



Storm Water Management Oversight Committee

MEMORANDUM

Date: April 6, 2023

To: Honorable Finance Committee of the Palo Alto City Council

From: Members of the Storm Water Management Oversight Committee

Subject: Review of the Proposed Fiscal Year 2024 Stormwater Management Fund Budget

As directed by the City Council, the Committee met to discuss the Fiscal Year 2024 proposed Stormwater Management Fund budget on Thursday, April 6, 2023. Prior to the meeting, Public Works staff provided informational materials about the approved 2017 ballot measure and the proposed budget for the Committee's review. During the meeting, staff presented information and answered questions from the Committee members.

We have reviewed the proposed budget for Fiscal Year 2024 and compared it with the provisions of the Storm Water Management Fee approved by Palo Alto property owners in 2017. We find that the attached spreadsheet describing the proposed budget for Fiscal Year 2024 fairly describes the relationship between the budget and the ballot measure. Staff and the Committee concur that funding generated by the Storm Water Management Fee will be applied solely to fund the capital improvement projects, green stormwater infrastructure projects, innovative stormwater projects, enhanced maintenance of storm drain system, and storm water quality protection programs specified for implementation in the ballot measure in Fiscal Year 2024. Because funds available for green stormwater infrastructure and innovative projects are not being utilized fully, the Committee supports efforts by staff to continue to identify and promote new projects that meet the goals associated with the ballot measure, such as the proposed Green Stormwater Infrastructure capital improvement project.

Attachment: Fiscal Year 2024 Proposed Budget

STORMWATER MANAGEMENT PROGRAM
Fiscal Year 2024 Proposed Budget

(Amounts in 1000s, as of February 2023)

	Adopted Budget Year 1 2018	Adopted Budget Year 2 2019	Adopted Budget Year 3 2020	Adopted Budget Year 4 2021	Adopted Budget Year 5 2022	Adopted Budget Year 6 2023	Projection* Year 6 2023	Proposed Budget* Year 7 2024
Revenue Collected								
Fee Revenue	6,927	7,128	7,449	7,635	7,838	8,167	7,101	8,168
Interest Earnings	130	130	226	153	153	110	145	153
Development Fees, Violation Fines, Other (Includes Grant Funding)**	121	120	121	121	697	1,913	1	697
Total Revenue	7,178	7,378	7,796	7,909	8,688	10,190	7,247	9,018
Base Components	4,262	4,244	6,368	6,500	7,669	9,903	3,926	5,020
Base Program (Incl. Flood Control, Engineering and Administrative Support, Water Quality, Emergency Response)	2,776	2,645	4,861	4,877	6,125	8,071	2,397	3,209
Storm Drainage Maintenance	1,486	1,599	1,507	1,623	1,544	1,832	1,530	1,811
Project & Infrastructure	2,010	4,248	2,455	3,941	6,267	7,933	3,531	4,769
Capital Improvements Program**	-	2,200	412	1,871	4,433	5,860	760	2,273
Recurring System Repair (SD-06101)**	400	412	424	437	225	464	1,486	887
Debt Service for Past Capital Projects	947	949	949	949	949	949	949	949
Capital Program Engineering Support	158	182	165	179	155	155	155	155
Green Stormwater Infrastructure (GSI)	380	380	380	380	380	380	143	380
GSI - CIP Design/Construction	330	330	340	250	150	150	-	102
GSI - Consulting Services	50	50	40	130	85	85	143	278
GSI - Other unassigned tasks	-	-	-	-	145	145	-	-
Innovative Project	125	125	125	125	125	125	38	125
Innovative Project - GSI Consulting Services & Outreach	-	100	100	100	100	100	31	100
Innovative Project - Rebates	125	25	25	25	25	25	7	25
Total Expenses	6,272	8,492	8,823	10,441	13,936	17,836	7,457	9,789
Net Impact	906	(1,114)	(1,027)	(2,532)	(5,248)	(7,646)	(211)	(771)

*FY 2023 Projections and FY 2024 Proposed are subject to change as the current fiscal year and budget development process is still in progress.

**FY 2024 Proposed includes estimated remaining funding and grant revenue anticipated to be reappropriated from FY 2022.