

# FY 2026 PROPOSED BUDGET HEARINGS

## INTERNAL SUPPORT & ADMINISTRATION (PART II CONTINUED)

### NON-DEPARTMENTAL



CITY OF  
**PALO  
ALTO**

# Non-Departmental

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# FY 2026 BUDGET SUMMARY (NON-DEPARTMENTAL)

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## **Community Impact**

Non-Departmental includes items not associated with specific departments such as the Cubberley Lease payments to PAUSD, Transfer to Infrastructure, and contingencies for various departments.

## **Major Proposed Changes in General Fund**

- Reserve: Budget Uncertainty (\$12.0M) (eliminates remaining reserve)
- Reserve: Real Property Investment (Reduced from \$1.0M to \$0.7M annually)
- Transfer from General Benefits Fund (\$2.3M; one-time)
- Transfer from Technology Fund (\$1.0M; one-time)
- Loans to Parking Funds (Reduced total from \$2.0M to \$1.8M annually; RPP savings)
- Employee Childcare Pilot Program – Third Year (\$80,000)

## FY 2026 DEPARTMENT OUTLOOK (Non-Dept.)

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- Use of reserves and one-time savings to cover anticipated deficits in FY 2026
- Maintain the BSR at 17.3%, within the 15%-20% target range
- Invest in initiatives and service areas deemed most critical to the community
- Continue to monitor major revenues and make necessary adjustments as economic data becomes available
- Manage resources and investments to support financial stability and manage risks