to finish making any major programming needs to the Program's registration database and petition tracking system.	4. The Program has worked with IT to make necessary adjustments to the Program's database. The Program is working with Human Resources to bring expert volunteers to assist the Program to identify any other improvements to the Database that could help the Program run more efficiently.
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.	5. The Program has done three massive mailings to all the tenants under the Program with information about the Ordinance and has regularly been providing landlords with updates on the Program's and Board's activities.
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.	6. The Program continues mailing tenants with legal referral information to those tenants facing eviction within one business day after receiving notifications from landlords. The Program continues responding to landlords' verbal and written requests for information on a daily basis.

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2016-2018 Adopted Budget

**Rent Stabilization Division**

## FY 2015-2016 ACCOMPLISHMENTS

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.
7. The Program continues issuing Certificates of Maximum Allowable Rent for new tenants within one or two business days of the Program's receipt of a completed Vacancy Registration Statement to comply with the Ordinance and regulations.
  8. The Program timely provided landlords with registration information and has been processing and assisting landlords to properly register their rental units.
  9. The Program has been timely processing individual rent adjustment petitions and has entered into contract with two new hearing examiners to address the backlog of pending decisions on old matters already heard.
  10. The Program has been working with landlords who were not in compliance and had failed to register their units under the Ordinance requirements. The Program continues collecting penalties from non-compliance landlords and has filed liens on two properties because of non-compliance issues.

# COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2016-2018 Adopted Budget

**Rent Stabilization Division**

## **FY 2016-2018 OBJECTIVES**

1. In collaboration with the City Attorney's Office, assist the City Council to review, adopt and implement the recommendations suggested in the review of the Rent Stabilization Program (Program) prepared by Stephen Barton.
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 make any necessary programming adjustment 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 2017 Annual Registration Statements to landlords of regulated rental units by November 15, so that they can be submitted in time to meet the January 3, 2017 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 DEPARTMENT

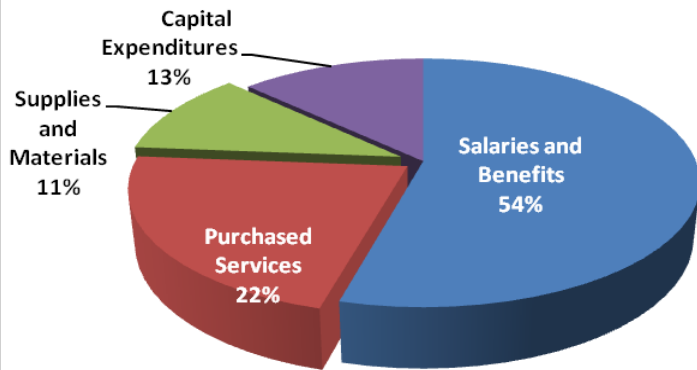
FY 2016-2018 Adopted Budget

<b>FY 2016-17</b>	
Operating	\$ 4,169,570
Positions	19

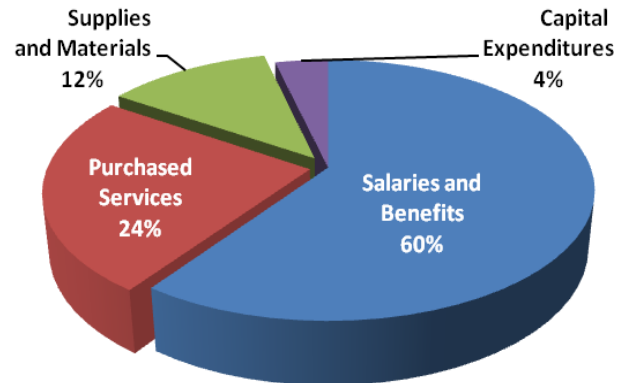
<b>FY 2017-18</b>	
Operating	\$ 3,825,150
Positions	19

## CHARACTER OF EXPENDITURES

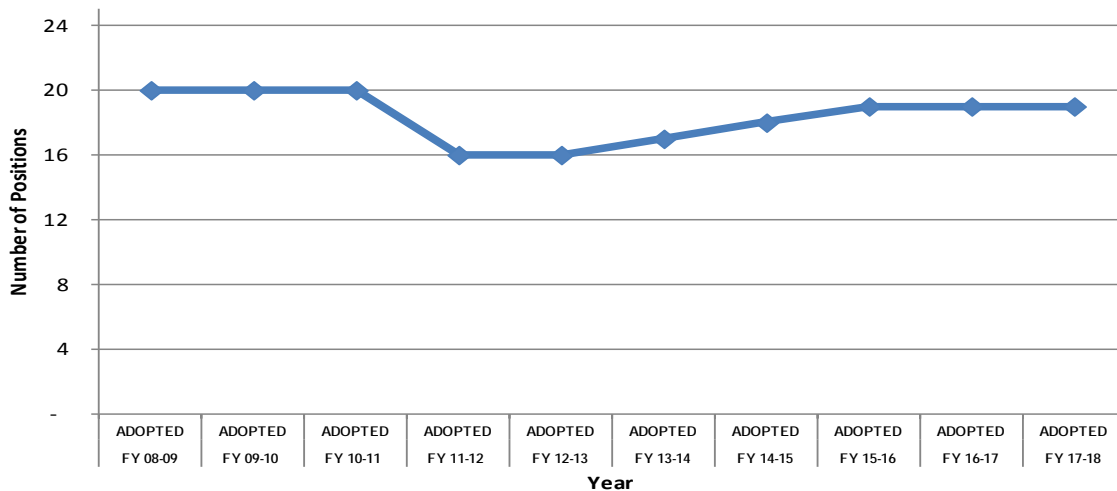
**FY 2016-17**



**FY 2017-18**



## AUTHORIZED STRENGTH



# PUBLIC WORKS DEPARTMENT

## FY 2016-2018 Adopted Budget

### Department Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Charges for Services	164,695	129,435	400,000	95,000	70,000
Assigned Funds	-	-	66,000	420,000	170,000
Use of Resources	1,469,825	1,832,865	2,210,645	2,485,615	2,538,510
Special Revenue Funds	925,830	735,670	857,205	1,042,520	918,270
Capital Project Fund	1,670	-	-	-	-
Enterprise Funds	143,100	145,300	182,570	126,435	128,370
<b>TOTAL</b>	<b>2,705,120</b>	<b>2,843,270</b>	<b>3,716,420</b>	<b>4,169,570</b>	<b>3,825,150</b>

#### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Administration Division	-	-	330,675	346,600	380,225
Engineering Division	636,600	680,330	889,220	777,510	785,725
Maintenance Division	2,068,520	2,162,940	2,496,525	3,045,460	2,659,200
<b>TOTAL</b>	<b>2,705,120</b>	<b>2,843,270</b>	<b>3,716,420</b>	<b>4,169,570</b>	<b>3,825,150</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	1,499,820	1,764,430	2,010,430	2,256,640	2,287,950
<b>Subtotal</b>	<b>1,499,820</b>	<b>1,764,430</b>	<b>2,010,430</b>	<b>2,256,640</b>	<b>2,287,950</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	794,500	717,130	1,228,075	924,630	936,900
Supplies and Materials	381,800	345,460	444,700	455,300	455,300
Capital Expenditures	29,000	16,250	33,215	533,000	145,000
<b>Subtotal</b>	<b>1,205,300</b>	<b>1,078,840</b>	<b>1,705,990</b>	<b>1,912,930</b>	<b>1,537,200</b>
<b>TOTAL</b>	<b>2,705,120</b>	<b>2,843,270</b>	<b>3,716,420</b>	<b>4,169,570</b>	<b>3,825,150</b>

#### AUTHORIZED STRENGTH

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Administration Division	-	-	2	2	2
Engineering Division	6	6	5	5	5
Maintenance Division	11	12	12	12	12
<b>TOTAL</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>19</b>	<b>19</b>

# PUBLIC WORKS DEPARTMENT

**FY 2016-2018 Adopted Budget**

## **Department 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.

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

The Department was created in 2015 when the Community and Economic Development Department divisions were separated and reorganized. The Public Works Department includes the Engineering Division, and the Maintenance Division.

#### **Divisions Overview:**

##### **Engineering Division**

The Engineering Division oversees the design, development and construction of public works capital projects and facilities, including streets and roadways, water supply, and storm drainage systems. The Division is responsible for issuing permits for any work to be performed on City right-of-way and performs various reviews related to private development projects, and prepares grant applications

##### **Maintenance Division**

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.

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

- Maintaining existing streets, utilities and facilities;
- Developing and managing the City's Ten Year Capital Improvement Program and annual Capital Budget;
- As the environmental coordinator for the City, ensuring compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA);
- Serving as the Disabled Access Coordinator to ensure safe and reasonable access for all citizens under the Americans with Disabilities Act (ADA) and California Title 24;
- Managing storm water efforts to ensure compliance with the Clean Water Act and other mandates of the San Francisco Bay Regional Water Quality Control Board;
- Providing staff support to the City Council and Public Works and Transportation 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 Francisco 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*

- Administer the City's Floodplain regulations and maintain/enhance the City's Community Rating System (CRS) status.

- 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.

1. *Enhance Public Safety and Emergency Preparedness (cont.)*

- Coordinate and collaborate with East Palo Police Department, MPFPD and others on emergency preparedness efforts.
- Maintain the storm drain system including the O'Connor Pump Station, streets and other infrastructure.
- Continue to abate graffiti and illegal dumping on public facilities, within parks and adjacent to City streets.

2. *Enhance Economic Vitality*

- Continue to implement capital projects with particular focus on water supply and transportation projects.

3. *Increase Organizational 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.
- More fully implement the IWORQ software within Maintenance.
- Evaluate opportunities to utilize paid and unpaid interns.

4. *Improve Public Facilities and Infrastructure*

- Complete design of Bay Road and related downstream infrastructure.
- Complete design of Gloria Way Well treatment facility.
- Complete Safe Routes to School (Federal) project.
- Complete construction of Phase 3 of Cooley Landing Park.
- Implement projects included in the FY 2015-16 Capital Budget and initiate work on improving Ten Year Capital Program format.
- Initiate work on preventive maintenance program.
- Coordinate with SFCJPA on implementation of flood control projects.

5. *Improve Communication and Enhance Community Engagement*

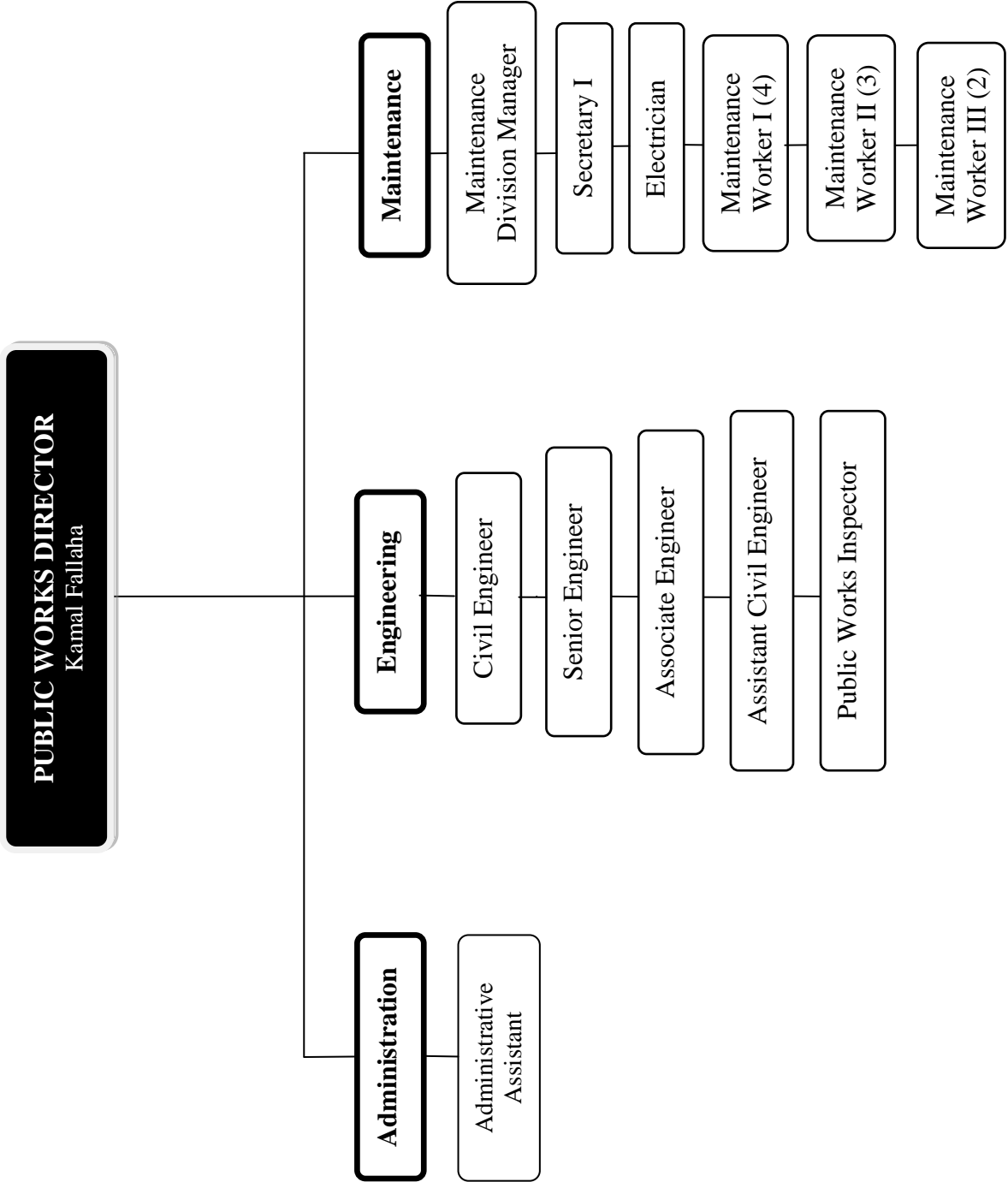
- Provide articles for City Newsletter and City Manager Notes and Quotes.

6. *Create a Healthy and Safe Community*

- Evaluate opportunities to enhance/expand parks and open space opportunities.

# PUBLIC WORKS DEPARTMENT

FY 2016-2018 Adopted Budget



Total FTE's: 19

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# PUBLIC WORKS DEPARTMENT

## FY 2016-2018 Adopted Budget

### Administration Division

#### Department Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Assigned Funds	-	-	-	-	30,000
Use of Resources	-	-	330,675	336,600	340,225
Special Revenue Funds	-	-	-	10,000	10,000
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>330,675</b>	<b>346,600</b>	<b>380,225</b>

#### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Administration Division	-	-	330,675	346,600	380,225
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>330,675</b>	<b>346,600</b>	<b>380,225</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	-	-	314,675	319,400	323,025
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>314,675</b>	<b>319,400</b>	<b>323,025</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	-	-	15,000	25,200	25,200
Supplies and Materials	-	-	1,000	2,000	2,000
Capital Expenditures	-	-	-	-	30,000
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>16,000</b>	<b>27,200</b>	<b>57,200</b>
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>330,675</b>	<b>346,600</b>	<b>380,225</b>

#### Position (FTE) Detail

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
* Public Works Director	-	-	1	1	1
** Administrative Assistant	-	-	1	1	1
	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>2</b>

\* Position established in 2015 Restructure Plan.

\*\* Position transferred from Community Economic Development Department in 2015 Restructure Plan.

# PUBLIC WORKS DEPARTMENT

**FY 2016-2018 Adopted Budget**

## **Administration Division Summary**

### **MISSION STATEMENT**

The Public Works Administration Division provides oversight of the 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.

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

The Division was created in 2015 when the Community and Economic Development Department divisions were separated and reorganized and the Public Works Department was formed.

The Division is responsible for the oversight of a wide-range of functions including:

- Maintaining existing streets, utilities and facilities;
- Developing and managing the City's Ten Year Capital Improvement Program;
- As the environmental coordinator for the City, ensuring compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA);
- Serving as the Disabled Access Coordinator to ensure safe and reasonable access for all citizens under the Americans with Disabilities Act (ADA) and California Title 24;
- Managing storm water efforts to ensure compliance with the Clean Water Act and other mandates of the San Francisco Bay Regional Water Quality Control Board;
- Providing staff support to the City Council and Public Works and Transportation 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 Francisco 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*

- Conduct 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 the storm drain system including the O'Connor Pump Station, streets and other infrastructure.
- Continue to abate graffiti and illegal dumping on public facilities, within parks and adjacent to City streets.

#### *2. Enhance Economic Vitality*

- Continue to implement capital projects with particular focus on water supply and transportation projects.



# PUBLIC WORKS DEPARTMENT

## FY 2016-2018 Adopted Budget

### Administration Division Summary con't.

#### 3. Increase Organizational 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.
- More fully implement the IWORQ software within Maintenance.
- Evaluate opportunities to utilize paid and unpaid interns.

#### 4. Improve Public Facilities and Infrastructure

- Complete design of Bay Road and related downstream infrastructure.
- Complete design of Gloria Way Well treatment facility.
- Complete Safe Routes to School (Federal) project.
- Complete construction of Phase 3 of Cooley Landing Park.
- Implement projects included in the FY 2015-16 Capital Budget and initiate work on improving Ten Year Capital Program format.
- Initiate work on preventive maintenance program.
- Coordinate with SFCJPA on implementation of flood control projects.

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

- Provide articles for City Newsletter and City Manager Notes and Quotes.

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

- Evaluate opportunities to enhance/expand parks and open space opportunities

### SIGNIFICANT CHANGES

The increase of \$15,925 (4.8%) from the Amended FY 2015-16 Budget to the Adopted FY 2016-17 Budget is mainly due to funding for a traffic study (\$10,000) and increases in salary/benefits costs.

The increase of \$33,625 (9.7%) from the Adopted FY 2016-17 budget is due to a vehicle purchase for public works inspections and meetings.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2015-16 Amended	\$ 330,675		
2016-17	\$ 346,600	\$ 15,925	4.8%
2017-18	\$ 380,225	\$ 33,625	9.7%

# PUBLIC WORKS DEPARTMENT

FY 2016-2018 Adopted Budget

**Administration Division**

## FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. Conduct in-house training for Maintenance Division staff to update them on construction methods, techniques and new tools to enhance quality and efficiency	1. On-going
2. Provide Engineering Division staff with training opportunities to improve performance.	2. On-going
3. Complete Safe Routes To School (SRTS) project construction	3. The project will be advertized for construction in June, 2016
4. Monitor and solicit grant opportunities to fund necessary ATP and SRTS cycles identified in the "Existing Conditions" report.	4. On-going
5. Complete Bay Road Phase II/III Improvements to serve the Ravenswood Business Park area	5. PG&E will start undergrounding the overhead utilities in August, 2016
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.	6. Underway, 65% plans will be completed in July of 2016.  The POC project is in the final design and environmental stage.
7. Reactivate the Gloria Way well to serve new businesses and homes.	7. 95% design of the water treatment system will be completed in August 2016
8. Develop a groundwater management plan	8. Completed in November 2015
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.	9. Construction work will resume on September 1 <sup>st</sup> , 2016
10. Update the City Urban Water Management Plan.	10. Underway, the plan will be adopted in June 2016
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.	11. Bids were opened on May 28, 2016 and came above the Engineer's Estimate. Construction work will start in June 2016 if funding gap is filled by the SFCJPA Stakeholders

# **PUBLIC WORKS DEPARTMENT**

**FY 2016-2018 Adopted Budget**

**Administration Division**

## **FY 2016-2018 OBJECTIVES**

1. Complete the environmental and Design Phase for the new groundwater well at Pad D
2. Conduct in-house training for Maintenance Division staff to update them on construction methods, techniques and new tools to enhance quality and efficiency
3. Provide Engineering Division staff with training opportunities to improve performance.
4. Complete Safe Routes To School (SRTS) project construction
5. Monitor and solicit grant opportunities to fund necessary ATP and SRTS cycles identified in the "Existing Conditions" report.
6. Complete Bay Road Phase II/III Improvements to serve the Ravenswood Business Park area
7. 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.
8. Reactivate the Gloria Way well to serve new businesses and homes.
9. Develop a groundwater management plan
10. 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.
11. Update the City Urban Water Management Plan.
12. 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.
13. Complete a new round of Sidewalk improvements project
14. Complete a new Citywide Street Resurfacing Project

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# PUBLIC WORKS DEPARTMENT

## FY 2016-2018 Adopted Budget

### Engineering Division

#### Division Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Funds:					
Charges/Fees for Services	164,695	129,435	400,000	95,000	70,000
Assigned Funds	-	-	5,000	5,000	5,000
Use of Resources	294,605	547,285	421,215	649,010	682,225
Special Revenue Funds	175,630	3,610	-	28,500	28,500
Capital Project Fund	1,670	-	-	-	-
Enterprise Funds	-	-	63,005	-	-
<b>TOTAL</b>	<b>636,600</b>	<b>680,330</b>	<b>889,220</b>	<b>777,510</b>	<b>785,725</b>

#### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Engineering Division	636,600	680,330	889,220	777,510	785,725
<b>TOTAL</b>	<b>636,600</b>	<b>680,330</b>	<b>889,220</b>	<b>777,510</b>	<b>785,725</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	451,000	639,610	478,185	702,110	713,325
<b>Subtotal</b>	<b>451,000</b>	<b>639,610</b>	<b>478,185</b>	<b>702,110</b>	<b>713,325</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	185,600	40,720	411,035	69,300	69,300
Supplies and Materials	-	-	-	3,100	3,100
Capital Expenditures	-	-	-	3,000	-
<b>Subtotal</b>	<b>185,600</b>	<b>40,720</b>	<b>411,035</b>	<b>75,400</b>	<b>72,400</b>
<b>TOTAL</b>	<b>636,600</b>	<b>680,330</b>	<b>889,220</b>	<b>777,510</b>	<b>785,725</b>

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Assistant Civil Engineer	1	1	1	1	1
Associate Engineer	1	1	1	1	1
City Engineer	1	1	1	1	1
Public Works Inspector	1	1	1	1	1
Senior Engineer	1	1	1	1	1
* Management Analyst	1	1	-	-	-
	<b>6</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>5</b>

\* This position was eliminated in 2015 Restructure Plan.

# **PUBLIC WORKS DEPARTMENT**

## **FY 2016-2018 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 Commission, 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 & Grading Permits;
- Coordination with Caltrans and other agencies; and
- Disaster/emergency preparedness, mitigation, and recovery.

The program emphasis for Fiscal Year 2016-2018 is the enhancement of community, economic and business development through the implementation of the Ten Year Capital Improvement Program and FY 16-18 Capital Budget. Major projects include:

- Completion of Bay Road Phase II/III Improvements;
- Reactivation of the Gloria Way well to serve new businesses and homes;
- Design and construction of the new Pad D Municipal well to serve new businesses and homes;

# PUBLIC WORKS DEPARTMENT

## FY 2016-2018 Adopted Budget

### Engineering Division Summary

- 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;
- Complete Design and Construction of the Pedestrian/Bicycle Overcrossing to enhance connectivity between areas east and west of Highway 101;
- Continue implementation of the Groundwater Monitoring Program;
- Continue providing plan check and land development support.

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 2015-2016 Adopted FY 2016-2018 Adopted:

The decrease of \$111,710 (12.5%) from the Amended FY 15-16 Budget to the Adopted FY 16-17 Budget is the result of utilizing vacancy salary savings during FY 15-16 to hire outside engineering firms to address a number of complicated capital projects in the design phase; and, hiring outside consulting firms to engage in project inspections on University Plaza that were reimbursed through deposit-reimbursement agreements.

The increase of \$8,215 (1.1%) from the Adopted FY 16-17 Budget to the Adopted FY 17-18 Budget is due to inflationary cost increases in salaries offset by a reduction in capital expenditures.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2015-16 Amended	\$ 889,220		
2016-17	\$ 777,510	\$ (111,710)	-12.5%
2017-18	\$ 785,725	\$ 8,215	1.1%

# PUBLIC WORKS DEPARTMENT

FY 2016-2018 Adopted Budget

## Engineering Division

### FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. Improve public services and performance of the Engineering Division and enhance communication/coordination among CEDD divisions.	1. In Progress
2. Oversee the design and delivery of strategic capital improvement projects, including water and flood control, bridges, streets, bike/pedestrian projects.	2. In Progress
3. Work closely with maintenance division to improve overall efficiency and quality of maintenance services of city infrastructure.	3. In Progress
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	4. In Progress
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)	5. Not Started
6. Conduct in-house training for Maintenance Division staff to update them on construction methods, techniques and new tools to enhance quality and efficiency	6. In Progress
7. Provide Engineering Division staff with training opportunities to improve performance.	7. In Progress
8. Complete Safe Routes To School (SRTS) project construction	8. In Progress
9. Monitor and solicit grant opportunities to fund necessary SRTS cycles identified in the "Existing Conditions" report.	9. In Progress
10. Complete Bay Road Phase II/III Improvements to serve the Ravenswood Business Park area	10. In Progress
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.	11. In Progress
12. Reactivate the Gloria Way well to serve new businesses and homes.	12. In Progress



# PUBLIC WORKS DEPARTMENT

FY 2016-2018 Adopted Budget

Engineering Division

## FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVE	RESULT
13. 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.	13. In Progress
14. Update the City Urban Water Management Plan.	14. In Progress/Accomplished – depending on adoption (tent. date June 2016)
15. 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.	15. In Progress

### Additional Accomplishments

- Design and Construction of San Francisquito Creek Temporary Flood Control Berm (Downstream 101) and Woodland Avenue Temporary Floodwall projects
- Adoption of Groundwater Management Plan and implementation of Groundwater Monitoring Program both which are required for the proposed municipal groundwater wells activations

# **PUBLIC WORKS DEPARTMENT**

**FY 2016-2018 Adopted Budget**

**Engineering Division**

## **FY 2016-2018 OBJECTIVES**

1. Improve public services and performance of the Engineering Division and enhance communication/coordination among CEDD and PW.
2. Continue coordination and strengthening relationships with special districts that serve the residents and businesses of East Palo Alto
3. Oversee the design and delivery of strategic capital improvement projects, including water and flood control, bridges, streets, bike/pedestrian projects.
4. Work closely with maintenance division to improve overall efficiency and quality of maintenance services of city infrastructure.
5. Adopt City Standard Plans and Specifications and boiler plate to address current codes and reflect the needs of the City of East Palo Alto
6. 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)
7. Conduct in-house training for Maintenance Division staff to update them on construction methods, techniques and new tools to enhance quality and efficiency
8. Provide Engineering Division staff with training opportunities to improve performance.
9. Complete Safe Routes to School (SRTS) project construction
10. Monitor and solicit grant opportunities to fund necessary SRTS cycles identified in the “Existing Conditions” report.
11. Complete Bay Road Phase II/III Improvements
12. Complete Runnymede Storm Drain Phase II & O’Connor Pump Station Outfall Projects to reduce local storm flooding for a large portion of the City
13. Reactivation of Gloria Way Well
14. Activation of Pad D Well
15. Complete Runnymede Storm Drain Phase II & O’Connor Pump Station Outfall Projects
16. Complete design of University Avenue/Highway 101 Interchange Improvements
17. Complete Highway 101 - Pedestrian/Bicycle Overcrossing
18. 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.
19. 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.
20. Continue support of increased activity in Land Development/Plan Check
21. Adopt Standard Plans and Specifications for public improvements, Green Infrastructure Plan, and Active Transportation Plan

# PUBLIC WORKS DEPARTMENT

## FY 2016-2018 Adopted Budget

### Maintenance Division

#### Division Summary

##### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Assigned Funds	-	-	61,000	415,000	135,000
Use of Resources	1,175,220	1,285,580	1,458,755	1,500,005	1,516,060
Special Revenue Funds	750,200	732,060	857,205	1,004,020	879,770
Enterprise Funds	143,100	145,300	119,565	126,435	128,370
<b>TOTAL</b>	<b>2,068,520</b>	<b>2,162,940</b>	<b>2,496,525</b>	<b>3,045,460</b>	<b>2,659,200</b>

##### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Maintenance Division	2,068,520	2,162,940	2,496,525	3,045,460	2,659,200
<b>TOTAL</b>	<b>2,068,520</b>	<b>2,162,940</b>	<b>2,496,525</b>	<b>3,045,460</b>	<b>2,659,200</b>

##### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	1,048,820	1,124,820	1,217,570	1,235,130	1,251,600
<b>Subtotal</b>	<b>1,048,820</b>	<b>1,124,820</b>	<b>1,217,570</b>	<b>1,235,130</b>	<b>1,251,600</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	608,900	676,410	802,040	830,130	842,400
Supplies and Materials	381,800	345,460	443,700	450,200	450,200
Capital Expenditures	29,000	16,250	33,215	530,000	115,000
<b>Subtotal</b>	<b>1,019,700</b>	<b>1,038,120</b>	<b>1,278,955</b>	<b>1,810,330</b>	<b>1,407,600</b>
<b>TOTAL</b>	<b>2,068,520</b>	<b>2,162,940</b>	<b>2,496,525</b>	<b>3,045,460</b>	<b>2,659,200</b>

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Maintenance Division Manager	1	1	1	1	1
Electrician	1	1	1	1	1
Maintenance Worker I	5	4	4	4	4
Maintenance Worker II	2	3	3	3	3
Maintenance Worker III	1	2	2	2	2
Secretary I	1	1	1	1	1
<b>TOTAL</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>

# PUBLIC WORKS DEPARTMENT

FY 2016-2018 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 2016-18 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 parks.
- **Open Space Landscaping:** Maintaining street medians, alleyways, sound walls, and the Rail Spurs.
- **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, regulatory 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 and contract.
- **Street Lighting:** Maintain approximately 900 LED street lights.
- **Illegal Dumping:** Report illegal dumping to the Recology of San Mateo.
- **Street Sweeping Program:** Install new signage; repair damaged signs.

# PUBLIC WORKS DEPARTMENT

## FY 2016-2018 Adopted Budget

### Maintenance Division

- **Fleet:** Manage repair and services of Community Development and Public Works Department vehicles.
- **Contract Services:** Manage multiple municipal service contracts.
- **After Hours Emergency:** Respond to afterhours emergencies, and maintain a list of on-call personnel.

### SIGNIFICANT CHANGES

#### FY 2015-2016 Amended to FY 2016-2018 Adopted:

The increase of \$548,935 (22%) from the Amended FY 15-16 Budget to the Adopted FY 16-17 Budget is primarily due to increases in capital expenditures, including the purchase of a vacuum truck and a backhoe.

The decrease of \$386,260 (12.7%) from the Adopted FY 16-17 Budget to the Adopted FY 17-18 Budget is primarily due to the absence of vacuum truck and backhoe purchases.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2015-16 Amended	\$ 2,496,525		
2016-17	\$ 3,045,460	\$ 548,935	22.0%
2017-18	\$ 2,659,200	\$ (386,260)	-12.7%

# PUBLIC WORKS DEPARTMENT

FY 2016-2018 Adopted Budget

Maintenance Division

## FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVE	RESULT
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.	1. Completed
2. Explore opportunities for contracting additional services as a means to reduce costs, increase efficiency, and focus staff more on preventive maintenance.	2. Completed
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.	3. Completed
4. Collaborate with the Police Department, neighborhood groups, and other stakeholders to supplement Maintenance Division's graffiti abatement efforts.	4. In progress
5. Initiate maintenance responsibility of Cooley Landing Park.	5. Completed
6. Initiate installation of fitness equipment in parks and program for artistic painting of utility boxes.	6. Not completed, funding not available in the FY 15/16

# **PUBLIC WORKS DEPARTMENT**

**FY 2016-2018 Adopted Budget**

**Maintenance Division**

## **FY 2016-2018 OBJECTIVES**

1. To upgrade the pump control SCADA system for O'Connor Pump Station Operation.
2. To assist Engineering Department replacing one diesel pump with an electric pump at the pump station.
3. To implement preventive maintenance plan for Cooley Landing facility.
4. To ensure that State required safety training is implemented and to identify the certifications for certain classifications are obtained by Maintenance Division employees.

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# POLICE DEPARTMENT

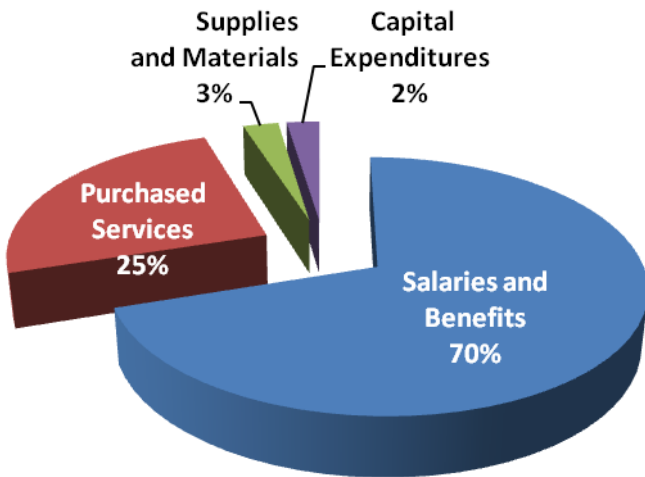
FY 2016-2018 Adopted Budget

**FY 2016-17**  
 Operating \$ 10,919,560  
 Positions 45.5

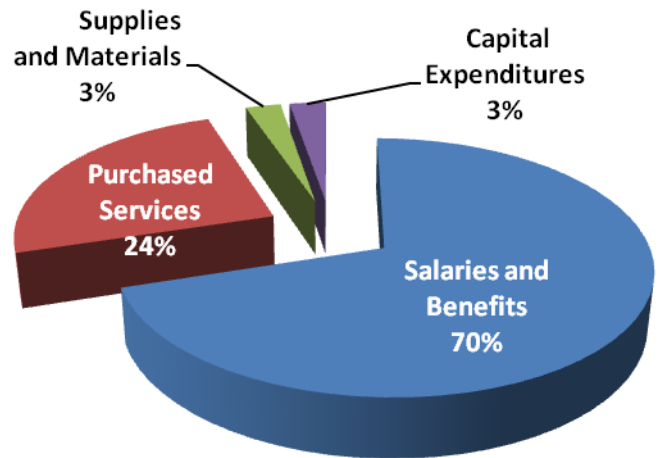
**FY 2017-18**  
 Operating \$ 11,221,800  
 Positions 45.5

## CHARACTER OF EXPENDITURES

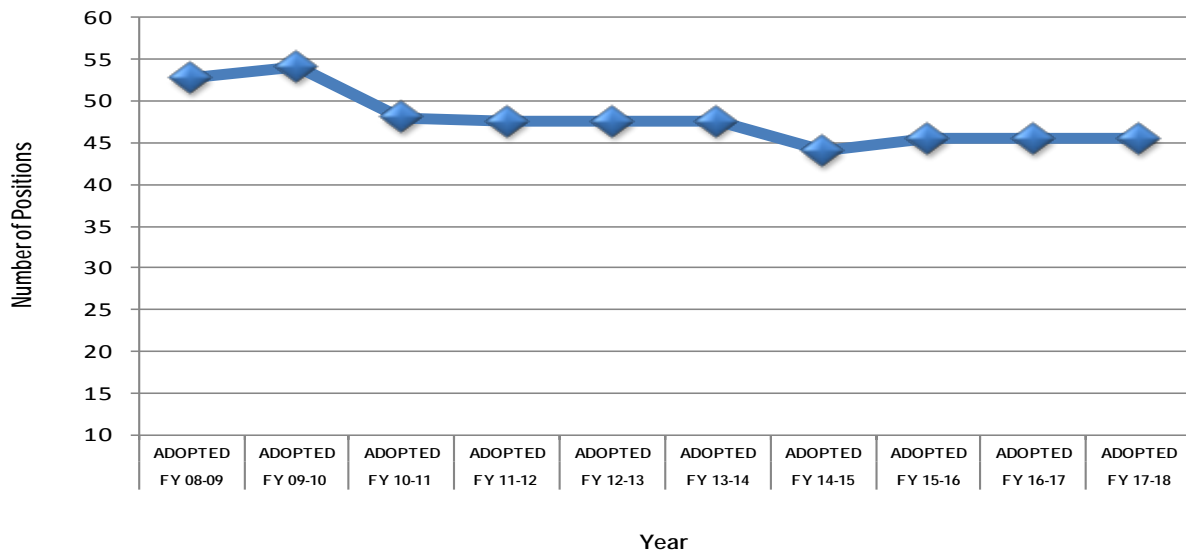
FY 2016-17



FY 2017-18



## AUTHORIZED STRENGTH



# POLICE DEPARTMENT

## FY 2016-2018 Adopted Budget

### Department Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Charges/Fees for Services	249,000	396,290	479,700	495,450	445,700
Assigned Funds	111,660	209,010	511,900	401,700	343,500
Use of Resources	9,241,500	8,887,050	9,683,640	9,569,910	10,332,600
Special Revenue Funds	955,780	827,520	529,850	452,500	100,000
<b>TOTAL</b>	<b>10,557,940</b>	<b>10,319,870</b>	<b>11,205,090</b>	<b>10,919,560</b>	<b>11,221,800</b>

#### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Administration Division	4,033,900	4,044,830	4,314,220	4,217,960	4,269,200
Investigations Division	747,760	1,615,200	1,605,800	1,220,850	1,258,490
Operations Division	5,776,280	4,659,840	5,285,070	5,480,750	5,694,110
<b>TOTAL</b>	<b>10,557,940</b>	<b>10,319,870</b>	<b>11,205,090</b>	<b>10,919,560</b>	<b>11,221,800</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	7,688,570	7,174,390	7,727,550	7,642,060	7,916,300
<b>Subtotal</b>	<b>7,688,570</b>	<b>7,174,390</b>	<b>7,727,550</b>	<b>7,642,060</b>	<b>7,916,300</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	2,456,880	2,615,390	2,924,540	2,734,600	2,778,650
Supplies and Materials	299,790	314,080	306,800	281,900	290,850
Capital Expenditures	112,700	216,010	246,200	261,000	236,000
<b>Subtotal</b>	<b>2,869,370</b>	<b>3,145,480</b>	<b>3,477,540</b>	<b>3,277,500</b>	<b>3,305,500</b>
<b>TOTAL</b>	<b>10,557,940</b>	<b>10,319,870</b>	<b>11,205,090</b>	<b>10,919,560</b>	<b>11,221,800</b>

#### AUTHORIZED STRENGTH

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Administration Division	10.5	8	8	8	8
Investigations Division	5	8	8	8.5	8.5
Operations Division	32	28	29.5	29	29.0
<b>TOTAL</b>	<b>47.5</b>	<b>44.0</b>	<b>45.5</b>	<b>45.5</b>	<b>45.5</b>

# POLICE DEPARTMENT

**FY 2016-2018 Adopted Budget**

## **Department Summary**

### **MISSION STATEMENT**

The Mission of the East Palo Alto Police Department is to provide quality police service and work in partnership with the community to preserve the peace, establish a safe environment and do so with emphasis on mutual trust and respect.

### **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 45.5 funded positions (36 sworn, 9.5 FTE-civilian).

The emphasis of Fiscal Year 2016-2018 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:

#### **Operations:**

1. Review of existing policies and creation of new policy manual
2. Assigned vehicles for improved fleet maintenance and accountability
3. Major Accident Investigation Team (MAIT) training
4. Crisis Intervention training for Officers
5. Firearms Force on force training exercise
6. Active shooter practical training exercise
7. Study of Body worn camera use, policies, and case law

#### **Investigations:**

1. Review of existing policies and creation of new policy manual
2. Recertification of the Field Training Program with POST
3. Supporting City Planners work on Medical Marijuana growing & delivery ordinance
4. Reorganization of case and evidence files
5. Auditing the homicide clearance rates for the past several years
6. Assist with the move of Property & Evidence from 2415 University to 219 Demeter
7. Train new CSA's on proper procedures related to citations, reports & community policing

#### **Administration:**

1. Review of existing policies and creation of new policy manual
2. Revise warrant entry procedure into RIMS for better tracking
3. Public Records Law training for Records staff
4. Continue with gun inventory audit
5. Provide RIMS training for Officers
6. Purge outdated warrants from the system
7. Purge documents as part of the Records destruction Schedule
8. Provide work place violence & CPR/AED training

# POLICE DEPARTMENT

FY 2016-2018 Adopted Budget

Department Summary (con't.)

## SIGNIFICANT CHANGES

### FY 2015-2016 Amended to FY 2016-2018 Adopted:

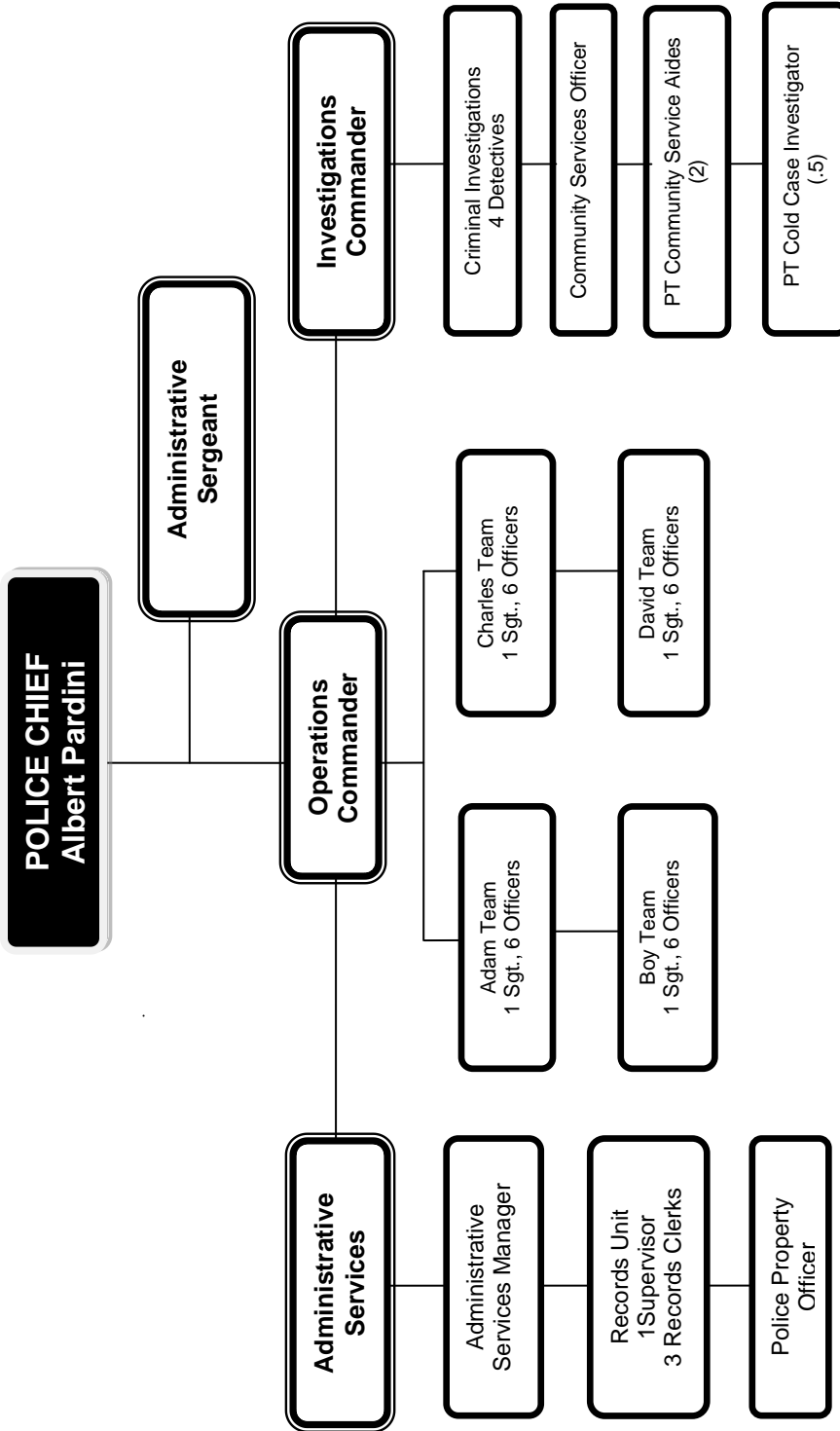
The decrease of \$285,530 (2.5%) from the Amended FY 2015-16 Budget to the Adopted FY 2016-17 Budget is more fully described in each division budget and primarily consists of reduction in purchased services (\$189,940) based upon trend analysis of major expenditures and transfer of legal and other code enforcement costs to other divisions, decrease in supplies and materials (\$24,900), and personnel costs decrease due to transferring a Code Enforcement Officer II to the Building Division. The decreases are offset by an increase of \$14,800 in capital expenditures for vehicle replacements.

The increase of \$302,240 (2.8%) from the Adopted FY 2016-17 Budget to the Adopted FY 2017-18 Budget is primarily attributed to increase of \$274,240 in personnel costs due to step and benefit cost increases, a slight increase of \$44,000 in purchased services, offset by a decrease in capital expenditures.

<b>Fiscal Year (FY)</b>	<b>Budget</b>	<b>\$ Change From Previous FY</b>	<b>% Change From Previous FY</b>
2015-16 Amended	\$ 11,205,090		
2016-17	\$ 10,919,560	\$ (285,530)	-2.5%
2017-18	\$ 11,221,800	\$ 302,240	2.8%

# POLICE DEPARTMENT

FY 2016-2018 Adopted Budget



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# POLICE DEPARTMENT

## FY 2016-2018 Adopted Budget

### Administration Division

#### Division Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Charges for Services	29,000	29,510	54,700	40,450	40,700
Assigned Funds	111,660	209,010	511,900	401,700	343,500
Use of Resources	3,400,440	3,425,810	3,667,450	3,725,810	3,835,000
Special Revenue Funds	492,800	380,500	80,170	50,000	50,000
<b>TOTAL</b>	<b>4,033,900</b>	<b>4,044,830</b>	<b>4,314,220</b>	<b>4,217,960</b>	<b>4,269,200</b>

#### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Administration Division	4,033,900	4,044,830	4,314,220	4,217,960	4,269,200
<b>TOTAL</b>	<b>4,033,900</b>	<b>4,044,830</b>	<b>4,314,220</b>	<b>4,217,960</b>	<b>4,269,200</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	1,309,000	1,013,030	1,003,080	1,052,960	1,076,200
<b>Subtotal</b>	<b>1,309,000</b>	<b>1,013,030</b>	<b>1,003,080</b>	<b>1,052,960</b>	<b>1,076,200</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	2,454,600	2,615,040	2,893,140	2,732,100	2,776,150
Supplies and Materials	157,600	200,750	171,800	171,900	180,850
Capital Expenditures	112,700	216,010	246,200	261,000	236,000
Other Expenditures	-	-	-	-	-
<b>Subtotal</b>	<b>2,724,900</b>	<b>3,031,800</b>	<b>3,311,140</b>	<b>3,165,000</b>	<b>3,193,000</b>
<b>TOTAL</b>	<b>4,033,900</b>	<b>4,044,830</b>	<b>4,314,220</b>	<b>4,217,960</b>	<b>4,269,200</b>

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Administration Services Manager	1	1	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	1	1
Community Services Officer	1	-	-	-	-
Re-Entry Temporary Grant Positions	2	-	-	-	-
<b>TOTAL</b>	<b>10.0</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

# POLICE DEPARTMENT

**FY 2016-2018 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 2015-2016 Amended to FY 2016-2018 Adopted:**

The decrease of \$96,260 (2.2%) from the Amended FY 2015-16 Budget to the Adopted FY 2016-17 Budget is due to \$125,000 less budgeted for settlement and judgments offset by an increase of \$49,880 in personnel costs primarily attributed to negotiated salaries increases and higher retirement costs.

The increase of \$51,240 (1.2%) from the Adopted FY 2016-17 Budget to the Adopted FY 2017-18 Budget is primarily due to an increase of \$65,000 in purchased services, and \$23,240 in personnel costs, offset by a reduction in capital costs due to fewer vehicle purchases.

<b>Fiscal Year (FY)</b>	<b>Budget</b>	<b>\$ Change From Previous FY</b>	<b>% Change From Previous FY</b>
2015-16 Amended	\$ 4,314,220		
2016-17	\$ 4,217,960	\$ (96,260)	-2.2%
2017-18	\$ 4,269,200	\$ 51,240	1.2%



# POLICE DEPARTMENT

FY 2016-2018 Adopted Budget

Administration Division

## FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1. Conduct at least three public safety town hall meetings with the Chief- by June 30, 2016.	1. Completed
2. Complete update of the Police Personnel Duty Manual.	2. In Process
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.	3. On- going process with CDD
4. Create a weekly- Community Policing Newsletter addressing safety concerns, crime trends and neighborhood watch programs.	4. Completed
5. Complete analysis of East Palo Alto crime trends between 2012 and 2015	5. Completed
6. Determine appropriate community oriented strategies to reduce crime and violence in East Palo Alto. Include community oriented strategies in safe community plan.	6. On-going with community stakeholders
7. Develop a Five year safe community plan that addresses crime prevention, intervention, enforcement and includes community engagement strategies.	7. Incorporated into #6 by using all stakeholders to leverage ideas and community input

# **POLICE DEPARTMENT**

**FY 2016-2018 Adopted Budget**

**Administration Division**

## **FY 2016-2018 OBJECTIVES**

1. Review existing policies and create new policy manual
2. Revise warrant entry procedure into RIMS for better tracking
3. Provide Public Records Law training for Records staff
4. Continue conducting gun inventory audit
5. Provide RIMS training for Police Officers
6. Purge outdated warrants from the system
7. Purge documents as part of the Records destruction Schedule
8. Provide work place violence & CPR/AED training
9. Move Evidence Room to 219 Demeter St.

# POLICE DEPARTMENT

## FY 2016-2018 Adopted Budget

### Investigations Division

#### Division Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Use of Resources	742,660	1,569,850	1,543,830	1,141,950	1,208,490
Special Revenue Funds	5,100	45,350	61,970	78,900	50,000
<b>TOTAL</b>	<b>747,760</b>	<b>1,615,200</b>	<b>1,605,800</b>	<b>1,220,850</b>	<b>1,258,490</b>

#### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Investigations Division	747,760	1,615,200	1,605,800	1,220,850	1,258,490
<b>TOTAL</b>	<b>747,760</b>	<b>1,615,200</b>	<b>1,605,800</b>	<b>1,220,850</b>	<b>1,258,490</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	747,760	1,615,490	1,564,400	1,208,350	1,245,990
<b>Subtotal</b>	<b>747,760</b>	<b>1,615,490</b>	<b>1,564,400</b>	<b>1,208,350</b>	<b>1,245,990</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	-	280	31,400	2,500	2,500
Supplies and Materials	-	(570)	10,000	10,000	10,000
<b>Subtotal</b>	<b>-</b>	<b>(290)</b>	<b>41,400</b>	<b>12,500</b>	<b>12,500</b>
<b>TOTAL</b>	<b>747,760</b>	<b>1,615,200</b>	<b>1,605,800</b>	<b>1,220,850</b>	<b>1,258,490</b>

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Commander	-	1	1	1	1
Police Officer *	4	7	7	4	4
Community Services Officer**	-	-	-	1	1
Cold Case Investigator (PT)	-	-	-	0.5	0.5
Community Service Aide (4 PT)***	-	-	-	2	2
Police Sergeant	1	-	-	-	-
<b>TOTAL</b>	<b>5</b>	<b>8</b>	<b>8</b>	<b>8.5</b>	<b>8.5</b>

\*Positions transferred to Operations Division.

\*\*Position transferred from Operations Division.

\*\*\*Three part-time positions transferred from Operations; additional position added in FY 16-18.

# POLICE DEPARTMENT

## FY 2016-2018 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 (4) Police Officers (Detectives) and (1) Commander. Police Officers assigned to the Investigations Division include 4 detectives assigned to criminal investigations, (0.5) Part-time/ Grant Funded Detective Investigating "Cold Case" Homicides, 4 (0.5 FTE) Part-Time positions assigned to Parking Enforcement, and (1) Community Service Officer assigned to Crime Analysis/Crime Prevention.

#### SIGNIFICANT CHANGES

##### **FY 2015-2016 Amended to FY 2016-2018 Adopted:**

The decrease of \$384,950 (24.0%) from the Amended FY 2015-16 Budget to the Adopted FY 2016-17 Budget is primarily the result of reclassification of three police officers positions to Operations Division.

The increase of \$37,640 (3.1%) from the Adopted FY 2016-17 Budget to the Adopted FY 2017-18 Budget is primarily attributed to increase in personnel costs.

<b>Fiscal Year (FY)</b>	<b>Budget</b>	<b>\$ Change From Previous FY</b>	<b>% Change From Previous FY</b>
2015-16 Amended	\$ 1,605,800		
2016-17	\$ 1,220,850	\$ (384,950)	-24.0%
2017-18	\$ 1,258,490	\$ 37,640	3.1%

# POLICE DEPARTMENT

FY 2016-2018 Adopted Budget

## Investigations Division

### FY 2015-2016 ACCOMPLISHMENTS

OBJECTIVE	RESULT
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.	1. In Process: March and May 2016 (2) operations are planned
2. Plan two domestic violence operations that target domestic violence suspects with outstanding warrants.	2. Completed
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.	3. Completed
4. Hire a new “cold case” homicide investigator.	4. Completed

# **POLICE DEPARTMENT**

**FY 2016-2018 Adopted Budget**

**Investigations Division**

## **FY 2016-2018 OBJECTIVES**

1. Review of existing policies and creation of new policy manual
2. Recertification of the Field Training Program with POST
3. Supporting City Planners work on Medical Marijuana growing & delivery ordinance.
4. Reorganization of case and evidence files
5. Auditing the homicide clearance rates for the past several years
6. Assist with the move of Property & Evidence from 2415 University to 219 Demeter.
7. Train new CSA's on proper procedures related to citations, reports & community policing.

# POLICE DEPARTMENT

## FY 2016-2018 Adopted Budget

### Operations Division

#### Division Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Charges/Fees for Services	220,000	366,780	425,000	455,000	405,000
Use of Resources	5,098,400	3,891,390	4,472,360	4,702,150	5,289,110
Special Revenue Funds	457,880	401,670	387,710	323,600	-
<b>TOTAL</b>	<b>5,776,280</b>	<b>4,659,840</b>	<b>5,285,070</b>	<b>5,480,750</b>	<b>5,694,110</b>

#### EXPENDITURES BY DIVISION

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Operations Division	5,776,280	4,659,840	5,285,070	5,480,750	5,694,110
<b>TOTAL</b>	<b>5,776,280</b>	<b>4,659,840</b>	<b>5,285,070</b>	<b>5,480,750</b>	<b>5,694,110</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	5,631,810	4,545,870	5,160,070	5,380,750	5,594,110
<b>Subtotal</b>	<b>5,631,810</b>	<b>4,545,870</b>	<b>5,160,070</b>	<b>5,380,750</b>	<b>5,594,110</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	2,280	70	-	-	-
Supplies and Materials	142,190	113,900	125,000	100,000	100,000
<b>Subtotal</b>	<b>144,470</b>	<b>113,970</b>	<b>125,000</b>	<b>100,000</b>	<b>100,000</b>
<b>TOTAL</b>	<b>5,776,280</b>	<b>4,659,840</b>	<b>5,285,070</b>	<b>5,480,750</b>	<b>5,694,110</b>

	FY 2013-14 ADOPTED BUDGET	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Commander	-	1	1	1	1
Police Sergeant	4	4	4	4	4
* Police Officer	25	21	21	24	24
** Code Enforcement Officer II	2	1	1	-	-
*** Community Service Officer	-	1	1	-	-
*** Community Service Aide (3 PT)	-	-	1.5	-	-
Police Captain	1	-	-	-	-
<b>TOTAL</b>	<b>32</b>	<b>28</b>	<b>29.5</b>	<b>29</b>	<b>29</b>

\* Positions transferred from Investigations Division.

\*\* Position transferred to Building Services Division.

\*\*\* Positions transferred to Investigations Division.

# POLICE DEPARTMENT

## FY 2016-2018 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 positions.

#### SIGNIFICANT CHANGES

##### **FY 2015-2016 Amended to FY 2016-2018 Adopted:**

The increase of \$195,680 (3.7%) from the Amended FY 2015-16 Budget to the Adopted FY 2016-17 Budget is primarily the result of step and benefit salary increases, as well as, transferring in three police officers positions from the Investigations Division. This increase is offset by reductions due to transferring out the Code Enforcement Officer II to Building Division and transferring out the Community Services officer and three part-time Community Service aides to the Investigations Division.

The increase of \$213,360 (3.9%) from the Adopted FY 2016-17 Budget to the Adopted FY 2017-18 Budget is primarily due to step and benefit personnel cost increases.

<b>Fiscal Year (FY)</b>	<b>Budget</b>	<b>\$ Change From Previous FY</b>	<b>% Change From Previous FY</b>
2015-16 Amended	\$ 5,285,070		
2016-17	\$ 5,480,750	\$ 195,680	3.7%
2017-18	\$ 5,694,110	\$ 213,360	3.9%



# POLICE DEPARTMENT

FY 2016-2018 Adopted Budget

**Operations Division**

## FY 2015-2016 ACCOMPLISHMENTS

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

# **POLICE DEPARTMENT**

**FY 2016-2018 Adopted Budget**

**Operations Division**

## **FY 2016-2018 OBJECTIVES**

1. Review of existing policies and creation of new policy manual
2. Assigned vehicles for improved fleet maintenance and accountability
3. Crisis Negotiation Unit Officer selection and training
4. Crisis Intervention Training for Officers
5. Major Accident Investigation Team (MAIT) training
6. Firearms Force on force training exercise
7. Active shooter practical training exercise
8. Study of Body worn camera use, policies, and case law

# NON-DEPARTMENTAL

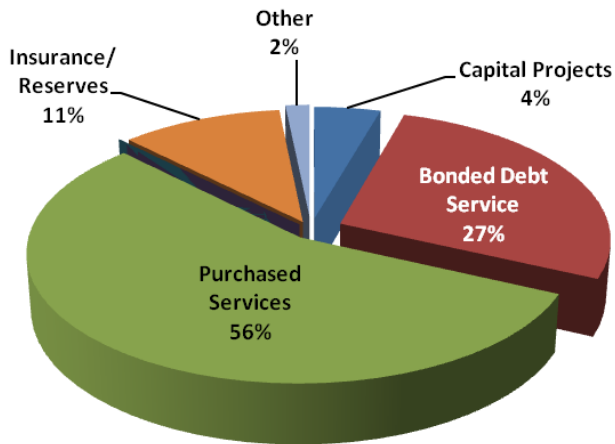
FY 2016-2018 Adopted Budget

**FY 2016-17**  
Operating \$5,510,895

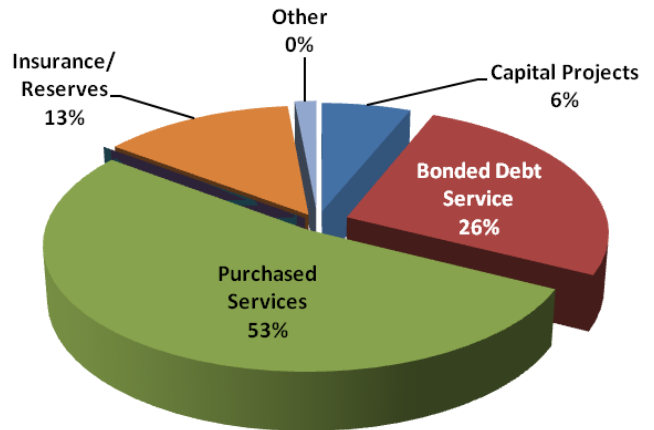
**FY 2017-18**  
Operating \$5,983,355

## CHARACTER OF EXPENDITURES

**FY 2016-17**



**FY 2017-18**



# NON-DEPARTMENTAL

## FY 2016-2018 Adopted Budget

### Department Summary

#### SOURCES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
General Fund:					
Assigned	627,490	658,270	515,100	726,295	776,295
Use of Fund Reserves	429,300	525,350	567,530	541,180	837,460
Special Revenue Funds	158,445	83,785	800,215	127,920	111,150
Enterprise Funds	2,400,845	2,491,320	2,364,940	2,516,000	2,600,750
Successor and Pension Trusts	9,419,090	3,614,795	3,456,940	1,599,500	1,657,700
	<b>13,035,170</b>	<b>7,373,520</b>	<b>7,704,725</b>	<b>5,510,895</b>	<b>5,983,355</b>

#### CHARACTER OF EXPENDITURES

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 AMENDED BUDGET	FY 2016-17 ADOPTED BUDGET	FY 2017-18 ADOPTED BUDGET
Capital/Technology*	333,435	371,840	259,900	246,295	371,295
<b>Subtotal</b>	<b>333,435</b>	<b>371,840</b>	<b>259,900</b>	<b>246,295</b>	<b>371,295</b>
Bonded Debt Service	3,433,115	3,343,330	3,353,440	1,510,000	1,568,200
<b>Subtotal</b>	<b>3,433,115</b>	<b>3,343,330</b>	<b>3,353,440</b>	<b>1,510,000</b>	<b>1,568,200</b>
Insurance and Settlements	320,985	258,150	268,400	480,000	480,000
<b>Subtotal</b>	<b>320,985</b>	<b>258,150</b>	<b>268,400</b>	<b>480,000</b>	<b>480,000</b>
Other Non-Departmental:					
RPTTF Residual Payments	3,907,495	-	-	-	-
Pass-Thru Payments	1,286,240	-	-	-	-
Purchased Services	3,060,225	3,054,450	3,031,585	3,067,100	3,158,600
Reserves & Insurance Benefits	330	955	-	118,000	315,760
Supplies and Materials	7,525	47,160	12,900	-	-
401k Pension Distributions	604,720	259,855	-	-	-
Other Expenditures	81,100	37,780	778,500	89,500	89,500
<b>Subtotal</b>	<b>8,947,635</b>	<b>3,400,200</b>	<b>3,822,985</b>	<b>3,274,600</b>	<b>3,563,860</b>
<b>TOTAL</b>	<b>13,035,170</b>	<b>7,373,520</b>	<b>7,704,725</b>	<b>5,510,895</b>	<b>5,983,355</b>

#### Detail of Major Purchased Services:

Residential Garbage Services	2,145,065	2,203,680	2,335,020	2,510,000	2,580,050
Redwood City IT Services	273,085	279,380	-	-	-
Building and Equipment Leases	158,160	169,820	163,120	202,800	207,300
County Property Tax Administration	142,005	58,060	62,400	69,120	70,050
Professional Lobby Services	113,185	103,595	110,000	-	-
JPA Dues & Other Memberships	110,565	170,670	274,415	275,000	291,000
Other Miscellaneous	118,160	69,245	86,630	10,180	10,200
<b>Total</b>	<b>3,060,225</b>	<b>3,054,450</b>	<b>3,031,585</b>	<b>3,067,100</b>	<b>3,158,600</b>

\*Excludes Capital Improvement Projects and Equipment/Vehicle Purchases

# Miscellaneous

## Introduction

This section contains the following items of interest:

- MISC-2: Resolution No. 4746 establishing the Appropriation Limit for FY 2016-17
- MISC-8: Resolution No. 4745 adopting the FY 2016-18 Biennial Budget.
- MISC-12: Resolution No. 4747 adopting the ten-year Capital Improvement Program.
- MISC-13: FY 16-18 Adopted Capital Improvements

**RESOLUTION NO. 4746**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO  
ESTABLISHING THE APPROPRIATION LIMIT  
FOR FISCAL YEAR 2016-2017 AT \$28,799,892**

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

**WHEREAS**, the California Constitution also requires a method of inflation be chosen; and

**WHEREAS**, the City elects to use the following factors relevant to the calculation of the Appropriation Limit for FY 2016-2017:

- Per Capita Cost of Living Change:
- Plus 5.37% (+ Five Point Three Seven Percent)
- County of San Mateo Population Adjustment:
- Plus 0.91% (+ Zero Point Nine One Percent); and

**WHEREAS**, a resolution establishing the annual appropriation limit is to be adopted at a regularly scheduled meeting of the City Council; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO:**

1. The Appropriation Limit for Fiscal Year 2016-17 shall be and is hereby set at \$28,799,892 pursuant to Exhibit A attached hereto, and incorporated herein by this reference.
2. The Appropriation Limit of \$28,799,892 exceeds the Appropriations Subject to Limitation calculated in the amount of \$21,074,949 by \$7,724,943. Therefore, the City of East Palo Alto is in compliance with the provisions of Article XIII B of the State Constitution.

**ADOPTED this 21st day of June 2016**, by the following vote:

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

**NOES:**

**ABSENT:**

**ABSTAIN:**


**SIGNED:**

  
Donna Rutherford, Mayor

**ATTEST:**

  
Terrie Gillen, Deputy City Clerk

**APPROVED AS TO FORM:**

  
Marc G. Hynes, Interim City Attorney

Executive Summary

An annual calculation of the City's appropriation limitation is required by Article XIII B 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 2016-17 proposed budget appropriations that are subject to limitation are \$7,724,943 million under the limitation as shown below:

I. Determination of Appropriation Limit:

2016-17 Appropriation Limit (Schedule 3)	\$ 28,799,892
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II. Determination of Appropriations Subject to Limitation:

2016-17 Revenue Sources for Appropriations (Schedule 2)	\$ 36,091,085
Deductions of Exempt Revenues and Debt Service (Schedule 1)	<u>(15,016,135)</u>

2016-17 Appropriations Subject to Limitation (Schedule 1)	<u>\$ 21,074,949</u>
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III. Amount Under/(Over) Appropriation Limit (I-II)	<u>\$ 7,724,943</u>
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IV. Remaining Capacity as a Percent of FY 2016-17 Limit	<u>26.82%</u>
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Total Revenue Sources For Appropriations (Schedule 2)	<u>\$ 36,091,085</u>
<u>Exclusions:</u>	
Non-Proceeds of Taxes (Schedule 2)	(14,741,135)
Qualifying Capital Outlay	<u>(275,000)</u>
Total Exclusions	<u>(15,016,135)</u>
Net Revenue Sources Subject to Limitation	<u><u>\$ 21,074,949</u></u>



	<b>Budgeted Proceeds of Tax</b>	<b>Budgeted Non-Proceeds of Tax</b>	<b>Total Revenues</b>
<b>Taxes</b>			
Property Taxes	\$ 11,854,980	1,015,000	\$ 12,869,980
Sales and Use Tax	4,420,000		4,420,000
Utility Users Tax	1,565,000		1,565,000
Transient Occupancy Tax	2,862,500		2,862,500
Other State and Local Taxes	-	\$ 615,100	615,100
	<u>\$ 20,702,480</u>	<u>\$ 1,630,100</u>	<u>\$ 22,332,580</u>
<b>Franchise Fees</b>			
Franchise Fees	\$ -	\$ 933,730	\$ 933,730
<b>Licenses, Fees, and Permits</b>			
Business License	\$ 575,000	\$ -	\$ 575,000
Building Permits		168,000	168,000
Rent Stabilization/Housing Fees		1,555,000	1,555,000
NPDES		132,000	132,000
Water Fees		770,000	770,000
Other		33,800	33,800
	<u>\$ 575,000</u>	<u>\$ 2,658,800</u>	<u>\$ 3,233,800</u>
<b>Fines and Forfeitures</b>			
Vehicle Code and Parking Fines	\$ -	\$ 455,000	\$ 455,000
<b>Use of Money and Property (ex. Interest)</b>			
Loan Interest and Proceeds		\$ 95,750	\$ 95,750
Facility Use and Leases		283,340	283,340
	<u>\$ -</u>	<u>\$ 379,090</u>	<u>\$ 379,090</u>
<b>Grants and Intergovernmental</b>			
California SLESF		100,000	100,000
California Department of Aging		43,000	43,000
San Mateo County Transportation Authority		40,000	40,000
CIP Grants		4,857,000	4,857,000
Other Intergovernmental		584,250	584,250
	<u>\$ -</u>	<u>\$ 5,624,250</u>	<u>\$ 5,624,250</u>
<b>Charges for Current Services</b>			
Solid Waste and Recycling Fees		\$ 2,325,000	\$ 2,325,000
Police Services		25,200	25,200
Engineering Fees		95,000	95,000
Development Service Fees		116,500	116,500
Building Fees		83,500	83,500
Miscellaneous Charges		10,000	10,000

	<b>Budgeted Proceeds of Tax</b>	<b>Budgeted Non-Proceeds of Tax</b>	<b>Total Revenues</b>
	\$ -	\$ 2,655,200	\$ 2,655,200
<b>Other Miscellaneous</b>			
Reimbursements		\$ 200,000	\$ 200,000
Repayments		60,000	60,000
Other		99,000	99,000
	\$ -	\$ 359,000	\$ 359,000
<b>Operating Budget Subtotal</b>	<b>\$ 21,277,480</b>	<b>\$ 14,695,170</b>	<b>\$ 35,972,650</b>
Percent of Total	59.15%	40.85%	100.00%
<b>Interest Allocation</b>	<b>\$ 72,469</b>	<b>\$ 45,965</b>	<b>\$ 118,435</b>
<b>TOTAL</b>	<b>\$ 21,349,949</b>	<b>\$ 14,741,135</b>	<b>\$ 36,091,085</b>

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
2016-17	27,085,675	1.0091	1.0537	N/A	28,799,892

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. 4745**

**RESOLUTION ADOPTING THE FISCAL YEAR 2016-17 and 2017-18 REVENUE,  
EXPENDITURE AND CAPITAL 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 2016-17 and Fiscal Year 2017-18 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 four Budget Hearing Sessions between May 31, 2016 and June 14, 2016, including a final Budget Hearing on this date whereby such hearings were held to discuss the City's anticipated revenues and expenditure programs and to obtain public comment regarding the FY 16 -18 Biennial Budget including capital funding and expenditures; and

**WHEREAS**, such public hearing was duly noticed not less than seven days nor more than 21 days prior to the first hearing held on May 31, 2016 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 \$4,936,175 and \$2,596,460 in order to fund certain capital improvements and other restricted fund operating deficits, as follows:

<b>FY 2016-17 BUDGETED USE OF FUND RESERVES</b>		
<b>Fund</b>	<b>Description</b>	<b>Use of Reserves</b>
010	General Fund	\$ (940,000)
201	State Gas Tax	\$ (212,555)
203	NPDES	\$ (1,095)
204	Rent Stabilization	\$ (130,560)
208	Public Improvements In Lieu	\$ (208,000)
232	Parcel Tax (Measure C)	\$ (32,535)
511	Water Service Fund	\$ (2,462,000)
520	Garbage Service Fund	\$ (245,930)
984	2015 Refunding Debt Service	\$ (703,500)
<b>TOTAL OF ALL FUNDS</b>		<b>\$ (4,936,175)</b>

<b>FY 2017-18 BUDGETED USE OF FUND RESERVES</b>		
<b>Fund</b>	<b>Description</b>	<b>Use of Reserves</b>
010	General Fund	\$ (1,750,000)
201	State Gas Tax	\$ (148,140)
204	Rent Stabilization	\$ (72,765)
208	Public Improvements In Lieu	\$ (278,000)
232	Parcel Tax (Measure C)	\$ (376,800)
520	Garbage Service Fund	\$ (267,035)
<b>TOTAL OF ALL FUNDS</b>		<b>\$ (2,892,740)</b>

**WHEREAS**, the City Council further authorizes that certain capital projects residing in Fund 511 Water Capital Surcharge are intended to be funded through leveraging a water capital surcharge through the issuance of enterprise-related debt; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council that the FY 2016-17 Budget is hereby adopted as follows:

**CITY OF EAST PALO ALTO**  
**FY 2016-17 ADOPTED BUDGET SUMMARY BY FUND**

Fund	Description	Operating		Capital Improvement Plan	Operating Transfers		Net Change Fund Balance
		Revenues	Expenditures		In	Out	
010	General Fund	\$ 21,000,980	\$ (18,633,955)	\$ (80,000)	\$ -	\$ (3,227,025)	\$ (940,000)
011	IT Replacement Fund	\$ -	\$ (679,295)	\$ -	\$ 679,295	\$ -	\$ -
012	Equipment & Vehicles	\$ 80,000	\$ (744,700)	\$ -	\$ 664,700	\$ -	\$ -
013	Self Insurance	\$ -	\$ (650,000)	\$ -	\$ 650,000	\$ -	\$ -
015	Contingency Reserve	\$ -	\$ -	\$ -	\$ 111,000	\$ -	\$ 111,000
<b>ELIMINATING ENTRIES</b>		\$ -	\$ -	\$ -	\$ (2,104,995)	\$ 2,104,995	\$ -
<b>SUBTOTAL GENERAL FUND</b>		<b>\$ 21,080,980</b>	<b>\$ (20,707,950)</b>	<b>\$ (80,000)</b>	<b>\$ -</b>	<b>\$ (1,122,030)</b>	<b>\$ (829,000)</b>
201	State Gas Tax	\$ 611,320	\$ (823,875)	\$ -	\$ -	\$ -	\$ (212,555)
202	Measure A	\$ 613,500	\$ (138,040)	\$ (275,000)	\$ -	\$ -	\$ 200,460
203	NPDES	\$ 134,000	\$ (130,095)	\$ (5,000)	\$ -	\$ -	\$ (1,095)
204	Rent Stabilization	\$ 572,800	\$ (703,360)	\$ -	\$ -	\$ -	\$ (130,560)
206	Park In Lieu	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ 600
207	Housing In Lieu	\$ 1,301,250	\$ (102,570)	\$ -	\$ -	\$ -	\$ 1,198,680
208	Public Improvements In Lieu	\$ 15,000	\$ (50,000)	\$ (173,000)	\$ -	\$ -	\$ (208,000)
209	Housing Assistance Program	\$ 5,500	\$ (5,000)	\$ -	\$ -	\$ -	\$ 500
211	USEPA	\$ 405,000	\$ -	\$ (405,000)	\$ -	\$ -	\$ -
213	Police Grants	\$ 100,000	\$ (100,000)	\$ -	\$ -	\$ -	\$ -
215	Misc Federal and State Grants	\$ 43,000	\$ (43,000)	\$ -	\$ -	\$ -	\$ -
221	Lighting District	\$ 383,500	\$ (264,195)	\$ -	\$ -	\$ -	\$ 119,305
222	Drainage District	\$ 77,380	\$ (139,410)	\$ -	\$ 62,030	\$ -	\$ -
230	Local Grants	\$ 148,000	\$ (40,000)	\$ (108,000)	\$ -	\$ -	\$ -
231	CYSFF Grant Fund	\$ 287,750	\$ (286,930)	\$ -	\$ -	\$ -	\$ 820
232	Parcel Tax (Measure C)	\$ 703,165	\$ (735,700)	\$ -	\$ -	\$ -	\$ (32,535)
301	Capital Improvement Fund	\$ 4,857,000	\$ -	\$ (5,717,000)	\$ 1,060,000	\$ -	\$ 200,000
510	Water Service Fund	\$ 279,500	\$ (91,600)	\$ -	\$ -	\$ -	\$ 187,900
511	Water Capital Fund	\$ 475,000	\$ -	\$ (2,937,000)	\$ -	\$ -	\$ (2,462,000)
512	Water Meter Fund	\$ 295,000	\$ -	\$ -	\$ -	\$ -	\$ 295,000
520	Garbage Service Fund	\$ 2,528,840	\$ (2,774,770)	\$ -	\$ -	\$ -	\$ (245,930)
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	\$ (61,000)	\$ -	\$ -	\$ -	\$ 19,000
<b>SUBTOTAL CITY OPERATING FUNDS</b>		<b>\$ 35,057,585</b>	<b>\$ (27,197,495)</b>	<b>\$ (9,700,000)</b>	<b>\$ 1,122,030</b>	<b>\$ (1,122,030)</b>	<b>\$ (1,839,910)</b>
715	Pension Trust	\$ 18,500	\$ (18,500)	\$ -	\$ -	\$ -	\$ -
920	Successor Agency	\$ -	\$ (137,500)	\$ -	\$ 137,500	\$ -	\$ -
921	Successor Agency	\$ 456,750	\$ -	\$ -	\$ -	\$ (456,750)	\$ -
922	Successor Agency	\$ 447,500	\$ -	\$ -	\$ -	\$ (447,500)	\$ -
923	Successor Agency	\$ 110,750	\$ (60,000)	\$ -	\$ -	\$ (50,750)	\$ -
984	2015 Refunding Bonds	\$ -	\$ (1,521,000)	\$ -	\$ 817,500	\$ -	\$ (703,500)
<b>SUBTOTAL TRUST FUNDS</b>		<b>\$ 1,033,500</b>	<b>\$ (1,737,000)</b>	<b>\$ -</b>	<b>\$ 955,000</b>	<b>\$ (955,000)</b>	<b>\$ (703,500)</b>
<b>TOTAL OF ALL FUNDS</b>		<b>\$ 36,091,085</b>	<b>\$ (28,934,495)</b>	<b>\$ (9,700,000)</b>	<b>\$ 2,077,030</b>	<b>\$ (2,077,030)</b>	<b>\$ (2,543,410)</b>

AND, BE IT FURTHER RESOLVED by the City Council that the FY 2017-18 Budget is hereby adopted as follows:

**CITY OF EAST PALO ALTO**

**FY 2017-18 ADOPTED BUDGET SUMMARY BY FUND**

Fund	Description	Operating		Capital Improvement Plan	Operating Transfers		Net Change Fund Balance
		Revenues	Expenditures		In	Out	
010	General Fund	\$ 21,785,400	\$ (19,861,665)	\$ -	\$ -	\$ (3,673,735)	\$ (1,750,000)
011	IT Replacement Fund	\$ -	\$ (783,045)	\$ -	\$ 783,045	\$ -	\$ -
012	Equipment & Vehicles	\$ -	\$ (322,500)	\$ -	\$ 322,500	\$ -	\$ -
013	Self Insurance	\$ -	\$ (655,000)	\$ -	\$ 655,000	\$ -	\$ -
015	Contingency Reserve	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000
<b>ELIMINATING ENTRIES</b>		\$ -	\$ -	\$ -	\$ (1,860,545)	\$ 1,860,545	\$ -
<b>SUBTOTAL GENERAL FUND</b>		<b>\$ 21,785,400</b>	<b>\$ (21,622,210)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,813,190)</b>	<b>\$ (1,650,000)</b>
201	State Gas Tax	\$ 551,120	\$ (699,260)	\$ -	\$ -	\$ -	\$ (148,140)
202	Measure A	\$ 629,000	\$ (23,140)	\$ -	\$ -	\$ -	\$ 605,860
203	NPDES	\$ 134,000	\$ (131,960)	\$ -	\$ -	\$ -	\$ 2,040
204	Rent Stabilization	\$ 572,800	\$ (645,475)	\$ -	\$ -	\$ -	\$ (72,675)
206	Park In Lieu	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000
207	Housing In Lieu	\$ 305,620	\$ (28,570)	\$ -	\$ -	\$ -	\$ 277,050
208	Public Improvements In Lieu	\$ 15,000	\$ (15,000)	\$ (278,000)	\$ -	\$ -	\$ (278,000)
209	Housing Assistance Program	\$ 6,000	\$ (5,000)	\$ -	\$ -	\$ -	\$ 1,000
213	Police Grants	\$ 100,000	\$ (100,000)	\$ -	\$ -	\$ -	\$ -
215	Misc Federal and State Grants	\$ 43,000	\$ (43,000)	\$ -	\$ -	\$ -	\$ -
221	Lighting District	\$ 329,200	\$ (265,530)	\$ -	\$ -	\$ -	\$ 63,670
222	Drainage District	\$ 77,140	\$ (140,330)	\$ -	\$ 63,190	\$ -	\$ -
230	Local Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
231	CYSFF Grant Fund	\$ 292,320	\$ (291,930)	\$ -	\$ -	\$ -	\$ 390
232	Parcel Tax (Measure C)	\$ -	\$ (376,800)	\$ -	\$ -	\$ -	\$ (376,800)
301	Capital Improvement Fund	\$ 8,592,000	\$ -	\$ (10,342,000)	\$ 1,750,000	\$ -	\$ -
510	Water Service Fund	\$ 295,000	\$ (92,700)	\$ -	\$ -	\$ -	\$ 202,300
511	Water Capital Fund	\$ 515,000	\$ -	\$ (270,000)	\$ -	\$ -	\$ 245,000
512	Water Meter Fund	\$ 295,000	\$ -	\$ -	\$ -	\$ -	\$ 295,000
520	Garbage Service Fund	\$ 2,556,500	\$ (2,823,535)	\$ -	\$ -	\$ -	\$ (267,035)
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	\$ (61,000)	\$ -	\$ -	\$ -	\$ 19,000
<b>SUBTOTAL CITY OPERATING FUNDS</b>		<b>\$ 37,234,600</b>	<b>\$ (27,365,440)</b>	<b>\$ (10,890,000)</b>	<b>\$ 1,813,190</b>	<b>\$ (1,813,190)</b>	<b>\$ (1,020,840)</b>
715	Pension Trust	\$ 18,500	\$ (18,500)	\$ -	\$ -	\$ -	\$ -
920	Successor Agency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
921	Successor Agency	\$ 747,900	\$ -	\$ -	\$ -	\$ (747,900)	\$ -
922	Successor Agency	\$ 831,000	\$ -	\$ -	\$ -	\$ (831,000)	\$ -
923	Successor Agency	\$ 83,100	\$ (60,000)	\$ -	\$ -	\$ (23,100)	\$ -
984	2015 Refunding Bonds	\$ -	\$ (1,579,200)	\$ -	\$ 1,602,000	\$ -	\$ 22,800
<b>SUBTOTAL TRUST FUNDS</b>		<b>\$ 1,680,500</b>	<b>\$ (1,657,700)</b>	<b>\$ -</b>	<b>\$ 1,602,000</b>	<b>\$ (1,602,000)</b>	<b>\$ 22,800</b>
<b>TOTAL OF ALL FUNDS</b>		<b>\$ 38,915,100</b>	<b>\$ (29,023,140)</b>	<b>\$ (10,890,000)</b>	<b>\$ 3,415,190</b>	<b>\$ (3,415,190)</b>	<b>\$ (998,040)</b>

**AND, BE IT FURTHER RESOLVED** that, collectively, such budgets are passed and adopted as the “FY 16-18 Biennial Budget”.

**PASSED AND ADOPTED** this 21th day of June 2016, by the following vote:

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

**NOES:**

**ABSENT:**

**ABSTAIN:**


**SIGNED:**

  
\_\_\_\_\_  
Donna Rutherford, Mayor

**ATTEST:**

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

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Marc G. Hynes, Interim City Attorney

**RESOLUTION NO. 4747**

**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 June 8, 2016 and June 14, 2016; 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; and

**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.

**ADOPTED this 21st day of June 2016**, by the following vote:

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

**NOES:**

**ABSENT:**

**ABSTAIN:**

**SIGNED:**

  
\_\_\_\_\_  
Donna Rutherford, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

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

  
\_\_\_\_\_  
Marc G. Hynes, Interim City Attorney



## FY 2016-18 Capital Improvement Projects

PROJECT		FUND	SOURCE	FY 2016-17	FY 2017-18	TOTAL
ST-05	Bay Road	F301	Federal Grant HPLUL	847	7,592	\$ 8,439
ST-05	Bay Road	F301	Federal Grant OBAG	-	1,000	\$ 1,000
ST-05	Bay Road	F301	Rule 20A Underground	1,500	-	\$ 1,500
ST-05	Bay Road	F208	Local Fees	173	278	\$ 451
ST-05	Bay Road	F301	General Fund Reserve	-	1,750	\$ 1,750
<b>Sub-total Bay Road</b>				<b>2,520</b>	<b>10,620</b>	<b>\$ 13,140</b>
ST-06	Highway 101 POC	F301	General Fund Reserve	860	-	\$ 860
ST-15	UA Interchange	F301	Federal FHWA Grant	1,004	-	\$ 1,004
ST-15	UA Interchange	F202	Measure A Reserve	251	-	\$ 251
<b>Sub-total UA Interchange</b>				<b>1,255</b>	<b>-</b>	<b>\$ 1,255</b>
ST-21	Scofield Sidewalks	F230	SMC Grant	108	-	\$ 108
ST-21	Scofield Sidewalks	F202	Measure A Reserve	24	-	\$ 24
<b>Sub-total Scofield Sidewalks</b>				<b>132</b>	<b>-</b>	<b>\$ 132</b>
ST-22	Green Infrastructure	F203	NPDES Reserve	5	-	\$ 5
<b>Total Streets/Transportation</b>				<b>4,772</b>	<b>10,620</b>	<b>\$ 15,392</b>
FA-05	Senior Center Roof	F010	General Fund Reserve	40	-	\$ 40
<b>Total Facilities</b>				<b>40</b>	<b>-</b>	<b>\$ 40</b>
PK-08	Jack Farrell Imp	F010	General Fund Reserve	40	-	\$ 40
<b>Total Parks &amp; Open Space</b>				<b>40</b>	<b>-</b>	<b>\$ 40</b>
WS-02	Gloria Way Well	F301	IRWM Grant	951	-	\$ 951
WS-02	Gloria Way Well	F511	Surcharge/Com Benefit	691	-	\$ 691
WS-02	Gloria Way Well	F211	USEPA STAG Grant	405	-	\$ 405
<b>Sub-total Gloria Way Well</b>				<b>2,047</b>	<b>-</b>	<b>\$ 2,047</b>
WS-04	PAD D Well	F301	IRWM	555	-	\$ 555
WS-04	PAD D Well	F511	Surcharge/Com Benefit	1,777	-	\$ 1,777
WS-04	PAD D Well	F510	Water Reserve - Fees	404	-	\$ 404
<b>Sub-total PAD D Well</b>				<b>2,736</b>	<b>-</b>	<b>\$ 2,736</b>
WS-06	Monitoring Network	F511	Water Surcharge	-	205	\$ 205
WS-07	Annual Monitoring	F510	Water Reserve	65	65	\$ 130
<b>Total Water Supply</b>				<b>4,848</b>	<b>270</b>	<b>\$ 5,118</b>
<b>TOTAL FY 16-18 CIP FUNDING</b>				<b>9,700</b>	<b>10,890</b>	<b>\$ 20,590</b>

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# 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 expenditures/ expenses for a given period (typically a fiscal year) and the 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 pass 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.

**ADOPTED 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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