



Date: October 6, 2016

To: Patrick H. West, City Manager 

From: John Gross, Director of Financial Management 

For: Mayor and Members of the City Council

Subject: **Summary of September 13, 2016 FY 17 Budget Adoption Actions**

On September 13, 2016, the City Council adopted the City Manager's Proposed FY 17 Budget with the following changes related to the Mayor's recommendations, Budget Oversight Committee recommendations, and other City Council actions. Also included is a brief summary of additional planned staff actions to support City Council actions as they relate to the items that were approved.

1. Fund the following programs from the General Fund FY 16 one-time sources from FY 16 funds available, FY 17 temporary surplus, and release of reserves for litigation and liabilities that are no longer needed for their original purposes:
 - a. Homelessness Rapid Response in the Health and Human Services Department in the amount of \$280,000. Citywide Homelessness Rapid Response efforts will be coordinated by the Health and Human Services Department.
 - b. Tree maintenance (i.e. stump removal) in the Public Works Department in the amount of \$150,000.
 - c. Be S.A.F.E. Program at four additional locations in the Parks, Recreation and Marine Department in the amount of \$96,000 at the department's discretion.
 - d. Sunday Library hours at a fourth location in the Library Services Department in the amount of \$65,000, at the department's discretion.
 - e. Public Health Professional II position to implement the Office of Equity in the Health and Human Services Department in the amount of \$130,000. Structural funding will be required in FY 18.
 - f. Wage theft enforcement by adding two full time equivalent for local investigation in the Financial Management Department in the amount of \$220,000. Staff will report back to the City Council with a plan for implementation of this program before any of the funds are expended.
 - g. Capital infrastructure, economic development, or existing City programs, in the amount of \$250,000, to be divided by nine. Any exceptions must go to the City Council for approval. The City Attorney will provide guidance to ensure economic development items meet a public purpose definition.

2. Fund the following programs, contingent upon the availability of additional General Fund FY 16 one-time year-end surplus (replacing the originally proposed use of contingent appropriation for the Belmont Pool):
 - a. Programming at five parks in Downtown (Craftsman, Peace, Drake, Chavez, and Seaside Parks) in the amount of \$130,000 and five parks in Central area (at the department's discretion) in the amount of \$130,000 in the Parks, Recreation and Marine Department.
 - b. Extend Thursday hours at the Main Library by one hour in the amount of \$24,000.
 - c. Capital infrastructure, economic development, or existing City programs in the amount up to \$500,000, to be divided by nine. Any exceptions must go to the City Council for approval.
3. Fund Homelessness Rapid Response in the Police Department by \$250,000 and in the Fire Department in the amount of \$250,000, drawn down from the FY 17 Proposition H Fund Beginning Funds Available.
4. Fund the Municipal Band for a six week schedule in the Parks, Recreation and Marine Department in the amount of \$60,000, drawn down from the FY 17 Special Advertising and Promotions (SAP) Fund Beginning Funds Available.
5. Fund the Belmont Pool and Aquatic Center in the Public Works Department in the amount of \$500,000, from one-time savings in debt service payments in the Tidelands Fund.
6. Support the Arts Council Challenge Grant in the City Manager Department with one-time funds in the amount of \$50,000, subject to matching funds, drawn down from FY 17 Special Advertising and Promotions (SAP) Fund Beginning Funds Available.
7. Swap \$80,000 of structural General Fund funding for Language Access Plan (LAP) in the Development Services Department with one-time funding for Be S.A.F.E. in the Parks, Recreation and Marine Department (LAP is now funded with one-times, and Be S.A.F.E. is partially funded structurally).
8. Designate \$500,000 of the \$2.2 million in one-time funds for Police Overtime for a Neighborhood Safe Streets Initiative, to be used at the discretion of the Chief of Police under the Neighborhood Safe Streets program. This will implement community policing strategies to impact violent and property crime trends in the City's neighborhoods and corridors during FY 17.

The following items were requested by the City Council for staff to research and report back.

1. Staff to research revenue options (L.A. County Measure M, City's Measure MA, First Responder Fee, etc.) for restoring Fire Apparatus (including Rescue 12 and Engine 17) by January 2017. Staff will report back in December.
2. The City Attorney to report back on parameters of the consent decree related to Jet Blue fines and what the fine revenue can be spent on (i.e. can it be spent on Los Altos Library Sunday hours?). Staff will report back by January.
3. Staff to report back on how Minimum Wage enforcement funding will be spent before using the funds. Staff will report back in November.
4. Staff to report back on priorities for \$1.5 million of Tidelands Projects and highlight shovel-ready projects focused on public safety and lighting. Staff will report back by January.

Lastly, the Proactive Rental Housing Inspection Program (PRHIP) fee increase that was intended to get the program to full cost recovery, was not passed by the City Council. Therefore, a reduction of one FTE in the PRHIP program will impact the number of inspections that can be performed annually by approximately 1,100. The Development Services Department will move one FTE Combination Building Inspector from the PRHIP program to fill a General Fund vacancy in Standard Code Enforcement.

If you have any questions regarding this matter, please contact Lea Eriksen, Assistant Director of Financial Management, at 570-6533.

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