

Budget Study Session:

1. I would like to request a clearer line item report. (e.g - on attachment 4, Why are we increasing this amount and where does the \$168,000 come from under the city manager category. This is a total increase of that budget To \$978,233,00.)

This is a decrease of 168K, not an increase.

2. On page 3. There is a sweeping statement regarding moving the Los Altos Community Center redevelopment-increase allocation of park in lieu funds from 1.3 million to 4.3 million. How much is in the park in lie fund now? When are you planning to move this money? Over the next 5 years, how much money are you anticipating will be coming into the park in lieu fund?

Park in Lieu currently has a balance of \$5.3M. Over the next 5 years, \$10M+ may be expected depending on outstanding projects - Jon Biggs may be able to provide further info - we currently cannot project all the way out 5 years...

3. We asked to see all funds that are restricted and unrestricted, it has not been presented. (E.g. park in lieu funds, art in lieu funds, and solid waste management, just a few examples)

All funds were presented to Council during the CAFR discussion and is posted in the CAFR. An update to the funds being was presented during the Mid-year report and Study session with Financial Commission. A final proposed budget for all funds will be presented on June 23rd.

4. Why does Sharif say that property tax will increase 6%. Could he provide information on what that is based on.

This is based on County Assessor's information and meetings, consultant projections, my projections and discussion with the City Manager, and upcoming new construction within the City.

5. The Finance Commission recommended we have a 2 year plan and Council agree. Why are we not given a 2 year plan in addition to this 5 year plan.

There is a 2 year budget provided in this report and a 5-year projection was provided at the last study session with Financial Commission. All plans are estimates and are constantly changing due to the current pandemic.

Agenda item 5: IMPEC Group

1. Can we negotiate to retain the contract at the current rate? This can be readdressed at a later time. In light of all the tightened budgets, I am sure companies understand that at this increases will be scrutinized and should be open to rebid.

We had this discussion last year with them and were able to renegotiate that costs stay the same for FY 2019. The increase is directly due to mandated wage increases and costs of supplies that they lost money on last fiscal year.

2. Will the additional cleaning services needed be reimbursed by FEMA?

Possibly. We will have to verify.

3. Due to Covid, they have not been cleaning many of the facilities (e.g. Grant Park, Garden House, And Hillview Community center, I do not see the request for an increase to be warranted.

The contract amount would be for full service based on the facilities included in the scope. The City will pay a reduced monthly invoice amount for the facilities that remain closed, if they are closed going into

the next fiscal year of the contract. The new Community is one of the facilities that we will immediately see a cost savings.

4. Please explain what cleaning they are currently doing at our city parks since they are currently closed.

Restroom cleanings. We are not paying for them at this time since they are closed, but they are included in the contract for when they open.

Public Hearing item:

1. We received a report at our last Council Meeting. Is this a completely separate funding item to the funds we had allocated to the contract amendment to the Palo Alto Regional Water Quality Control plant upgrade?

No, the contract amendment to the Palo Alto Regional Water Quality Control Plant upgrade will be covered from the same funding source (i.e., from the Sewer Fund which revenue is provided by the sewer service charges).

Other Los Altos services paid for by the Sewer Fund include, but are not limited to:

- In-house Root-Foaming
- Sanitary Sewer Overflow response
- Sewer line flushing
- Management of the annual administration of sewer service charges
- CIP Projects (e.g. replacement & repair of sewer mains, on-call spot repairs, video inspection of mains, Fats Oils and Grease business inspections, Sanitary Sewer Master Plan & Management Plan updates when applicable)
- Payments to Palo Alto Regional Water Quality Control plant for O&M and CIP

2. What projects are essential and what items can delay to the following fiscal year?

All of the projects currently budgeted in the sewer fund are essential for the upcoming year to meet regulatory requirements and to continue maintenance and repairs that are necessary to address risks for sanitary sewer overflows. Delaying these projects, which are budgeted through the dedicated fund, would therefore increase liability to the City. The CIP project list also includes the \$500K budget for the Design Adobe Creek Replacement Project approved by City Council during the mid-year budget recommendation on March 10. This project is essential due to the relatively high risk/liability based on the sewer line location and based on issues in that sewer line reported by maintenance staff. This proposed project would replace, and for some segments realign, up to approximately 50 sewer main segments located along or near Adobe Creek, north of Manresa Avenue and south of Edith Avenue.

The Sewer Fund is a dedicated fund for sewer maintenance, administration, and repair. The Sewer Fund is not associated with the General Fund. Los Altos has a sanitary sewer system that is well maintained by the City. We need to continue to maintain it well to reduce the chance of sanitary sewer overflows (SSOs).

Agenda item 8: Open Streets/ Placemaking Project Update:

1. There is a recommendation to purchase the military style barriers. Could please remind us of the cost.

Today we received the following cost estimates for the Meridian Archer barriers needed to close off State and Main Streets:

\$153K to purchase the barriers and trailer
\$38K to rent the barriers for 21 weeks (i.e., \$1,800/week)

2. Why does it cost \$150,000.00 of staff time if the city closure continues till Oct?

The \$150,000 is an estimate of the level of effort that City staff will contribute to plan, design, implement and maintain the Downtown street closures. It is more of an opportunity cost than an additional cost. Opportunity costs in this case represent day-to-day work tasks that may get delayed or deferred in order for staff to address the needs of the street closures. For example, if four Maintenance staff spend four hours setting up the street closures on Thursday morning and four hours breaking down the street closures each of the next 21 weeks, that totals to 672 hours of time that they can't spend on their regular activities like repairing pot holes, weeding, etc.

Note, the \$150K was based on mobilizing & demobilizing plastic water filled barriers to block off State and Main Streets each week for 21 weeks. However, since the Fire Department has confirmed that those types of barriers cannot be used because they are too heavy to move during an emergency, the \$150K estimate should be reduced to approximately \$115K. This estimate is broken down as follows:

\$70.5K = (4 crew members for 8 hours ea./week) x (21 weeks) x (\$105/hr.) (fully loaded employee cost)
\$34K = (3 engineering and econ. dev. staff for 4 hours ea./week) x (21 weeks) x (\$135/hr.) (fully-loaded)
\$10.5K = (10 staff for 6 hours overtime ea. during first two weekends) x (average \$175/hr.) (fully-loaded)
\$115K Estimated Total

Since staff time and benefits are already accounted for in the City budget, the only additional time cost specific to street closures would be overtime to address set-up logistics over the next couple of weekends and any troubleshooting time to address safety or logistical problems that arise during any of the closure weekends between now and October.

3. How many businesses do we actually have in downtown Los Altos on street level? Please breakdown of restaurants, retail, personal services, office and banks.

The following is a windshield survey of businesses downtown on Main Street, State Street, and First Street from Bluestone Lane Café to Safeway:

- Grocery store - 1
- Hotel - 1
- Dental - 2
- Bank - 5
- Office - 9
- Restaurant - 35
- Retail - 45
- Personal Services - 21
- **Total - 119**

4. Please clarify the concerns expressed by the merchants on page 5.

The concerns expressed on page 5 of the staff report were voiced by approximately one third of the 27 participants of the retail/personal service businesses webinar.

5. What are we doing to support the other business districts?

For outdoor dining, most other business districts have businesses on private property with private parking lots. If businesses want to close portions of their parking lots, they will need to work that out with their property managers or owners. However, the City would need to review their plan to resolve any conflicts with their property's Conditions of Approval (i.e., parking) and assure there are proposed measures in place to protect public safety.

City staff are planning a webinar for next Monday--specifically on outdoor dining in business districts outside of Downtown--co-hosted with the Chamber of Commerce.

Since the beginning of the COVID-19 pandemic, City staff assisted businesses in all of our shopping districts with interpreting, applying, and complying with the various shelter in place orders from the County and State, facilitated the development and processing of the small business grant program, and have served as an interface between the business owners and the government regulators.

Over the past few months, City staff has hosted five webinars co-sponsored with the Los Altos Chamber of Commerce, Los Altos Village Association, and Los Altos Property Owners Downtown for the entire business community in the City of Los Altos. One of those webinars was co-hosted with the U.S. Small Business Administration office in San Jose to go through federal resources available to businesses.

City staff has been regularly updating the COVID-19 Business Resources page, our social media channels, and sending emails to business owners with information from the County and other resources as they become available.

Agenda item 5

Do I understand that the existing services/contract covered a portion of FY 17-18, all of 18-19, and all of 19-20?

FY 17/18 through a previous contract and 18/19-19/20 through the current. This would be an amendment to the current agreement.

That the current request is for a 3-year extension to cover 20-21, 21-22, and 22-23?

This would be a one year extension for FY 20/21 only.

That the current request is for an adjustment to the planned budget for 20-21 to increase the

base amount by \$23,467 and add \$46,000 for the additional services needed because of safety cleaning needed for COVID-19?

Yes

There is no information regarding whether the extension for 21-22 and 22-23 has any fixed financial terms. What are the financial (and other relevant) terms proposed for these two years if the extension is approved?

No fixed terms are in place for those two years. This is common with janitorial agreements due to changes in cost of supplies and minimum wage increases that happen from year to year.