



# **FY 2024 PROPOSED BUDGET HEARINGS ENTERPRISE FUNDS & INTERNAL SERVICE FUNDS CAPITAL IMPROVEMENT PLANS**

Please refer to Project Sections for Page Numbers

**May 9, 2023**

**[www.cityofpaloalto.org/budget](http://www.cityofpaloalto.org/budget)**



CITY OF  
**PALO  
ALTO**

# **INTERNAL SERVICE FUND PROJECTS**

---

Technology Fund Projects Pg. 593-624

Vehicle Replacement Fund Projects Pg. 625-653

# FY 2024 PROPOSED BUDGET SUMMARY (TECHNOLOGY FUND)

---

## Major Technology Projects in Progress

- **Enterprise Resource Planning (ERP) Phase 2 Updates**
  - Provide new functionality to improve efficiencies and support new City initiatives
- **Council Chambers Redesign**
  - RFP for design/build to support ADA Compliance and hybrid public meetings
- **Computer Aided Dispatch (CAD) Replacement for Public Safety**
  - RFP to upgrade or replace the current solution in partnership with Mountain View and Los Altos
- **Infrastructure Management System**
  - RFP will be issued for a new Electronic Reporting Management System (ERMS)

# **FY 2024 INFORMATION TECHNOLOGY FUND p.593**

## **2024-2028 CIP Proposed Budget Summary**

	<b>FY 2024 Proposed</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>5-Year Total</b>
Revenues	\$0.3 M	\$0.2 M	\$0.2 M	\$0.1 M	\$0.1 M	\$0.9 M
Expenses	\$5.4 M	\$1.7 M	\$0.2 M	\$0.1 M	\$0.1 M	\$7.5 M

## **FY 2024 – FY 2028 Information Technology Fund CIP Outlook**

### **New Project:**

- **Fiscal Year 2025 – IT Data Center Upgrade**

- The goal is to reduce the footprint of the current datacenter and reclaim space for IT staff

# **FY 2024 VEHICLE REPLACEMENT FUND p.625**

## **2024-2028 CIP Proposed Budget Summary**

	<b>FY 2024 Proposed</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>5-Year Total</b>
Revenues*	\$3.9	\$3.9	\$3.9	\$3.9	\$3.9	\$19.5
Expenses	\$5.9M	\$3.5M	\$3.5M	\$3.7M	\$3.7M	\$20.3M

\*Revenue for Vehicle Replacements from other funds appears in the Operating Budget for this Fund

## **FY 2024 – FY 2028 Vehicle Replacement Fund CIP Outlook**

- FY 2024 includes reappropriated funding (\$2.3M) from previous years for vehicles that still need to be ordered or outfitted
- Continue vehicle replacement program, addressing supply chain issues and fleet electrification S/CAP goals
- Add 18 passenger and light truck Electric Vehicles to the fleet in the FY 2024 vehicle replacement project, with "Tier 2" option for a fully electric FY2024 project



## ENTERPRISE FUND PROJECTS

---

Public Works Projects Pgs. 317-339; 461-490; 511-546; 625-653

Utilities Projects Pgs. 341-415; 417-433; 435-459; 491-509; 547-589

# COUNCIL CONSIDERATIONS & PUBLIC WORKS ENTERPRISE PROJECT SUMMARY

---

## **Community Impact**

Proposals will continue efforts to improve critical infrastructure at the airport, address storm drainage deficiencies, and ensure reliable wastewater treatment.

## **FY 2024 – FY 2028 Capital Improvement Plan Strategy**

- Continue other Airport improvements following completion of 8-year, \$36 million Apron project
- Implement 13 Storm Water Ballot Measure priority projects
- Rebuild and rehabilitate the Regional Water Quality Control Plant (RWQCP), and begin an update to the 2012 Long Range Facilities Plan

# **FY 2024 PUBLIC WORKS - AIRPORT FUND p.317**

## **2024-2028 CIP Proposed Budget Summary**

	<b>FY 2024 Proposed</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>5-Year Total</b>
Revenues	\$0.8M	\$1.3M	\$0.9M	\$2.5M	\$2.3M	\$7.8M
Expenses	\$1.4M	\$1.7M	\$1.2M	\$3.0M	\$2.7M	\$10.0M

## **FY 2024 – FY 2028 Airport Fund CIP Outlook**

- With FY 2023 completion of multi-year, \$36M apron project, focus on planning process and smaller projects
- \$3.8M Airport Access Road Reconstruction
- \$0.5M Automated Weather Observation Station
- Install parking lot EV Chargers and implement Zero Emission Vehicle Fleet Replacement Program



# FY 2024 PUBLIC WORKS - STORMWATER MANAGEMENT FUND p.461

## 2024-2028 CIP Proposed Budget Summary

	FY 2024 Proposed	FY 2025	FY 2026	FY 2027	FY 2028	5-Year Total
Revenues	\$1.2M	\$0	\$0	\$0	\$0	\$1.2M
Expenses	\$9.9M	\$3.6M	\$1.7M	\$2.3M	\$2.8M	\$20.2M

## FY 2024 – FY 2028 Stormwater Management Fund CIP Outlook

- Continue program to deliver 13 high priority projects funded by ballot measure
- \$3.4M Corporation Way System Upgrades and Pump Station
- \$0.6M East Meadow Circle Connection to Adobe Creek Pump Station
- \$0.6M East Meadow Drive System Upgrades
- \$2.5M West Bayshore Road Pump Station
- \$2.4M West Bayshore Road Trunk Line Improvements



# FY 2024 PUBLIC WORKS – WASTEWATER TREATMENT FUND p.511

## 2024-2028 CIP Proposed Budget Summary

	FY 2024 Proposed	FY 2025	FY 2026	FY 2027	FY 2028	5-Year Total
Revenues	\$45.1M	\$62.7M	\$54.1M	\$0	\$0	\$161.9M
Expenses	\$55.8M	\$67.2M	\$59.0M	\$4.5M	\$5.0M	\$191.6M

## FY 2024 – FY 2028 Wastewater Treatment Fund CIP Outlook

- Continue delivering existing capital renewal program while commencing a Long-Range Facilities Plan update
- \$56.4M Advanced Water Purification Facility
- \$52.1M Headworks Facility Replacement
- \$23.6M New Laboratory and Environmental Services Building
- \$12.6M Joint Intercepting Sewer Rehabilitation
- \$17.9M Outfall Line Construction



# FY 2024 PROPOSED BUDGET SUMMARY (UTILITIES)

---

## **Community Impact**

Utilities has been laying the foundation for the City's sustainability initiatives, and the community can expect to see some immediate benefits.

- Smart meters will enable more efficient monitoring of energy usage, resulting in cost savings for residents and businesses as well as a reduction in carbon emissions.
- Using grant opportunities to deploy critical infrastructure projects, providing a boost to the City's sustainability efforts.

## **Major Proposed Changes in Enterprise Fund**

- Grid modernization project for citywide electrification with potential bond or grant funding
- Fiber-to-the-premises (FTTP) project to deliver high-speed fiber broadband internet

# COUNCIL CONSIDERATIONS & UTILITIES ENTERPRISE PROJECT SUMMARY

---

## **FY 2024 – FY 2028 Capital Improvement Plan Strategy**

- Large investments anticipated for S/CAP initiatives such as grid modernization, gas decommissioning studies
- Develop opportunities to coordinate projects such as electrification and fiber expansion or FTTP
- Maintain or accelerate main replacement schedules to protect reliability of aging infrastructure
- Invest in efforts to seek alternative funding such as grants

# FY 2024 UTILITIES - ELECTRIC FUND p.341

## 2024-2028 CIP Proposed Budget Summary

	FY 2024 Proposed	FY 2025	FY 2026	FY 2027	FY 2028	5-Year Total
Revenues	26.9M	26.9M	26.9M	26.9M	25.0M	132.4M
Expenses	54.9M	45.1M	63.8M	65.9M	60.7M	290.5M

### FY 2024 – FY 2028 Electric Fund CIP Outlook

- Invest resources for grid modernization master plan
- \$200-\$300M grid modernization project
- \$10.5M Foothills Fire Mitigation
- \$6.9M Colorado Power Station Equipment Upgrades
- \$5.7M Substation Breaker Replacement
- \$4.7M Substation Physical Security

# FY 2024 UTILITIES - FIBER FUND p.417

## 2024-2028 CIP Proposed Budget Summary

	FY 2024 Proposed	FY 2025	FY 2026	FY 2027	FY 2028	5-Year Total
Revenues	0.2M	13.2M	0.2M	0.2M	0.2M	14.0M
Expenses	33.4M	0.6M	0.5M	0.5M	0.5M	35.4M

### FY 2024 – FY 2028 Fiber Fund CIP Outlook

- \$26M dark fiber backbone project;
- \$20M and fiber-to-the-premises (FTTP) project

# FY 2024 UTILITIES - GAS FUND p.435

## 2024-2028 CIP Proposed Budget Summary

	FY 2024 Proposed	FY 2025	FY 2026	FY 2027	FY 2028	5-Year Total
Revenues	\$0.5M	\$0.5M	\$0.5M	\$0.5M	\$0.5M	\$2.5M
Expenses	\$6.9M	\$7.2M	\$5.8M	\$7.8M	\$5.8M	\$33.3M

### FY 2024 – FY 2028 Gas Fund CIP Outlook

- Invest resources to study the downsizing of gas in anticipation of changes in future uses
- Begin \$10M Gas Main Replacement (GMR) Project #25 in FY 2024

# FY 2024 UTILITIES – WASTEWATER COLLECTION FUND p.491

## 2024-2028 CIP Proposed Budget Summary

	FY 2024 Proposed	FY 2025	FY 2026	FY 2027	FY 2028	5-Year Total
Revenues	0.5M	0.5M	0.5M	0.5M	0.5M	2.3M
Expenses	2.2M	3.2M	5.2M	3.3M	5.2M	19.0M

## FY 2024 – FY 2028 Wastewater Collection Fund CIP Outlook

- Accelerate wastewater main replacement from 1 mile to 2.5 miles beginning in FY 2026
- Begin construction on \$8.6M Wastewater Collection Replacement Project (SSR) #31 (advanced from FY 2024 to FY2023) to align with Caltrans street improvement project



# FY 2024 UTILITIES - WATER FUND p.547

## 2024-2028 CIP Proposed Budget Summary

	FY 2024 Proposed	FY 2025	FY 2026	FY 2027	FY 2028	5-Year Total
Revenues	1.4M	1.5M	1.5M	1.5M	1.5M	7.5M
Expenses	26.2M	4.3M	18.9M	4.8M	13.1M	67.3M

## FY 2024 – FY 2028 Water Fund CIP Outlook

- Proceed with the \$7.4M second to last of six water tank seismic upgrade or replacement (Park Reservoir)
- Complete construction of \$9.6M Water Main Replacement Project (WMR) #28