

CITY OF PALO ALTO
RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2025 PROPOSED BUDGET

Department		FTE Adjustment	Revenues Adjustment	Expenses Adjustment
GENERAL FUND (102 & 103)				
<i>Community Services</i>	Ticketing Revenue/ JMZ Staffing and Programming Augmentation Consistent with Finance Committee's direction, this action augments the Junior Museum and Zoo (JMZ) staffing by adding 1.0 Program Assistant I for Guest Services, and converting four Zoological Assistants (allocated at .48 FTE each) to four full-time Animal Caretakers. The conversion for the four positions will take effect in January. Additionally, the plan allocates \$211,000 for a new JMZ ticketing system and increases revenue, reflecting peak hour ticket pricing. The costs will be partially offset by revenue from an increase to the ticket prices from \$10 to \$14 during peak operations. (Ongoing Net Costs: \$352,000)	3.08	\$ 350,000	\$ 509,026
<i>Community Services</i>	Los Altos and Los Altos Hills Animal Care Revenue This action increases revenue from Los Altos and Los Altos Hills in accordance with the latest contract renewal (CMR 2403-2827), effective July 1, 2024, for providing animal care and control services. (Ongoing Savings: \$198,000)		\$ 198,338	\$ -
<i>Fire</i>	Revenue from Stanford University/ Upstaff Fire Engine 62 with three Sworn Staff instead of Overtime Consistent with Finance Committee's direction, this action adds 3.00 Firefighter EMTs to fill one Daily shift position at Fire Engine 62. These staff will increase fire response capability by converting the squad vehicle at Fire Station 2 to a full Fire Engine through sworn staff rather than on overtime. The addition of these staff will be partially offset with revenue from Stanford University per the fire services agreement between the University and the City. (Ongoing Net Costs: \$97,000)	3.00	\$ 14,078	\$ 74,093
<i>Non-Departmental</i>	Transfer to the Capital Improvement Fund for California Avenue Interim Improvements In support of City Council priority objectives, this action transfers \$450,000 to the Capital Improvement Fund for street paving adjustments, signage, planters, and site furniture in the California Avenue Streetscape Update project (PL-23000). (Ongoing Costs: \$0)		\$ -	\$ 450,000
<i>Non-Departmental</i>	Transfer to the Capital Improvement Fund for Roth Building Rehabilitation This action transfers \$300,000 to the Capital Improvement Fund to reimburse the Palo Alto Museum (PAM) for inflationary cost increases related to the Roth Building Rehabilitation project (PF-23001). (Ongoing Costs: \$500,000, FY 2026 only)		\$ -	\$ 300,000

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Department		FTE Adjustment	Revenues Adjustment	Expenses Adjustment
GENERAL FUND (102 & 103)				
<i>Non-Departmental</i>	Ramona Car-Free Streetscape Design This action provides \$50,000 in one-time funding to begin engagement with stakeholders about the future of Ramona Street as a car-free street. Funding will be used to onboard consultant resources that will be responsible for conducting stakeholder engagement, designing alternatives, considering legal strategies for permanent status as a car-free street, and addressing potential impacts for Ramona as a historic district. (Ongoing Costs: \$0)		\$ -	\$ 50,000
<i>Non-Departmental</i>	City Wide Special Event Funding Consolidation Consistent with Finance Committee Direction, this action adds funding for the following citywide events and programming: UNAFF (\$45k), 3rd Thursdays (\$40k), and Magical Bridge (\$150k) as well as one-time funding for Environmental Volunteers Foothills Nature Preserve (\$11k). During deliberations, Neighbors Abroad was also considered, but funding for this program is already included in the FY 2025 budget. (Ongoing Costs: \$235,000)		\$ -	\$ 246,000
<i>Non-Departmental</i>	Uncertainty Reserve As a result of actions taken by the Finance Committee, funding of approximately \$1.5 million is available to increase the Uncertainty Reserve for use during the FY 2026 Budget process. This action will increase the remaining funds in the Uncertainty Reserve to \$6.2 million. (Ongoing Costs: \$0, \$6.2 million one-time reserve)		\$ -	\$ 1,470,442
<i>Non-Departmental</i>	Real Property Investment Reserve Consistent with Finance Committee Direction on June 4, 2024, this action reduces the Real Property Investment Reserve from \$2.5 million to \$1.0 million annually. (Ongoing Savings: \$1,500,000)		\$ -	\$ (1,500,000)
<i>Office of Transportation</i>	Revenue from Stanford University/ Palo Alto Link This action reduces the net City cost of providing Palo Alto Link services by \$400,000 through a combination of reduced service levels (including reduction of service hours and areas, and limitation of ridership) and increased revenue (including fare increases and additional support from Stanford). (Ongoing Net Savings: \$400,000)		\$ 223,000	\$ (177,000)
<i>Office of Transportation</i>	Palo Alto Transportation Management Authority (PATMA) This ongoing action increases the allocation for PATMA by \$200,000, from \$200,000 to \$400,000, to maintain current service levels, with \$25,000 funded by the University Avenue Parking Fund and \$175,000 supported by the General Fund. Previously, PATMA spent down reserves to maintain service levels and has exhausted those funds. (Ongoing Costs: \$175,000)		\$ -	\$ 175,000
<i>Public Works</i>	Public Services Streets & Sidewalks 311 Service Requests Staffing This ongoing action adds two hourly (0.46 FTE each) General Laborer positions to support work orders generated from Palo Alto 311 streets and sidewalks service requests and address an existing backlog. (Ongoing Costs: \$107,000)	0.96	\$ -	\$ 100,199

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Department		FTE Adjustment	Revenues Adjustment	Expenses Adjustment
GENERAL FUND (102 & 103)				
<i>Utilities</i>	Gas Fund Equity Transfer Consistent with Council direction, this action increases the Gas Fund equity transfer to the General Fund from 11.9% to 14.5%, an increase of approximately \$2.0 million. This is accompanied by an increase to retail revenues in the Gas Fund by approximately \$2.0 million, supported by an increase to the gas rate in FY 2025 from 9.0% in the proposed budget to 12.5%. (Ongoing Savings: \$916,000, FY 2026 Only)		\$ 1,958,000	\$ -
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing costs: \$3,300,000)		\$ -	\$ 1,650,657
<i>Fund Balance</i>	Adjustment to Fund Balance (Budget Stabilization Reserve) This action adjusts the fund balance to offset adjustments recommended in this report.		\$ -	\$ (605,000)
GENERAL FUND (102 & 103) SUBTOTAL		7.04	\$ 2,743,416	\$ 2,743,416

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Department		FTE Adjustment	Revenues Adjustment	Expenses Adjustment
CAPITAL IMPROVEMENT FUNDS				
<u>CAPITAL IMPROVEMENT FUND (471)</u>				
<i>Capital</i>	Capital Improvement Project Amendments to Proposed Reappropriations This action reflects the impact from adjustments to capital projects as a result of funds recommended to be reappropriated from FY 2024 to FY 2025, as outlined in Attachment A, Exhibit 3. Projects with other recommended adjustments are detailed below.		\$ (1,851)	\$ 6,088,590
<i>Capital</i>	Transfer from Gas Tax Fund/Street Maintenance (PE-86070) This action increases the transfer from the Gas Tax Fund and the Street Maintenance project's budget by \$79,378 annually to align with the California Department of Finance's May 2024 updates for estimated 2024-25 Gas Tax Revenue.		\$ 79,378	\$ 79,378
<i>Capital</i>	Baylands Boardwalk Piling Repair (PE-24000) To avoid boardwalk closure, this action increases the project's budget by \$203,000 to support repair work for which bids were higher than the engineer's estimate.		\$ -	\$ 203,000
<i>Capital</i>	Transfer from the General Fund/ California Avenue Streetscape Update (PL-23000) In support of City Council priority objectives, this action increases the project's budget by \$450,000 for street paving adjustments, signage, planters, and site furniture, offset with a transfer from the General Fund in the same amount.		\$ 450,000	\$ 450,000
<i>Capital</i>	Transfer from the General Fund/ Roth Building Rehabilitation (PF-23001) This action provides a \$300,000 reimbursement to the Palo Alto Museum (PAM) for inflationary cost increases, offset with a transfer from the General Fund in the same amount. (Ongoing Costs: \$500,000, FY 2026 only)		\$ 300,000	\$ 300,000
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Costs: \$108,000)		\$ -	\$ 54,109
<i>Fund Balance</i>	Adjustment to Fund Balance (Infrastructure Reserve) This action adjusts the fund balance to offset adjustments recommended in this report.		\$ -	\$ (6,347,550)
CAPITAL IMPROVEMENT FUND (471) SUBTOTAL		0.00	\$ 827,527	\$ 827,527

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Department		FTE Adjustment	Revenues Adjustment	Expenses Adjustment
CAPITAL IMPROVEMENT FUNDS				
<u>CUBBERLEY INFRASTRUCTURE FUND (472)</u>				
<i>Capital</i>	Capital Improvement Project Amendments to Proposed Reappropriations This action reflects the impact from adjustments to capital projects as a result of funds recommended to be reappropriated from FY 2024 to FY 2025, as outlined in Attachment A, Exhibit 3. Projects with other recommended adjustments are detailed below.		\$ -	\$ 1,031,944
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.		\$ -	\$ (1,031,944)
CUBBERLEY INFRASTRUCTURE FUND (472) SUBTOTAL		0.00	\$ -	\$ -

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RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2025 PROPOSED BUDGET

Department		FTE Adjustment	Revenues Adjustment	Expenses Adjustment
ENTERPRISE FUNDS				
<u>AIRPORT FUND (530)</u>				
<i>Capital</i>	Capital Improvement Project Amendments to Proposed Reappropriations This action reflects the impact from adjustments to capital projects as a result of funds recommended to be reappropriated from FY 2024 to FY 2025, as outlined in Attachment A, Exhibit 3. Projects with other recommended adjustments are detailed below.		\$ 22,500	\$ 25,000
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Costs: \$18,000)		\$ -	\$ 9,345
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.		\$ -	\$ (11,845)
AIRPORT FUND (530) SUBTOTAL		0.00	\$ 22,500	\$ 22,500
<u>UTILITIES ADMINISTRATION FUND (521)</u>				
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Savings: \$7,000)		\$ -	\$ (3,364)
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.		\$ -	\$ 3,364
UTILITIES ADMINISTRATION FUND (521) SUBTOTAL		0.00	\$ -	\$ -
<u>ELECTRIC FUND (513 & 523)</u>				
<i>Capital</i>	Capital Improvement Project Amendments to Proposed Reappropriations This action reflects the impact from adjustments to capital projects as a result of funds recommended to be reappropriated from FY 2024 to FY 2025, as outlined in Attachment A, Exhibit 3. Projects with other recommended adjustments are detailed below.		\$ -	\$ 8,727,930
<i>Utilities</i>	Associate Sustainability Program Administrator This action adds 1.0 FTE Associate Sustainability Program Administrator to the Utilities Resource Management Division. This fulfills the Council's Climate Action priority by supporting programs to drive gas appliance conversion to electricity and electric vehicle adoption, both of which reduce emissions supporting the City's green electricity portfolio. (Ongoing Costs: \$155,000)	1.00	\$ -	\$ 148,819
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Costs: \$556,000)		\$ -	\$ 277,742
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.		\$ -	\$ (9,154,491)
ELECTRIC FUND (513 & 523) SUBTOTAL		1.00	\$ -	\$ -

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Department		FTE Adjustment	Revenues Adjustment	Expenses Adjustment
ENTERPRISE FUNDS				
<u>FIBER FUND (533)</u>				
<i>Capital</i>	Capital Improvement Project Amendments to Proposed Reappropriations This action reflects the impact from adjustments to capital projects as a result of funds recommended to be reappropriated from FY 2024 to FY 2025, as outlined in Attachment A, Exhibit 3. Projects with other recommended adjustments are detailed below.		\$ -	\$ 6,355,164
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Savings: \$6,000)		\$ -	\$ (3,028)
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.		\$ -	\$ (6,352,136)
FIBER FUND (533) SUBTOTAL		0.00	\$ -	\$ -
<u>GAS FUND (514 & 524)</u>				
<i>Capital</i>	Capital Improvement Project Amendments to Proposed Reappropriations This action reflects the impact from adjustments to capital projects as a result of funds recommended to be reappropriated from FY 2024 to FY 2025, as outlined in Attachment A, Exhibit 3. Projects with other recommended adjustments are detailed below.		\$ -	\$ 4,690,727
<i>Capital</i>	Gas Main Replacements #25 (GS-15000) To mitigate further rate increases related to the Gas Fund equity transfer and to maintain a sufficient reserve balance, this action reduces the project's FY 2025 budget by \$735,000.		\$ -	\$ (735,000)
<i>Utilities</i>	Gas Fund Equity Transfer Consistent with Council direction, this action increases the Gas Fund equity transfer to the General Fund from 11.9% to 14.5%, an increase of approximately \$2.0 million. This is offset by an increase to retail revenues by approximately \$2.0 million, supported by an increase to the gas rate in FY 2025 from 9.0% in the proposed budget to 12.5%. (Ongoing Costs: \$916,000, FY 2026 Only)		\$ 1,958,000	\$ 1,958,000
<i>Utilities</i>	Water System Operations Staffing This action removes the Water System Operations Staffing Proposal from the FY 2025 Proposed Budget to allow time for discussions with the Service Employee International Union (SEIU). The proposal sought to reclassify four Water System Operator II's and two Senior Water System Operators into four Utilities Install/Repairers and two Utility Install/Repairer Leads, respectively. (Ongoing Costs: \$10,000)	0.00	\$ -	\$ 5,359

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Department		FTE Adjustment	Revenues Adjustment	Expenses Adjustment
ENTERPRISE FUNDS				
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Costs: \$274,000)		\$ -	\$ 136,926
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.		\$ -	\$ (4,098,012)
GAS FUND (514 & 524) SUBTOTAL		0.00	\$ 1,958,000	\$ 1,958,000
<u>REFUSE FUND (525)</u>				
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Costs: \$96,000)		\$ -	\$ 47,695
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report		\$ -	\$ (47,695)
REFUSE FUND (525) SUBTOTAL		0.00	\$ -	\$ -
<u>STORMWATER MANAGEMENT FUND (528)</u>				
<i>Capital</i>	Capital Improvement Project Amendments to Proposed Reappropriations This action reflects the impact from adjustments to capital projects as a result of funds recommended to be reappropriated from FY 2024 to FY 2025, as outlined in Attachment A, Exhibit 3. Projects with other recommended adjustments are detailed below.		\$ -	\$ 5,822,454
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Costs: \$72,000)		\$ -	\$ 36,272
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.		\$ -	\$ (5,858,726)
STORMWATER MANAGEMENT FUND (528) SUBTOTAL		0.00	\$ -	\$ -
<u>WASTEWATER COLLECTION FUND (527)</u>				
<i>Capital</i>	Capital Improvement Project Amendments to Proposed Reappropriations This action reflects the impact from adjustments to capital projects as a result of funds recommended to be reappropriated from FY 2024 to FY 2025, as outlined in Attachment A, Exhibit 3. Projects with other recommended adjustments are detailed below.		\$ -	\$ 40,000
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Savings: \$150,000)		\$ -	\$ (74,921)

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Department		FTE Adjustment	Revenues Adjustment	Expenses Adjustment
ENTERPRISE FUNDS				
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.		\$ -	\$ 34,921
WASTEWATER COLLECTION FUND (527) SUBTOTAL		0.00	\$ -	\$ -
<u>WASTEWATER TREATMENT FUND (526)</u>				
<i>Capital</i>	Capital Improvement Project Amendments to Proposed Reappropriations This action reflects the impact from adjustments to capital projects as a result of funds recommended to be reappropriated from FY 2024 to FY 2025, as outlined in Attachment A, Exhibit 3. Projects with other recommended adjustments are detailed below.		\$ 35,169,981	\$ 42,178,642
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Costs: \$590,000)		\$ -	\$ 295,490
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.		\$ -	\$ (7,304,151)
WASTEWATER TREATMENT FUND (526) SUBTOTAL		0.00	\$ 35,169,981	\$ 35,169,981
<u>WATER FUND (522)</u>				
<i>Capital</i>	Capital Improvement Project Amendments to Proposed Reappropriations This action reflects the impact from adjustments to capital projects as a result of funds recommended to be reappropriated from FY 2024 to FY 2025, as outlined in Attachment A, Exhibit 3. Projects with other recommended adjustments are detailed below.		\$ -	\$ 5,632,547
<i>Utilities</i>	Water System Operations Staffing This action removes the Water System Operations Staffing Proposal from the FY 2025 Proposed Budget to allow time for discussions with the Service Employee International Union (SEIU). The proposal sought to reclassify four Water System Operator II's and two Senior Water System Operators into four Utilities Install/Repairers and two Utility Install/Repairer Leads, respectively. (Ongoing Savings: \$50,000)	0.00	\$ -	\$ (43,098)
<i>Utilities</i>	Water Rates Decrease In accordance with the FY 2025 Water Fund Financial Plan, this action reduces the annual water rate increase from 10.0% to 9.5%, reducing revenue by \$297,381. (Ongoing Savings: \$0)		\$ (297,381)	\$ -
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Costs: \$152,000)		\$ -	\$ 75,809
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.		\$ -	\$ (5,962,639)
WATER FUND (522) SUBTOTAL		0.00	\$ (297,381)	\$ (297,381)

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Department		Revenues Adjustment	Expenses Adjustment
SPECIAL REVENUE FUNDS			
<u>PARKS DEVELOPMENT IMPACT FEE FUND (210)</u>			
Non-Departmental	Transfer to Capital Improvement Fund	\$ -	\$ (1,851)
	This action reduces the transfer to the Capital Improvement Fund as a result of recommended adjustments to capital project reappropriations from FY 2024 to FY 2025.		
Fund Balance	Adjustment to Fund Balance	\$ -	\$ 1,851
	This action adjusts the fund balance to offset the actions recommended in this report.		
PARKS DEVELOPMENT IMPACT FEE FUND (210) SUBTOTAL		\$ -	\$ -
<u>GAS TAX FUND (231)</u>			
Non-Departmental	Gas Tax Revenue Increase/ Transfer to Capital Improvement Fund for Street Maintenance (PE-86070)	\$ 79,378	\$ 79,378
	This action increases Gas Tax revenue estimates and increases transfers to the CIP for the Street Maintenance Project (PE-86070) based on the California Department of Finance's May 2024 updates for estimated 2024-25 HUTA and RMRA-SB1 taxes.		
GAS TAX FUND (231) SUBTOTAL		\$ 79,378	\$ 79,378
<u>CALIFORNIA AVENUE PARKING PERMITS FUND (237)</u>			
Various	Other Post-Employment Benefits (OPEB) Actuarial Valuation	\$ -	\$ 574
	A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Costs: \$1,000)		
Fund Balance	Adjustment to Fund Balance	\$ -	\$ (574)
	This action adjusts the fund balance to offset the actions recommended in this report.		
CALIFORNIA AVENUE PARKING PERMITS FUND (237) SUBTOTAL		\$ -	\$ -
<u>RESIDENTIAL PARKING PERMIT PROGRAMS FUND (239)</u>			
Various	Other Post-Employment Benefits (OPEB) Actuarial Valuation	\$ -	\$ 1,000
	A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Costs: \$2,000)		
Fund Balance	Adjustment to Fund Balance	\$ -	\$ (1,000)
	This action adjusts the fund balance to offset the actions recommended in this report.		
RESIDENTIAL PARKING PERMIT PROGRAMS FUND (239) SUBTOTAL		\$ -	\$ -

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Department		Revenues Adjustment	Expenses Adjustment
SPECIAL REVENUE FUNDS			
<u>UNIVERSITY AVENUE PARKING PERMITS FUND (236)</u>			
<i>Office Of Transportation</i>	Palo Alto Transportation Management Authority (PATMA) Funding This ongoing action increases the allocation for PATMA by \$200,000, from \$200,000 to \$400,000, to maintain current service levels, with \$25,000 funded by the University Avenue Parking Fund and \$175,000 supported by the General Fund. Previously, PATMA spent down reserves to maintain service levels and has exhausted those funds. (Ongoing Costs: \$25,000)	\$ -	\$ 25,000
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Costs: \$5,000)	\$ -	\$ 2,413
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset the actions recommended in this report.	\$ -	\$ (27,413)
UNIVERSITY AVENUE PARKING PERMITS FUND (236) SUBTOTAL		\$ -	\$ -

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Department	Revenues Adjustment	Expenses Adjustment
INTERNAL SERVICE FUNDS		
<u>GENERAL BENEFITS FUND (687)</u>		
<i>Non-Departmental</i> Charges to Other Funds / Healthcare and Pension Expense	\$ 1,573,612	\$ 1,573,612
This net neutral action increases the estimate for charges to other funds by \$1.6 million due to staffing increases approved as part of the FY 2025 Adopted Budget. During budget hearings, the Finance Committee recommended staffing adjustments to the FY 2025 Proposed Budget in addition to the staffing adjustments included in the FY 2025 Proposed Budget. The General Benefits Fund acts as a pass-through for pension and healthcare costs; therefore this action increases expenditures correspondingly.		
<i>Non-Departmental</i> Other Post-Employment Benefits (OPEB) Actuarial Valuation	\$ -	\$ (254,500)
Transfer for Implied Subsidy. A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1.		
<i>Non-Departmental</i> Adjustment to Fund Balance	\$ -	\$ 254,500
This action adjusts the fund balance to offset adjustments recommended in this report.		
GENERAL BENEFITS FUND (687) SUBTOTAL		\$ 1,573,612 \$ 1,573,612
<u>RETIREE HEALTH BENEFITS FUND (694)</u>		
<i>Various</i> Other Post-Employment Benefits (OPEB) Actuarial Valuation	\$ 2,603,214	\$ 2,603,214
On June 4, 2024, the Finance Committee approved the June 30, 2023 actuarial valuation of Palo Alto's Retiree Healthcare Plan (CMR 2402-2673). This action results in an FY 2025 Adjusted ADC of \$19.4 million citywide (approximately \$12.2 million in the General Fund), a \$2.6 million (\$1.7 million in the General Fund) increase from the \$16.8 million ADC from the June 30, 2021 valuation used to develop the FY 2025 Proposed Operating Budget. A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1.		
<i>Non-Departmental</i> Other Post-Employment Benefits (OPEB) Actuarial Valuation	\$ (254,500)	\$ (254,500)
Transfer for Implied Subsidy. A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1.		
RETIREE HEALTH BENEFITS FUND (694) SUBTOTAL		\$ 2,348,714 \$ 2,348,714

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Department		Revenues Adjustment	Expenses Adjustment
INTERNAL SERVICE FUNDS			
<u>PRINTING & MAILING FUND (683)</u>			
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation Transfer for Implied Subsidy. A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Costs: \$10,000)	\$ -	\$ 5,296
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	\$ -	\$ (5,296)
PRINTING & MAILING FUND (683) SUBTOTAL		\$ -	\$ -
<u>TECHNOLOGY FUND (682)</u>			
<i>Capital</i>	Capital Improvement Project Amendments to Proposed Reappropriations This action reflects the impact from adjustments to capital projects as a result of funds recommended to be reappropriated from FY 2024 to FY 2025, as outlined in Attachment A, Exhibit 3.	\$ -	\$ 1,274,731
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Costs: \$142,000)	\$ -	\$ 71,067
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	\$ -	\$ (1,345,798)
TECHNOLOGY FUND (682) SUBTOTAL		\$ -	\$ -
<u>VEHICLE REPLACEMENT & MAINTENANCE FUND (681)</u>			
<i>Capital</i>	Capital Improvement Project Amendments to Proposed Reappropriations This action reflects the impact from adjustments to capital projects as a result of funds recommended to be reappropriated from FY 2024 to FY 2025, as outlined in Attachment A, Exhibit 3. Projects with other recommended adjustments are detailed below.	\$ -	\$ (290,553)
<i>Various</i>	Other Post-Employment Benefits (OPEB) Actuarial Valuation A detailed list of impacts by department and fund can be found in Attachment D, Exhibit 1. (Ongoing Costs: \$40,000)	\$ -	\$ 20,134
<i>Fund Balance</i>	Adjustment to Fund Balance This action adjusts the fund balance to offset adjustments recommended in this report.	\$ -	\$ 270,419
VEHICLE REPLACEMENT & MAINTENANCE FUND (681) SUBTOTAL		\$ -	\$ -

Fund Number and Name	Project Title	Project #	Expense Reappropriation Adjustment (Proposed)	Expense Reappropriation Adjustment (A2P)	Expense Reappropriation Adjustment TOTAL	Revenue Reappropriation Adjustment (Proposed)	Revenue Reappropriation Adjustment (A2P)	Revenue Reappropriation Adjustment TOTAL
471 - Capital Improvement Fund	Americans With Disabilities Act Compliance	PF-93009	800,000		800,000			
	Animal Shelter Renovation	PE-19002	2,712,807		2,712,807			
	Art In Public Spaces	AC-86017		1,637,708	1,637,708			
	Athletic Courts Resurfacing	PG-06001	202,644	(28,617)	174,027			
	Baylands Comprehensive Conservation Plan	PG-17000	43,100		43,100			
	Baylands Nature Preserve Entrance Gate	OS-24000	120,000	(22,538)	97,462			
	Benches, Signage, Walkways, Perimeter Landscaping, and Site Amenities	PG-06003		128,021	128,021			
	Bicycle and Pedestrian Transportation Plan Implementation	PL-04010	2,900,000		2,900,000			
	Boulevard Park Improvements	PE-17005	135,764		135,764			
	Building Systems Improvements	PF-01003		100,000	100,000			
	California Avenue District Gateway Signs	PE-17004	123,382		123,382			
	Churchill Avenue Enhanced Bikeway	PL-14000		2,000,000	2,000,000			
	City Bridge Improvements	PE-20001	1,140,612	79,476	1,220,088			
	City Facilities Assessment	PE-20002		30,000	30,000			
	City Facility Parking Lot Maintenance	PE-09003	240,487		240,487			
	City Hall Space Planning	PE-19000	571,373		571,373			
	Civic Center Electrical Upgrade & EV Charger	PE-17010	1,035,399		1,035,399			
	Civic Center Fire Life Safety Upgrades	PE-18016	147,239	(6,310)	140,929			
	Civic Center Waterproofing Study and Repairs	PE-15020	426,969		426,969			
	Downtown Automated Parking Guidance Systems, Access Controls & Revenue Collection Equip.	PL-15002	63,528	(6,130)	57,398			
	Electric Charger Infrastructure Installation	PF-23000	241,799	(143,773)	98,026			
	Electrification of City Facilities	PE-24001		491,474	491,474			
	Facility Interior Finishes Replacement	PF-02022		20,000	20,000			
	Fire Station 4 Replacement	PE-18004	8,107,006	(47,351)	8,059,655			
	Foothills Nature Preserve Boronda Lake Dock	OS-18000		210,000	210,000			
	Foothills Nature Preserve Dam Seepage Investigation and Repairs	PE-20000	75,066		75,066			
	Foothills Nature Preserve Improvements	PE-21000	692,744		692,744			
	Golf Course Net and Artificial Turf Replacement	PG-18000	770,000		770,000			
	Golf Reconfiguration & Baylands Athletic Center Improvements	PG-13003		87,150	87,150			
	Homekey Facilities	PE-24005	4,401,987		4,401,987			
	JMZ Renovation	AC-18001	531,623	44,892	576,515			
	Library Automated Material Handling	LB-21000	382,983	19	383,002	382,983		382,983
	Lucie Stern Community Theater Mechanical Equipment Replacement	PE-24002	199,834		199,834			
	Lucie Stern Community Theatre Fire Curtain	AC-24001	200,000		200,000			
	Lucie Stern Community Theatre Theatrical and House Lighting System Replacement	PE-24003	26,350		26,350			
	Mitchell Park Library Repair	PE-24006	163,730	(1,654)	162,076			
	Municipal Service Center Lighting, Mechanical, and Electrical Improvements	PF-16006	6,365,504		6,365,504	500,000		500,000
	New California Avenue Area Parking Garage	PE-18000	735,018	(2,758)	732,260			
	New Downtown Parking Garage	PE-15007	5,398,600	(297,242)	5,101,358	5,398,600		5,398,600
	New Public Safety Building	PE-15001		1,454,374	1,454,374			
	Newell Road/San Francisquito Creek Bridge	PE-12011	14,016,235	(359,800)	13,656,435	9,800,000		9,800,000
	Off-Road Pathway Resurfacing And Repair	OS-09001	244,733		244,733			
	Open Space Lakes And Pond Maintenance	OS-00002		27,169	27,169			
	Open Space Trails and Amenities	OS-00001		71,651	71,651			
	Park and Open Space Emergency Repairs	PG-09002		53,687	53,687			
	Park Restroom Installation	PG-19000	631,421	(1,851)	629,570	631,421	(1,851)	629,570
	Parking District Implementation	PL-15003	163,900		163,900			
	Performing Arts Venues Seat Replacement	AC-18000	339,976	(166,990)	172,986			
	Rinconada Pool Family Changing Room	PE-24004	200,070		200,070			
	Robles Park Improvements	PE-18015	192,248	446,308	638,556			
	Roth Building Rehabilitation Phase 1	PF-23001	245,974	(7,928)	238,046			
	Safe Routes To School	PL-00026		500,000	500,000			
	Sidewalk Repairs	PO-89003	139,390	(139,390)	-			
	Street Lights Condition Assessment	PE-13014	220,000		220,000			
	Street Lights Improvements	PO-05054	366,950	(4,541)	362,409			
	Street Maintenance	PE-86070	146,154	(56,466)	89,688			
	University Avenue Parking Improvements	PF-14003	155,416		155,416			
	Baylands Interpretive Signage Program	OS-24001	162,000		162,000	162,000		162,000
471 - Capital Improvement Fund Total			56,180,015	6,088,590	62,268,605	16,875,004	(1,851)	16,873,153
472 - Cubberley Property	Cubberley Field Restroom	CB-17002	137,828	510,848	648,676			
	Cubberley Gym HVAC Replacement	CB-24000	770,000	30,000	800,000			
	Cubberley Repairs	CB-17001		491,096	491,096			
	Cubberley Roof Replacements	CB-16002	400,000		400,000			
472 - Cubberley Property Infrastructure Fund Total			1,307,828	1,031,944	2,339,772			

Fund Number and Name	Project Title	Project #	Expense Reappropriation Adjustment (Proposed)	Expense Reappropriation Adjustment (A2P)	Expense Reappropriation Adjustment TOTAL	Revenue Reappropriation Adjustment (Proposed)	Revenue Reappropriation Adjustment (A2P)	Revenue Reappropriation Adjustment TOTAL
530 - Airport Enterprise Fund	Airport Access Road Reconstruction	AP-24000	300,000		300,000	270,000		270,000
	Airport Parking Lot Electric Vehicle Charger	AP-24001		25,000	25,000		22,500	22,500
	Airport Temporary Office Buildings	AP-22001	358,800		358,800			
	Airport Zero Emission Vehicle Fleet Replacement	AP-23000	156,647		156,647	156,647		156,647
	Automated Weather Observation System (AWOS)	AP-19000	341,839		341,839	341,839		341,839
530 - Airport Enterprise Fund			1,157,286	25,000	1,182,286	768,486	22,500	790,986
523 - Electric Fund	Colorado Power Station Equipment Upgrades	EL-19001		1,733,011	1,733,011			
	Colorado Substation Site Improvements	EL-19002		1,138,294	1,138,294			
	Foothills Rebuild (Fire Mitigation)	EL-21001	1,742,878	460,974	2,203,852			
	Grid Modernization for Electrification	EL-24000	15,000,000	3,182,640	18,182,640	15,000,000		15,000,000
	Inter-substation Line Protection Relay	EL-17005		462,505	462,505			
	Rebuild Underground District 24	EL-10006		139,066	139,066			
	Smart Grid Technology Installation	EL-11014	710,177	297,572	1,007,749			
	Substation Breaker Replacement	EL-17002	1,137,480	1,209,854	2,347,334			
	Substation Physical Security	EL-16003	2,812,575	104,014	2,916,589			
523 - Electric Fund Total			21,403,110	8,727,930	30,131,040	15,000,000		15,000,000
533 - Fiber Optics Fund	Fiber Optics Network - System Improvements	FO-10001		400,000	400,000			
	Fiber Optics Network - System Rebuild	FO-16000	12,314,530	30,000	12,344,530			
	Fiber-to-the-Premises (FTTP)	FO-24000		5,925,164	5,925,164			
533 - Fiber Optics Fund Total			12,314,530	6,355,164	18,669,694			
524 - Gas Fund	Gas Distribution System Improvements	GS-11002		666,723	666,723			
	Gas Main Replacement - Project 24	GS-14003	567,190	131,610	698,800			
	Gas Main Replacement - Project 25	GS-15000		3,703,849	3,703,849			
	Gas Meters and Regulators	GS-80019		188,545	188,545			
524 - Gas Fund Total			567,190	4,690,727	5,257,917			
528 - Stormwater Management	Corporation Way System Upgrades and Pump Station	SD-21000		3,526,712	3,526,712			
	East Meadow Circle Connection to Adobe Creek Pump Station	SD-26000		134,487	134,487			
	East Meadow Drive System Upgrades	SD-22000		88,231	88,231			
	Green Stormwater Infrastructure	SD-22001	1,655,538	(42,070)	1,613,468			
	Storm Drainage System Replacement And	SD-06101	600,000	188,164	788,164			
	West Bayshore Road Pump Station	SD-20000		1,038,809	1,038,809			
	West Bayshore Road Trunk Line Improvements	SD-23000		888,121	888,121			
528 - Stormwater Management Fund Total			2,255,538	5,822,454	8,077,992			
527 - Wastewater Collection Fund	Wastewater General Equipment and Tools	WC-13002		40,000	40,000			
527 - Wastewater Collection Fund Total				40,000	40,000			
526 - Wastewater Treatment Fund	Headworks Facility Replacement	WQ-16002	2,638,974	372,915	3,011,889			
	Horizontal Levee Pilot	WQ-22001	246,666	(170,431)	76,235			
	Joint Intercepting Sewer Rehabilitation (Phase 1)	WQ-24000	3,565,030	28,890	3,593,920	3,565,030	28,890	3,593,920
	Outfall Line Construction	WQ-19000	10,605,800		10,605,800			
	Plant Repair, Retrofit, and Equipment Replacement	WQ-19002	5,057,207	4,816,716	9,873,923			
	Primary Sedimentation Tank Rehabilitation	WQ-14003	1,000,000	1,989,461	2,989,461			
	Secondary Treatment Upgrades	WQ-19001	1,132,679	34,996,091	36,128,770	1,132,679	34,996,091	36,128,770
	Local Advanced Water Purification System	WQ-19003	16,981,395	145,000	17,126,395	16,981,395	145,000	17,126,395
526 - Wastewater Treatment Fund Total			41,227,751	42,178,642	83,406,393	21,679,104	35,169,981	56,849,085
522 - Water Fund	Water Distribution System Improvements	WS-11003		670,388	670,388			
	Water General Equipment/Tools	WS-13002		50,000	50,000			
	Water Main Replacement - Project 29	WS-15002		3,089,102	3,089,102			
	Water Main Replacement - Project 30	WS-16001		415,000	415,000			
	Water Regulation Station Improvements	WS-07000		18,519	18,519			
	Water System Supply Improvements	WS-11004	2,817,000	601,706	3,418,706			
	Water Tank Seismic Upgrade and Rehabilitation	WS-09000		737,832	737,832			
	Water, Gas, Wastewater Utility GIS Data	WS-02014		50,000	50,000			
522 - Water Fund Total			2,817,000	5,632,547	8,449,547			
682 - Technology Fund	City Council Chambers Upgrade	TE-19001	1,770,910	(10,000)	1,760,910			
	Computer Aided Dispatch (CAD) Upgrade	TE-23000		640,000	640,000			
	Enterprise Resource Planning Upgrade	TE-19000	530,620	(10,620)	520,000			
	Infrastructure Management System	TE-13004		361,874	361,874			
	Radio Infrastructure Replacement	TE-05000	259,900		259,900			
	Utilities Customer Bill System Improvements	TE-10001		293,477	293,477			
682 - Technology Fund Total			2,561,430	1,274,731	3,836,161			
681 - Vehicle Replacement & Maintenance Fund	Emergency Repair and Replacement	VR-15001		39,662	39,662			
	Scheduled Vehicle and Equipment Replacement - FY	VR-20000	30,000		30,000			
	Scheduled Vehicle and Equipment Replacement - FY	VR-21000	17,351		17,351			
	Scheduled Vehicle and Equipment Replacement - FY	VR-23000	873,477	(144,146)	729,331			
	Scheduled Vehicle and Equipment Replacement - FY	VR-24000	4,364,538	(186,069)	4,178,469			
681 - Vehicle Replacement & Maintenance Fund Total			5,285,366	(290,553)	4,994,813			
All Funds Total			147,077,044	81,577,176	228,654,220	54,322,594	35,190,630	89,513,224