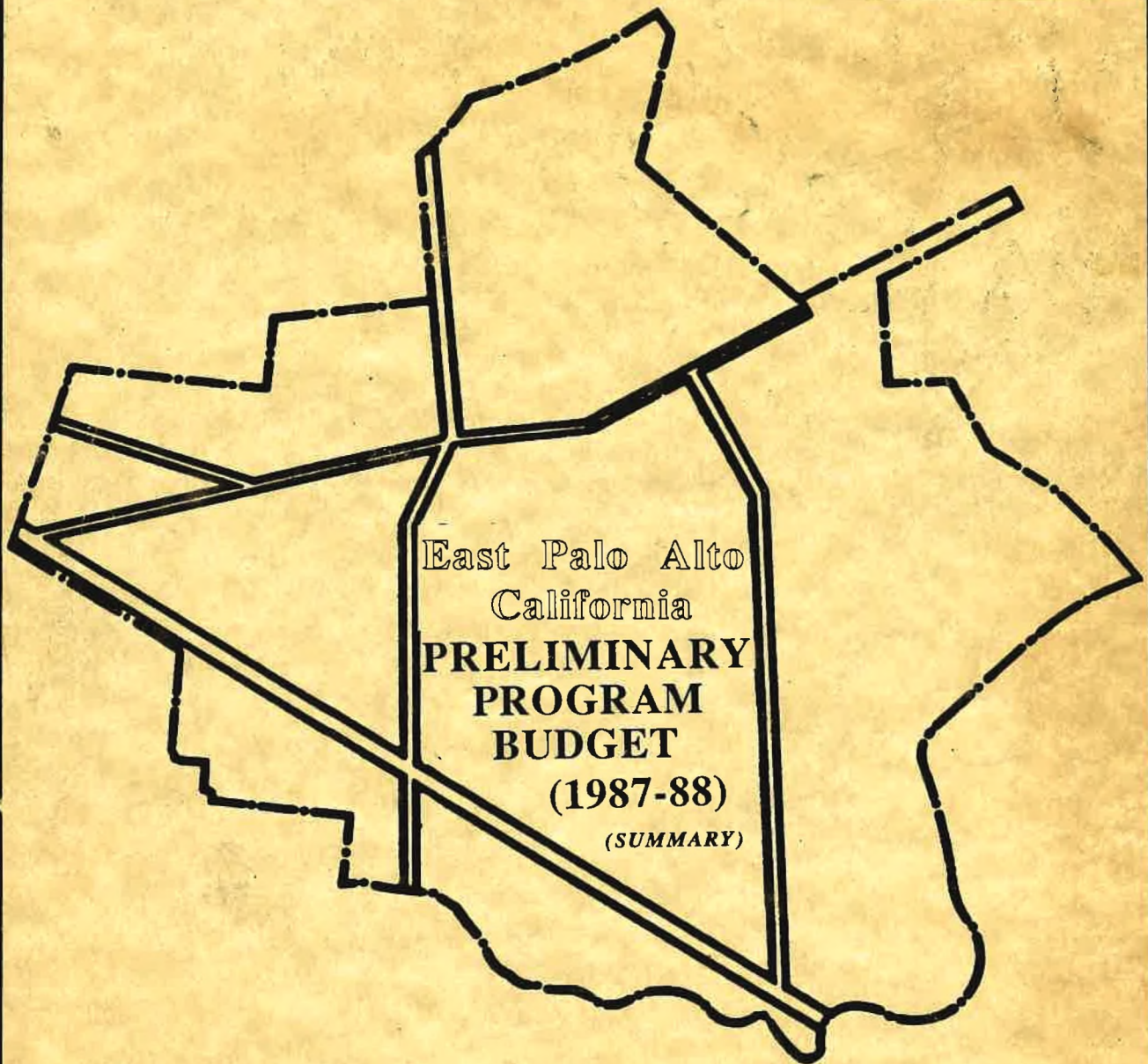




City of East Palo Alto



East Palo Alto
California
**PRELIMINARY
PROGRAM
BUDGET**
(1987-88)
(SUMMARY)

CITY OF EAST PALO ALTO

PRELIMINARY PROGRAM BUDGET

1987-88

CITY COUNCIL

JAMES E. BLAKEY JR., *MAYOR*

RUBEN ABRICA, *VICE-MAYOR*

JOHN B. BOSTIC, *MEMBER*

WARNELL COATS, *MEMBER*

BARBARA A. MOUTON, *MEMBER*

Submitted By:

JAMES E. WHITE

Interim City Manager

TABLE OF CONTENTS

	Page
City Goal Statement	i
Budget Letter	ii
Budget Highlights	iv
Organization Chart	vi
Number of Employees by Department	vii
Revenue Sources and Expenditure Categories	viii
Summary of General and Designated Municipal Revenues and Expenditures by Major Category and Estimated End of Fiscal Year Fund Balance	ix
Distribution of Revenues	x
Revenue and Expenditures Summary by Fund	xi
Expenditures by Category	xii
Expenditures by Program	xiv
Using the Program Budget	xvi

CITY GOAL STATEMENT

**TO THE EXTENT OF OUR FINANCIAL RESOURCES,
PROVIDE A FULL RANGE OF GOVERNMENTAL SERVICES
THAT ARE ACCOUNTABLE, UNDERSTANDABLE,
CONSISTENT, DEPENDABLE, AND RESPONSIVE --
PRIMARILY TO THE NEEDS OF RESIDENTS
AND BUSINESSES, AND ALSO TO VISITORS.**

**ENSURE THAT PUBLIC AGENCIES EQUITABLY PROVIDE
SERVICES TO EAST PALO ALTO.**

**ALSO, TO SEEK FUNDS FROM GRANTS
PROVIDED THEY ARE COST EFFECTIVE,
DO NOT REQUIRE THE ADOPTION OF
UNACCEPTABLE POLICIES, AND
WILL BE BENEFICIAL TO THE COMMUNITY**

MEMBERS OF THE COUNCIL

JAMES E. BLAKEY, JR.
Mayor
RUBEN ABRICA
Vice-Mayor
JOHN B. BOSTIC
WARNELL COATS
BARBARA A. MOUTON



2415 UNIVERSITY AVENUE
EAST PALO ALTO, CA. 94303

Tel: (415) 853-3100

13 pages

May 21, 1987

**The Honorable Mayor and Councilmembers
East Palo Alto, California**

Dear Mayor and Councilmembers,

Transmitted herewith is the City of East Palo Alto Preliminary Program Budget Summary for the fiscal year beginning July 1, 1987 and ending June 30, 1988.

The document provides an important basis for addressing challenges facing our new City.

The operating budget for 1986-87 totals \$6,001,600 and 184,000 (Reserves) representing an increase of nearly 36 percent over the estimated operating expenditures for 1986-87. However, the proposed 20 percent reduction in the Capital Improvements Program to \$400,000 for the coming fiscal year produces a total budget of \$6,585,600, an increase of 31 percent from the previous year's estimated total expenditures.

Financial Policy Priorities

- **Fund Balance** - the proposed unallocated year-end fund balance of \$604,582 represents about 10 rather than 15 percent of the total budget. On the other hand, \$504,582 or 83 percent of this amount is in the General Fund and the remaining \$100,000 or 17 percent in Designated.

Capital Improvements Program

The Capital Improvements Program is submitted in accordance with provisions of the Budget Ordinance and it reflects some of both contemplated and needed improvements over the next five years.

1. Acquisition of the Ravenswood High School site;
2. Improvements to the Civic Center; and Civic Center Parks
3. Transit vehicles streets rehabilitation.

The first of these involves the application of CDBG funds in a manner consistent with terms and provisions of the acquisition agreement. The second project is to accommodate the move and consolidation of City offices in accordance with a City Council directive. The third project involves the necessary street reconstruction for usage by Transit Vehicles (SamTrans).

Revenues

The revenue projections for the City in 1987-88 are conservative and optimistic of the economic development of the City.

General taxes are expected to increase by \$250,000 or nearly 10 percent over those expected during this fiscal year while designated funds will increase by \$400,000 or 44 percent. Fees will generate \$360,000 more than expected this year for an increase of 244 percent.

Overall, the total revenues for 1987-88 are projected at approximately \$1,838,350 or 41 percent above the level of revenues estimated for 1986-87.

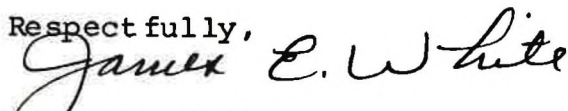
Expenditures

The following exhibits entitled REVENUES AND EXPENDITURES SUMMARY BY FUND, EXPENDITURES BY CATEGORY, and BUDGET EXPENDITURES BY PROGRAM contain information on what the expenditure portions of the budget include. In summary, total expenditures for 1987-88 are expected to be roughly \$1,652,448 or 33 percent higher than the estimated 1986-87 level. The higher revenue and expenditure projections also take into account a budgeted use of the unallocated year-end fund balance of \$243,600. The projected fund balance of \$848,182 for the end of 1986-87 accommodates this easily and still leaves over one-half million dollars in the fund balance at the end of 1987-88.

Conclusion

The City remains in good financial condition with respect to the operating budget as the result of sound policy and careful management. From an operations standpoint, the City is poised to face the challenge detailed above. It is expected that the City Council will direct and the community will support efforts that bring our City closer to the realization of sustained independence and prosperity.

Respectfully,



James E. White
Interim City Manager

BUDGET HIGHLIGHTS

City Council

The Council budget for 1987-88 reflects a change in Public Relations by increasing the funds proposed for this area. However, the overall budgeted dollars have not increased significantly. This was achieved by a reduction of dollars in Legislative Operations and an increase in Intergovernmental Relations.

Contingency Reserve

No major change from the estimated 1986-87 dollar amounts.

Management Services

The major change in this area is the proposed addition of three positions; Risk Manager/Management Analyst, Grants Administrator/Management Analyst, and a Personnel Clerk.

Clerical Support

No major change from approved 1986-87 budget.

Legal Services

This budget reflects a change from contracted services to full-time merit positions; Attorney and Legal Secretary.

Community Development

The major change in this department budget is the addition of two Code Enforcement Technicians. This increase in proposed dollars is reflected in the Housing section of the budget.

Public Works

Four additional Maintenance Worker positions are requested for authorization in this budget to accommodate an increased level of service in Waste Disposal, Streets and Drains, Building Maintenance, City Service - Animal Control, and Emergency Services. Work will continue to proceed on special district acquisitions, however, no related financial projections are included at this time.

Police

This budget represents a 9.25 percent increase over the estimated 1985-86 expenditures. The major portions of this increase are due to increases in personnel and capital expenditure projections.

Community Services

Change in this budget are reflected through increases in Personnel and operating Expenditures. The proposed move to Civic Center and the continued operation of recreational facilities are the major reasons for an overall increase.

Rent Stabilization Program

No major changes from the approved 1986-87 budget.

Redevelopment

The department is now fully operable and the proposed budgeted amount reflects this. Revenue sources are: EDA, Private Sector, State Funds, Local Sources, and the City's General Fund.

All Departments

Final salary schedule will be presented for separate action at the time of budget adoptions.

CITIZENS OF EAST PALO ALTO

**CITY COUNCIL
REDEVELOPMENT AGENCY**

CITY MANAGER

CITY ATTORNEY

**RENT
STABILIZATION
BOARD**

**PLANNING
COMMISSION**

**PUBLIC SAFETY
COMMISSION**

**PERSONNEL
COMMISSION**

**PUBLIC WORKS
COMMISSION**

**PARKS &
RECREATION
COMMISSION**

**ARTS &
CULTURE
COMMISSION**

**HUMAN
SERVICES
COMMISSION**

**RENT
STABILIZATION
PROGRAM**

**COMMUNITY
DEVELOPMENT**

POLICE

**MANAGEMENT
SERVICES**

**PUBLIC
WORKS**

**COMMUNITY
SERVICES**

**CLERICAL
SUPPORT**

PLANNING

PATROL

FINANCE

ENGINEERING

**HUMAN
SERVICES**

**BUILDING
INSPECTION**

INVESTIGATION

PERSONNEL

MAINTENANCE

RECREATION

ADMINISTRAT

ADMINISTRAT.

**COMMUNITY
RELATIONS**

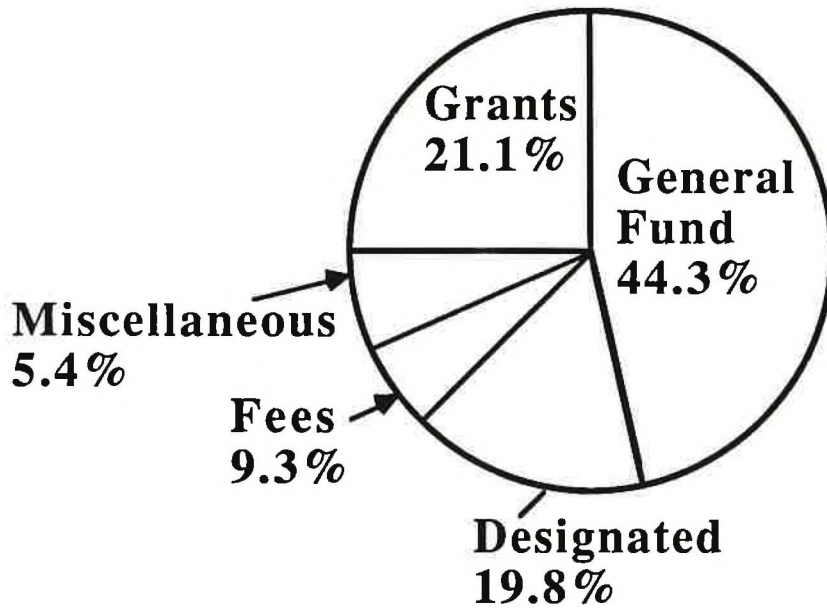
ADMINISTRAT.

NUMBER OF MERIT SYSTEM EMPLOYEES BY DEPARTMENT

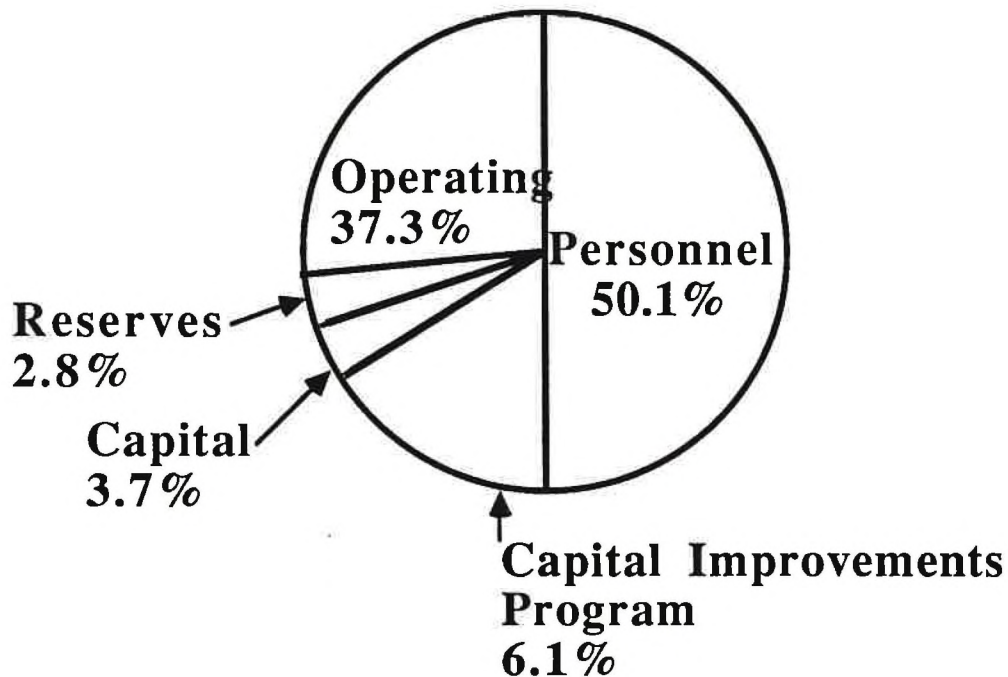
(FULL-TIME EQUIVALENT)

<u>Department</u>	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>
CITY COUNCIL	1.5	1.0	2.0
MANAGEMENT SERVICES	5.0	6.0	9.0
CLERICAL SUPPORT	5.0	7.0	7.0
LEGAL SERVICES	1.0	1.0	2.0
COMMUNITY DEVELOPMENT	3.0	(5) 4.0	8.0
PUBLIC WORKS	14.0	16.0	20.0
POLICE	40.0	42.0	45.0
COMMUNITY SERVICES	14.0	14.0	11.0
RENT STABILIZATION PROGRAM	<u>3.0</u>	<u>2.0</u>	<u>2.0</u>
	<u>86.5</u>	<u>93.0</u>	<u>106.0</u>

REVENUE SOURCES (Where the money comes from)



EXPENDITURE CATEGORIES (Where the money goes)



**CITY OF EAST PALO ALTO
SUMMARY OF GENERAL AND DESIGNATED MUNICIPAL REVENUES
AND EXPENDITURES BY MAJOR CATEGORY
FOR BUDGET PROPOSAL PURPOSES
FY 1987-88**

	<u>Actual FY 85-86</u>	<u>Estimated FY 86-87</u>	<u>Proposed FY 87-88</u>
Beginning of Year Fund Balance	<u>\$1,871,054</u>	<u>\$1,377,684</u>	<u>\$ 848,182</u>
<u>OPERATING BUDGET</u>			
REVENUE			
General Fund	2,357,976	2,556,000	2,808,000
Designated	1,247,430	910,600	1,306,500
Fees	193,665	252,000	615,000
Grants	425,453	365,000	1,398,000
Revenue Sharing	73,951	29,000	-0-
Miscellaneous	<u>203,543</u>	<u>391,050</u>	<u>214,500</u>
Total Revenue	4,502,018	4,503,650	6,342,000
Budgeted Use of Fund Balance	<u>493,370</u>	<u>529,502</u>	<u>243,600</u>
Total Fund Available	<u>4,995,388</u>	<u>5,033,152</u>	<u>6,585,600</u>
EXPENDITURE			
Personnel	1,995,645	2,353,856	3,298,300
Operating	2,304,948	2,010,347	2,457,400
Capital	<u>139,707</u>	<u>65,748</u>	<u>245,900</u>
Total	<u>4,440,300</u>	<u>4,429,951</u>	<u>6,001,600</u>
Capital Improvements Program	<u>516,675</u>	<u>500,000</u>	<u>400,000</u>
RESERVES:			
Legal	29,263	4,376	84,000
Contingency	<u>9,150</u>	<u>98,825</u>	<u>100,000</u>
Total Reserves	<u>38,413</u>	<u>103,201</u>	<u>184,000</u>
Total Expenditure	<u>4,995,388</u>	<u>5,033,152</u>	<u>6,585,600</u>
End of Year Fund Balance	<u>\$1,377,684</u>	<u>\$ 848,182</u>	<u>\$ 604,582</u>

DISTRIBUTION OF REVENUES - BUDGET FY 87-88

<u>Revenue Source</u>	<u>Actual FY 85-86</u>	<u>Estimated FY 86-87</u>	<u>Proposed FY 87-88</u>
General Fund			
Property Transfer Tax	\$ 23,077	\$ 35,000	\$ 35,000
Cigarette Tax	48,386	45,000	45,000
Vehicle In-Lieu Tax	790,500	700,000	893,000
Property Tax	1,263,609	1,500,000	1,545,000
Sales Tax	177,337	240,000	240,000
Business License	45,278	16,000	30,000
Misc. Tax & Subventions	9,789	20,000	20,000
Total	<u>2,357,976</u>	<u>2,556,000</u>	<u>2,808,000</u>
Designated			
Off-Highway	520	600	500
Gas Tax	702,490	370,000	381,000
Transportation Safety	37,241	25,000	30,000
Redevelopment	-0-	95,000	357,000
Garbage Collection	323,066	330,000	330,000
Affordable Housing	111,000	-0-	100,000
Rent Stabilization	73,113	90,000	108,000
Total	<u>1,247,430</u>	<u>910,600</u>	<u>1,306,500</u>
Fees			
Engineering Fees	-0-	5,000	5,000
PG&E Franchise	65,737	65,000	65,000
Garbage Franchise	16,691	17,000	20,000
Building Permits	57,776	70,000	80,000
Planning Applications	19,386	15,000	30,000
Parks & Recreation	13,645	10,000	100,000
Environmental Documents	48	5,000	5,000
Misc. Fees	20,382	65,000	310,000
Total	<u>193,665</u>	<u>252,000</u>	<u>615,000</u>
Grants			
CDBG Carryover	225,143	200,000	-0-
CDBG Current	35,100	-0-	200,000
AB-90	35,085	35,500	-0-
EDA (Inra-Structure)	25,000	-0-	500,000
State Park & Rec. Grant	-0-	-0-	98,000
Miscellaneous Grants	105,125	130,000	600,000
Total	<u>\$ 425,453</u>	<u>\$ 365,000</u>	<u>\$1,398,000</u>

Distribution of Revenue- Budget FY 1987-88 (Cont'd)

<u>Revenue Source</u>	<u>Actual FY 85-86</u>	<u>Estimated FY 86-87</u>	<u>Proposed FY 87-88</u>
Revenue Sharing			
<u>Entitlement</u>	\$ 73,951	\$ 29,000	\$ -0-
Total	<u>73,951</u>	<u>29,000</u>	<u>-0-</u>
Miscellaneous			
Interest Earned	87,017	40,000	50,000
Fiduciary Fund	3,973	6,000	20,000
Publications-Sales	45	50	-0-
Photocopies-Sales	6,435	5,000	-0-
Fines & Penalties	30	100,000	54,500
Reimb., Rebate, Refund, etc.	66,368	30,000	70,000
Police Fund	14,064	10,000	20,000
Other Miscellaneous	25,611	200,000	-0-
Total	<u>203,543</u>	<u>391,050</u>	<u>214,500</u>
Budgeted Use of Fund Balance	<u>493,370</u>	<u>529,502</u>	<u>243,600</u>
Total Funds Available	<u>\$4,995,388</u>	<u>\$5,033,152</u>	<u>\$6,585,600</u>

EXPENDITURES BY CATEGORY - BUDGET FY 1987-88

	<u>Actual</u> <u>FY 85-86</u>	<u>Estimated</u> <u>FY 86-87</u>	<u>Proposed</u> <u>FY 87-88</u>
City Council			
Personnel	\$ 36,106	\$ 34,376	\$ 55,000
Operating	91,057	104,513	84,000
Capital	<u>4,180</u>	<u>-0-</u>	<u>3,000</u>
Total	<u>131,343</u>	<u>138,889</u>	<u>142,000</u>
Management Services			
Personnel	180,508	181,735	283,200
Operating	186,516	111,033	138,700
Capital	<u>1,991</u>	<u>-0-</u>	<u>9,600</u>
Total	<u>369,015</u>	<u>292,768</u>	<u>431,500</u>
Clerical Support			
Personnel	102,056	107,841	160,000
Operating	62,154	81,675	30,500
Capital	<u>13,515</u>	<u>-0-</u>	<u>8,000</u>
Total	<u>177,725</u>	<u>189,516</u>	<u>198,500</u>
Legal Service			
Personnel	-0-	-0-	93,000
Operating	98,904	122,048	7,000
Capital	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>98,904</u>	<u>122,048</u>	<u>100,000</u>
Community Development			
Personnel	95,720	87,696	233,000
Operating	88,817	69,080	100,700
Capital	<u>-0-</u>	<u>-0-</u>	<u>24,300</u>
Total	<u>184,537</u>	<u>156,776</u>	<u>358,000</u>
Public Works			
Personnel	242,627	365,257	600,000
Operating	979,502	674,379	724,000
Capital	<u>88,418</u>	<u>42,197</u>	<u>140,000</u>
Total	<u>\$1,310,547</u>	<u>\$1,081,833</u>	<u>\$1,464,000</u>

Expenditure by Category - Budget FY 1987-88 (Cont'd)

	<u>Actual FY 85-86</u>	<u>Estimated FY 86-87</u>	<u>Proposed FY 87-88</u>
Police			
Personnel	\$1,147,176	\$1,340,547	\$1,519,600
Operating	607,443	647,382	660,400
Capital	<u>29,423</u>	<u>22,885</u>	<u>36,000</u>
Total	<u>1,784,042</u>	<u>2,010,814</u>	<u>2,216,000</u>
Community Services			
Personnel	184,044	157,643	182,700
Operating	151,712	158,112	217,300
Capital	<u>1,314</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>337,070</u>	<u>315,755</u>	<u>400,000</u>
Rent Stabilization			
Personnel	7,408	38,761	66,800
Operating	38,843	37,125	56,800
Capital	<u>866</u>	<u>666</u>	<u>-0-</u>
Total	<u>47,117</u>	<u>76,552</u>	<u>123,600</u>
Redevelopment Agency			
Personnel	-0-	40,000	105,000
Operating	-0-	5,000	438,000
Capital	<u>-0-</u>	<u>-0-</u>	<u>25,000</u>
Total	<u>-0-</u>	<u>45,000</u>	<u>568,000</u>
<u>Total Department</u>			
Personnel	1,995,645	2,353,856	3,298,300
Operating	2,304,948	2,010,347	2,457,400
Capital	<u>139,707</u>	<u>65,748</u>	<u>245,900</u>
Total	<u>4,440,300</u>	<u>4,429,951</u>	<u>6,001,600</u>
Capital Improvements Program			
	<u>516,675</u>	<u>500,000</u>	<u>400,000</u>
Reserves			
Legal	29,263	4,376	84,000
Contingency	<u>9,150</u>	<u>98,825</u>	<u>100,000</u>
Total	<u>38,413</u>	<u>103,201</u>	<u>184,000</u>
GRAND TOTAL	<u>\$4,995,388</u>	<u>\$5,033,152</u>	<u>\$6,585,600</u>

EXPENDITURE BY PROGRAM - BUDGET FY 1987-88

*Wick
asked for breakdown
5/4*

<u>Department & Program</u>	<u>Actual FY 85-86</u>	<u>Estimated FY 86-87</u>	<u>Proposed FY 87-88</u>
City Council			
Public Relations	\$ 8,099	\$ 211	\$ 13,000 <i>- do</i>
Legislative Operation	32,130	35,971	14,000
Community Promotion	13,208	9,759	12,000
Intergovernmental Relations	15,807	16,035	37,000 <i>?</i>
Community Relations	62,099	76,913	66,000
	<u>131,343</u>	<u>138,889</u>	<u>142,000</u>
Management Services			
City Administration	56,877	116,789	100,220
Elections	43,416	46	11,705
Treasury	72,675	18,513	8,326
Central Services	42,723	66,876	138,186
Fiscal Control	79,047	54,358	115,449
Personnel Selection	10,970	12,179	6,819
Employee Services	63,307	24,007	50,795
	<u>369,015</u>	<u>292,768</u>	<u>431,500</u>
Clerical Support			
General Support	161,872	181,401	168,500
Record Management	15,853	8,115	30,000
	<u>177,725</u>	<u>189,516</u>	<u>198,500</u>
Legal Services			
Legal Counsel	98,904	118,934	100,000
Litigation	-0-	3,114	-0- <i>who pays</i>
	<u>98,904</u>	<u>122,048</u>	<u>100,000</u>
Community Development			
Current Planning	42,802	38,581	62,240
Future Planning	24,772	14,721	88,900
Environmental Protection	18,753	8,330	82,810
Building Safety	26,012	46,172	24,434 <i>?</i>
Housing	7,684	1,816	99,616
Economic Development	64,514	47,156	-0- <i>?</i>
	<u>\$ 184,537</u>	<u>\$ 156,776</u>	<u>\$ 358,000</u>

*568,000
926,000*

Expenditure by Program - Budget FY 1987-88 (Cont'd)

<u>Department & Program</u>	<u>Actual FY 85-86</u>	<u>Estimated FY 86-87</u>	<u>Proposed FY 87-88</u>
Public Works			
Administrative & Engineering	\$ 140,406	\$ 317,574	\$ 233,000
Streets & Drains	339,060	139,603	241,000
Street Cleaning	206,318	62,036	85,000
Waste Disposal	221,976	183,287	389,000
Building Maintenance	129,140	147,504	222,000
Traffic	158,212	62,997	94,000
Landscape Resources	115,435	168,832	150,000
City Services-Animal Control	-0-	-0-	30,000
Emergency Services	-0-	-0-	20,000
Total	<u>1,310,547</u>	<u>1,081,833</u>	<u>1,464,000</u>
Police			
Patrol	1,021,191	1,021,368	1,229,950
Traffic Control	-0-	-0-	-0-
Investigation	137,011	379,662	364,185
Support Services	251,663	97,224	455,959
Administrative Services	336,555	501,222	165,906
Crime Prevention	37,622	11,338	-0-
Total	<u>1,784,042</u>	<u>2,010,814</u>	<u>2,216,000</u>
Community Services			
Technical & Admin. Services	106,656	145,873	150,000
Cultural Aff. & Human Serv.	77,859	33,528	70,000
Recreation & Youth Outreach	152,555	136,354	180,000
Total	<u>337,070</u>	<u>315,755</u>	<u>400,000</u>
Rent Stabilization Program			
Registration	11,597	12,622	12,800
Counseling & Public Info.	25,348	49,428	48,300
Hearing	10,172	14,502	20,300
Administration	-0-	-0-	42,200
Total	<u>47,117</u>	<u>76,552</u>	<u>123,600</u>
Redevelopment Agency	<u>-0-</u>	<u>45,000</u>	<u>568,000</u>
Capital Improvement Program	<u>516,675</u>	<u>500,000</u>	<u>400,000</u>
Reserves			
Legal Services	29,263	4,376	84,000
Contingency	9,150	98,825	100,000
Total	<u>38,413</u>	<u>103,201</u>	<u>184,000</u>
GRAND TOTAL	<u>\$4,995,388</u>	<u>\$5,033,152</u>	<u>\$6,585,600</u>

USING THE PROGRAM BUDGET

The budget's basic purpose should be to provide direction. The program budget provides useful information in better selecting that direction. The emphasis of program budgeting is on the level and cost of each City service, what service is being proposed, and the effect of these activities on the general public welfare.

THE PROGRAM BUDGET

Goal

Goals are defined as broad statements of intended accomplishment. Each departmental section is preceded by a goal statement plus programs, personnel, and revenue.

Summary Programs

Several words in bold print at the start of each program are used to each function (such as "Record Management" or "Street Cleaning") be provided. Each program also indicates a total dollar cost. This is the basis from which the budget is developed.

Objectives

The objective statement simply means that we fix our ultimate purpose in mind before we start our journey. This then becomes a target, a desired outcome, and along the route becomes a criterion for measuring progress.

Subprograms

Subprograms are the actual activities that are performed to accomplish the program objective. Dollar costs are also assigned to each subprogram.

Performance Measurements

Each subprogram will eventually have several indicators which best determine the level of service and measurement of accomplishments.

Relating the Program Budget to Line Item Detail

Should the need arise, the program budget can be referenced to line item accounting detail. Simply find the appropriate department page and locate the program heading. City staff have a detailed dollar breakdown of each program by line item.

*Performance measures marked with an asterisk are tracked and reported on quarterly.

