



EAST PALO ALTO CITY COUNCIL SPECIAL MEETING AGENDA

Tuesday, June 23, 2026, 6:30 PM
EPA Government Center
2415 University Avenue, First Floor
East Palo Alto, CA 94303

NOTICE

This meeting will be held virtually and in-person at the Council Chambers located on 2415 University Ave, First Floor East Palo Alto, CA 94303. The virtual portion of this City Council meeting will be conducted in accordance with City of East Palo Alto Resolution adopted pursuant to Assembly Bill 361.

The public may participate in the City Council Meeting via Zoom Meeting or by attending in-person in the Council Chambers at 2415 University Ave, First Floor East Palo Alto, CA 94303. Community members may provide comments by emailing cityclerk@cityofepa.org, submitting a speaker card at the meeting, or using the **RAISE HAND** feature when the Mayor or City Clerk call for public comment. Emailed comments should include the specific agenda item on which you are commenting.

Please click this URL to join

<https://us06web.zoom.us/j/85848697920>

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or

+ 1 346 248 7799 or

+ 1 253 215 8782 or

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+ 1 301 715 8592

Webinar ID: 858 4869 7920

International numbers available: <https://zoom.us/u/aMWYF4KT>

1. **CALL TO ORDER AND ROLL CALL**
2. **APPROVAL OF THE AGENDA**
3. **PUBLIC COMMENT**
4. **ADJOURN CITY COUNCIL SPECIAL MEETING AND RECONVENE TO THE JOINT SUCCESSOR AGENCY SPECIAL BOARD MEETING**
5. **JOINT SUCCESSOR AGENCY BOARD PUBLIC HEARING**

5.1 Adoption of FY 2026-27 Successor Agency Budget

Recommendation:

Adopt a Resolution approving the Fiscal Year 2026-27 Successor Agency Budget.

6. **ADJOURN JOINT SUCCESSOR AGENCY BOARD SPECIAL MEETING TO THE EAST PALO ALTO SPECIAL MEETING**

7. **PUBLIC HEARINGS**

7.1 Adoption of the Fiscal Year 2026-27 Budget, Fiscal Years 2026-27 and 2027-28 Capital Improvement Program (CIP), and Fiscal Year 2026-27 Capital Budget

Recommendation:

Convene a public hearing, accept public comment, and take the following actions necessary to adopt the Fiscal Year 2026-27 budget.

1. Adopt a resolution adopting the Fiscal Year 2026-27 Budget.
2. Adopt a resolution adopting the Fiscal Years 2026-27 and 2027-28 Capital Improvement Program (CIP) and approving the related Fiscal Years 2026-27 Capital Budget.

7.2

Establishing the Fiscal Year 2026-27 Appropriation Limit

Recommendation:

Adopt a Resolution establishing the FY 2026-27 Appropriation Limit of \$45,312,635.

7.3 Disruption Policy (SB 707)

Recommendation:

Adopt a resolution amending the City of East Palo Alto “Code of Ethics and Conduct for Elected and Appointed Officials” to:

1. Comply with SB 707 by adopting formal policies addressing disruptions of telephonic or internet services during meetings;
2. Clarify the procedures for the orderly receipt of public comment during City Council meetings; and
3. Clarify the procedure for responding to meeting disruptions by members of the public participating in-person or by remote access, consistent with Government Code §§ 54957.95 and 54957.96.

8. **COUNCIL REPORTS**

9. **ADJOURNMENT**

This AGENDA is posted in accordance with Government Code Section 54954.2(a)

This Notice of Availability of Public Records: All public records relating to an open session item which are not exempt from disclosure pursuant to the Public Records Act, that are distributed to the majority of the City Council will be available for public inspection at the City Clerk’s Office, 2415 University Avenue, East Palo Alto, CA at the same time that the public records are distributed or made available to the City Council. Such documents may also be available on the East Palo Alto website www.cityofepa.org subject to staff’s ability to post the documents prior to the meeting. Information may be obtained by calling (650) 853-3100.

The City Council meeting packet may be reviewed by the public in the Library or the City Clerk’s Office. Any writings or documents pertaining to an open session item provided to a majority of the City Council less than 72 hours prior to the meeting, shall be made available for public inspection at the front counter at the City Clerk’s Office, 2ND Floor, City Hall, 2415 University Avenue, East Palo Alto, California 94303 during normal business hours. Information distributed to the Council at the Council meeting becomes part of the public record. A copy of written material, pictures, etc. should be provided for this purpose.

East Palo Alto City Council Chambers is ADA compliant. Requests for disability related modifications or accommodations, aids or services may be made by a person with a disability to the City Clerk’s office at (650) 853-3127 no less than 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof.

DECLARATION OF POSTING

This Notice is posted in accordance with Government Code §54954.2(a) or §54956. Members of the public can view electronic agendas and staff reports by accessing the City website. Under penalty of perjury, this Agenda was posted to the public at least 72 hours prior to the meeting.

POSTED: June 17, 2026

ATTEST:

James Colin

City Clerk

 **JOINT SUCCESSOR AGENCY ITEM 5.1**



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: June 23, 2026
TO: Honorable Mayor and Members of the City Council
VIA: Melvin E. Gaines, City Manager
BY: Tomohito Oku, Finance Director
SUBJECT: Adoption of FY 2026-27 Successor Agency Budget

Recommendation

Adopt a Resolution approving the Fiscal Year 2026-27 Successor Agency Budget, acting as the governing board Successor Agency.

Executive Summary

The proposed Fiscal Year (FY) 2026-27 Successor Agency Budget provides the appropriations necessary to administer the affairs of the former Redevelopment Agency of the City of East Palo Alto and satisfy all approved enforceable obligations during the fiscal year.

The budget reflects the obligations approved through the Recognized Obligation Payment Schedule (ROPS) process and includes appropriations associated with the planned defeasance of the Series 2015A Tax Allocation Refunding Bonds, the final remaining bond obligation of the Successor Agency. Retirement of the bonds is anticipated to facilitate the eventual dissolution of the Successor Agency and the return of redevelopment property tax revenues to the normal property tax allocation process

Background

California dissolved redevelopment agencies effective February 1, 2012, through Assembly Bill x1 26 (ABx1 26), codified in Health and Safety Code Section 34172(a). The dissolution

JOINT SUCCESSOR AGENCY ITEM 5.1

framework was subsequently amended by AB 1484 (2012), AB 471 (2014), SB 107 (2015), and related legislation (collectively, the "Dissolution Law").

On January 10, 2012, the City Council elected to serve as the Successor Agency to the Former Redevelopment Agency of the City of East Palo Alto (the "Successor Agency"). The Successor Agency is responsible for winding down the affairs of the former Redevelopment Agency, including administering enforceable obligations, preparing Recognized Obligation Payment Schedules (ROPS), and managing Redevelopment Property Tax Trust Fund (RPTTF) revenues.

As of July 1, 2018, successor agencies within San Mateo County have been overseen by the Countywide Oversight Board staffed by the San Mateo County Auditor-Controller. The Oversight Board reviews and approves successor agency actions and enforceable obligations prior to review by the California Department of Finance.

On March 9, 2026, the Countywide Oversight Board approved the Amended Recognized Obligation Payment Schedule (ROPS) for FY 2026-27, which included appropriations associated with the planned defeasance of the Series 2015A Tax Allocation Refunding Bonds. Subsequently, on April 15, 2026, the California Department of Finance approved the Amended ROPS. The proposed FY 2026-27 Successor Agency Budget is based on the obligations and funding levels approved through this process and provides the appropriations necessary to satisfy all approved enforceable obligations during the fiscal year

The City maintains all financial transactions of the Successor Agency through the Successor Agency Trust Fund. Staff now seek approval of the FY 2026-27 Successor Agency Budget.

Analysis

The FY 2026-27 Successor Agency Budget includes total revenues of \$3,586,764 and total expenditures of \$5,068,801, resulting in a planned use of available fund balance of \$1,482,037.

The budget is based on the obligations approved through the ROPS process and provides the appropriations necessary to satisfy all enforceable obligations during the fiscal year.

The following table summarizes the proposed budget:

Description	Amount
Total Revenues	\$3,586,764
Total Expenditures	\$5,068,801
Net Change in Fund Balance	\$(1,482,037)

JOINT SUCCESSOR AGENCY ITEM 5.1

The \$3.59 million in revenues primarily reflects Redevelopment Property Tax Trust Fund (RPTTF) funding approved by the Countywide Oversight Board and the California Department of Finance for the second half of the FY 2026-27 ROPS period.

The \$5.07 million in expenditures includes:

- \$5,012,485 for Series 2015A Tax Allocation Refunding Bonds debt service and cash defeasance;
- \$56,316 for administrative overhead, financial advisory services, and other costs associated with the implementation of the cash defeasance strategy.

During FY 2026-27, the Successor Agency anticipates implementing the planned cash defeasance of the Series 2015A Tax Allocation Refunding Bonds. The Series 2015A Bonds represent the final remaining bond obligation of the Successor Agency. The defeasance strategy is intended to retire the remaining obligation using available RPTTF revenues and Successor Agency resources and eliminate future debt service, trustee fees, and administrative costs associated with the bonds.

The budgeted use of fund balance is primarily attributable to the one-time cash defeasance of the Series 2015A Bonds. The planned defeasance accelerates the retirement of the remaining bond obligation and is expected to reduce future debt service costs while facilitating the eventual dissolution of the Successor Agency.

Upon retirement of all enforceable obligations and completion of applicable statutory requirements, the Successor Agency may pursue dissolution pursuant to Health and Safety Code Section 34187. Dissolution would conclude the winding-down activities of the former Redevelopment Agency and allow redevelopment property tax revenues to flow through the normal property tax allocation process for distribution to taxing entities.

Fiscal Impact

Adopting the FY 2026-27 Successor Agency Budget provides the necessary local authority to appropriate funds for obligation payments including the planned cash defeasance payment from the Successor Trust.

Public Notice

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto. In addition, a notice of public hearing was published on a local newspaper on June 9, 2026.

Environmental



JOINT SUCCESSOR AGENCY ITEM 5.1

The action being considered does not constitute a “Project” within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA [Guidelines sections 15378\(b\)\(4\) and \(5\)](#), in that it is a fiscal, organizational, or administrative activity that will not result in direct or indirect changes in the environment.

Government Code § 84308

Applicability of Levine Act: No, as the proposed action does not involve an entitlement.

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Resolution

RESOLUTION NO. XX – 2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO

ACTING AS THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF EAST PALO ALTO

APPROVING THE FISCAL YEAR 2026-27 REVENUE AND EXPENDITURE BUDGET FOR THE SUCCESSOR AGENCY

WHEREAS, pursuant to California Health and Safety Code Section 34173, the City Council of the City of East Palo Alto elected that the City of East Palo Alto would serve as the Successor Agency to the Former Redevelopment Agency of the City of East Palo Alto ("Successor Agency"), effective February 1, 2012; and

WHEREAS, the Successor Agency is responsible for winding down the affairs of the former Redevelopment Agency of the City of East Palo Alto and administering enforceable obligations in accordance with California Health and Safety Code Sections 34170 et seq.; and

WHEREAS, the Successor Agency administers Redevelopment Property Tax Trust Fund ("RPTTF") revenues and makes payments for approved enforceable obligations pursuant to Recognized Obligation Payment Schedules ("ROPS") approved by the Countywide Oversight Board and the California Department of Finance; and

WHEREAS, the proposed Fiscal Year 2026-27 Successor Agency Budget includes appropriations necessary to satisfy approved enforceable obligations and administer the affairs of the Successor Agency during the fiscal year; and

WHEREAS, on March 9, 2026, the Countywide Oversight Board approved the Amended Fiscal Year 2026-27 Recognized Obligation Payment Schedule ("Amended ROPS"), including appropriations associated with the planned defeasance of the Series 2015A Tax Allocation Refunding Bonds; and

WHEREAS, on April 15, 2026, the California Department of Finance approved the Amended ROPS, thereby authorizing the funding levels reflected in the proposed Fiscal Year 2026-27 Successor Agency Budget; and

WHEREAS, the Successor Agency Board, acting in coordination with the Countywide Oversight Board and consistent with applicable approvals of the California Department of Finance, has reviewed the proposed Fiscal Year 2026-27 Successor Agency Budget and finds it appropriate to provide for the continued administration of Successor Agency activities and payment of approved enforceable obligations.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF EAST PALO ALTO HEREBY:

1. Finds the foregoing recitals to be true and correct and are incorporated herein by this reference; and

2. Adopts the Fiscal Year 2026-27 Successor Agency Budget, as follows:

FY 2026-27 Successor Agency Proposed Budget Summary							
Fund	Description	Operating		Capital Improvement Plan	Operating Transfers		Net Change Fund Balance
		Revenues	Expenditures		In	Out	
705	Successor Operating	\$ 36,033	\$(46,316)	\$ -	\$ -	\$ -	\$(10,283)
706	Successor Debt Service	\$ 3,550,731	\$(5,022,485)	\$ -	\$ -	\$ -	\$(1,471,754)
	Successor Agency	\$ 3,586,764	\$(5,068,801)	\$ -	\$ -	\$ -	\$(1,482,037)

3. Finds that the proposed action does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15378(b)(4) and (5) in that it is a governmental fiscal, organizational or administrative activity that will not result in direct or indirect changes in the environment.

PASSED AND ADOPTED this 16th day of June 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Webster Lincoln
Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin
City Clerk

John D. Lê
City Attorney



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: June 23, 2026
TO: Honorable Mayor and Members of the City Council
VIA: Melvin E. Gaines, City Manager
BY: Tomohito Oku, Finance Director
SUBJECT: Adoption of the Fiscal Year 2026-27 Budget, Fiscal Years 2026-27 and 2027-28 Capital Improvement Program (CIP), and Fiscal Year 2026-27 Capital Budget

Recommendation

Convene a public hearing, accept public comment, and take the following actions necessary to adopt the Fiscal Year 2026-27 budget.

1. Adopt a resolution adopting the Fiscal Year 2026-27 Budget.
2. Adopt a resolution adopting the Fiscal Years 2026-27 and 2027-28 Capital Improvement Program (CIP) and approving the related Fiscal Years 2026-27 Capital Budget.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

- Promote Housing, Economic and Workforce Development
- Implement the Comprehensive Transportation and Mobility Plan
- Promote Health & Public Safety
- Ensure Our Financial and Organizational Health
- Improve the City's Water Infrastructure
- Develop and Implement a Comprehensive Facilities Master Plan
- Enhance Community Services and Parks for Residents

Background

On May 12 and May 19, 2026, the City Council held two scheduled budget hearing sessions to



PUBLIC HEARING ITEM 7.1

review the proposed Fiscal Year 2026–2027 Operating and Capital Improvement Budget. During these sessions, staff provided a comprehensive overview of the budget, including a summary of the City’s fiscal condition, key revenue and expenditure trends, and major policy priorities.

City departments and divisions presented their individual budgets, highlighting significant changes, operational needs, and proposed initiatives for the upcoming fiscal year. The Council also engaged in deliberations informed by detailed budget information, allowing for discussion of service levels, staffing proposals, and funding allocations.

These sessions provided the opportunity for Council to evaluate the budget in full and offer input in advance of formal adoption.

City Council Strategic Priorities Alignment:

The City’s budget is guided by the City Council’s Strategic Priorities and the FY 2027-28 Work Plan. This helps ensure that limited resources are focused on the community’s most critical needs.

Strategic Priorities were developed through a comprehensive community engagement process involving residents, stakeholders, and community leaders, and focus on:

- Emergency and Disaster Preparedness
- Public Infrastructure, Facilities, and Utilities
- Livability / Community Quality of Life
- Land Use, Economic, and Workforce Development
- Housing
- Governance, Organizational Strength, and Fiscal Sustainability
- Civic Engagement

FY 2026-27 represents the second year of the two-year work plan cycle. Staff is focused on implementing these priorities while balancing limited financial and staffing resources. The FY 2026–27 Proposed Budget reflects these priorities through targeted investments.

Community Engagement and Alignment with Resident Priorities:

The FY 2026–27 Proposed Budget reflects the City’s continued commitment to aligning resources with the needs and priorities identified by East Palo Alto residents, including input from the “EPA Talks” initiative and a citywide survey conducted in late 2025.

Residents identified the following as top priorities:

- Providing safe and clean drinking water
- Replacing deteriorating water pipes
- Providing safe places for children and teens

PUBLIC HEARING ITEM 7.1

- Improving storm drains to prevent flooding on City streets
- Providing an Emergency Operations Center

Survey results indicate strong support for increased investment in infrastructure, community facilities, and public safety.

The FY 2026–27 Proposed Budget incorporates these community-identified priorities through targeted investments in infrastructure, service delivery, and capital planning. These investments are intended to address critical system needs, improve quality of life, and ensure the City continues to respond to the issues that matter most to its residents.

The City will continue to gather community input and use it to guide future budgets and long-term financial planning efforts.

EPASD Budget Integration:

The East Palo Alto Sanitary District (EPASD) has operated as a subsidiary of the City since October 1, 2024. Its finances are included in the City’s budget; however, the District’s budget is presented as a standalone enterprise fund within the City’s financial plan to maintain transparency and accountability. A separate EPASD budget document was reviewed by the EPASD Board on June 2, 2026.

This approach allows for clear oversight and public accountability specific to the District, while aligning with the City’s financial reporting and appropriation processes. The District will continue to maintain a distinct operational and capital budget and issue separate audited financial statements

Analysis

FY 2026-27 Proposed Budget Overview

The City budget is organized into four primary fund types:

- **General Fund**, which supports core services such as public safety and administration
- **Restricted Funds**, which must be used for specific purposes
- **Capital Funds**, which support infrastructure and major projects
- **Enterprise Funds**, which support fee-based services such as sewer and water operations

Citywide revenues for FY 2026–27 are projected to total approximately \$68.5 million, while expenditures are projected to total approximately \$82.9 million. This results in an overall deficit of approximately \$14.3 million. This deficit is largely driven by negative net positions in the Restricted and General Funds, which are proposed to be covered through use of reserves.

The projected fund balances by major fund type are:



PUBLIC HEARING ITEM 7.1

- Restricted Funds: **-\$14.3 million (deficit)**
- Capital Funds: **\$2.1 million surplus**
- Enterprise Funds: **\$2.6 million surplus**
- General Fund: **-\$4.7 million (deficit)**

The table below summarizes the City's FY 2026-27 proposed budget by fund type.

FY 2026-27 Proposed - Citywide Funds (\$ In 000's)					
Description	General Fund	Restricted Funds	Capital Funds	Enterprise Funds	TOTAL CITY FUNDS
Total Revenues	35,349	10,974	4,793	17,360	68,475
Total Expenditures	(39,095)	(26,263)	(2,727)	(14,786)	(82,872)
Net Sources / (Uses)	(3,747)	(15,289)	2,066	2,574	(14,397)
Net Transfers	(989)	989	-	-	-
Change in Fund	(4,736)	(14,300)	2,066	2,574	(14,397)
Use of Reserve	4,736	16,409	764	2,664	24,573

Fund Analysis by Fund Type:

The General Fund is the City's primary operating fund and supports core municipal services, including public safety, public works, community development, administrative services, and other general governmental functions. General Fund revenues are largely derived from property taxes, sales taxes, transient occupancy taxes, utility users taxes, and other unrestricted revenues.

For FY 2026–27, the General Fund is projected to have a deficit of approximately \$4.7 million. Additional discussion of the General Fund's fiscal condition, budget challenges, and long-term outlook is provided in subsequent sections of this report.

Restricted Funds consist of special revenue funds and account for revenues that are legally restricted for specific purposes and cannot be used for general governmental operations. These funds include housing programs, transportation and infrastructure programs, and community programs funded through dedicated taxes, grants, fees, and intergovernmental revenues.

The FY 2026–27 budget reflects a net deficit of approximately \$14.3 million within Restricted Funds. This result is primarily attributable to timing differences between when revenues are



PUBLIC HEARING ITEM 7.1

received and when expenditures occur. Many restricted revenues are collected and accumulated over multiple years before being expended on eligible programs or projects. As a result, annual surpluses or deficits within these funds do not necessarily indicate a structural imbalance but rather reflect the timing of project implementation and program expenditures.

Within the Restricted Funds category, Housing Programs reflect a deficit of approximately \$13.3 million, primarily due to planned expenditures for the Affordable Housing Production Notice of Funding Availability (NOFA) program and the Affordable Housing Preservation program. These expenditures are supported by previously accumulated housing resources dedicated to advancing the City's affordable housing goals. This deficit is not operational, it reflects a spending down of accumulated housing funds on specific housing efforts identified by the City Council.

Community Programs reflect a deficit of approximately \$1.2 million, largely attributable to expenditures for the park lighting project and Transient Occupancy Tax (TOT)-funded community programs. These investments support community programs and events and quality-of-life initiatives throughout the City. The lighting project is a capital project, however, the City funds community programs every year. For program sustainability, as the City spends down reserves, it should ensure projected expenditures match projected expenditures.

Transportation and Infrastructure Programs reflect a surplus of approximately \$192,000. The surplus is primarily the result of current-year revenues and available resources supporting various capital improvement projects and infrastructure investments that have been appropriated through the CIP.

The projected Restricted Funds deficit will be funded through previously accumulated restricted fund balances that are reserved for their intended purposes.

Capital Funds account for resources dedicated to the acquisition, construction, rehabilitation, and replacement of public infrastructure and facilities. These funds support major capital investments such as street improvements, storm drainage systems, public facilities, and other long-term assets.

For FY 2026–27, Capital Funds are projected to generate a surplus of approximately \$2.1 million. While capital projects frequently experience timing differences between expenditures and grant reimbursements, the projected surplus in FY 2026–27 is primarily attributable to developer impact fee revenues that are collected in advance of project expenditures. These revenues are restricted for future capital improvements and will be utilized as projects advance through design and construction phases in future fiscal years.

Enterprise Funds account for business-type activities that are primarily supported through user fees and service charges. The City's Enterprise Funds include garbage collection services, water utility operations, sewer utility activities associated with the East Palo Alto Sanitary District (EPASD).



PUBLIC HEARING ITEM 7.1

The FY 2026–27 Enterprise Funds budget reflects a surplus of approximately \$2.6 million. The surplus is primarily driven by developer impact fee revenues within the sewer and water utility operations, including approximately \$2.5 million in sewer connection and impact fee revenues and approximately \$1.2 million in water impact fee revenues. These revenues are intended to support future capital infrastructure investments required to accommodate growth and maintain utility systems. Excluding these one-time development-related revenues, operating results within the utility funds are substantially more balanced and reflective of ongoing service delivery costs.

Key Budget Issues and Approach

The FY 2026–27 Proposed Budget reflects several financial challenges, including rising personnel costs, inflation, increased service demands, and the need for continued investment in infrastructure and technology.

Departments made significant efforts to reduce costs; however, many reductions are not sustainable without affecting service levels. In some cases, departments are deferring needs or absorbing additional workload to maintain services.

The proposed budget takes a constrained approach. It prioritizes maintaining essential services and advancing key City Council priorities, while limiting new spending to critical or one-time needs. Despite these efforts, the City is not able to fully address all infrastructure and facility needs.

Key considerations that shape the proposed budget include:

- a. General Fund Condition
- b. Available Reserves and Use of Reserves
- c. City Council Strategic Priorities and Community Input
- d. Personnel Changes
- e. Two-year Capital Improvement Program (CIP) Update

The remainder of this report is organized by sections that discuss considerations a). through e)., above, and provide context for the City's fiscal strategy.

a. General Fund Condition

City Council priorities and community input are the forefront of this budget; however, the General Fund condition establishes the scope of possibilities. That is, the City can only meet priorities that it can fund. The FY 2026–27 Proposed General Fund Budget is structurally imbalanced. General Fund revenues are projected to total approximately \$35.3 million, while expenditures are projected at approximately \$39.1 million. This results in an operating deficit of approximately \$3.7 million and a total deficit of \$4.7 million after transfers.

This condition reflects a structural imbalance in which ongoing expenditures exceed ongoing revenues. The projected \$4.7 million General Fund deficit reflects a combination



PUBLIC HEARING ITEM 7.1

of revenue adjustments and increased costs. Staff will continue to monitor General Fund performance closely and recommend adjustments as needed to maintain long-term fiscal stability.

Structural General Fund Deficit

Revenue growth has not kept pace with rising costs. Key revenue sources, particularly tax revenues, have grown modestly or remained flat, while expenditures—especially personnel costs, insurance, and inflationary impacts on goods and services—continue to increase at a faster rate.

As a result, the City has experienced a structural General Fund deficit since FY 2020–21. While recent budgets have been balanced—and in some cases have resulted in year-end surpluses—these outcomes have relied heavily on one-time factors, including federal relief funding, vacancy savings, delayed implementation of professional service contracts, and conservative expenditure management. These measures are not sustainable.

Key factors contributing to the structural imbalance include:

1. **Property Tax In-Lieu of VLF Shortfalls:** A projected \$2.5 million shortfall in FY 2026–27 due to ongoing impacts of State legislation affecting school funding formulas and vehicle license fee (VLF) allocations. While the State has historically provided backfill payments, recent actions have reduced the backfill to approximately 60% of the shortfall, and no permanent solution has been enacted.
2. **Slowing Property Tax Growth:** Property tax revenue growth is projected at approximately 3.0% in FY 2026–27, significantly below the historical 10-year average of 7.5%. This slowdown reflects broader housing market conditions and limited new taxable development due to infrastructure constraints, sewer service challenges, commercial real estate market conditions, and delays in key planning efforts such as the Ravenswood Business District Specific Plan.
3. **Measure L/JJ Revenue Shift:** East Palo Alto voters approved Measure O, the East Palo Alto Residential Rental Business License Tax Measure in 2016. The tax was amended by voters in 2022 with Measure L. For eight years, from 2016 to 2024, revenues generated from the tax were unrestricted in the General Fund and appropriated by the City Council to meet various needs.

Voters amended the tax again in November 2024 with Measure JJ, restricting use of the tax revenues to housing efforts. Since FY 2025–26, the approximate \$1.7 million in annual landlord business license tax revenues have been redirected from the General Fund to a Special Housing Fund. The General Fund retains only up to 20% of this revenue (approximately \$340,000) for administrative purposes, resulting in an ongoing net reduction of approximately \$1.3 million in flexible General Fund revenues. The City continues to adjust to this change, as planned operations around and relied on these tax revenues as general funds for eight years.

4. **Weak Transient Occupancy Tax (TOT):** The City only has one source of TOT revenues. TOT revenues remain below pre-pandemic levels due to slow recovery in



PUBLIC HEARING ITEM 7.1

the travel and hospitality sectors.

5. **Flat or Declining Sales Tax:** Sales tax growth has remained modest due to persistent inflation, reduced discretionary spending, and ongoing shifts in consumer behavior toward online and service-based spending.
6. **Limited Revenue Diversity:** The City's General Fund relies heavily on a small number of economically sensitive revenue sources, including property tax, sales tax, and TOT, increasing exposure to economic volatility.
7. **Temporary Reduction in RPTTF Revenues (Cash Defeasance):** Redevelopment Property Tax Trust Fund (RPTTF) revenues are a component of property tax revenues and represent tax increment generated from former Redevelopment Agency (RDA) areas, net of pass-through payments to other taxing entities and enforceable obligations. The planned cash defeasance of the Successor Agency's Tax Allocation Refunding Bonds will result in a temporary reduction of approximately \$1.3 million in RPTTF revenues to the General Fund in FY 2026–27. While this action is expected to generate long-term fiscal benefits, including an estimated increase of approximately \$1.6 million in ongoing annual revenues in average beginning in FY 2027–28, it contributes to near-term revenue pressure.

General Fund Revenue

General Fund revenue is projected to decrease by approximately \$0.7 million, or 2.0 percent, compared to the prior year. This decline reflects a mix of economic challenges, policy changes, and evolving market conditions affecting key revenue sources, summarized below:

- **Property Tax:** Revenue is projected to decrease by \$767,000 (4.3%). This decline is primarily driven by a reduction in Redevelopment Property Tax Trust Fund (RPTTF) revenues (former RDA incremental property tax) of approximately \$1.3 million, resulting from the planned defeasance of the Successor Agency's Tax Allocation Refunding Bonds, which the City Council authorized on February 24, 2026. This impact is expected to be temporary through FY 2026–27, with property tax revenues projected to increase by approximately \$1.6 million annually in average beginning in FY 2027–28 following completion of the defeasance and dissolution of the Successor Agency.

In addition, growth in assessed property values has slowed significantly—estimated at 3.0% compared to the 10-year average of 7.5%. The projection also excludes any backfill for the loss of property tax in-lieu of VLF revenues experienced in FY 2025–26. The State omitted property tax in-lieu of VLF backfill payments from its proposed budgets in consecutive years, but added those payments in revised budgets after significant lobbying efforts by East Palo Alto, County of San Mateo, and other cities within the County who rely on these payments to provide government services.

In FY 2024-25; however, the State only provided roughly 60 percent of the backfill owed. East Palo Alto and other San Mateo County governments are appealing to the State to provide the full FY 2025-26 backfill; however, given State budget challenges,



PUBLIC HEARING ITEM 7.1

a payment is not certain.

- **Sales Tax:** Revenue is projected to increase by \$148,000 (2.6%) compared to the prior year. The FY 2026–27 projection of approximately \$5.8 million remains below the \$6.0 million achieved in FY 2023–24, reflecting ongoing softness in consumer spending. This trend appears to be driven by persistent inflation and restrictive monetary policy, as well as broader shifts in consumer behavior—from brick-and-mortar retail to online purchases and from goods to service-oriented spending.
- **Business License Tax:** Revenue is projected to increase modestly by approximately \$30,000 compared to FY 2025–26. This increase is based on recent trends observed in FY 2024–25 and year-to-date collections. The projection reflects only revenues from regular business activity and excludes Measure JJ-related revenues. As noted above, since FY 2025–26, approximately \$1.7 million in Measure JJ revenues were shifted from the General Fund to a special revenue housing fund and are no longer reflected in this category.
- **Interest Income:** Revenue is projected to decline by approximately \$68,000 due to anticipated reductions in federal interest rates, which are expected to lower returns on the City’s permitted investments. This revenue is reported under the “Use of Money and Property” category in the table below.
- **Transient Occupancy Tax (TOT):** No growth is projected. Collections remain below 90% of pre-pandemic levels, and recent trends suggest ongoing stagnation. Staff will continue monitoring this revenue and adjust projections as new data becomes available.

Revenue growth remains limited and uncertain. The table below shows FY 2025-26 revenue at mid-year and FY 2026-27 projected General Fund revenue:



PUBLIC HEARING ITEM 7.1

General Fund Revenue	FY 2025-26 Mid-year	FY 2026-27 Proposed	Variance	%
Property taxes	\$ 17,773,000	\$ 17,006,190	\$ (766,810)	-4.3%
Sales taxes	5,679,000	\$ 5,827,100	148,100	2.6%
Transient Occupancy Tax	2,200,000	\$ 2,200,000	-	0.0%
Business License Tax	800,000	\$ 830,000	30,000	3.8%
Utility Users Tax	2,094,000	\$ 2,160,558	66,558	3.2%
Other taxes	90,000	\$ 140,000	50,000	55.6%
Licenses, fees and permits	1,552,000	\$ 1,725,334	173,334	11.2%
Charges for services	2,719,000	\$ 2,206,280	(512,720)	-18.9%
Fines and forfeitures	495,000	\$ 632,500	137,500	27.8%
Use of money and property	2,010,000	\$ 1,941,764	(68,236)	-3.4%
Grants and intergovernmental	65,000	\$ 65,000	-	0.0%
Other Miscellaneous Revenues	605,000	\$ 613,800	8,800	1.5%
Total GF Revenues	\$ 36,082,000	\$ 35,348,525	\$ (733,475)	-2.0%

General Fund Expenditure

Total General Fund expenditures, including net transfers, are proposed at approximately \$40.1 million for FY 2026-27. This amount reflects departmental requests to support ongoing operational services and select strategic initiatives. The proposed budget includes all currently authorized staff positions, including limited-term positions recommended for continuation, but does not assume any new positions. To better provide the level of service the community desires, staff requested new positions for various departments, but the City cannot afford to add head count. Projected expenditures also reflect current economic conditions, including elevated inflationary pressures and the results of prior union agreements.

Excluding net transfers, General Fund expenditures are projected to increase by \$0.7 million (1.9%) compared to the FY 2025-26 Adopted Budget. Expenditures are increasing primarily due to higher personnel costs, including wages and benefits, as well as increased costs for insurance and other services. Inflation continues to impact the cost of goods and services across departments.

It is also important to note that, in recent years, the City has discontinued its practice of making General Fund contributions to the capital reserve funds in order to maintain operational balance for future capital improvement projects (CIP). While this approach has helped balance the budget in the short term, it limits the City's ability to fund long-term infrastructure needs.

A summary of General Fund expenditures by department is provided in the following table.



PUBLIC HEARING ITEM 7.1

General Fund Expenditure by Department	FY 2025-26 Adopted	FY 2026-27 Proposed	Variance	%
City Council	272,105	261,352	(10,753)	-4.0%
City Attorney	1,461,060	1,617,805	156,745	10.7%
City Clerk	581,228	667,379	86,151	14.8%
City Manager	6,391,444	5,350,822	(1,040,622)	-16.3%
Finance	1,963,136	1,928,635	(34,501)	-1.8%
Community & Economic Development	4,282,954	3,544,234	(738,720)	-17.2%
Public Works	6,626,667	6,760,504	133,837	2.0%
Police	16,387,257	17,583,877	1,196,620	7.3%
Non-Departmental				
Capital/Technology	-	1,158,000	1,158,000	N/A
Insurance and Settlements	1,066,347	1,123,373	57,026	5.3%
Other Non-Departmental	1,990,391	1,959,796	(30,595)	-1.5%
Overhead Allocation	(2,647,709)	(2,860,620)	(212,911)	8.0%
Sub-total	38,374,880	39,095,159	720,279	1.9%
Transfers - Operational	874,812	989,268	114,456	13.1%
Transfers - Capital	-	-	-	N/A
Total General Fund Expenditures	\$ 39,249,692	\$ 40,084,427	\$ 834,735	2.1%

Personnel costs across all departments increased due to merit increases, the Cost of Living Adjustments (COLAs) negotiated in labor agreements and other increased benefits costs. See the summary of the major variances by department below:

- City Manager’s Office (incl. Administration, HR, IT, and Community Services):** The FY 2026–27 proposed budget reflects a reduction of approximately \$1.0 million compared to the prior year. The FY 2025–26 budget included several one-time and strategic priority initiatives, including a community survey and financing options study (\$200,000), economic development strategic plan (\$125,000), emergency planning and preparedness efforts (\$100,000), compensation and classification studies (\$100,000), citywide ergonomic assessments (\$150,000), and park improvements (\$350,000), totaling approximately \$1.0 million. Most of these projects have been initiated, and any remaining balances are expected to be encumbered and carried forward through the FY 2026–27 mid-year budget process.
- Community and Economic Development (Incl. Administration, Building, Planning, Housing and RSP):** The FY 2026–27 proposed budget reflects a reduction of approximately \$739,000 compared to the prior year. The FY 2025-26 budget included a few one-time initiatives and contracts including proactive code enforcement efforts (\$150,000), Outside Plan Review and Inspection contracts (\$333,000), and Rent Registry (\$150,000) totaling approximately \$633,000. Most of these projects have been initiated, and any remaining balances are expected to be encumbered and carried forward through the FY 2026–27 mid-year budget process.
- Police:** the variance (\$1.2 million) is largely related to an increase in the dispatch service contract (\$0.5 million) and the personnel cost increase resulting from COLAs negotiated in the Police Officer’s Association (POA) labor agreement, regular promotions, and the rising health costs and other benefits.
- Capital and Technology:**
 The FY 2026–27 Proposed Budget includes \$1.2 million in one-time funding for



PUBLIC HEARING ITEM 7.1

technology improvements. These investments include cybersecurity upgrades, system modernization, and improvements to internal systems and public-facing platforms. This reflects initial implementation of the IT Strategic Plan adopted by the Council on April 7, 2026. These prioritized projects from the IT Strategic Plan are intended to be funded on a one-time basis through the IT Projects Fund (IT Reserve). The total includes approximately \$402,000 for Network and Security Projects, which are grouped as a single category to provide flexibility in addressing evolving cybersecurity and infrastructure risks.

The remaining approximately \$756,000 supports a range of foundational technology initiatives, including:

- Disaster recovery and continuity program enhancements
- ERP project support and consulting assistance
- Financial and operational business process review
- Website and intranet modernization, including consulting support
- GIS assessment and technical expertise
- IT governance enhancements
- Document management system improvements
- Implementation of an electronic procurement (eBid) platform

These investments are critical to addressing long-standing technology gaps and advancing the City's operational capabilities. While these costs are proposed as one-time investments, certain components—such as GIS support and ongoing governance enhancements—may require future ongoing funding as systems are implemented and matured.

More detailed information will be provided by respective department presentations.

b. Available Reserves and Use of Reserve

As of **June 30, 2026**, the General Fund reserve is projected to be approximately \$17.9 million, excluding the \$12.0 million contingency reserve, which is maintained at approximately 30% of General Fund expenditures in accordance with City policy. The remaining unassigned reserve is available at the City Council's discretion to address fiscal imbalances and one-time needs.

To balance the FY 2026–27 Proposed General Fund Budget, staff recommend a one-time use of reserves totaling \$4.7 million, consisting of \$1.2 million from the IT reserve fund and \$3.6 million from the General Fund unassigned reserve. This action is projected to reduce the unassigned reserve balance to approximately \$14.3 million. The proposed General Fund expenditure includes approximately \$1.9 million in Strategic Priority projects, which are primarily driven by professional services and consulting engagements. This amount reflects direct project costs only and excludes related indirect costs such as internal staff time for project management and oversight, and departmental administrative support.

The proposed use of unassigned reserves (\$3.6 million) reflects both near-term fiscal



PUBLIC HEARING ITEM 7.1

pressures and timing-related revenue factors. The General Fund revenue projection does not assume potential backfill of the property tax in-lieu of VLF shortfall from FY 2025–26, which could range from approximately \$1.5 million to \$2.5 million based on recent State actions. In addition, the City will experience a temporary reduction of approximately \$1.3 million in RPTTF revenues in FY 2026–27 due to the planned cash defeasance of Successor Agency bonds, with revenues expected to increase by approximately \$1.6 million annually in average beginning in FY 2027–28.

While the use of reserves is necessary to maintain service levels in the near term, it is not a sustainable long-term solution. Continued reliance on one-time reserves to fund ongoing operations will require structural budget adjustments in future years.

The table below outlines the **June 30, 2026** projected reserves by program type, across all governmental fund types.

PROJECTED RESERVE AS OF JUNE 30, 2026			
	FUND TYPE		
	General Fund	CIP Funds	Restricted Funds
Infrastructure Programs	\$ -	\$ -	\$ 17,113,000
Housing Programs	\$ -	\$ -	\$ 17,852,000
Community Programs	\$ -	\$ -	\$ 2,867,000
Information Technology Reserve	\$ 3,853,000	\$ -	\$ -
Vehicles Equipment Reserve	\$ 687,000	\$ -	\$ -
Self Insurance Reserve	\$ 2,273,000	\$ -	\$ -
Capital Projects	-	15,789,000	-
Contingency reserve	\$ 12,025,328	\$ -	
Unassigned	\$ 17,881,000	\$ -	\$ -

c. *City Council Strategic Priorities*

The FY 2026–27 Proposed Budget continues to be developed in alignment with the City Council’s adopted FY 2025–2029 Strategic Priorities and the FY 2025–2027 Council Work Plan. As the City enters the second year of the two-year Work Plan cycle, the focus has shifted from planning and prioritization to implementation of Council-directed initiatives.

Given the City’s ongoing fiscal constraints and limited staffing capacity, the proposed budget prioritizes maintaining essential services while advancing a targeted set of Strategic Priority projects that are already underway or are critical to achieving Council goals. Core services—including public safety, maintenance, housing and anti-displacement programs, and administrative operations—remain fully funded to ensure continuity of service delivery.

The FY 2026–27 Proposed Budget includes funding for select Strategic Priority initiatives, estimated at approximately \$4.0 million Citywide, reflecting projects that are feasible within current financial and organizational capacity. However, several additional priorities identified by the Council remain unfunded or partially funded due to resource limitations. As noted earlier, departments are managing these priorities alongside existing service demands, often

 **PUBLIC HEARING ITEM 7.1**

by deferring other needs or absorbing additional workload.

Staff will continue to monitor progress on Strategic Priority initiatives and provide updates to the City Council through regular reporting and future budget discussions. As implementation progresses, additional resources—both one-time and ongoing—may be required to fully achieve the Council’s long-term priorities.

d. *Personnel Changes*

Given the ongoing structural deficit in the General Fund, the City is taking a cautious approach to staffing in FY 2026–27. While workload demands and service backlogs demonstrate a true need for additional staff, management has limited new position requests to confine ongoing personnel costs.

Staff recommends continuing four currently filled limited-term positions in FY 2026-27. These roles support critical services and help advance key Council priorities, without committing to long-term financial obligations. The combined cost of these four positions is \$539,000, which is included in the proposed budget.

In addition, Community Services Division has requested to convert Recreation Coordinator’s position to Community Services Supervisor. The proposed reclassification reflects the expanded scope and complexity of community services, including increased programming, facility oversight, and coordination demands of providing services for youth, families, and seniors. The position has evolved beyond a coordinator-level role and now requires supervisory responsibility, program management, and strategic oversight to effectively support growing community needs and service delivery.

All personnel change requests will be discussed during the relevant department budget presentations. This will provide the City Council and the public an opportunity to ask questions and deliberate.

The table below outlines the City Manager’s staffing recommendations:



PUBLIC HEARING ITEM 7.1

Title	Division	Note	Net FTE	Funding Source	Estimated Annual Cost
Limited terms:					
Management Analyst II	Police Admin	Continuation from the current deployment. Staff seek for one more year extension	1.0	General	\$ 226,000
Management Analyst I	Human Resources	Continuation from the current deployment. Staff seek for one more year extension	1.0	General	174,000
Human Resource Technician I/II	Human Resources	Continuation from the current deployment. Staff Seek for one more year extension	1.0	General	139,000
Housing Specialist	Housing/RSP	Continuation from the current deployment. Staff Seek for one more year extension	1.0	General (5%), Housing (45%), RSP (50%)	121,000
Sub-total limited term			4.0		\$ 539,000
Promotion:					
Recreation Coordinator to Community Services Supervisor	Community Services	Reflects expanded program scope, increased operational demands, and need for supervisory oversight to support growing recreation services	N/A	General	20,000

e. Two-Year Capital Improvement Plan Update and Proposed Capital Budget

As part of this action, the City Council is being asked to adopt the Fiscal Years 2026-27 and 2027-28 Capital Improvement Program (CIP) update, included as an attachment to this staff report, and approve the related FY 2026-27 Capital Budget. The two-year CIP provides a comprehensive summary of the City's planned capital projects, including both funded and unfunded projects, anticipated schedules, estimated costs, and potential funding sources.

While the CIP identifies projects planned for implementation over the next two fiscal years, not all projects included in the CIP are currently funded or appropriated. Some projects remain in the planning stage and will require future identification of funding sources, grant awards, or additional City Council action before they can proceed.

The FY 2026-27 Capital Budget represents the subset of CIP projects for which funding has been identified and appropriation authority is requested through this proposed budget. Approval of the Capital Budget authorizes expenditures for these projects during FY 2026-27 and going forward. Projects included in the adopted CIP that are not appropriated through this action remain part of the City's long-term capital planning program and may be considered for future funding as resources become available.

In addition, the City has numerous ongoing capital projects that were previously approved and appropriated by the City Council. These projects are not included in the table below because their remaining budgets will be carried forward through the FY 2026-27 mid-year budget process. Accordingly, the table below identifies only those projects for which new FY 2026-27 appropriations are requested as part of the proposed Capital Budget.



PUBLIC HEARING ITEM 7.1

PROJECT #	DESCRIPTION	FUNDING SOURCE	TOTAL
Streets and Transportation Projects:			
ST-07	Annual Street Resurfacing Project	Gas tax, Measure A, Measure W, Measure M	\$2,300,000
ST-09	Bicycle & Pedestrian Improvements	Gas tax	\$500,000
ST-15	Signage and Striping Improvements	Measure A	\$50,000
ST-33	Woodland Ave Street Improvements	TDA grant with local match	\$700,000
ST-39	Fordham Street Roundabout	TDA grant	\$75,000
Sub-total Streets & Transportation			\$3,625,000
Storm Drain Project:			
SD-04	Street Sweeping Signage	Local CIP	\$80,000
Sub-total Storm Drain			\$80,000
Community Facilities Projects:			
FA-03	City Wide - EV Charging Station	State grant	\$580,000
Sub-total Storm Drain			\$580,000
Water Supply Project:			
WS-01B	Emergency Water Connects – Palo Alto Park Mutual	Water capital	\$150,000
Sub-total Water Supply			\$150,000
Water Distribution Project:			
WD-06	Fire Hydrant Replacement	Water capital	\$230,000
Sub-total Water Distribution			\$230,000
Special Project:			
N/A	San Francisquito Creek Sediment Removal	Local CIP	\$800,000
Sub-total Special			\$800,000
Sewer Projects:			
N/A	EPASD 1.1	Sewer	\$1,000,000
N/A	EPASD 1.2	Sewer	\$1,695,000
Sub-total Sewer			\$2,695,000
IT Projects:			
N/A	IT Strategic Plan Projects	General Fund IT Reserve	\$1,158,000
Sub-total IT fund			\$1,158,000
TOTAL FY 2026-27 PROPOSED CIP FUNDING			\$9,318,000

Staff will return to the City Council for consideration of contractual approvals for these projects. It's worth noting that the costs associated to Local CIP fund are funded by the transfers from the General Fund previously authorized by the City Council.

Fiscal Impact

Establish the City's revenue budget at \$68,474,967 and appropriation budget at \$82,871,517 including Capital Improvement Program budget, and the permanent staffing at 125.95 full time equivalents (FTEs). The City has a total citywide budget deficit of \$14,396,554. As such, the

PUBLIC HEARING ITEM 7.1

City recognizes deficits in certain funds (Exhibit B of Resolution), which requires the use of available reserve balances totaling \$26,183,040.

Public Notice

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto. In addition, a notice of public hearing was published on a local newspaper on June 9, 2026.

Environmental

The action being considered does not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines section 15378 (b)(4) and (b)(5), in that it is a fiscal, governmental, or administrative activity that will not result in direct or indirect changes in the environment.

Adoption of the Fiscal Years 2026-27 and 2027-28 Capital Improvement Program (CIP) and approval of the related Fiscal Year 2026-27 Capital Budget likewise do not constitute a project under CEQA Guidelines section 15378(b)(4), because they are fiscal and planning activities that do not commit the City to any specific project that may cause a significant physical effect on the environment. On May 11, 2026, the Planning Commission separately found the CIP exempt from CEQA. The CIP and Capital Budget do not approve, authorize commencement of, or otherwise commit the City to construction of any individual capital project; appropriation of funds is for planning and budgeting purposes only. Each individual capital project will undergo project-specific environmental review under CEQA, and any required determination, exemption, or document will be completed, before the City Council or staff takes any discretionary action approving or committing the City to that project.

Government Code § 84308

Applicability of Levine Act: No, as the proposed action does not involve an entitlement.

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Resolution
2. City Manager's Budget Message
3. Fiscal Year 2026-27 Proposed Budget Booklet
4. Detail Budget Information by Division
5. Fiscal Years 2026-27 and 2027-28 Capital Improvement Program (CIP) Update

RESOLUTION NO. XX – 2026

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO
ADOPTING THE FISCAL YEAR 2026-27 BUDGET, FISCAL YEARS 2026-27 AND
2027-28 CAPITAL IMPROVEMENT PROGRAM (CIP), AND FISCAL YEAR 2026-27
CAPITAL BUDGET FOR THE CITY OF EAST PALO ALTO**

WHEREAS, the City Council desires a spending plan for the City of East Palo Alto General, Special Revenue, Capital, Fiduciary, and Enterprise Funds in order to account for Fiscal Year 2026-27 anticipated revenues and to appropriate projected expenditures; and

WHEREAS, City of East Palo Alto Municipal Code section 3.08.110 requires the adoption of an annual budget no later than June 30th prior to the beginning of the fiscal year; and

WHEREAS, on May 11, 2026, the Planning Commission considered the Fiscal Years 2026-27 and 2027-28 Capital Improvement Program (CIP), including twenty-seven (27) new projects, found the CIP to be in conformance with the City of East Palo Alto 2035 General Plan, found that the action was exempt from review under the California Environmental Quality Act (CEQA), and directed staff to forward its report and recommendation regarding General Plan consistency to the City Council; and

WHEREAS, the City Council held budget hearing sessions on May 12, 2026, and May 19, 2026, at which the Fiscal Year 2026-27 Budget and the Fiscal Years 2026-27 and 2027-28 Capital Improvement Program (CIP) were presented and discussed, and a final Budget Hearing on this date to discuss the City's anticipated revenues and expenditure programs and to obtain public comment regarding the Fiscal Year 2026-27 Budget and the Fiscal Years 2026-27 and 2027-28 Capital Improvement Program (CIP); and

WHEREAS, such public hearings were duly noticed not less than seven days nor more than 21 days prior to the first hearing held on May 12, 2026, in accordance with East Palo Alto Municipal Code section 3.08.070;

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY:

1. Finds the foregoing recitals are true and correct and are incorporated by reference into this action;
2. Adopts the Fiscal Year 2026-27 Budget (Exhibit A);
3. Authorizes the use of available Reserve Balances totaling \$26,183,040 and the Finance Director asserts such funds are available, in order to fund certain General Fund operations, capital project funds, enterprise funds and other restricted fund deficits (Exhibit B);
4. Adopts the Fiscal Years 2026-27 and 2027-28 Capital Improvement Program (CIP), and Fiscal Year 2026-27 Capital Budget; and;
5. Finds [that the proposed action does not constitute a "project" with the meaning of the California](#)

Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15378(b)(4) and (5) in that it is a fiscal, organizational or administrative activity that will not result in direct or indirect changes in the environment. Furthermore, adoption of the Fiscal Years 2026-27 and 2027-28 Capital Improvement Program (CIP) and approval of the related Fiscal Year 2026-27 Capital Budget likewise do not constitute a project under CEQA Guidelines section 15378(b)(4), because they are fiscal and planning activities that do not commit the City to any specific project that may cause a significant physical effect on the environment. On May 11, 2026, the Planning Commission separately found the CIP exempt from CEQA. The CIP and Capital Budget do not approve, authorize commencement of, or otherwise commit the City to construction of any individual capital project; appropriation of funds is for planning and budgeting purposes only. Each individual capital project will undergo project-specific environmental review under CEQA, and any required determination, exemption, or document will be completed, before the City Council or staff takes any discretionary action approving or committing the City to that project.

PASSED AND ADOPTED this 16th day of June 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Webster Lincoln
Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin
City Clerk

John D. Lê
City Attorney

Exhibit A

FY 2026-27 Proposed Budget Summary							
Fund	Description	Operating		Capital Improvement Plan	Operating Transfers		Net Change Fund Balance
		Revenues	Expenditures		In	Out	
110	General Fund	\$ 34,734,725	\$ (34,539,277)	\$ -	\$ -	\$ (3,837,150)	\$ (3,641,701)
111	IT Replacement Fund	\$ -	\$ (1,226,066)	\$ (1,158,000)	\$ 1,226,066	\$ -	\$ (1,158,000)
112	Equipment & Vehicles	\$ -	\$ (550,000)	\$ -	\$ 550,000	\$ -	\$ -
113	Self Insurance	\$ -	\$ (1,071,816)	\$ -	\$ 1,071,816	\$ -	\$ -
116	Community Benefit Fund						\$ -
117	Com Dev Pass Thru	\$ 613,800	\$ (550,000)	\$ -	\$ -	\$ -	\$ 63,800
199	Emergency Fund						\$ -
	ELIMINATING ENTRY	\$ -	\$ -	\$ -	\$ (2,847,882)	\$ 2,847,882	\$ -
	General Fund	\$ 35,348,525	\$ (37,937,159)	\$ (1,158,000)	\$ -	\$ (989,268)	\$ (4,735,901)
213	Police Grants	\$ 47,049	\$ -	\$ -	\$ -	\$ -	\$ 47,049
215	Misc Federal and State Grants	\$ 23,779	\$ (762,607)	\$ -	\$ -	\$ -	\$ (738,828)
230	Local Grants	\$ 114,526	\$ (200,000)	\$ -	\$ -	\$ -	\$ (85,474)
231	CYSFF TOT	\$ 317,170	\$ (709,236)	\$ -	\$ -	\$ -	\$ (392,066)
	Community Programs	\$ 502,524	\$ (1,671,843)	\$ -	\$ -	\$ -	\$ (1,169,319)
201	State Gas Tax	\$ 1,872,638	\$ (1,054,804)	\$ (2,000,000)	\$ 64,500	\$ -	\$ (1,117,666)
202	Measure A	\$ 977,015	\$ (56,420)	\$ (550,000)	\$ -	\$ -	\$ 370,594
203	NPDES	\$ 153,854	\$ (994,251)	\$ -	\$ 840,397	\$ -	\$ -
206	Park In Lieu	\$ 12,104	\$ (1,107)	\$ -	\$ -	\$ -	\$ 10,997
221	Lighting District	\$ 1,118,909	\$ (298,194)	\$ -	\$ -	\$ -	\$ 820,715
222	Drainage District	\$ 210,376	\$ (294,747)	\$ -	\$ 84,371	\$ -	\$ (92,000)
234	County Measure W	\$ 378,273	\$ (21,120)	\$ (250,000)	\$ -	\$ -	\$ 107,153
	Infrastructure Programs	\$ 4,723,170	\$ (2,720,643)	\$ (2,800,000)	\$ 989,268	\$ -	\$ 191,793
204	Rent Stabilization	\$ 872,342	\$ (1,003,245)	\$ -	\$ -	\$ -	\$ (130,903)
205	Inclusionary Housing In-Lieu	\$ 650,325	\$ (12,200)	\$ -	\$ -	\$ -	\$ 638,125
207	Housing In Lieu	\$ 311,233	\$ (6,141,002)	\$ -	\$ -	\$ -	\$ (5,829,770)
209	Housing Assistance Program	\$ 12,870	\$ (15,686)	\$ -	\$ -	\$ -	\$ (2,816)
216	Commercial IF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
217	Residential IF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
218	Affordable Housing TOT	\$ 343,208	\$ (1,876,479)	\$ -	\$ -	\$ -	\$ (1,533,271)
219	Measure HH	\$ 1,886,093	\$ (8,372,357)	\$ -	\$ -	\$ -	\$ (6,486,264)
220	Lo-Mod Housing Successor	\$ 48,235	\$ (140,442)	\$ -	\$ -	\$ -	\$ (92,207)
233	Silicon Valley Community	\$ 2,970	\$ -	\$ -	\$ -	\$ -	\$ 2,970
235	Measure JJ	\$ 1,620,690	\$ (1,509,039)	\$ -	\$ -	\$ -	\$ 111,651
	Affordable Housing Programs	\$ 5,747,965	\$ (19,070,449)	\$ -	\$ -	\$ -	\$ (13,322,485)
	Total Special Revenue Funds	\$ 10,973,659	\$ (23,462,936)	\$ (2,800,000)	\$ 989,268	\$ -	\$ (14,300,011)
301	Capital Improvement Fund	\$ 1,230,000	\$ (170,459)	\$ (1,230,000)	\$ -	\$ -	\$ (170,459)
303	Capital Grant	\$ 723,117	\$ (261,439)	\$ (1,055,000)	\$ -	\$ -	\$ (593,322)
305	Parks & Trails	\$ 654,297	\$ (2,178)	\$ -	\$ -	\$ -	\$ 652,119
306	Public Facilities	\$ 1,147,941	\$ (2,178)	\$ -	\$ -	\$ -	\$ 1,145,763
307	Transportation	\$ 751,531	\$ (2,289)	\$ -	\$ -	\$ -	\$ 749,242
308	RBD-I Storm D	\$ 8,257	\$ (1,919)	\$ -	\$ -	\$ -	\$ 6,338
309	RBD-O Storm D	\$ 277,748	\$ (1,661)	\$ -	\$ -	\$ -	\$ 276,087
	Capital Funds	\$ 4,792,892	\$ (442,123)	\$ (2,285,000)	\$ -	\$ -	\$ 2,065,768
510	Water Service Fund	\$ 2,573,403	\$ -	\$ -	\$ -	\$ -	\$ 2,573,403
511	Water Capital Fund	\$ 546,795	\$ (382,283)	\$ -	\$ -	\$ -	\$ 164,512
512	Water Meter Fund	\$ 1,669,910	\$ (61,353)	\$ (380,000)	\$ -	\$ -	\$ 1,228,556
513	Water Capacity Fee Fund	\$ 56,358	\$ (7,590)	\$ -	\$ -	\$ -	\$ 48,767
	Water Enterprise	\$ 4,846,465	\$ (451,227)	\$ (380,000)	\$ -	\$ -	\$ 4,015,238
520	Garbage Service Fund	\$ 1,225,540	\$ (2,732)	\$ -	\$ -	\$ -	\$ 1,222,809
	Garbage Service Enterprise	\$ 1,225,540	\$ (2,732)	\$ -	\$ -	\$ -	\$ 1,222,809
530	Sewer Service Fund	\$ 3,820,078	\$ (4,199,269)	\$ -	\$ -	\$ -	\$ (379,191)
533	Sewer Connection Fee Fund	\$ 7,467,808	\$ (7,058,073)	\$ (2,695,000)	\$ -	\$ -	\$ (2,285,265)
	Sewer Enterprise	\$ 11,287,886	\$ (11,257,342)	\$ (2,695,000)	\$ -	\$ -	\$ (2,664,456)
	Total Enterprise	\$ 17,359,891	\$ (11,711,300)	\$ (3,075,000)	\$ -	\$ -	\$ 2,573,591
	City-wide Total	\$ 68,474,967	\$ (73,553,517)	\$ (9,318,000)	\$ 989,268	\$ (989,268)	\$ (14,396,554)

Exhibit B

FY 2026-27 Budgeted User of Reserve		
110/117	General Fund Operation	\$ 3,577,901
111	IT Reserve Fund	\$ 1,158,000
215	Misc Federal and State Grants	\$ 738,828
230	Local Grants	\$ 85,474
231	CYSFF TOT	\$ 392,066
201	State Gas Tax	\$ 1,117,666
204	Rent Stabilization	130,903
207	Housing In Lieu	5,829,770
209	Housing Assistance Program	2,816
218	Affordable Housing TOT	1,533,271
219	Measure HH	6,486,264
220	Lo-Mod Housing Successor	92,207
301	Capital Local Match	170,459
303	Capital Grant	593,322
530	Sewer Service Fund	379,191
533	Sewer Connection Fee Fund	2,285,265
Total User of Fund Reserves		\$ 24,573,403



CITY OF EAST PALO ALTO

Office of the City Manager

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Honorable Mayor and Members of the City Council,

I am pleased to present the Proposed Fiscal Year 2026–27 Budget for your review and consideration. This budget reflects the City's commitment to maintaining essential public services, investing in critical infrastructure, and advancing community priorities while navigating a challenging and uncertain fiscal environment.

Fiscal Environment

East Palo Alto has made significant progress in strengthening its financial position over the past several years. Through prudent fiscal management, strategic investments, and careful stewardship of public resources, the City has improved its financial stability while continuing to expand services and address long-standing community needs.

At the same time, significant fiscal challenges remain. Rising personnel, maintenance, insurance, and contractual service costs continue to outpace growth in traditional revenue sources. Demand for public safety, infrastructure improvements, housing initiatives, recreation programs, and other community services remains strong, placing continued pressure on limited discretionary resources.

One of the most significant challenges facing East Palo Alto and other jurisdictions throughout San Mateo County is the ongoing Property Tax in Lieu of Vehicle License Fee (VLF) funding shortfall. For decades, the State has provided replacement revenues to local governments in lieu of Vehicle License Fee revenues. However, San Mateo County jurisdictions have not received the full amount to which they are entitled under the State's funding formula. In Fiscal Year 2024–25 alone, the countywide shortfall totaled approximately \$119 million, and the State continues to withhold more than \$100 million annually from San Mateo County cities and the County itself.

For East Palo Alto, the impact is particularly significant. The City faces an estimated \$2.6 million reduction in the VLF-related revenues in Fiscal Year 2026–27. This amount represents roughly seven percent of General Fund revenues and significantly affects the City's ability to fund essential services, community programs, and neighborhood investments.

The Proposed Budget reflects these realities. Citywide revenues are projected at approximately \$68.5 million, while expenditures are projected at approximately \$82.9 million. The difference is

largely attributable to planned capital investments, expenditures funded through restricted revenue sources, and implementation of previously authorized Council priorities. While the City maintains reserves and fund balances that allow us to continue advancing important projects and maintaining service levels, reliance on one-time resources is not a sustainable long-term strategy.

As we look ahead, fiscal discipline, thoughtful prioritization, and strategic decision-making will remain essential. The City must continue balancing current service demands with long-term financial sustainability while positioning itself to take advantage of future opportunities.

Investing in Community Priorities

Despite these challenges, the Proposed Budget continues to invest in the City Council's Strategic Priorities as well as priorities identified by residents through EPA Talks and other community engagement efforts. The budget includes funding for projects and services that improve quality of life, strengthen community resilience, and address critical infrastructure needs.

These investments include replacing aging infrastructure to ensure safe, clean, and reliable drinking water; improving storm drainage systems; expanding recreation opportunities for youth and families; enhancing emergency preparedness capabilities; and maintaining essential public facilities.

The budget also funds major projects that residents have consistently identified as priorities, including the development of an Emergency Operations Center to coordinate disaster response and community facilities that can serve as places of refuge during periods of extreme heat, cold, poor air quality, or other emergencies.

Community feedback has further emphasized the importance of investing in streets, parks, utilities, public safety facilities, and the development of modern civic and library facilities. Residents have repeatedly expressed the need for safe gathering spaces and recreational opportunities for children, teens, families, and seniors. These investments are intended to expand access to community amenities and support programs that serve residents of all ages.

The Proposed Budget also continues advancing the City's long-term vision for a Civic Center. Since incorporation, East Palo Alto has never owned its City Hall, police station, or library. Municipal operations have historically been dispersed across multiple leased facilities, limiting operational efficiency and increasing long-term costs.

By funding key components of the future Civic Center, this budget advances East Palo Alto's pursuit of greater self-determination and supports the City's broader economic development strategy. The proposed Civic Center would consolidate essential public services in a central location, including City Hall, a modern library, community gathering spaces, parkland, and emergency operations functions. As the City's downtown emerges, these investments have the

potential to strengthen civic identity, improve service delivery, and create a lasting public asset for future generations.

Together, these investments address aging infrastructure, support effective service delivery, expand community amenities, and maintain facilities that serve residents both today and in the future. The budget seeks to balance ongoing operational needs with long-term capital investments that advance the City's strategic goals and community priorities.

East Palo Alto Sanitary District

The East Palo Alto Sanitary District (EPASD) continues to operate as a subsidiary district of the City and is presented within the budget as a separate enterprise fund. This structure promotes transparency, accountability, and sound financial management while ensuring the continued delivery of essential wastewater services.

The proposed EPASD budget includes investments necessary to maintain critical infrastructure, comply with regulatory requirements, and provide reliable, high-quality wastewater service to customers. These investments help preserve public health, protect the environment, and support the long-term sustainability of the District's operations.

Looking Ahead

The Fiscal Year 2026–27 Proposed Budget reflects a balanced approach that acknowledges current fiscal realities while continuing to move East Palo Alto forward. It recognizes both the challenges we face and the opportunities before us. While financial pressures remain significant, the City is well-positioned to continue delivering essential services, advancing strategic priorities, and investing in the future of the community.

Staff will continue to closely monitor revenues, expenditures, economic conditions, and developments related to VLF funding and other state and federal funding sources. As conditions evolve, recommendations will be brought forward to protect the City's long-term fiscal sustainability and ensure responsible stewardship of public resources.

I would like to thank the Finance Department, department directors, and City staff for their dedication and hard work in preparing this budget. I also extend my appreciation to the residents of East Palo Alto for their continued engagement and participation, and to the City Council for your leadership, partnership, and commitment to serving our community.

Respectfully submitted,

Melvin E. Gaines,

City Manager
City of East Palo Alto

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City of East Palo Alto

PROPOSED BUDGET

FY 2026 - 2027

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FY 2026-2027 Budget

Mayor



Webster Lincoln

Vice Mayor



Ruben Abrica

Council Members



Carlos Romero



Mark Dinan



Martha Barragan

MISSION STATEMENT

The City of East Palo Alto provides responsive, respectful, and efficient public services to enhance the quality of life and safety for its multi-cultural community.

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Executive Staff

Executive Staff

Melvin Gaines, City Manager
City Manager's Office

Shiri Klima, Assistant City Manager
City Manager's Office

John Le, City Attorney
City Attorney's Office

James Colin, City Clerk/Public Information Officer (PIO)
City Clerk's Office

Tomohito Oku, Finance Director
Finance Department

Community Development Director — Vacant
Community and Economic Development

Humza Javed, Public Works Director
Public Works

Jeff Liu, Police Chief
Police Department

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Table of Contents

Elected Officials.....	i
Executive Staff.....	iii
Table of Contents.....	v
Introduction	
City Manager’s Message.....	CM- 1
How to Use the Budget Document.....	BD- 1
City Council Strategic Priorities and Goals	
Strategic Goals and Priorities.....	SP- 1
Organizational Summary	
Master Organization Chart.....	OS- 1
Nine-Year Position Summary.....	OS- 3
Detail Position Listing.....	OS- 5
East Palo Alto at a Glance.....	OS- 7
Financial Summary	
FY 2026-2027 Budget.....	FS- 1
General Fund Revenues by Major Category.....	FS- 21
General Fund Expenditures by Major Category.....	FS- 23
Departmental Budgets	
City Council	DB- 1
City Attorney's Office	DB- 5
City Clerk's Office	DB- 13
City Manager's Office	DB- 19
City Manager's Office.....	DB- 23
Human Resources.....	DB- 29
Community Services and Recreation.....	DB- 35
Information Technology.....	DB- 39
Finance Department	DB- 43
Community and Economic Development	DB- 49
Administration.....	DB- 53
Building Services.....	DB- 55
Housing and Economic Development.....	DB- 59
Planning.....	DB- 71
Public Works	DB- 79
Administration.....	DB- 83
Engineering.....	DB- 93
Maintenance.....	DB- 99
Utilities.....	DB- 107
Police Department	DB- 111
Administration.....	DB- 117
Investigations.....	DB- 121
Operations.....	DB- 125
Non Departmental	DB- 129
Miscellaneous	MISC- 1
Glossary	GLOS- 1

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Melvin E. Gaines,

City Manager
City of East Palo Alto

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How to Use the Budget Document

The East Palo Alto Budget Document serves as the City's financial plan for allocating available fiscal, human, and capital resources. These resources support the delivery of services designed to meet the needs of East Palo Alto residents.

Through the planning and budgeting process, the City Council and City staff identify and address community priorities and service needs. The result is a comprehensive budget document that reflects both the City's financial resources and the priorities of the community. The budget balances projected revenues and expenditures while supporting the programs, services, and initiatives most important to residents.

The Budget Document is organized into eight major sections:

- City Manager's Message
- How to Use the Budget Document
- City Council Strategic Plan
- Organizational Summary Information
- Financial Summary Information
- Departmental Budgets
- Miscellaneous
- Glossary

The City Manager's Message

The City Manager's Message provides a broad overview of the fiscal budget period and establishes the context for budget decisions by highlighting the community and economic conditions affecting the City. It also outlines major initiatives currently underway and identifies key challenges facing the organization.

How to Use the Budget Document

Below is a summary of the sections within the document, describing how each section may be used effectively to understand the make-up of the document.

The City Council's Strategic Plan

The City Council's Strategic Plan establishes the organization's goals and priorities. It provides policy direction for initiatives to be pursued over a two-year period and guides the work plans and budgets of departments responsible for implementing those initiatives, subject to available resources.

Organizational Summary Information

This section of the document provides reference information about the City and its organization, including the organizational chart, a nine-year summary of authorized staffing levels, "East Palo Alto at a Glance," and demographic statistics for the City of East Palo Alto.

Financial Summary Information

This section presents the FY 2026–27 Budget by fund and fund group type, including descriptions of the purpose and function of each budgeted fund, as well as projected fund balance information.

- Summary of Citywide Budget by Fund and Fund Group
- Historical Chart General Fund:
 - Revenues by Major Category
 - Expenditures by Major Category

Departmental Budgets

This section presents the operating budget for all City departments and divisions, including City Council, City Attorney, City Clerk, City Manager, Finance, Community and Economic Development, Public Works, Police, Non-Departmental, and Capital Improvement Funding.

The Departmental Budget section provides financial information by major revenue and expenditure categories. Definitions of the four primary expenditure categories are included in the Glossary.

Local government budgets are organized by fund to ensure restricted resources are properly segregated and accounted for, with each fund functioning as a separate accounting entity. The General Fund serves as the City’s primary operating fund and supports essential services provided to the community, including public safety, maintenance, and general government operations.

This section also includes historical trends in revenues and expenditures, as well as General Fund sources and uses. In addition, historical and current staffing information for each department and division is provided, along with departmental organizational charts.

Miscellaneous

This section includes information on major capital project funding, detailed Measure P funding allocations, the FY 2026–27 Appropriations Limit calculation, and the budget adoption resolutions.

Glossary

This section provides definitions generally used in local, county, and state governments.

Contents

Introduction	3
Background to Strategic Planning	4
Summary of Strengths, Issues, and Needs	6
Previous City Priorities: Continuing Projects and Accomplishments	7
Overview of FY2025-2029 Strategic Priorities	8
Civic Engagement	9
Comprehensive Housing	10
Governance, Organizational Strength, and Fiscal Sustainability	11
Land Use, Economic, and Workforce Development ---	12
Parks, Recreation, and Community Facilities	13
Public Health, Safety, and Quality of Life	14
Public Infrastructure and Utilities	15
Appendix—Project Work Plan	A.1

Introduction



The City of East Palo Alto is a vibrant and diverse community in the heart of Silicon Valley.

Since incorporating as a city in 1983, East Palo Alto has grown into a proud and active community of about 31,500 people. Our strong tradition of civic involvement and community leadership continues to shape our vision for an inclusive and just future.

East Palo Alto celebrates its cultural diversity and is committed to being a welcoming place for all. This Strategic Plan reflects those values, offering a clear path forward based on community input and careful planning.

The Plan focuses on seven main goals—called “Strategic Priorities”—that will guide the City’s decisions over the next four years. These priorities help make sure the City’s policies, programs, and services meet community needs and that both funding and staff time are focused on the most urgent challenges.

This document outlines the City Council’s Strategic Priorities for Fiscal Years (FY) 2025–2029 and includes a detailed **Work Plan for FY 2025–2026 and 2026–2027**. A second two-year work plan will be created later to cover the final years. The priorities and projects in this Plan are grounded in community feedback, budget considerations, and direction from the City Council.



Background to Strategic Planning

Strategic planning is a critical tool for shaping the City's future. It helps identify shared goals, outlines strategies to achieve them, and provides a clear roadmap for implementation. A strong Strategic Plan aligns City departments, clarifies priorities, and creates a shared sense of purpose. It also allows the City to monitor progress over time, make informed adjustments as needed, and maintain transparency with the public.

To ensure that City resources and efforts are focused on the highest community needs, the East Palo Alto City Council engages in a two-part priority-setting process:

1. **Establishing four-year Strategic Priorities** that reflect the long-term goals of the City, and
2. **Developing a two-year Work Plan** that includes specific projects designed to advance those priorities.

Together, these elements make up the City's Strategic Plan. Each project in the Work Plan is tracked over time to measure progress and ensure alignment with the Strategic Priorities.

The Strategic Plan is designed to address the City's most urgent and meaningful community needs while accounting for staffing capacity and budget constraints. The City has local authority over areas such as land use and zoning, public utilities, beautification and greening efforts, code enforcement, and City-maintained roads. However, many other issues fall outside the City's jurisdiction. As a result, the Work Plan focuses limited City resources on a defined set of high-impact priorities that reflect the community's input and values.

Terms and Definitions:

- **Strategic Plan:** A guiding document that sets the City's long-term goals and the strategies to achieve them. Typically covers a 2–5 year timeframe.
- **Strategic Priorities:** Long-term focus areas established by the City Council to guide decision-making over the next four years.
- **Work Plan:** A two-year list of projects and initiatives—beyond routine operations—intended to advance the Strategic Priorities.
- **Projects:** Specific efforts or actions the City takes to carry out the Strategic Priorities.
- **Metrics:** Measurements used to track the status and impact of projects and priorities, including timelines and key performance indicators.





The Strategic Plan Development Process

This Strategic Plan was developed through a collaborative, multi-step process that centered around community input and used data to guide decisions. The City conducted research, worked closely with project managers, and engaged residents and stakeholders to make sure the final priorities and projects reflect what the community said matters most.

Process Highlights

- **Environmental Scan:** Reviewed key City plans and documents, especially those shaped by strong public input.
- **Staff Input:** Gathered ideas and insights from City staff to help assess what’s possible based on staffing capacity.
- **Initial Round of Community Engagement:** Collected feedback to shape the first draft of the Strategic Priorities and project ideas:
 - Twelve focus group meetings with community groups and key stakeholders
 - Two pop-up workshops at the EPA Senior Center and Cardenas Supermarket
- **Strategic Planning Workshop/Retreat:** A joint community workshop and City Council retreat held on March 8, 2025 (10am-4pm), to discuss and refine priorities.
- **Draft Development:** Staff analyzed the draft priorities and projects, taking into account staffing, funding, and what’s realistically doable.
- **Second Council Study Session:** On April 22, 2025, the City Council reviewed the updated draft with public input and gave further direction.
- **Revisions:** Staff made updates based on feedback from the Council and community.
- **Second Round of Community Engagement:** Shared the draft priorities and Work Plan projects with the public and gathered more input:
 - Pop-up events at the Farmers Market and Cinco de Mayo Festival
 - Online survey with 183 responses in both English and Spanish
 - One in-person and one virtual workshop
 - Additional outreach across the East Palo Alto community for further input and recommendations
- **Third City Council Meeting on June 3, 2025:** City Council reviewed public input and made final refinements.
- **Fourth City Council Meeting on June 17, 2025:** The Council adopted the final Strategic Plan and approved the City budget.

Figure 1—Process Timeline



Summary of Strengths, Issues, and Needs

The City's Strategic Priorities and Work Plan are shaped by an understanding of East Palo Alto's strengths, issues, and needs. Key themes from community members, City Council, and City staff include:

Strengths

- Active and diverse community with a proud history
- Central location on the edge of the Bay
- Abundant natural resources and open space
- Improvements in public safety
- Progressive housing and social policies
- Support for small businesses, entrepreneurs, and economic development
- Strong City partnerships with community nonprofit organizations
- Enhanced transparency and performance in City government
- High levels of civic engagement and community input
- Dedicated and collaborative City staff
- Responsible financial management and strong budget reserves
- Great weather
- Surrounded by communities of wealth with abundant philanthropy
- A community that values self-determination and directs its own future

Issues and Needs

- Housing for various income levels / preventing displacement
- Limited development and need for business growth
- Need for local job opportunities and small business support
- Lack of retail shops, services, and community gathering spaces
- Infrastructure improvements (water, sewer, roads, parks, sidewalks)
- Improved code enforcement and public safety
- Traffic and pedestrian safety
- Environmental (brownfields) clean ups and beautification
- Climate resilience and emergency preparedness
- Strained working relationships among elected officials
- City staff retention, capacity, and workload
- Insufficient City funding and revenue sources



SP-6

Previous City Priorities: Continuing Projects and Accomplishments

The FY 2025–2027 Work Plan builds on progress made through the City’s previous Strategic Priorities. Between FY 2023–2025, the City focused on seven key priorities:

1. Promote Housing, Economic, and Workforce Development
2. Implement the Comprehensive Transportation and Mobility Plan
3. Promote Health and Public Safety
4. Ensure Financial and Organizational Health
5. Improve the City’s Water Infrastructure
6. Develop and Implement a Comprehensive Facilities Master Plan
7. Enhance Community Services and Parks for Residents.

By June 30, 2025, the City expects to complete or operationalize 37 of the 93 projects from the FY 2023–2025 Work Plan. The remaining 37 projects will carry forward into the FY 2025–2027 Work Plan.

The new two-year Work Plan continues this momentum. It includes both carryforward projects and new initiatives under each of the updated Strategic Priorities. This approach helps maintain continuity, respond to changing community needs, and make the most of available resources.

Table 1—EPA Strategic Priorities (FY 2023-2025)

Priority	Total	Complete	Operational	In-Progress	On-hold
Priority A: Promote Housing, Economic and Workforce Development	18	6	3	9	0
Priority B: Implement the Comprehensive Transportation and Mobility Plan	18	6	1	11	0
Priority C: Promote Health and Public Safety	15	2	1	12	0
Priority D: Ensure Our Financial and Organizational Health	13	7	2	3	1
Priority E: Improve the City’s Water Infrastructure	8	2	1	4	1
Priority F: Develop and Implement a Comprehensive Facilities Master Plan	10	1	0	5	4
Priority G: Enhance Community Services and Parks for Residents	11	1	4	4	2
Total	93	25	12	48	8

Overview of the FY 2025-2029 Strategic Priorities



Civic Engagement

Provide diverse and inclusive opportunities for all EPA community members to participate in City meetings, have a voice in City affairs, and develop leadership skills for EPA youth.



Comprehensive Housing

Increase the City's housing stock at all income levels (from affordable to market rate), facilitate pathways to homeownership, and prevent displacement of existing residents.



Governance, Organizational Strength, and Fiscal Sustainability

Strengthen the City's internal capacity, transparency, and long-term financial health by improving core operations, investing in workforce and systems, and implementing data-informed strategies to ensure effective service delivery, accountability, and fiscal resilience.



Land Use, Economic and Workforce Development

Support balanced development that attracts investment, strengthens local businesses, reduces economic leakage, and expands access to quality jobs and services that meet local needs.



Parks, Recreation, and Community Facilities

Invest in the modernization and expansion of the City's parks, recreation, and community facilities and services to increase residents' access to open spaces and recreational opportunities.



Public Health, Safety, and Quality of Life

Implement and enforce strategies to ensure public safety, improve the livability of neighborhoods, and prepare the City for disasters and emergencies.



Public Infrastructure and Utilities

Maintain, modernize, and expand the City's physical infrastructure (streets, sidewalks, utilities) to support existing homes and businesses, and new development.

STRATEGIC PRIORITY
Civic Engagement

Provide diverse and inclusive opportunities for all EPA community members to participate in City meetings, have a voice in City affairs, and develop leadership skills for EPA youth.

NEW PROJECTS 1 | CARRYFORWARD PROJECTS 1

Carryforward projects have a “→”. New projects have a “+”

CIV-1. → Develop Recommendations for Establishing a Youth Commission or Alternative Youth Civic Engagement Program

CIV-2. + Implement Sister City and Cultural Exchange Initiative



Photo Credit: Treasured Visions.

STRATEGIC PRIORITY

Comprehensive Housing

Increase the City's housing stock at all income levels (from affordable to market rate), facilitate pathways to homeownership, and guard against the displacement of existing residents.

NEW PROJECTS 5 | CARRYFORWARD PROJECTS 3

Carryforward projects have a "→". New projects have a "+"

CH-1. → Complete Construction of 965 Weeks/Colibri Commons

CH-2. + Develop and Launch Home Repair Program

CH-3. → Establish Rent Registry for Both Rent-Stabilized and Market-Rate Rental Units

CH-4. + Research Feasibility of a Financial Empowerment and Foreclosure Prevention Program

CH-5. + Research Feasibility of a First-Time Homebuyer Assistance Program

CH-6. + Research Feasibility of a Residential Rental Inspection Program

CH-7. + Update the Inclusionary Housing Ordinance

CH-8. → Update the Zoning Code



SP-10



STRATEGIC PRIORITY

Governance, Organizational Strength, and Fiscal Sustainability

Strengthen the City's internal capacity, transparency, and long-term financial health by improving core operations, investing in workforce and systems, and implementing data-informed strategies to ensure effective service delivery, accountability, and fiscal resilience.

NEW PROJECTS 5 | CARRYFORWARD PROJECTS 3

Carryforward projects have a "→". New projects have a "+"

GOV-1. → Collaborate with the SMC Libraries to Identify and Implement a Comprehensive Funding Strategy for Library Construction

GOV-2. + Conduct Council Term Limit Policy Research

GOV-3. + Develop a 10-Year Fiscal Strategy and Address the Structural Deficit

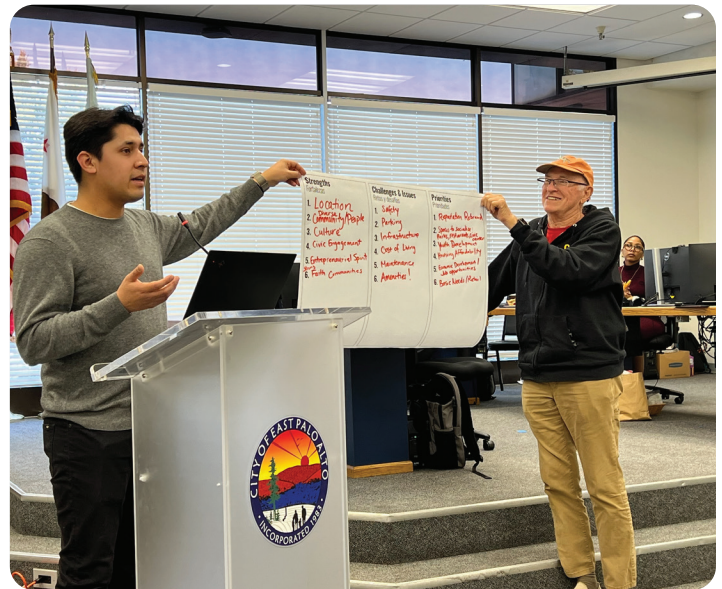
GOV-4. → Develop a Citywide Information Systems Master Plan

GOV-5. + Implement a Centralized Grants Management System

GOV-6. + Prepare 2026 Ballot Measure to Raise Revenue for Infrastructure Improvements and Public Facilities

GOV-7. → Update the City's Personnel Policies and Procedures

GOV-8. + Upgrade and Launch New City Website



STRATEGIC PRIORITY

Land Use, Economic and Workforce Development

Support balanced development that attracts investment, strengthens local businesses, and expands access to quality jobs and services that meet local needs.

CARRYFORWARD PROJECTS 5

Carryforward projects have a “→”. New projects have a “+”

LU-1. → Conclude Measure HH Pilot Evaluation and Initiate Ongoing Workforce Development Program

LU-4. → Implement Program to Distribute Community Resource Funds Grants for Small Business Assistance

LU-2. → Create an Economic Development Strategic Plan Focusing on Small and Micro Businesses

LU-5. → Renovate the Cummings Loft Property into a Small Business Incubator

LU-3. → Design and Implement a “Pop-Up”/ Sidewalk Vending Policy and Program



STRATEGIC PRIORITY

Parks, Recreation, and Community Facilities

Invest in the modernization and expansion of the City's parks, recreation, and community facilities and services to increase residents' access to open spaces and recreational opportunities.

NEW PROJECTS 5 | CARRYFORWARD PROJECTS 6

Carryforward projects have a "➔". New projects have a "+"

PR-1. ➔ Complete Construction of Tenant Improvements at City Facilities

PR-2. + Conduct a Comprehensive Evaluation of Senior Service Agreements in East Palo Alto

PR-3. ➔ Construct Access Improvements at Rutgers Street Entrance to the Bay Trail

PR-4. ➔ Create a Pilot Dog Park

PR-5. ➔ Establish a Joint Use Agreement with RCSD for Shared Recreation Sites

PR-6. + Expand EPACENTER Services and Programs Through City Funding

PR-7. ➔ Finalize Architectural Design for the New East Palo Alto Library

PR-8. + Implement Priority Projects from the Parks, Recreation and Open Space Master Plan

PR-9. ➔ Negotiate with County to Finalize Acquisition of Beech Street Property

PR-10. + Plan for Development of New Civic Center Facility

PR-11. + Expand Access to YMCA Programming and Services for the Greater East Palo Alto Community.



STRATEGIC PRIORITY

Public Health, Safety, and Quality of Life

Implement and enforce strategies to ensure public safety, improve the livability of neighborhoods, and prepare the City for disasters and emergencies.

NEW PROJECTS 4 | CARRYFORWARD PROJECTS 5

Carryforward projects have a "➔". New projects have a "+"

PH-1. + Expand Parking Enforcement Capacity

PH-2. ➔ Implement a Crime Data Analytics Platform for the Police Department

PH-3. + Implement a Shopping Cart Abatement Program

PH-4. ➔ Launch a Residential Parking Permit Program

PH-5. + Launch Emergency Preparedness Program

PH-6. + Maintain Senior/Disabled Individuals' Emergency Contact Database

PH-7. ➔ Strengthen the Clean City Program to Reduce Illegal Dumping

PH-8. ➔ Update the Environmental Justice Element of the General Plan

PH-9. ➔ Update the Safety Element of the General Plan



STRATEGIC PRIORITY

Public Infrastructure and Utilities

Maintain, modernize, and expand the City's physical infrastructure (streets, sidewalks, utilities) to support existing homes and businesses, and new development.

NEW PROJECTS 2 | CARRYFORWARD PROJECTS 14

Carryforward projects have a "➔". New projects have a "+"

PI-1. ➔ Assess Utility Operations and Prepare Transition Plan for Post-Lease Operations

PI-2. ➔ Build Sidewalk and Pedestrian Safety Improvements on East Bayshore Road

PI-3. ➔ Collaborate with City of Palo Alto to Replace the Newell Street Bridge

PI-4. ➔ Collaborate with SFCJPA to Construct San Francisquito Creek Flood Protection Upgrades

PI-5. ➔ Collaborate with SFCJPA to Implement the SAFER Bay Project

PI-6. ➔ Conduct a Siting Study to Identify Locations for Additional Water Storage Tanks

PI-7. ➔ Construct a Bicycle and Pedestrian Overcrossing on University Avenue at US 101

PI-8. ➔ Construct Full Trash Capture Devices to Meet Stormwater Compliance Requirements

PI-9. ➔ Construct Mini Roundabouts to Replace Temporary Traffic Circles on Pulgas Avenue

PI-10. ➔ Create a Financing Strategy for Water Infrastructure Upgrades

PI-11. ➔ Design Roadway Improvements on Woodland Avenue

PI-12. ➔ Develop an Asset Management Database

PI-13. + Develop Citywide Sewer Infrastructure Master Plan

PI-14. + Install Citywide Lighting Improvements - Phase II

PI-15. ➔ Install New Traffic Signal and Complete Safety Upgrades on University Avenue at Runnymede

PI-16. ➔ Modernize Equipment and Complete Rehabilitation of the O'Connor Pump Station



Photo Credit: Climate Resilient Communities.



ADOPTED
June 17, 2025



City Council Strategic Priorities FY 2025-27 Work Plan

This work plan details the new and ongoing City projects for fiscal years 2025-2026 and 2026-2027 and categorizes them into different priorities detailed below. See the example project key for how to read the work plan. See the division key for division abbreviations.

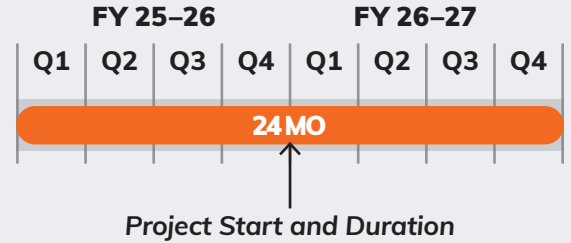
EXAMPLE PROJECT KEY—Fiscal years (FY) are July 1–June 30

Project Name. New projects have a “+”.
Carryforward projects have a “→”.

City Division Lead

↓
+ Upgrade and Launch New City Website (City Clerk) ←
Upgrade the City’s website to be more user-friendly, mobile-accessible, and easier to navigate.

↑
Project Description



CITY DEPARTMENT/ DIVISION KEY

- CEDD-Building:** Community and Economic Development Department-Building Division
- CEDD-Housing:** Community and Economic Development Department-Housing Division
- CEDD-Planning:** Community and Economic Development Department-Planning Division
- CEDD-RSP:** Community and Economic Development Department-Rent Stabilization Program
- City Clerk**
- CMO-Admin:** City Manager’s Office-Administration

- CMO-CS:** City Manager’s Office-Community Services and Recreation
- CMO-HR:** City Manager’s Office-Human Resources
- CMO-IT:** City Manager’s Office-Information Technology
- Finance**
- Police**
- PW-Eng:** Public Works-Engineering
- PW-Env:** Public Works-Environment and Sustainability
- PW-Main:** Operations and Maintenance

FY 2025-29 STRATEGIC PRIORITIES

Civic Engagement
Provide diverse and inclusive opportunities for all EPA community members to participate in City meetings, have a voice in City affairs, and develop leadership skills for EPA youth.

Comprehensive Housing
Increase the City’s housing stock at all income levels (from affordable to market rate), facilitate pathways to homeownership, and prevent displacement of existing residents.

Governance, Organizational Strength, and Fiscal Sustainability
Strengthen the City’s internal capacity, transparency, and long-term financial health by improving core operations, investing in workforce and systems, and implementing data-informed strategies to ensure effective service delivery, accountability, and fiscal resilience.

Land Use, Economic and Workforce Development
Support balanced development that attracts investment, strengthens local businesses, reduces economic leakage, and expands access to quality jobs and services that meet local needs.

Parks, Recreation, and Community Facilities
Invest in the modernization and expansion of the City’s parks, recreation, and community facilities and services to increase residents’ access to open spaces and recreational opportunities.

Public Health, Safety, and Quality of Life
Implement and enforce strategies to ensure public safety, improve the livability of neighborhoods, and prepare the City for disasters and emergencies.

Public Infrastructure and Utilities
Maintain, modernize, and expand the City’s physical infrastructure (streets, sidewalks, utilities) to support the existing homes and businesses as well as new developer **66**

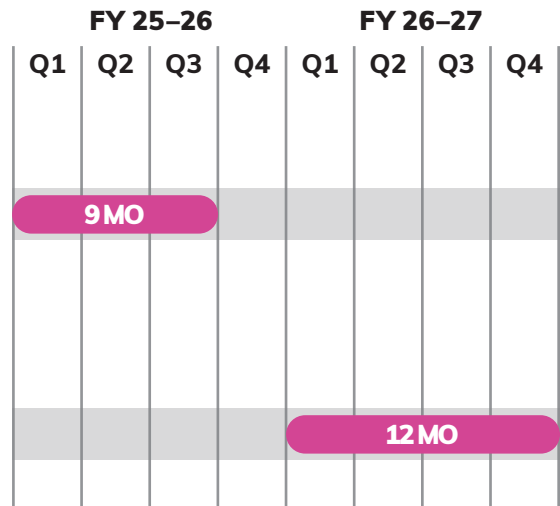
CIVIC ENGAGEMENT

CIV-1. → Develop Recommendations for Establishing a Youth Commission or Alternative Youth Civic Engagement Program (CMO-CS)

Enhance the existing process to establish a Youth Commission, expanding it to include diverse youth civic engagement opportunities and pathways for youth from all backgrounds to participate in City government via internships, civic leadership training, and mentorship.

CIV-2. + Implement Sister City and Cultural Exchange Initiative (City Clerk)

Formalize a sister city relationship with a city in the Kingdom of Tonga, including cultural exchanges and shared events, to foster long-term relationships and cultural, educational, and civic exchanges.



COMPREHENSIVE HOUSING

CH-1. → Complete Construction of 965 Weeks/Colibri Commons (CEDD-Building)

Support the final construction activities and project closeout for Colibri Commons, creating 136 affordable housing units.

CH-2. + Develop and Launch Home Repair Program (CEDD-Housing)

Offer grants or loans for home repairs to qualifying low-income residents.

CH-3. → Establish Rent Registry for Both Rent-Stabilized and Market-Rate Rental Units (CEDD-RSP)

Launch a new Rent Registry system to register and track all rental units in East Palo Alto, promoting transparency and rental stability.

CH-4. + Research Feasibility of a Financial Empowerment and Foreclosure Prevention Program (CEDD-Housing)

Conduct research and internal analysis to assess the feasibility of creating a foreclosure prevention fund to support homeowners at risk of losing their homes.

CH-5. + Research Feasibility of a First-Time Homebuyer Assistance Program (CEDD-Housing)

Research and assess down payment assistance models for eligible first-time homebuyers.

CH-6. + Research Feasibility of a Residential Rental Inspection Program (CEDD-Building)

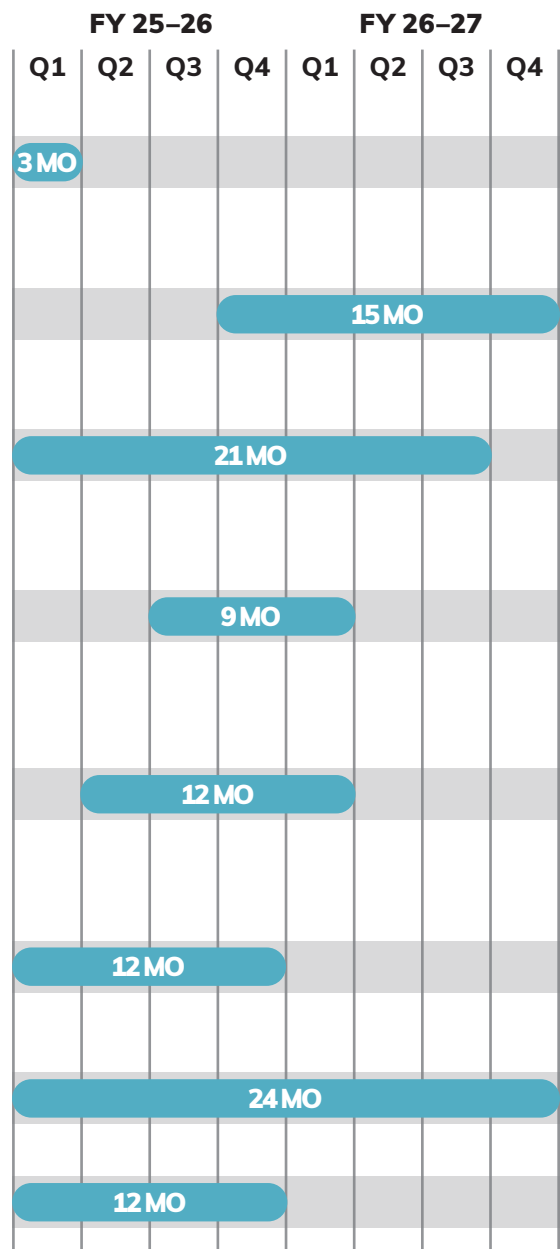
Assess the feasibility of establishing a systematic rental inspection program to ensure safety, habitability, and compliance with health and building codes across residential rental properties.

CH-7. + Update the Inclusionary Housing Ordinance (CEDD-Housing)

Amend the Inclusionary Housing Ordinance to reduce constraints.

CH-8. → Update the Zoning Code (CEDD-Planning)

Complete updates to the City's zoning code to comply with State housing requirements and streamline development review processes.



GOVERNANCE, ORGANIZATIONAL STRENGTH, AND FISCAL SUSTAINABILITY

GOV-1. → Collaborate with the SMC Libraries to Identify and Implement a Comprehensive Funding Strategy for Library Construction (CMO-Admin)
Pursue partnerships and fundraising strategies with San Mateo County Libraries, securing full funding for library construction.

GOV-2. + Conduct Council Term Limit Policy Research (City Clerk)
Analyze how other cities use term limits for elected officials and present options to City Council.

GOV-3. + Develop a 10-Year Fiscal Strategy and Address the Structural Deficit (Finance)
Develop a strategy to reduce the City's budget deficit and keep services funded long term.

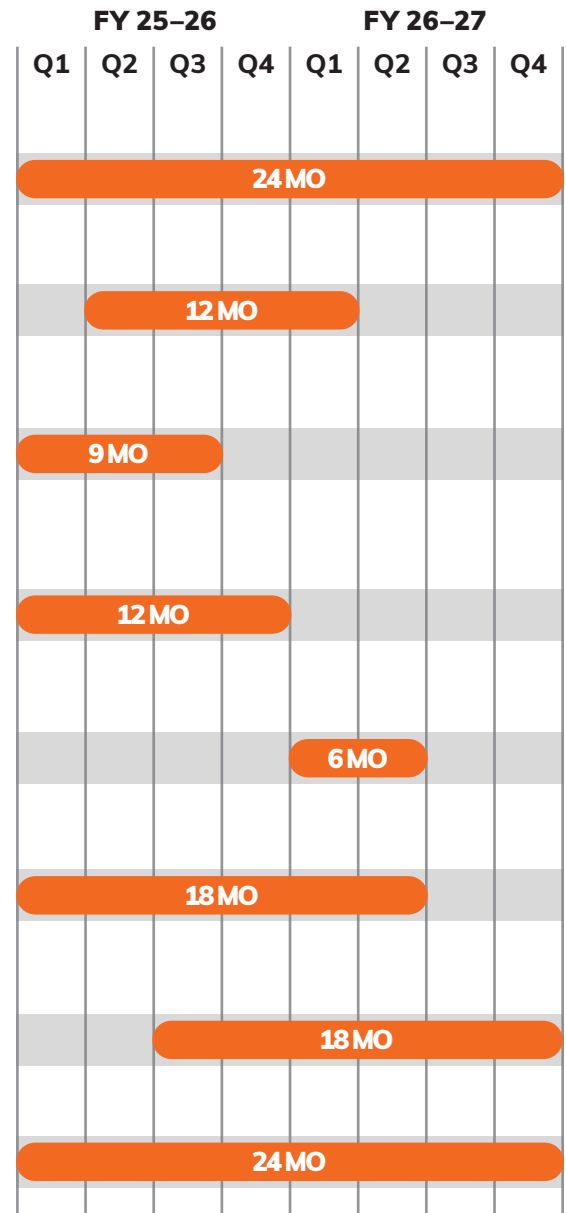
GOV-4. → Develop a Citywide Information Systems Master Plan (CMO-IT)
Create a long-term strategic plan for City technology investments, heightened cybersecurity, and infrastructure upgrades.

GOV-5. + Implement a Centralized Grants Management System (Finance)
Bring in a new system to manage the grants the City applies for and awards to community partners.

GOV-6. + Prepare 2026 Ballot Measure to Raise Revenue for Infrastructure Improvements and Public Facilities (CMO-Admin)
Begin the public process of exploring a future bond measure to fund unfunded infrastructure and buildings.

GOV-7. → Update the City's Personnel Policies and Procedures (CMO-HR)
Update the City's Personnel Policies to align with best practices, support labor relations, and improve Human Resources management.

GOV-8. + Upgrade and Launch New City Website (City Clerk)
Upgrade the City's website to be more user-friendly, mobile-accessible, and easier to navigate.

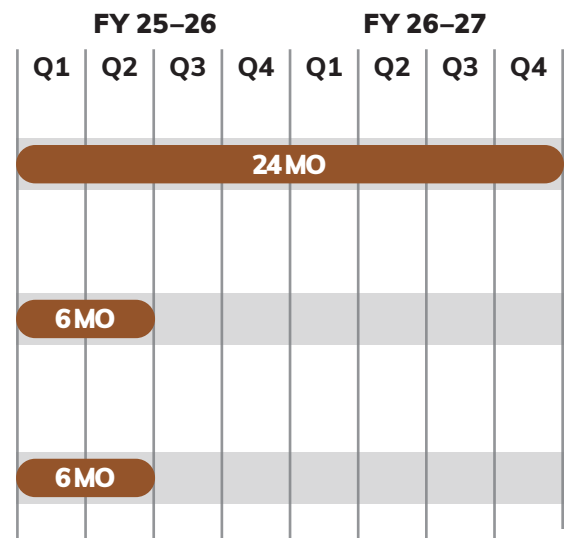


LAND USE, ECONOMIC AND WORKFORCE DEVELOPMENT

LU-1. → Conclude Measure HH Pilot Evaluation and Initiate Ongoing Workforce Development Program (CEDD-Housing)
Complete an evaluation of the Measure HH Pilot Workforce Development Program to assess impact and guide future workforce investments.

LU-2. → Create an Economic Development Strategic Plan Focusing on Small and Micro Businesses (CMO-Admin)
Develop an Economic Development Strategy aimed at supporting small and micro businesses to grow local jobs and services.

LU-3. → Design and Implement a "Pop-Up"/Sidewalk Vending Policy and Program (CMO-Admin)
Develop regulations and a program for immobile sidewalk vendors, supporting equitable entrepreneurship while protecting health and safety.



Continued from previous page.

LU-4. → Implement Program to Distribute Community Resource Funds Grants for Small Business Assistance (CMO-Admin)

Distribute grant funding to support assistance to small businesses.

LU-5. → Renovate the Cummings Loft Property into a Small Business Incubator (PW-Eng)

Renovate the City-owned Cummings Loft property, creating an incubator space for local entrepreneurs and startups.

FY 25-26				FY 26-27			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
18 MO							
15 MO							

PARKS, RECREATION, AND COMMUNITY FACILITIES

PR-1. → Complete Construction of Tenant Improvements at City Facilities (PW-Eng)

Perform facility improvements at the police station as well as the Tate Street office building.

PR-2. + Conduct a Comprehensive Evaluation of Senior Service Agreements in East Palo Alto (CMO-CS)

Review the current service levels of operations for the older adult community and use the Age Friendly Action Plan to develop a roadmap for improvements.

PR-3. → Construct Access Improvements at Rutgers Street Entrance to the Bay Trail (PW-Eng)

Complete improvements to open a pedestrian access point to the Bay Trail at Rutgers Street, expanding recreational access for residents.

PR-4. → Create a Pilot Dog Park (CMO-CS)

Establish a pilot dog park at an existing park site.

PR-5. → Establish a Joint Use Agreement with RCSD for Shared Recreation Sites (CMO-CS)

Pursue shared use agreements with local schools, increasing community access to recreational facilities.

PR-6. + Expand EPACENTER Services and Programs Through City Funding (CMO-CS)

Fund new or expanded programs at EPACENTER, increasing access to the arts for the East Palo Alto community.

PR-7. → Finalize Architectural Design for the New East Palo Alto Library (PW-Eng)

Finalize the design plans for the new East Palo Alto library, providing modern spaces for learning, technology access, and community programming.

PR-8. + Implement Priority Projects from the Parks, Recreation and Open Space Master Plan (CMO-CS)

Construct small-scale, visible park improvements such as benches, landscaping, and signage.

PR-9. → Negotiate with County to Finalize Acquisition of Beech Street Property (CMO-Admin)

Continue negotiations to acquire County-owned property on Beech Street for future park expansion or community use.

PR-10. + Plan for Development of New Civic Center Facility (CMO-Admin)

Determine funding and begin planning for a new civic center that brings together a new larger library, city hall, police department offices, and park including track and field.

PR-11. + Expand Access to YMCA Programming and Services for the Greater East Palo Alto Community (CMO-CS)

Collaborate with the YMCA to increase accessibility to recreation services for East Palo Alto residents who may otherwise be unable to participate.

FY 25-26				FY 26-27			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
12 MO							
15 MO							
6 MO							
15 MO							
12 MO							
24 MO							
18 MO							
24 MO							
6 MO							
18 MO							
24 MO							

PUBLIC HEALTH, SAFETY, AND QUALITY OF LIFE

PH-1. + Expand Parking Enforcement Capacity (Police)

Increase resources to enforce parking rules across the City, addressing blocked driveways and long-term vehicle storage on public streets.

PH-2. → Implement a Crime Data Analytics Platform for the Police Department (Police)

Expand the Police Department's ability to analyze crime, traffic, and community safety trends to inform public safety initiatives.

PH-3. + Implement a Shopping Cart Abatement Program (CMO-Admin)

Create a program to remove and prevent abandoned shopping carts across town.

PH-4. → Launch a Residential Parking Permit Program (PW-Eng)

Implement a pilot parking permit program to manage parking availability and reduce congestion.

PH-5. + Launch Emergency Preparedness Program (CMO-Admin)

Update the City's emergency operations plan, enhance communication systems, and provide training to staff and residents.

PH-6. + Maintain Senior/Disabled Individuals' Emergency Contact Database (CMO-CS)

Improve and expand the City's emergency contact list for seniors and people with disabilities.

PH-7. → Strengthen the Clean City Program to Reduce Illegal Dumping (PW-Env)

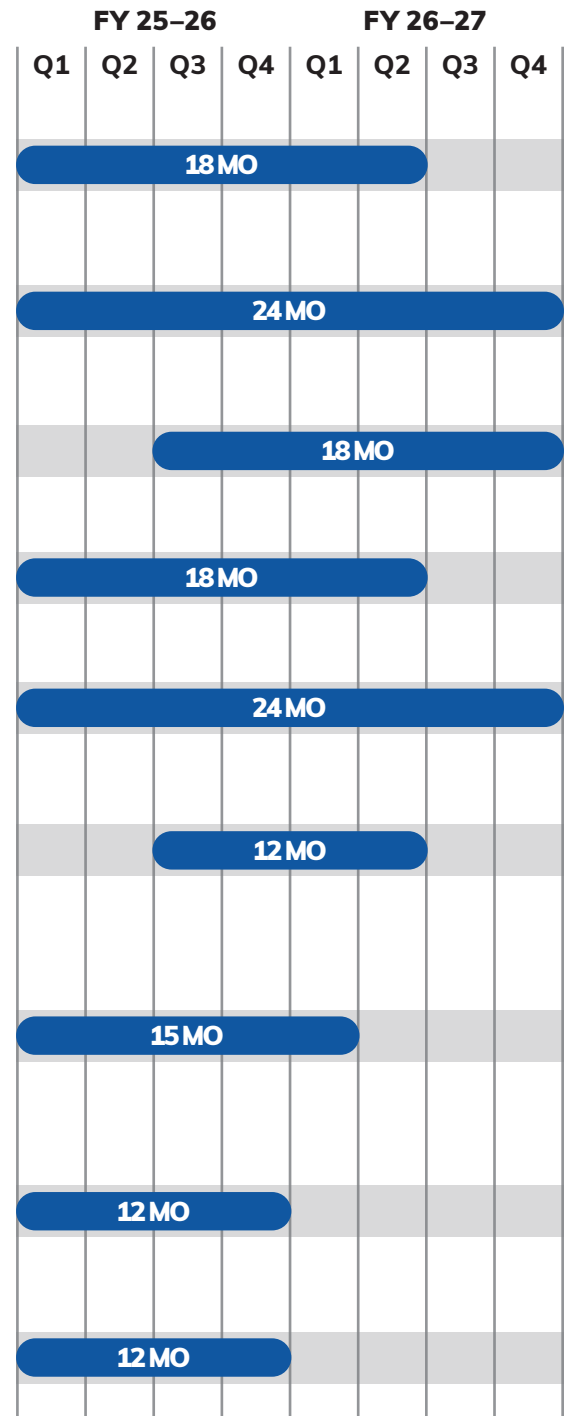
Expand the City's Clean City Program with new enforcement and education strategies to reduce illegal dumping and improve community cleanliness.

PH-8. → Update the Environmental Justice Element of the General Plan (CEDD-Planning)

Complete the Environmental Justice Element update to strengthen policies addressing health disparities and environmental burdens.

PH-9. → Update the Safety Element of the General Plan (CEDD-Planning)

Complete the Safety Element update to align with modern risks and community priorities, enhancing the City's resilience to natural hazards.



PUBLIC INFRASTRUCTURE AND UTILITIES

PI-1. → Assess Utility Operations and Prepare Transition Plan for Post-Lease Operations (CMO-Admin)

Evaluate options for managing water, sewer, and solid waste utilities to ensure their long-term sustainability after their contracts expire.

PI-2. → Build Sidewalk and Pedestrian Safety Improvements on East Bayshore Road (PW-Eng)

Build new sidewalks along East Bayshore Road, enhancing pedestrian safety, ADA accessibility, and multimodal connectivity.

PI-3. → Collaborate with City of Palo Alto to Replace the Newell Street Bridge (PW-Eng)

Coordinate with Palo Alto to replace the Newell Street Bridge, improving flood protection and traffic safety between the cities.

PI-4. → Collaborate with SFCJPA to Construct San Francisquito Creek Flood Protection Upgrades (PW-Eng)

Continue collaboration with the San Francisquito Creek Joint Powers Authority to enhance flood protection for residents and businesses.

PI-5. → Collaborate with SFCJPA to Implement the SAFER Bay Project (PW-Eng)

Advance the SAFER Bay Project design to protect the community from tidal flooding and sea level rise impacts.

PI-6. → Conduct a Siting Study to Identify Locations for Additional Water Storage Tanks (PW-Eng)

Assess and identify suitable sites for new water storage facilities, enhancing emergency and drought resilience.

PI-7. → Construct a Bicycle and Pedestrian Overcrossing on University Avenue at US 101 (PW-Eng)

Complete construction of a new overcrossing, improving safe pedestrian and bicycle access across University Avenue.

PI-8. → Construct Full Trash Capture Devices to Meet Stormwater Compliance Requirements (PW-Eng)

Install trash capture devices in the stormwater system to comply with State mandates and reduce pollution in local waterways.

PI-9. → Construct Mini Roundabouts to Replace Temporary Traffic Circles on Pulgas Avenue (PW-Eng)

Replace temporary traffic circles with permanent mini roundabouts, improving intersection safety and traffic management.

PI-10. → Create a Financing Strategy for Water Infrastructure Upgrades (Finance)

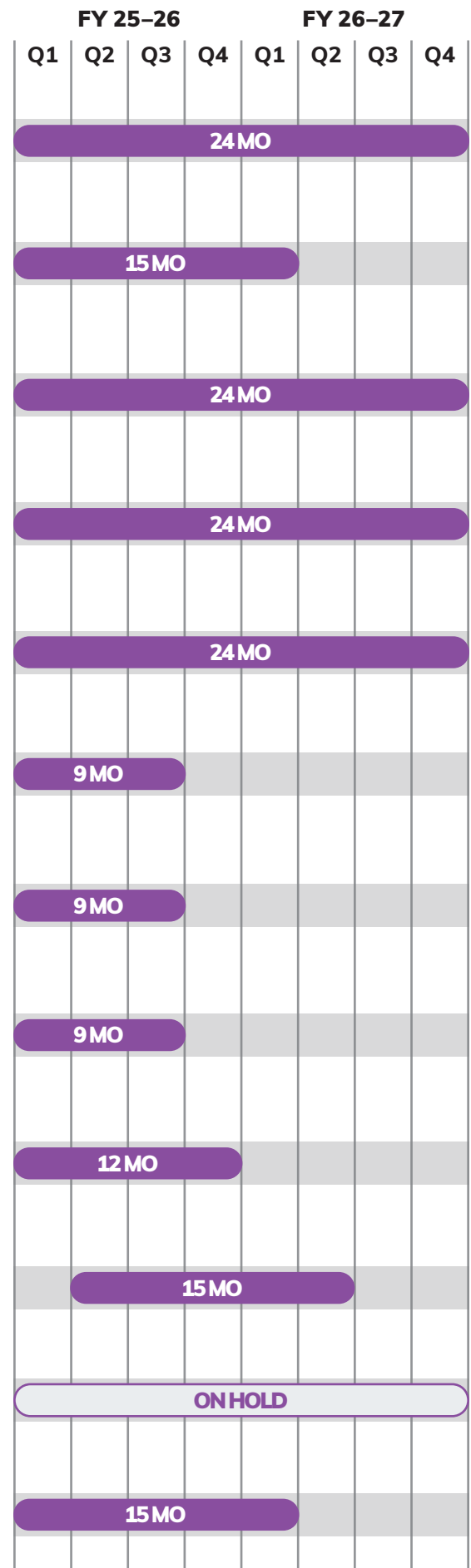
Create a financing strategy for major water infrastructure improvements, leveraging grants and ratepayer resources.

PI-11. → Design Roadway Improvements on Woodland Avenue (PW-Eng)

Design comprehensive roadway improvements on Woodland Avenue from University Avenue to Newell Road.

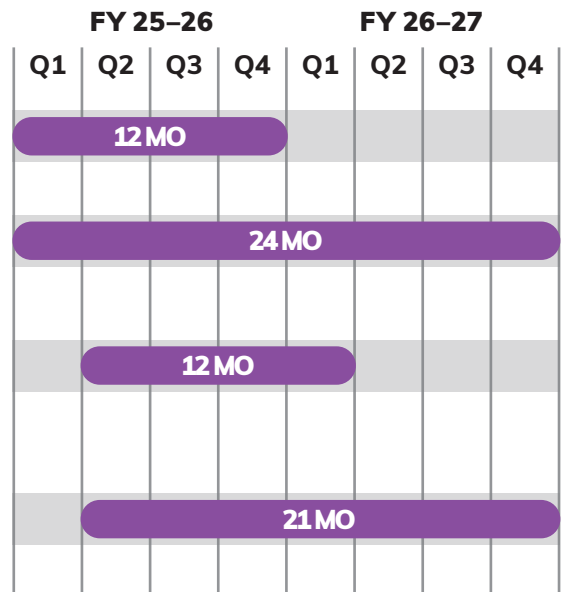
PI-12. → Develop an Asset Management Database (PW-Main)

Continue development of a database encompassing all City-owned infrastructure to improve asset tracking and long-term maintenance planning.



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- PI-13. + Develop Citywide Sewer Infrastructure Master Plan (PW-Eng)**
 Assess the current condition of the sewer system and create a long-term plan for replacements and repairs.
- PI-14. + Install Citywide Lighting Improvements - Phase II (PW-Eng)**
 Finish installing new streetlights and begin the next multi-year phase.
- PI-15. → Install New Traffic Signal and Complete Safety Upgrades on University Avenue at Runnymede (PW-Eng)**
 Upgrade the University Avenue/Runnymede Street intersection with traffic signal and pedestrian enhancements.
- PI-16. → Modernize Equipment and Complete Rehabilitation of the O'Connor Pump Station (PW-Eng)**
 Upgrade the O'Connor Pump Station's engines and electrical systems, improving stormwater management capacity.




GET IN TOUCH

Contact us through one of the methods below.

 cmoffice@cityofepa.org

 cityofepa.org

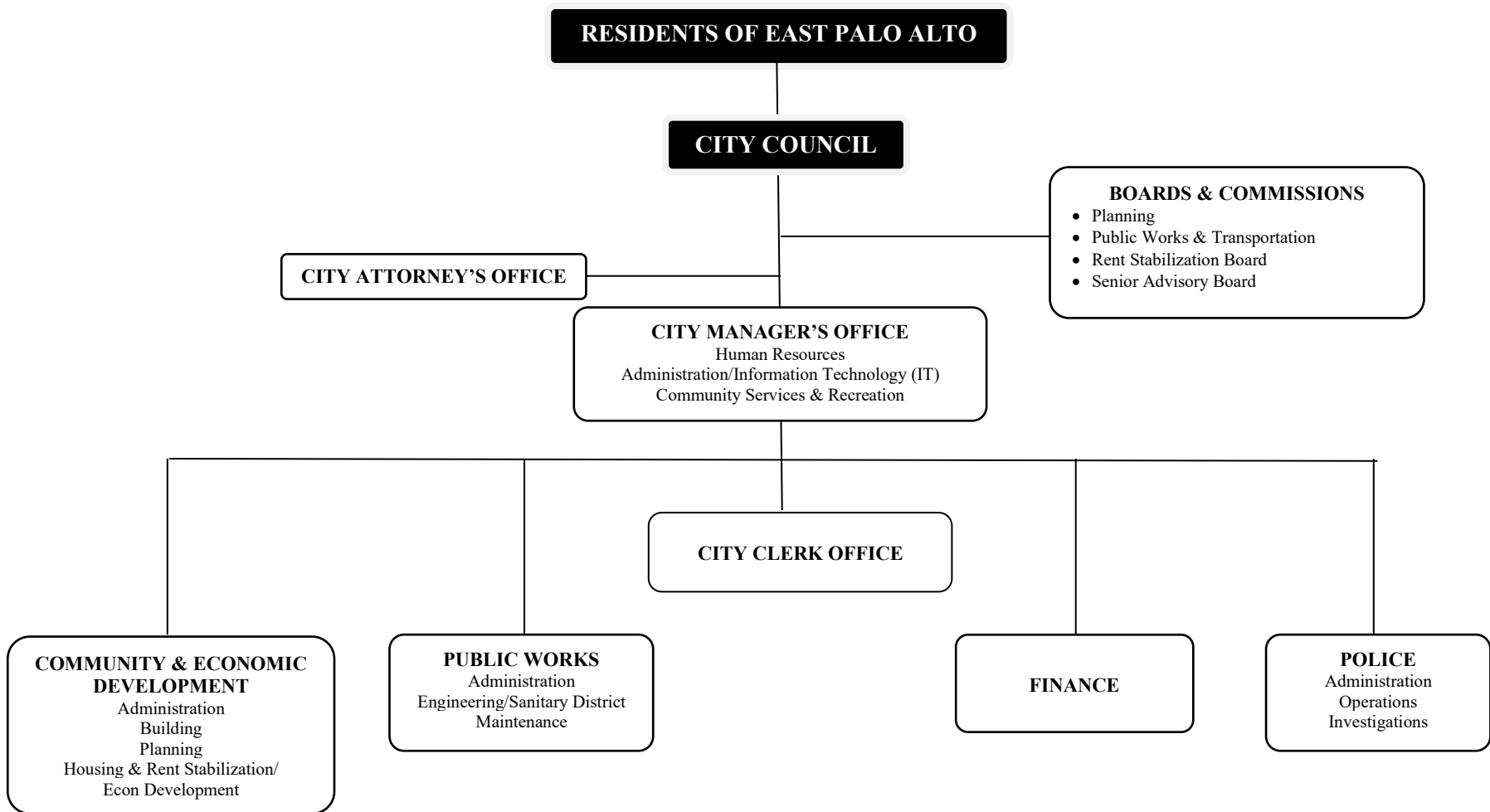
 2415 University Avenue, East Palo Alto, CA 94303

 650-853-3100

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CITY OF EAST PALO ALTO CITY ORGANIZATIONAL CHART

FY 2026-2027 Budget



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**CITY OF EAST PALO ALTO
NINE-YEAR POSITION SUMMARY**

FY 2018-19 to FY 2026-27

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24*	FY 24-25*	FY 25-26*	FY 26-27*
Policy & Executive									
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Clerk's Office	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
City Attorney's Office	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
City Manager's Office	3.00	3.00	3.00	4.00	4.00	5.00	6.00	7.00	7.00
City Manager - Human Resources	-	-	2.00	2.00	2.00	2.00	2.00	4.00	4.00
City Manager - Rent Stabilization	-	-	-	-	-	-	-	-	-
City Manager - Community Programs	-	-	-	-	-	-	5.70	5.70	5.70
Sub-Total	12.00	12.00	14.00	15.00	15.00	17.00	23.70	26.70	26.70
Administrative Support Services									
Finance Department	6.00	7.00	7.00	6.00	7.00	7.00	7.00	8.00	8.00
Administrative Services Admin	3.00	3.00	3.00	3.00	2.00	-	-	-	-
Community Services Division	4.15	4.15	3.65	5.15	5.15	5.15	-	-	-
Human Resources	2.00	2.00	-	-	-	-	-	-	-
Sub-Total	15.15	16.15	13.65	14.15	14.15	12.15	7.00	8.00	8.00
Community and Economic Development									
Administration Division	6.45	6.45	3.50	4.00	4.00	4.00	4.00	4.00	4.00
Building Services Division	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Planning Division	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Housing/Economic Division	3.00	3.00	3.00	4.00	4.00	4.00	4.00	5.00	5.00
Senior Services Division	-	-	-	-	-	-	-	-	-
Sub-Total	20.45	20.45	17.50	19.00	20.00	20.00	20.00	21.00	21.00
Public Safety									
Administration Division	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Investigations Division	8.25	11.15	11.15	11.15	12.25	11.25	6.45	6.00	6.00
Operations Division	29.00	27.00	28.00	28.00	29.35	30.35	34.80	34.80	34.80
Sub-Total	46.25	47.15	48.15	48.15	50.60	50.60	50.25	49.80	49.80
Public Works									
Administration Division	2.00	2.00	4.50	4.45	4.45	4.45	4.45	4.45	4.45
Engineering Division	5.00	5.00	3.75	5.00	5.00	5.25	6.00	7.00	7.46
Maintenance Division	12.00	12.00	12.00	12.00	12.00	12.00	12.00	13.00	13.00
Sub-Total	19.00	19.00	20.25	21.45	21.45	21.70	22.45	24.45	24.91
TOTAL POSITIONS	112.85	114.75	113.55	117.75	121.20	121.45	123.40	129.95	130.41

*Beginning with FY 2023-24, Position Summary includes limited-term positions.

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**CITY OF EAST PALO ALTO
Detail Position Listing**

FY 2026-27

FY 2026-27

City Council

a. Council Member 5.00

City Attorney's Office

a. City Attorney/District Counsel 1.00
 b. Deputy City Attorney I/II 1.00
 c. Paralegal 1.00
3.00

City Manager's Office

Administration

a. City Manager/General Manager 1.00
 b. Assistant City Manager/Assistant General Manager 1.00
 c. Assistant to the City Manager 2.00
 d. Information Technology (IT) Manager 1.00
 e. Information Technology (IT) Specialist I/II 1.00
 f. Executive Assist. to City Mgr 1.00
7.00

Human Resources Division

a. Human Resources Manager 1.00
 b. Human Resources Technician I/II 1.00
 c. Management Analyst I/II Ltd² 1.00
 d. Human Resources Technician I/II Ltd² 1.00
4.00

Community Services Division

a. Community Services Manager 1.00
 b. Community Services Supervisor¹ 1.00
 c. Recreation Leader II (1 FTE, 1 PT) 1.45
 d. Van Driver (2 PT) 1.00
 e. Nutrition Site Supervisor (1 PT) 0.75
 f. Kitchen Aide (1 PT) 0.50
5.70

City Clerk's Office

a. City Clerk - Public Information Officer (PIO) 1.00
 b. Assistant City Clerk¹ 1.00
2.00

Finance

a. Finance Director/District Treasurer 1.00
 b. Financial Services Manager 1.00
 c. Accountant Senior 2.00
 d. Accountant I 1.00
 e. Accounting Technician I/II 1.00
 f. Grant Coordinator 1.00
 g. Senior Accounting Technician 1.00
8.00

Community and Economic Development

Administration Division

a. Community & Economic Dev Director 1.00
 b. Management Analyst I/II 1.00
 c. Secretary I/II 1.00
 d. Office Assistant 1.00
4.00

Building Services Division

a. Chief Building Official 1.00
 b. Building Inspector I/II 1.00
 c. Building Permit Technician 2.00
 d. Bldg Inspector/Neighborhood Preserv Officer I/II 1.00
 e. Neighborhood Preservation Officer I/II 2.00
7.00

Housing/Econ Division

a. Housing & Econ Dev Manager 1.00
 b. Housing Project Manager 1.00
 c. Housing Specialist I Ltd² 1.00
 d. RSP Administrator 1.00
 e. RSP Coordinator I/II 1.00
5.00

Community and Economic Development (Cont'd)

Planning Division

a. Planning Manager 1.00
 b. Senior Planner 1.00
 c. Assistant/Associate Planner 2.00
 d. Planning Technician 1.00
5.00

Public Works

Administration Division

a. Public Works Director/District Engineer 1.00
 b. Administrative Assistant 1.00
 c. Management Analyst I/II 1.00
 d. Environmental Service Aide 1.45
4.45

Engineering Division

a. City Engineer 1.00
 b. Utility Manager 1.00
 c. Senior Engineer 1.00
 d. Assistant/Associate Engineer 2.00
 e. Public Works Supervisor 1.00
 f. Administrative Assistant 1.00
 g. Special Project Manager Ltd² 0.46
7.46

Maintenance Division

a. Maintenance Manager 1.00
 b. Maintenance Worker I 4.00
 c. Maintenance Worker II 5.00
 d. Maintenance Worker III 2.00
 e. Secretary I 1.00
13.00

Police

Administration Division

a. Police Chief 1.00
 b. Support Services Manager 1.00
 c. Police Records Supervisor 1.00
 d. Police Record's Clerk I/II 4.00
 e. Property & Evidence Technician 1.00
 f. Management Analyst II Ltd² 1.00
9.00

Investigations Division

a. Captain 1.00
 b. Police Officer 4.00
 c. Police Sergeant 1.00
6.00

Operations Division

a. Captain 1.00
 b. Police Sergeant 4.00
 c. Police Officer 24.00
 d. Community Services Officer 4.00
 e. Community Services Officer (4 PT) 1.80
34.80

Total Authorized FTE's 130.41

¹ Position title change.

² Limited term employees.

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East Palo Alto at a Glance

ABOUT EAST PALO ALTO

The City of East Palo Alto is in the heart of the Silicon Valley and is uniquely positioned to maximize its potential as a significant city in the region. Founded by speculators and farmers in 1849, the town was originally named Ravenswood. For most of its history, the area regarded as East Palo Alto was 13 square miles and part of unincorporated San Mateo County. As such, it did not have an official boundary until it incorporated in 1983. However, the area was much larger than the City's current 2.5 square miles. Large tracts of land were annexed by surrounding cities from the late 1940's to the early 1960's. This trend ended in 1983 when the residents incorporated to gain local control over land use and municipal services.

The original inhabitants were Ohlone/Costanoan Native Americans. Spanish ranchers took over, followed by an influx of speculators and settlers of European origin. For a time, Asian and Italian flower growers preceded the flood of middle-class migrants drawn to post-war housing developments. East Palo Alto later became the largest African American community on the Peninsula. Today, due to significant demographic changes during the last decade, the City possesses a broad multi-ethnic profile that includes a majority Latino and growing Pacific Island population.

Trade has alternately focused on ranching, transportation and shipping, brick manufacturing, farming, servicing travelers of Bayshore Highway and Dumbarton Bridge, and flower growing. At present there is a mix of industrial, agricultural, and commercial businesses.

The signs of continuing and rapid transition are evident; and none more so than the rapid changes brought about by proximity to the most successful businesses in Silicon Valley. However, some things have remained constant, namely the characteristics that have always attracted people to the area: multi-cultural acceptance; a beautiful, rural-like setting; centralized location; proximity to transportation and the San Francisco Bay; as well as some of the most enviable weather in the nation.

Today, the City of East Palo Alto is closer than ever to realizing its potential. As the City continues to make progress and become more self-sufficient, there is evidence that East Palo Alto will be able to strike a harmonious balance between a goal of establishing a sound commercial base and the dream of an idyllic and welcoming community.

CITY GEOGRAPHY

The City of East Palo Alto is located approximately 29 miles south of San Francisco and 19 miles north of San Jose. The City occupies 2.5 square miles. The latest estimates place the City's population at 29,133.

CITY AUTHORITY

The City of East Palo Alto is a general law city under California State law and its rights, powers, privileges, authority, and functions are established through the State constitution and the State Law. The powers granted to California cities by state statute include the power to: sue and be sued; purchase, receive by gift or bequest and hold land, make contracts and purchases and hold personal property necessary to the exercise of its powers, manage, sell, lease, or otherwise dispose of its property as the interest of its inhabitants require; levy and collect taxes authorized by law and exercise such other and further powers as may be especially conferred by law or as may be necessarily implied from those expressed.

East Palo Alto is a General Law Council/ Manager City governed by a five-member City Council with a Council elected Mayor. The City incorporated July 1, 1983.

The City provides a range of services to its residents including public protection through the Police Department, the construction and maintenance of streets and infrastructure, community and economic development affordable housing programs, financial management, and administrative and community services.

THE CITY COUNCIL

The members of the City Council are elected by the voters to serve overlapping four-year terms. The Mayor is elected by, and from, the City Council for a one-year term. The City Council sets policy and exercises the legislative authority of the City. By City Ordinance, the City Council holds meetings on the first and third Tuesdays of every month and at other times as, in the opinion of the City Council, the public interest may require.

The current City Council members and the dates upon which their respective terms expire are as follows:

Mayor:	Webster Lincoln	Nov. 2028
Vice Mayor:	Ruben Abrica	Nov. 2026
Council Member:	Martha Barragan	Nov. 2026
Council Member:	Mark Dinan	Nov. 2028
Council Member:	Carlos Romero	Nov. 2028

ADMINISTRATION AND MANAGEMENT

East Palo Alto is a Council-Manager form of government. The City Council appoints the City Attorney and the City Manager. The City Manager appoints all other City employees and is charged with overseeing the City's daily operations. Many boards, commissions, and committees assist the City Council and Administration in carrying out various aspects and functions of city government.

Demographic Information

Land Area: 2.5 square miles

Populationⁱ

1990	23,570
2000	29,506
2005	29,431
2010	28,155
2015	29,137
2020	30,034
2025 Projected	29,296

Population by Genderⁱ

Female	52.1%
Male	47.9%

Population by Age Groupⁱ

Under 5 years	5.8%
5 to 9 years	4.6%
10 to 14 years	5.5%
15 to 19 years	7.6%
20 to 24 years	7.7%
25 to 29 years	9.3%
30 to 34 years	8.2%
35 to 39 years	6.4%
40 to 44 years	9.0%
45 to 49 years	5.7%
50 to 54 years	5.6%
55 to 59 years	7.1%
60 to 64 years	7.1%
65 to 69 years	3.6%
70 to 74 years	2.4%
75 to 79 years	2.2%
80 to 84 years	1.8%
85 years and over	0.4%

Racial Compositionⁱ

Hispanic or Latino	58.8%
Black or African Amer	9.5%
White	12.6%
Asian	7.1%
Pacific Islander	7.8%
Two or More	18.1%
Other	2.8%

ⁱ <https://www.census.gov/>

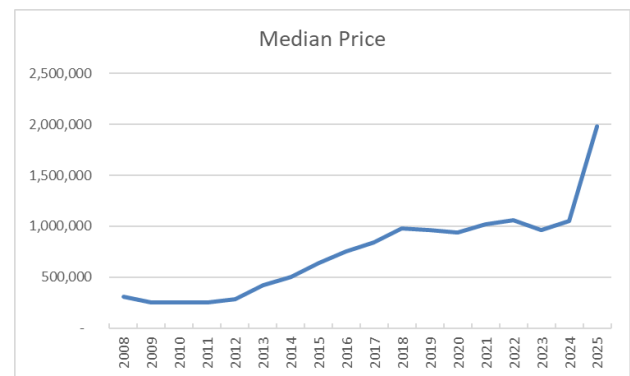
Level of Educational Attainment of Persons 25 years and olderⁱ

No High School degree	24.2%
High School degree or equivalent	23.1%
Some college, no degree	19.9%
Associate's degree, Bachelor's degree	21.9%
Post-grad degree	10.9%

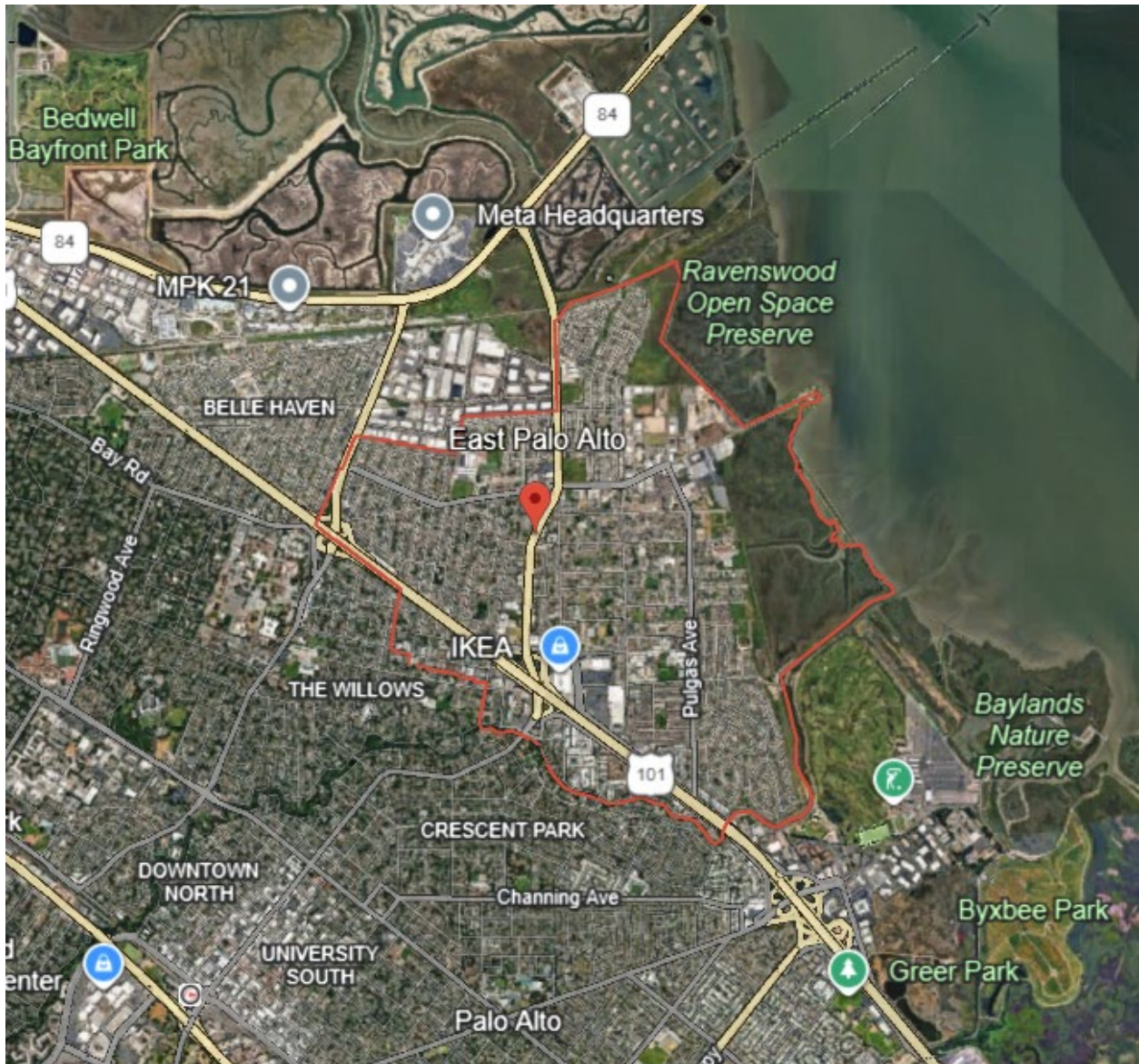
Per Capita Personal Incomeⁱ

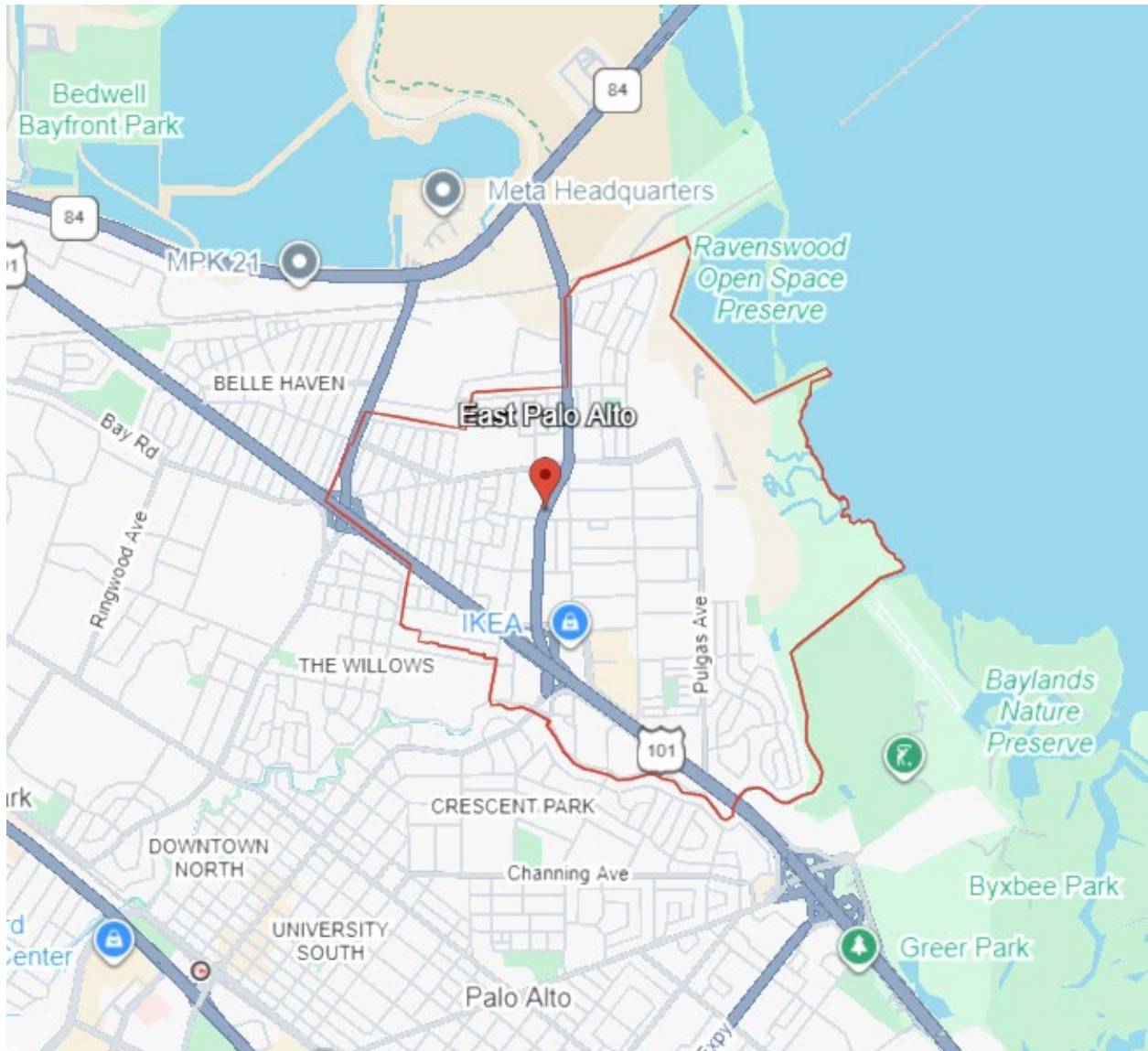
\$42,301

Median Sales Price for Single Family Residencesⁱⁱ (\$1,980,000 in 2025)



ⁱⁱ San Mateo County Associations of Realtors





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FINANCIAL SUMMARY

FY 2026-2027 Budget

The Financial Summary section contains the following adopted budget and financial summary information:

Budget Information:

- **Citywide Budget Overview**
 - Budget by Fund Category
- **General Fund Overview**
 - General Fund and Internal Reserve Funds Budget
- **Special Revenue Funds Overview**
 - Special Revenue Funds Budget
 - Community Programs Budget
 - Housing Programs Budget
 - Transportation and Infrastructure Programs Budget
- **Capital Funds Overview**
 - Capital Funds Budget
- **Enterprise Funds Overview**
 - Enterprise Funds Budget

Other Financial Information:

- General Fund Revenues by Major Category
- General Fund Expenditures by Major Category

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CITYWIDE BUDGET OVERVIEW

The Citywide budget overview provides a one-page view across all the various fund-types operating within the City. This view gives a full perspective of total revenues by character and total expenditures by department across all City funds. The City operates the following fund-group types:

- **General and Internal Reserve Funds**
- **Special Revenue Funds**
- **Capital Projects Funds**
- **Enterprise Funds**
- **Successor Agency Trust Fund**

CITY OF EAST PALO ALTO
FY 2026-2027 BUDGET BY FUND CATEGORY

	General Fund and Internal Reserves	Special Revenue Funds	Capital Improvement Funds	Enterprise Funds	City Total	Successor Trust Fund	GRAND TOTAL
Revenues							
Property Tax	17,006,190	1,091,236	-	1,609,934	19,707,361	3,528,516	23,235,877
Sales Tax	5,827,100	-	-	-	5,827,100	-	5,827,100
Transient Occupancy Tax	2,200,000	550,000	-	-	2,750,000	-	2,750,000
Business License Tax	830,000	1,620,690	-	-	2,450,690	-	2,450,690
Utility User Tax	2,160,558	-	-	-	2,160,558	-	2,160,558
Other Taxes	140,000	3,402,554	-	-	3,542,554	-	3,542,554
Licenses, Fees, and Permits	1,725,334	1,502,715	2,771,335	3,745,266	9,744,650	-	9,744,650
Charges for Services	2,206,280	142,600	-	10,021,571	12,370,451	-	12,370,451
Fines and Forfeitures	632,500	-	-	-	632,500	-	632,500
Use of Money and Property	1,941,764	1,415,764	791,556	1,679,787	5,828,871	58,248	5,887,119
Grants and Intergovernmental	65,000	1,248,100	1,230,000	-	2,543,100	-	2,543,100
Other Miscellaneous	613,800	-	-	303,333	917,133	-	917,133
Total Revenues	35,348,525	10,973,659	4,792,892	17,359,891	68,474,967	3,586,764	72,061,731
Expenditures							
City Council	261,352	-	-	7,500	268,852	-	268,852
City Attorney	1,617,805	10,700	-	50,600	1,679,105	1,400	1,680,505
City Clerk	667,379	-	-	-	667,379	-	667,379
City Manager	5,350,822	1,290,000	-	-	6,640,822	-	6,640,822
Finance	1,928,635	8,488	72,832	73,500	2,083,455	30,374	2,113,830
Community Development	3,544,234	18,724,499	-	-	22,268,732	-	22,268,732
Public Works	6,760,504	2,191,071	170,459	6,209,892	15,331,926	-	15,331,926
Police	17,583,877	200,000	-	-	17,783,877	-	17,783,877
Non-Departmental							
Capital/Technology	1,158,000	2,800,000	2,285,000	3,075,000	9,318,000	-	9,318,000
Debt Service	-	-	-	-	-	-	-
Insurance and Settlements	1,123,373	-	-	-	1,123,373	-	1,123,373
IT Operations	495,864	-	-	15,040	510,904	-	510,904
Other Non-Departmental	1,463,932	112,561	-	3,627,640	5,204,133	5,027,985	10,232,118
Overhead Allocation	(2,860,620)	925,618	198,832	1,727,128	(9,042)	9,041	-
Total Expenditures	39,095,159	26,262,936	2,727,123	14,786,300	82,871,517	5,068,801	87,940,319
Net Sources / (Uses)	(3,746,633)	(15,289,277)	2,065,769	2,573,591	(14,396,550)	(1,482,037)	(15,878,587)
Other Financing Sources / (Uses)							
Transfers In	-	989,268	-	-	989,268	-	989,268
Transfers Out	(989,268)	-	-	-	(989,268)	-	(989,268)
Net Operating Transfers	(989,268)	989,268	-	-	-	-	-
Change in Fund Balance	(4,735,901)	(14,300,009)	2,065,769	2,573,591	(14,396,550)	(1,482,037)	(15,878,587)
Other Changes	-	-	-	-	-	-	-
Projected Fund Balance							
July 01, 2026 Balance*	17,881,000	37,832,000	17,639,000	37,225,000	110,577,000	(13,944,032)	96,632,968
June 30, 2027 Balance	14,303,099	23,531,991	19,704,769	39,798,591	96,180,450	(15,426,069)	80,754,381

*Excludes certain assets, reserves, and commitments.

General Fund

The General Fund is the primary operating fund of the City. The fund accounts for all revenues, expenditures, transfers, and other activity not accounted for in other City funds.

General Fund revenues are derived from five major sources including, Property Tax, Sales and Use Tax, Transient Occupancy Tax (TOT), Utility Users Tax, and Business License Tax. These taxes account for approximately 80% of total General Fund revenues, excluding development pass-through activity.

General Fund uses primarily consist of personnel, contract, and purchase services, supplies and materials, and other expenditures.

General Fund Reserve Sub-Funds

Information Services

The Information Services Fund accounts for the accumulation of resources to acquire or improve information technology equipment and software, IT equipment replacement, and software licensing and maintenance costs.

Equipment and Vehicle Replacement

The Equipment and Vehicle Replacement Fund accounts for monies utilized to acquire and replace equipment and vehicles.

Insurance Reserve

The Insurance Reserve Fund accounts for the accumulation of resources to cover the costs of unanticipated loss and settlements due to property, casualty, or liability exposures and to cover the costs of PLAN JPA insurance coverage in excess of the City's \$100,000 self-insured limit per liability claim.

Development Pass-Through

The Development Pass-Through Fund accounts for pass-through development fee activity and temporary staffing needs anticipated for unusually high development activity.

Note: No budget activity for the Contingency Reserve and Community Benefits Funds.

CITY OF EAST PALO ALTO
FY 2026-2027 GENERAL FUND BUDGET

	General Fund F110	Info Services Reserve F111	Equipment and Vehicle Reserve F112	Insurance Reserve F113	Development Pass Through F117	Eliminating	Total
Revenues							
Property Tax	17,006,190	-	-	-	-	-	17,006,190
Sales Tax	5,827,100	-	-	-	-	-	5,827,100
Transient Occupancy Tax	2,200,000	-	-	-	-	-	2,200,000
Business License Tax	830,000	-	-	-	-	-	830,000
Utility User Tax	2,160,558	-	-	-	-	-	2,160,558
Other Taxes	140,000	-	-	-	-	-	140,000
Licenses, Fees, and Permits	1,725,334	-	-	-	-	-	1,725,334
Charges for Services	2,206,280	-	-	-	-	-	2,206,280
Fines and Forfeitures	632,500	-	-	-	-	-	632,500
Use of Money and Property	1,941,764	-	-	-	-	-	1,941,764
Grants and Intergovernmental	65,000	-	-	-	-	-	65,000
Other Miscellaneous	-	-	-	-	613,800	-	613,800
Total Revenues	34,734,725	-	-	-	613,800	-	35,348,525
Expenditures							
City Council	253,852	7,500	-	-	-	-	261,352
City Attorney	1,412,805	-	-	125,000	80,000	-	1,617,805
City Clerk	552,701	114,678	-	-	-	-	667,379
City Manager	4,915,078	435,744	-	-	-	-	5,350,822
Finance	1,854,021	74,614	-	-	-	-	1,928,635
Community Development	3,019,318	54,916	-	-	470,000	-	3,544,234
Public Works	6,342,101	68,403	350,000	-	-	-	6,760,504
Police	17,081,633	302,244	200,000	-	-	-	17,583,877
Non-Departmental							
Major Capital/Technology	-	1,158,000	-	-	-	-	1,158,000
Insurance and Settlements	-	-	-	1,123,373	-	-	1,123,373
IT Operations	-	495,864	-	-	-	-	495,864
Other Non-Departmental	1,463,932	-	-	-	-	-	1,463,932
Overhead Allocation	(2,356,166)	(327,897)	-	(176,557)	-	-	(2,860,620)
Total Expenditures	34,539,277	2,384,066	550,000	1,071,816	550,000	-	39,095,159
Net Sources / (Uses)	195,449	(2,384,066)	(550,000)	(1,071,816)	63,800	-	(3,746,633)
Other Financing Sources / (Uses)							
Transfers In	-	1,226,066	550,000	1,071,816	-	(2,847,882)	-
Transfers Out	(3,837,150)	-	-	-	-	2,847,882	(989,268)
Net Operating Transfers	(3,837,150)	1,226,066	550,000	1,071,816	-	-	(989,268)
Change in Fund Balance	(3,641,701)	(1,158,000)	-	-	63,800	-	(4,735,901)
Other Changes	63,800	-	-	-	(63,800)	-	-
Projected Fund Balance							
July 01, 2026 Balance*	17,881,000	3,853,000	687,000	2,273,000	-	(6,813,000)	17,881,000
June 30, 2027 Balance	14,303,099	2,695,000	687,000	2,273,000	-	(6,813,000)	14,303,099

*Excludes certain reserves and commitments

SPECIAL REVENUE FUNDS OVERVIEW

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than major capital projects or debt service. GASB 54 clarifies that the *proceeds of a specific revenue source*, whether legal or administrative, is the foundation for classification of a Special Revenue Fund.

Community Programs

Public Safety Grants

The Public Safety Grants Fund accounts for revenues and expenditures for the Citizen Options for Public Safety Program and Supplemental Law Enforcement Services Fund (COPS/SLESF).

Federal and State Grants

Federal and State Grants Fund accounts for the Congregate Meals/Senior Nutrition and Senior Transportation grant programs passed through the San Mateo County Office of Aging and Adult Services.

Local Grants

The Local Grants Fund accounts for all other local grant activity not accounted for in separate funds.

CYSFF

The CYSFF Fund accounts for 10% of the Transient Occupancy Tax (TOT) collected as approved by voters to fund various nonprofit organizations providing services to children, youth, and families.

Housing Programs

Rent Stabilization

The Rent Stabilization Fund accounts for revenues and expenditures to support rent stabilization programs and activities.

Housing in Lieu

The Housing in Lieu Fund accounts for developer-agreed payments and ordinance fees in lieu of providing affordable housing.

Housing Assistance

The Housing Assistance Fund accounts for first time home buyer assistance program activities.

Housing Commercial Impact

The Housing Commercial Impact Fee Fund accounts for fees charged to developers of nonresidential development projects to mitigate the project impact on the need for affordable housing as a result of the project development.

SPECIAL REVENUE FUNDS OVERVIEW

Housing TOT

The Housing TOT Fund accounts for 10% of the Transient Occupancy Tax (TOT) collected as approved by voters to fund affordable housing development activity and programs.

Measure HH

The Measure HH Fund accounts for a voter-approved parcel tax on commercial office space of 25,000 square feet or more collected to fund affordable and supportive housing programs; programs that facilitate citizen access to job opportunities in science, technology, engineering and mathematics (S.T.E.M.) and building trades, and strengthen the First Source Hiring Program.

Measure JJ

The Measure JJ Fund accounts for a 2.5% business license tax on gross receipts from residential rental units. At least 30% of the funds must be used for tenant rental assistance and no more than 20% of the funds may be used for staff and overhead costs to administer the tax. The remaining revenue may be used, at the city's discretion, to support affordable homeownership, preserve affordable housing, provide tenant rental assistance, or protect residents from displacement or homelessness.

Housing Successor Agency

The Housing Successor Agency Funds account for activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency. The funds are restricted to housing-related activities for low- and moderate-income needs.

Silicon Valley Community Foundation

The Silicon Valley Community Foundation (SVCF) Fund accounts for gift monies from SVCF for the purpose of incentivizing the affordable housing development within the City. The monies are further restricted to pay a minimum amount of \$500,000 for an affordable housing manager position over a period of five years.

Transportation and Infrastructure Programs

State Gas Tax

The State Gas Tax Fund is required by State law to account for California State gasoline taxes. This tax is primarily distributed to cities based on population and proportion of registered vehicles. Gas tax funds must be spent on public street-related maintenance and capital expenditures.

Measure A

The Measure A Fund accounts for a countywide one-half percent sale and use tax to support countywide (San Mateo County) transportation projects and programs.

SPECIAL REVENUE FUNDS OVERVIEW

NPDES

The NPDES Fund accounts for revenues and expenditures from assessments levied on property in the City in compliance with the provision of the National Pollutant Elimination System for prevention of storm water and flood related damage.

Lighting District

The City maintains one Lighting District, the Ravenswood Highway Lighting District, to cover the costs of lighting on and around public streets, highways, parks, and alleys. The Lighting District Fund accounts for all revenues (assessments) and expenditures associated with the District.

Drainage District

The City maintains one Drainage District, the East Palo Alto Maintenance Drainage District, to cover the costs of providing storm drainage and flood control management services for areas related to the district boundary. The Drainage District Fund accounts for all revenues (assessments) and expenditures associated with the District.

Measure W

The Measure W Fund accounts for the City's allocation of a voter-approved one-half percent (0.5%) sales tax enacted for thirty years to road improvements, transit services, and implementation of the San Mateo County Congestion Relief Plan.

CITY OF EAST PALO ALTO
FY 2026-2027 SPECIAL REVENUE FUNDS BUDGET

	Community Programs	Housing Programs	Transportation and Infrastructure Programs	Total
Revenues				
Property Tax	-	-	1,091,236	1,091,236
Sales Tax	-	-	-	-
Transient Occupancy Tax	275,000	275,000	-	550,000
Business License Tax	-	1,620,690	-	1,620,690
Utility User Tax	-	-	-	-
Other Taxes	-	1,677,000	1,725,554	3,402,554
Licenses, Fees, and Permits	-	1,502,715	-	1,502,715
Charges for Services	-	2,600	140,000	142,600
Fines and Forfeitures	-	-	-	-
Use of Money and Property	89,424	669,960	656,379	1,415,764
Grants and Intergovernmental	138,100	-	1,110,000	1,248,100
Other Miscellaneous	-	-	-	-
Total Revenues	502,524	5,747,965	4,723,170	10,973,659
Expenditures				
City Council	-	-	-	-
City Attorney	-	10,700	-	10,700
City Clerk	-	-	-	-
City Manager	1,290,000	-	-	1,290,000
Finance	-	2,496	5,992	8,488
Community Development	49,044	18,675,455	-	18,724,499
Public Works	123,563	-	2,067,508	2,191,071
Police	200,000	-	-	200,000
Non-Departmental	-	-	-	-
Capital/Technology	-	-	2,800,000	2,800,000
Insurance and Settlements	-	-	-	-
IT Operations	-	-	-	-
Other Non-Departmental	-	14	112,547	112,561
Overhead Allocation	9,236	381,785	534,597	925,618
Total Expenditures	1,671,843	19,070,449	5,520,643	26,262,936
Net Sources / (Uses)	(1,169,319)	(13,322,484)	(797,474)	(15,289,277)
Other Financing Sources / (Uses)				
Transfers In	-	-	989,268	989,268
Transfers Out	-	-	-	-
Net Operating Transfers	-	-	989,268	989,268
Change in Fund Balance	(1,169,319)	(13,322,484)	191,794	(14,300,009)
Other Changes	-	-	-	-
Projected Fund Balance				
July 01, 2026 Balance*	2,867,000	17,852,000	17,113,000	37,832,000
June 30, 2027 Balance	1,697,681	4,529,516	17,304,794	23,531,991

*Excludes certain reserves and commitments

CITY OF EAST PALO ALTO
FY 2026-2027 COMMUNITY PROGRAMS BUDGET

	Public Safety Grants F213	Federal and State Grants F215	Local Grants F230	CYSFF TOT F231	Total Community Programs
Revenues					
Property Tax	-	-	-	-	-
Sales Tax	-	-	-	-	-
Transient Occupancy Tax	-	-	-	275,000	275,000
Business License Tax	-	-	-	-	-
Utility User Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses, Fees, and Permits	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Use of Money and Property	14,526	8,949	23,779	42,170	89,424
Grants and Intergovernmental	100,000	38,100	-	-	138,100
Other Miscellaneous	-	-	-	-	-
Total Revenues	114,526	47,049	23,779	317,170	502,524
Expenditures					
City Council	-	-	-	-	-
City Attorney	-	-	-	-	-
City Clerk	-	-	-	-	-
City Manager	-	-	590,000	700,000	1,290,000
Finance	-	-	-	-	-
Community Development	-	-	49,044	-	49,044
Public Works	-	-	123,563	-	123,563
Police	200,000	-	-	-	200,000
Non-Departmental			-	-	-
Capital/Technology	-	-	-	-	-
Insurance and Settlements	-	-	-	-	-
IT Operations	-	-	-	-	-
Other Non-Departmental	-	-	-	-	-
Overhead Allocation	-	-	-	9,236	9,236
Total Expenditures	200,000	-	762,607	709,236	1,671,843
Net Sources / (Uses)	(85,474)	47,049	(738,828)	(392,066)	(1,169,319)
Other Financing Sources / (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Net Operating Transfers	-	-	-	-	-
Change in Fund Balance	(85,474)	47,049	(738,828)	(392,066)	(1,169,319)
Other Changes	-	-	-	-	-
Projected Fund Balance					
July 01, 2026 Balance*	674,000	1,423,000	47,000	723,000	2,867,000
June 30, 2027 Balance	588,526	1,470,049	(691,828)	330,934	1,697,681

*Excludes certain reserves and commitments

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CITY OF EAST PALO ALTO
FY 2026-2027 HOUSING PROGRAMS BUDGET

	Rent Stabilization F204	Inclusionary Housing F205	Housing In Lieu F207	Housing Assistance F209	Housing Commercial Impact F216	Housing TOT F218	Measure HH F219	Housing Successor F220	Silicon Valley Community F233	Measure JJ F235	Total
Revenues											
Property Tax	-	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	275,000	-	-	-	-	275,000
Business License Tax	-	-	-	-	-	-	-	-	-	1,620,690	1,620,690
Utility User Tax	-	-	-	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	1,677,000	-	-	-	1,677,000
Licenses, Fees, and Permits	852,390	650,325	-	-	-	-	-	-	-	-	1,502,715
Charges for Services	2,600	-	-	-	-	-	-	-	-	-	2,600
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-	-
Use of Money and Property	17,352	-	311,233	12,870	-	68,208	209,093	48,235	2,970	-	669,960
Grants and Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	872,342	650,325	311,233	12,870	-	343,208	1,886,093	48,235	2,970	1,620,690	5,747,965
Expenditures											
City Council	-	-	-	-	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-	10,700	-	-	10,700
City Clerk	-	-	-	-	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	2,496	-	-	-	2,496
Community Development	649,097	12,200	6,130,275	6,480	-	1,868,775	8,369,847	129,742	-	1,509,039	18,675,455
Public Works	-	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-	-
Non-Departmental											
Capital/Technology	-	-	-	-	-	-	-	-	-	-	-
Insurance and Settlements	-	-	-	-	-	-	-	-	-	-	-
IT Operations	-	-	-	-	-	-	-	-	-	-	-
Other Non-Departmental	-	-	-	-	-	-	14	-	-	-	14
Overhead Allocation	354,148	-	10,728	9,206	-	7,704	-	-	-	-	381,785
Total Expenditures	1,003,245	12,200	6,141,002	15,686	-	1,876,479	8,372,357	140,442	-	1,509,039	19,070,449
Net Sources / (Uses)	(130,903)	638,125	(5,829,770)	(2,816)	-	(1,533,271)	(6,486,264)	(92,207)	2,970	111,651	(13,322,484)
Other Financing Sources / (Uses)											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Net Operating Transfers	-	-	-	-	-	-	-	-	-	-	-
Change in Fund Balance	(130,903)	638,125	(5,829,770)	(2,816)	-	(1,533,271)	(6,486,264)	(92,207)	2,970	111,651	(13,322,484)
Other Changes	-	-	-	-	-	-	-	-	-	-	-
Projected Fund Balance											
July 01, 2026 Balance*	306,000	-	5,409,000	401,000	(42,000)	2,642,000	8,273,000	514,000	135,000	214,000	17,852,000
June 30, 2027 Balance	175,097	638,125	(420,770)	398,184	(42,000)	1,108,729	1,786,736	421,793	137,970	325,651	4,529,516

*Excludes certain reserves and commitments

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CITY OF EAST PALO ALTO
FY 2026-2027 INFRASTRUCTURE PROGRAMS BUDGET

	State Gas Tax F201	Measure A F202	NPDES F203	Park in Lieu F206	Lighting District F221	Drainage District F222	Measure W F234	Total
Revenues								
Property Tax	-	-	-	-	919,058	172,179	-	1,091,236
Sales Tax	-	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-	-
Business License Tax	-	-	-	-	-	-	-	-
Utility User Tax	-	-	-	-	-	-	-	-
Other Taxes	1,725,554	-	-	-	-	-	-	1,725,554
Licenses, Fees, and Permits	-	-	-	-	-	-	-	-
Charges for Services	-	-	140,000	-	-	-	-	140,000
Fines and Forfeitures	-	-	-	-	-	-	-	-
Use of Money and Property	147,084	207,015	13,854	12,104	199,851	38,197	38,273	656,379
Grants and Intergovernmental	-	770,000	-	-	-	-	340,000	1,110,000
Other Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	1,872,638	977,015	153,854	12,104	1,118,909	210,376	378,273	4,723,170
Expenditures								
City Council	-	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-	-
Finance	-	1,846	2,300	-	-	-	1,846	5,992
Community Development	-	-	-	-	-	-	-	-
Public Works	789,176	-	816,509	-	236,154	225,668	-	2,067,508
Police	-	-	-	-	-	-	-	-
Non-Departmental								
Capital/Technology	2,000,000	550,000	-	-	-	-	250,000	2,800,000
Insurance and Settlements	-	-	-	-	-	-	-	-
IT Operations	-	-	-	-	-	-	-	-
Other Non-Departmental	94,272	-	10,461	-	6,098	1,716	-	112,547
Overhead Allocation	171,356	54,574	164,981	1,107	55,942	67,363	19,274	534,597
Total Expenditures	3,054,804	606,420	994,251	1,107	298,194	294,747	271,120	5,520,643
Net Sources / (Uses)	(1,182,166)	370,594	(840,397)	10,997	820,715	(84,371)	107,153	(797,474)
Other Financing Sources / (Uses)								
Transfers In	64,500	-	840,397	-	-	84,371	-	989,268
Transfers Out	-	-	-	-	-	-	-	-
Net Operating Transfers	64,500	-	840,397	-	-	84,371	-	989,268
Change in Fund Balance	(1,117,666)	370,594	-	10,997	820,715	-	107,153	191,794
Other Changes	-	-	-	-	-	-	-	-
Projected Fund Balance								
July 01, 2026 Balance*	4,253,000	5,533,000	95,000	395,000	3,707,000	1,235,000	1,895,000	17,113,000
June 30, 2027 Balance	3,135,334	5,903,594	95,000	405,997	4,527,715	1,235,000	2,002,153	17,304,794

*Excludes certain reserves and commitments

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Capital Funds account for major capital acquisitions, construction activities, and significant renovation or replacement of general government assets. Capital improvement projects within these funds are primarily financed through General Fund transfers, federal and state grants, restricted capital-related settlements, and developer impact fees collected to offset the effects of new development on the City's infrastructure systems.

Capital Improvement

The Capital Improvement Fund supports the planning, design, construction, and management of the City's major infrastructure improvements, including streets, sidewalks, parks, facilities, and storm drainage systems. Capital projects related to the City's water infrastructure are accounted for separately within the Water Enterprise Fund.

Parks and Trails Impact

The Park and Trails Impact Fund accounts for developer fees collected to mitigate the impacts of new development on the City's parks, trails, and open space infrastructure. These funds are used to support park improvements and land acquisitions that help maintain adequate and high-quality open space amenities, enhancing public health and quality of life for residents and the workforce.

Public Facilities Impact

The Park and Trails Impact Fund accounts for developer fees collected to mitigate the impacts of new development on the provision of essential public facilities. These facilities include police services, educational amenities such as libraries, governance buildings, and community service centers needed to support the City's growing population and workforce.

Transportation Infrastructure Impact

The Park and Trails Impact Fund accounts for developer fees collected to mitigate the impacts of new development on the City's transportation infrastructure, including public roads and multi-modal streetscape facilities. These funds support the construction of sidewalks and related improvements such as street trees, lighting, benches, and street furniture, which enhance pedestrian safety, accessibility, aesthetics, and opportunities for active transportation.

RBD-I Impact

The RBD-I Impact Fund accounts for developer fees collected to mitigate the impacts of new development on storm drainage infrastructure within the Ravenswood Business District. These funds support improvements necessary to provide adequate drainage capacity and reduce the risk of flooding in the area.

RBD-O Impact

The RBD-O Impact Fund accounts for developer fees collected to mitigate the impacts of new development on storm drainage infrastructure in areas of the City outside the Ravenswood Business District. These funds support improvements needed to provide adequate drainage capacity and reduce the risk of flooding throughout the remainder of the City.

CITY OF EAST PALO ALTO
FY 2026-2027 CAPITAL PROJECT FUNDS BUDGET

	Capital Improvement F301/303	Parks and Trails Impact F305	Public Facilities Impact F306	Transportation Impact F307	RBD-I Storm Drain Impact F308	RBD-O Storm Drain Impact F309	Total
Revenues							
Property Tax	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-
Business License Tax	-	-	-	-	-	-	-
Utility User Tax	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-
Licenses, Fees, and Permits	-	641,916	1,125,741	737,123	-	266,555	2,771,335
Charges for Services	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Use of Money and Property	723,117	12,381	22,200	14,407	8,257	11,193	791,556
Grants and Intergovernmental	1,230,000	-	-	-	-	-	1,230,000
Other Miscellaneous	-	-	-	-	-	-	-
Total Revenues	1,953,117	654,297	1,147,941	751,531	8,257	277,748	4,792,892
Expenditures							
City Council	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-
Finance	72,832	-	-	-	-	-	72,832
Community Development	-	-	-	-	-	-	-
Public Works	170,459	-	-	-	-	-	170,459
Police	-	-	-	-	-	-	-
Non-Departmental							
Capital/Technology	2,285,000	-	-	-	-	-	2,285,000
Insurance and Settlements	-	-	-	-	-	-	-
IT Operations	-	-	-	-	-	-	-
Other Non-Departmental	-	-	-	-	-	-	-
Overhead Allocation	188,608	2,178	2,178	2,289	1,919	1,661	198,832
Total Expenditures	2,716,898	2,178	2,178	2,289	1,919	1,661	2,727,123
Net Sources / (Uses)	(763,780)	652,119	1,145,763	749,242	6,338	276,087	2,065,769
Other Financing Sources / (Uses)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Net Operating Transfers	-	-	-	-	-	-	-
Change in Fund Balance	(763,780)	652,119	1,145,763	749,242	6,338	276,087	2,065,769
Other Changes	-	-	-	-	-	-	-
Projected Fund Balance							
July 01, 2026 Balance*	15,789,000	272,000	187,000	613,000	385,000	393,000	17,639,000
June 30, 2027 Balance	15,025,220	924,119	1,332,763	1,362,242	391,338	669,087	19,704,769

*Excludes certain reserves and commitments

ENTERPRISE FUNDS OVERVIEW

Enterprise Funds account for City operations that are financed and operated in a manner similar to private business enterprises. These activities typically generate revenue through user fees charged for services or products provided. While they are intended to be primarily self-supporting through these charges, some may require general government subsidies to fully cover operating costs.

Garbage Collection Fund

Garbage collection and recycling services in East Palo Alto are provided by Recology of San Mateo County, with revenues primarily generated through solid waste service fees. The Garbage Collection Fund accounts for residential and commercial garbage collection, street sweeping, litter control, and related services. Litter control fees are collected by the South Bay Waste Management Authority (SBWMA) from both residential and commercial customers. Residential solid waste collection fees are collected by the City through the property tax roll and remitted to Recology of San Mateo County for services provided.

Sewer Service Funds

For external financial reporting, sewer services are presented as a self-supporting enterprise fund that includes the operations, maintenance, and capital improvements of the East Palo Alto Sanitary District (EPASD), a subsidiary of the City. For internal management purposes, the District maintains two enterprise funds: one for operating and capital activities, and another to account for developer impact (connection) fee revenues and related expenditures.

Water Service Funds

Most water connections in East Palo Alto (approximately 80%) are served by the City's water system, which is operated and leased by Veolia Water North America Operating Services LLC. The remaining connections are served by the Palo Alto Park Mutual Water Company or the O'Connor Tract Co-op Water Company. Water is supplied to the City by the San Francisco Public Utilities Commission.

The Water Service Fund accounts for lease operating revenue received from Veolia. It also includes capital and meter surcharges, as well as water capacity fees. These surcharge revenues are used to fund capital improvement costs associated with the City's operating obligations under the agreement with Veolia.

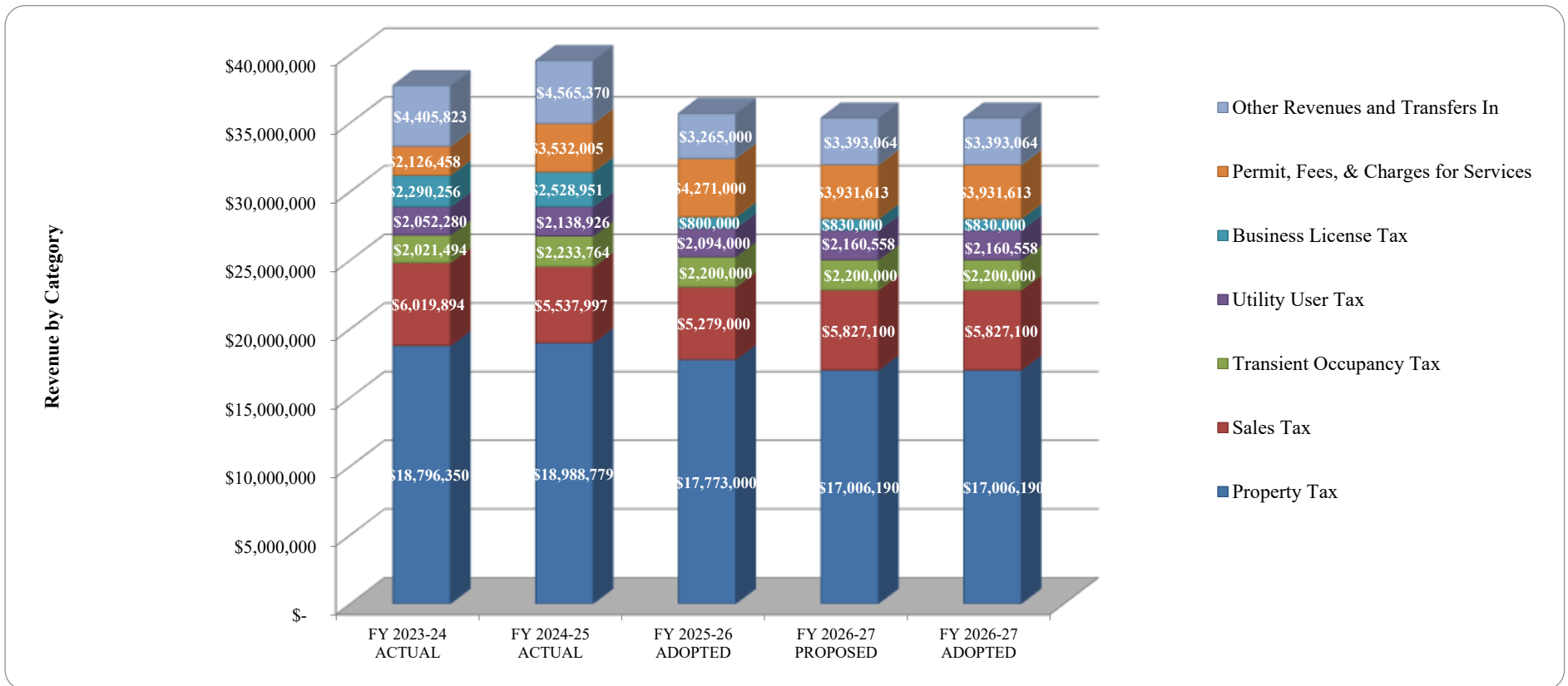
CITY OF EAST PALO ALTO
FY 2026-2027 ENTERPRISE FUNDS BUDGET

	Water Lease F510	Water Capital F511	Water Meter F512	Water Capacity F513	Sub-total Water Enterprise	Garbage Service F520	Sewer Services F530	Sewer Connection F533	Total
Revenues									
Property Tax	-	-	-	-	-	-	1,609,934	-	1,609,934
Sales Tax	-	-	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-
Business License Tax	-	-	-	-	-	-	-	-	-
Utility User Tax	-	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-	-
Licenses, Fees, and Permits	-	-	-	1,205,036	1,205,036	-	40,230	2,500,000	3,745,266
Charges for Services	10,000	1,250,000	-	-	1,260,000	3,461,565	5,300,006	-	10,021,571
Fines and Forfeitures	-	-	-	-	-	-	-	-	-
Use of Money and Property	536,795	396,577	56,358	20,504	1,010,233	78,513	517,638	73,403	1,679,787
Grants and Intergovernmental	-	-	-	-	-	-	-	-	-
Other Miscellaneous	-	23,333	-	-	23,333	280,000	-	-	303,333
Total Revenues	546,795	1,669,910	56,358	1,225,540	3,498,602	3,820,078	7,467,808	2,573,403	17,359,891
Expenditures									
City Council	-	-	-	-	-	-	7,500	-	7,500
City Attorney	7,000	-	-	-	7,000	-	43,600	-	50,600
City Clerk	-	-	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	2,300	71,200	-	73,500
Community Development	-	-	-	-	-	-	-	-	-
Public Works	168,766	5,000	-	-	173,766	344,230	5,691,896	-	6,209,892
Police	-	-	-	-	-	-	-	-	-
Non-Departmental									
Capital/Technology	-	380,000	-	-	380,000	-	2,695,000	-	3,075,000
Insurance and Settlements	-	-	-	-	-	-	-	-	-
IT Operations	-	-	-	-	-	-	15,040	-	15,040
Other Non-Departmental	18,111	-	-	-	18,111	3,609,529	-	-	3,627,640
Overhead Allocation	188,406	56,353	7,590	2,732	255,081	243,210	1,228,837	-	1,727,128
Total Expenditures	382,283	441,353	7,590	2,732	833,958	4,199,269	9,753,073	-	14,786,300
Net Sources / (Uses)	164,512	1,228,556	48,767	1,222,809	2,664,644	(379,191)	(2,285,265)	2,573,403	2,573,591
Other Financing Sources / (Uses)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Net Operating Transfers	-	-	-	-	-	-	-	-	-
Change in Fund Balance	164,512	1,228,556	48,767	1,222,809	2,664,644	(379,191)	(2,285,265)	2,573,403	2,573,591
Other Changes	-	-	-	-	-	-	-	-	-
Projected Fund Balance									
July 01, 2026 Balance*	2,961,000	11,075,000	1,638,000	(4,026,000)	11,648,000	1,570,000	23,843,000	164,000	37,225,000
June 30, 2027 Balance	3,125,512	12,303,556	1,686,767	(2,803,191)	14,312,644	1,190,809	21,557,735	2,737,403	39,798,591

*Excludes certain reserves and commitments

GENERAL FUND REVENUES BY MAJOR CATEGORY

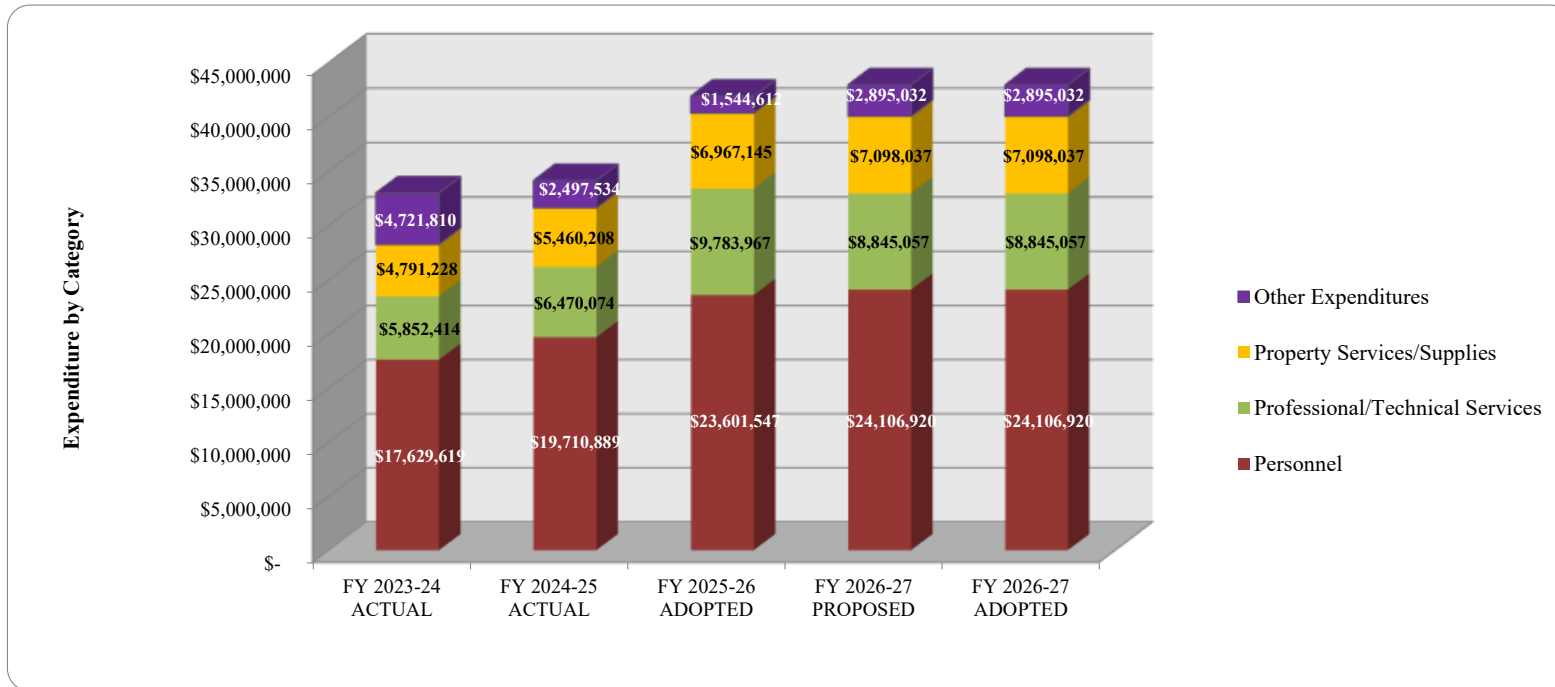
	FY 2023-24 ACTUAL	FY 2024-25 ACTUAL	FY 2025-26 ADOPTED	FY 2026-27 PROPOSED	FY 2026-27 ADOPTED
Property Tax	\$ 18,796,350	\$ 18,988,779	\$ 17,773,000	\$ 17,006,190	\$ 17,006,190
Sales Tax	\$ 6,019,894	\$ 5,537,997	\$ 5,279,000	\$ 5,827,100	\$ 5,827,100
Transient Occupancy Tax	\$ 2,021,494	\$ 2,233,764	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000
Utility User Tax	\$ 2,052,280	\$ 2,138,926	\$ 2,094,000	\$ 2,160,558	\$ 2,160,558
Business License Tax	\$ 2,290,256	\$ 2,528,951	\$ 800,000	\$ 830,000	\$ 830,000
Permit, Fees, & Charges for Services	\$ 2,126,458	\$ 3,532,005	\$ 4,271,000	\$ 3,931,613	\$ 3,931,613
Other Revenues and Transfers In	\$ 4,405,823	\$ 4,565,370	\$ 3,265,000	\$ 3,393,064	\$ 3,393,064
Total General Fund Revenues	37,712,555	39,525,792	35,682,000	35,348,525	35,348,525



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GENERAL FUND EXPENDITURES BY MAJOR CATEGORY

	FY 2023-24 ACTUAL	FY 2024-25 ACTUAL	FY 2025-26 ADOPTED	FY 2026-27 PROPOSED	FY 2026-27 ADOPTED
Personnel	\$ 17,629,619	\$ 19,710,889	\$ 23,601,547	\$ 24,106,920	\$ 24,106,920
Professional/Technical Services	\$ 5,852,414	\$ 6,470,074	\$ 9,783,967	\$ 8,845,057	\$ 8,845,057
Other Services/Supplies	\$ 4,791,228	\$ 5,460,208	\$ 6,967,145	\$ 7,098,037	\$ 7,098,037
Capital, Transfers, and Other Expenditures	\$ 4,721,810	\$ 2,497,534	\$ 1,544,612	\$ 2,895,032	\$ 2,895,032
Total General Fund Expenditures Before Allocations	\$ 32,995,071	\$ 34,138,705	\$ 41,897,271	\$ 42,945,046	\$ 42,945,046
Overhead Allocation to Other Funds	\$ (913,434)	\$ (929,182)	\$ (2,647,709)	\$ (2,860,620)	\$ (2,860,620)
Total Net General Fund Expenditures	\$ 32,081,637	\$ 33,209,523	\$ 39,249,562	\$ 40,084,427	\$ 40,084,427



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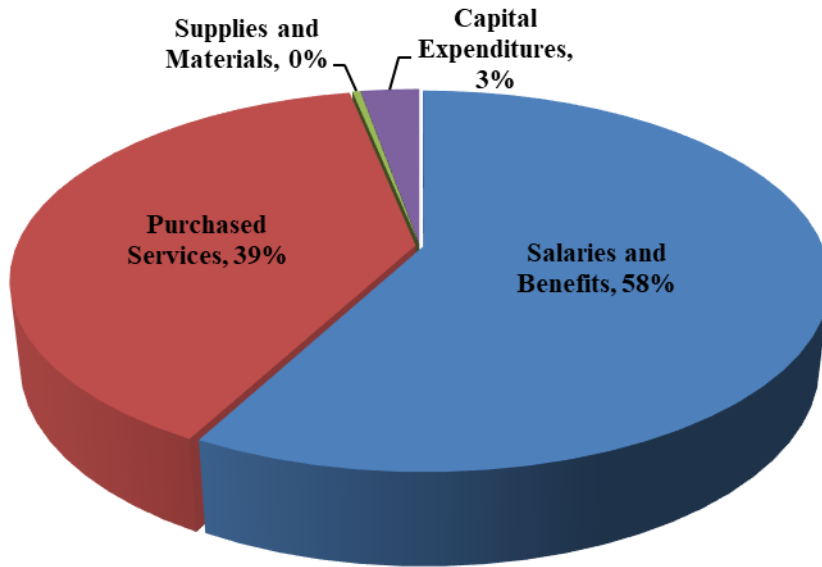
CITY COUNCIL

FY 2026-2027 Budget

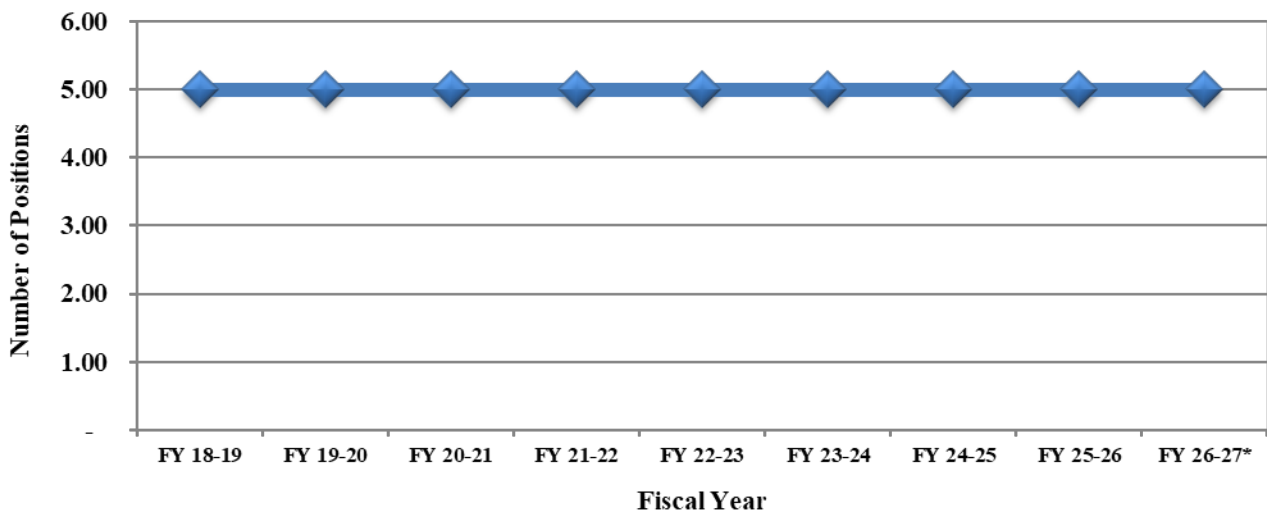
FY 2026-27

Operating \$268,852
Positions 5

CHARACTER OF EXPENDITURES



AUTHORIZED FTE



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY COUNCIL

FY 2026-2027 Budget

Department Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	150,382	173,285	272,105	261,352	261,352
Special Revenue Funds	-	-	-	-	-
Capital Project Fund	-	-	-	-	-
Enterprise Funds	-	(346)	7,500	7,500	7,500
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	150,382	172,939	279,605	268,852	268,852

EXPENDITURES BY DEPARTMENT

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
City Council	150,382	172,939	279,605	268,852	268,852
TOTAL	150,382	172,939	279,605	268,852	268,852

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	97,496	131,770	152,743	155,490	155,490
Subtotal	97,496	131,770	152,743	155,490	155,490
Supplies and Services					
Purchased Services	50,424	39,804	117,362	104,862	104,862
Supplies and Materials	2,462	1,365	2,000	1,000	1,000
Capital Expenditures	-	-	7,500	7,500	7,500
Other Expenditures	-	-	-	-	-
Subtotal	52,886	41,169	126,862	113,362	113,362
TOTAL	150,382	172,939	279,605	268,852	268,852

AUTHORIZED FTE

	FY 2023-24	FY 2024-25	FY 2025-26 Adopted	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Mayor	1.00	1.00	1.00	1.00	1.00
Vice Mayor	1.00	1.00	1.00	1.00	1.00
Council Member	3.00	3.00	3.00	3.00	3.00
TOTAL	5.00	5.00	5.00	5.00	5.00

Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY COUNCIL

FY 2026-2027 Budget

Department Summary

PURPOSE

The City Council develops and adopts policies that ensure delivery of quality public services to the people of East Palo Alto in order to create a healthy, safe, and prosperous environment.

A five-member Council governs City services for a population of approximately 28,216 residents. Each Council Member is elected at large and serves a four-year term. The Mayor is appointed by the members of the Council and serves a one-year term. The Council convenes in regular session on the 1st and 3rd Tuesdays of each month (except for an annual recess during the month of August) and often holds special meetings and work study sessions throughout the year. All meetings are held in the East Palo Alto (EPA) Government Center, located in the City Council Chambers at 2415 University Avenue or available through designated media channels.

The Council adopts policies, resolutions and ordinances for City operations and ensures appropriate representation and response to citizen interests. The City Council appoints the City Manager and City Attorney, who report directly to them, and in turn, support the City Council in its policy development functions and carry out the City Council policies and programs.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

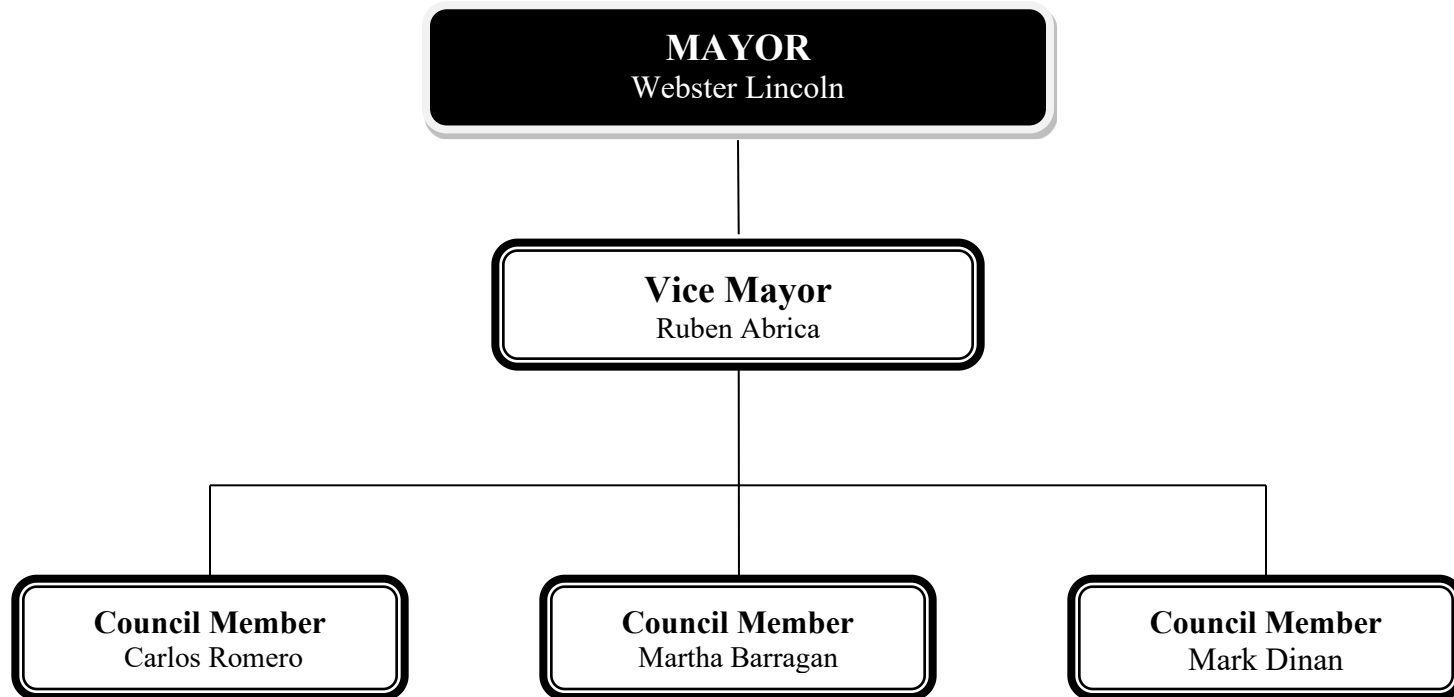
The FY 2026-27 Proposed Budget reflects a decrease of \$10,753 (-3.8%) compared to the FY 2025-26 Adopted Budget. The reduction is mainly driven by lower expenditures for purchased services (-\$12,500) and supplies and materials (-\$1,000). These savings are partially offset by an increase of \$2,747 in salaries and benefits.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	\$279,605		
2026-27 Proposed	\$268,852	(\$10,753)	-3.8%
2026-27 Adopted	\$268,852	\$0	0.0%

CITY COUNCIL

FY 2026-2027 Budget



Total FTE's: 5.0

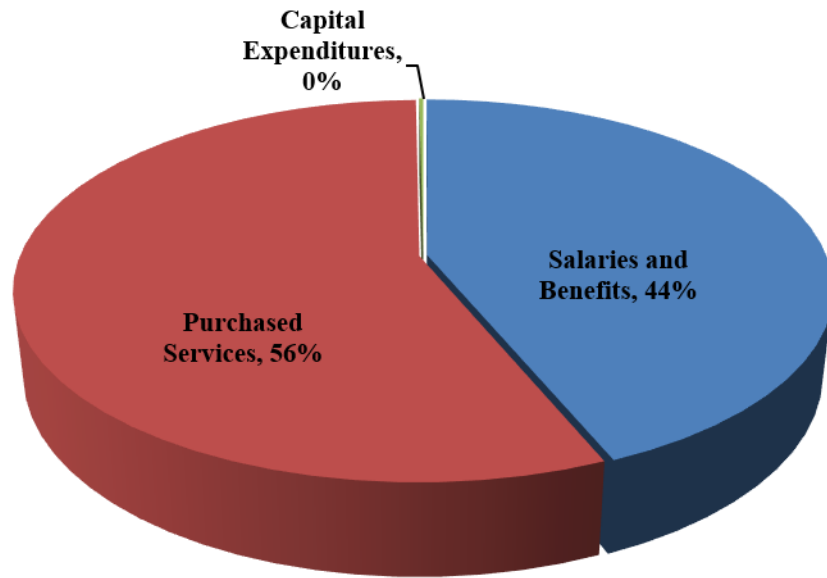
CITY ATTORNEY'S OFFICE

FY 2026-2027 Budget

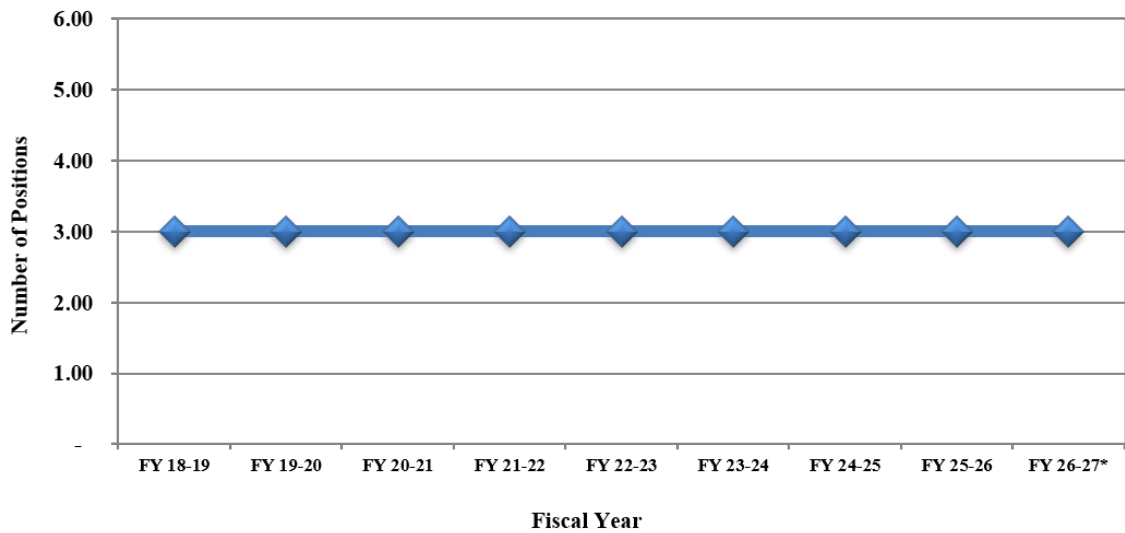
FY 2026-27

Operating \$1,680,505
Positions 3

CHARACTER OF EXPENDITURES



AUTHORIZED FTE



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY ATTORNEY'S OFFICE

FY 2026-2027 Budget

Department Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	957,282	1,072,305	1,461,060	1,617,805	1,617,805
Special Revenue Funds	6,987	(3,995)	42,500	10,700	10,700
Capital Project Fund	-	-	-	-	-
Enterprise Funds	5,000	219,233	47,000	50,600	50,600
Successor Agency Trust Fund	-	-	1,400	1,400	1,400
TOTAL	969,269	1,287,543	1,551,960	1,680,505	1,680,505

EXPENDITURES BY DEPARTMENT

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
City Attorney's Office	969,269	1,287,543	1,551,960	1,680,505	1,680,505
TOTAL	969,269	1,287,543	1,551,960	1,680,505	1,680,505

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	478,172	663,964	709,510	734,215	734,215
Subtotal	478,172	663,964	709,510	734,215	734,215
Supplies and Services					
Purchased Services	488,089	620,309	798,600	943,040	943,040
Supplies and Materials	3,008	3,270	5,750	3,250	3,250
Capital Expenditures	-	-	38,100	-	-
Other Expenditures	-	-	-	-	-
Subtotal	491,097	623,579	842,450	946,290	946,290
TOTAL	969,269	1,287,543	1,551,960	1,680,505	1,680,505

AUTHORIZED FTE

	FY 2023-24 Adopted	FY 2024-25 Adopted	FY 2025-26 Adopted	FY 2026-27 Proposed*	FY 2026-27 Adopted*
City Attorney	1.00	1.00	1.00	1.00	1.00
Deputy City Attorney I/II	1.00	1.00	1.00	1.00	1.00
Paralegal ¹	-	-	1.00	1.00	1.00
Legal Assistant	1.00	1.00	-	-	-
TOTAL	3.00	3.00	3.00	3.00	3.00

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY ATTORNEY'S OFFICE

FY 2026-2027 Budget

Department Summary

MISSION STATEMENT

Provide legal advice and representation, consistent with the highest professional and ethical standards, to the City Council, City officers, City employees, and appointed boards, commissions, and committees in carrying out the City Council's policies and strategic goals and objectives and advancing the City's interest in serving the people of East Palo Alto while limiting risk to the entity and costs to the taxpayers.

The role of the City Attorney's Office is to provide advisory and litigation services to the City, as represented by the City Council, City Council-appointed boards, commissions and committees, and City departments. The Office has a staffing level of three positions: City Attorney, Deputy City Attorney and Legal Assistant.

The emphasis in the Fiscal Year 2026-2027 budget is the continued delivery of quality professional legal services which promote reliable and useful advice and effective advocacy. The basic services include attendance and advice at public meetings, drafting resolutions and ordinances, providing legal opinions and advice on a wide range of municipal topics, reviewing and drafting legal documents and contracts, providing advice regarding elected and appointed public officials' conflicts of interest, representing the City in litigation before courts and administrative agencies and settling claims and lawsuits based on an impartial evaluation of their merits.

Within each of the basic services provided, the City Attorney's Office undertakes projects that specifically address the City Council's Strategic Plan Goals and Objectives:

- Provide proactive legal advice to the City Council and City staff, including provide regular legal updates to the Council and staff on legal developments that impact the City (e.g., El Dorado County case involving impact fees, Coalition on Homelessness case impacting public camping enforcement, Sutter's Place case affecting regulatory fees, Pimental case and Humboldt case relating to fines and penalties, 1001 Buddhas case relating to building appeals, etc.);
- Issue opinions and draft documents that help achieve the City Council's Strategic Plan and the City Manager's priority action items;
- Advise on significant changes in state and federal law and other regulations impacting City operations and programs, including instituting a working group within the City to observe legislative changes and take affirmative steps to ensure compliance;
- Present Brown Act, Conflict of Interest (Levine Act), and Public Records Act training to the City staff, boards and commissions, and provide legal advice regarding the same;
- Defend the City's interest in court and administrative hearings and initiate legal action to protect the rights and enhance the quality of life of City residents;
- Provide objective and reasonable interpretation of City Council-adopted policies, state and local laws and other matters, as appropriate;
- Draft ordinances on topics designated as high priority by the City Council (e.g., Procurement Ordinance or Rent Registry Ordinance);

CITY ATTORNEY'S OFFICE

FY 2026-2027 Budget

Department Summary (Continued)

- Update, revise and add provisions to the Municipal Code and local zoning law as required, including revisions to the Zoning Ordinance related to adoption of the Housing Element;
- Work with the City Manager's Office to reduce exposure to claims, litigation and industrial injuries/illnesses;
- Support the Rent Stabilization Program, including providing legal advice to staff and the Rent Stabilization Board; preparing reports and analyzing appeals; updating program regulations; attending board meetings; and
- Support the Community and Economic Development Department, including providing legal advice to staff and the Planning Commission, attending Commission meetings and analyzing land use issues related to adopted development projects.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026-27 Proposed Budget reflects an overall increase of \$128,545 (8.3%) compared to the FY 2025-26 Adopted Budget. This increase is primarily attributable to higher purchased services costs of \$144,440 and increased personnel expenses of \$24,705. These increases are partially offset by reductions of \$38,100 in capital expenditures and \$2,500 in supplies and materials.

The FY 2026-27 Proposed Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	\$1,551,960		
2026-27 Proposed	\$1,680,505	\$128,545	8.3%
2026-27 Adopted	\$1,680,505	\$0	0.0%

CITY ATTORNEY'S OFFICE

FY 2026-2027 Budget

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Attend and provide advice at City Council meetings and EPASD Board meetings and provide the City Council an update of any relevant changes in applicable law, including, regarding public meetings and conflicts of interest.	Accomplished.
2. Assist the City Council and the City Manager's Office implement Council priorities.	Accomplished.
3. Attend and provide advice at Planning Commission meetings.	Accomplished.
4. Attend and provide advice at Rent Stabilization Board meetings.	Accomplished.
5. Provide training to City boards, commissions, and committees regarding the Brown Act, Public Records Act, conflict of interest laws, and other relevant areas of the law.	Accomplished.
6. Represent the City in lawsuits and administrative hearing and pursue cost-effective resolution of pending litigation matters and the processing and settlement of claims filed against the City, including affirmative litigation opportunities (e.g., PCBs, PFAS/PFOS, Johals case, etc.)	Accomplished.
7. Provide legal advice to all City departments regarding responses to PRA requests, record retention and subpoenas, including response and compliance with such requests by providing trainings to staff, assisting in procurement/implementation of related tracking and review software and establishing a procedure for responding to requests for Council or Boards/Commissions.	Accomplished.
8. Draft, review, and process City contracts, agreements, and other legal documents.	Accomplished.
9. Support the City Council, Human Resources, and other City departments on labor and employment matters.	Accomplished.
10. Provide legal advice to the City Council, Planning Commission and City departments on major project applications, including AB 130/projects, proposed amendments to DAs, IHO ordinance, and IHO interpretations (alternative compliance), consistent with Council direction.	Ongoing.

CITY ATTORNEY'S OFFICE

FY 2026-2027 Budget

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
11. Support the Public Works Department on various matters, including water infrastructure, and sewer-related matters (Sewer Ordinance amendment).	Ongoing.
12. Provide training to staff on various issues, including staff report writing, contractual risk transfer and procurement procedures.	Ongoing.
13. Assist with the drafting and legal risk analysis of various ordinances, including First Source Hiring, TDM Ordinance, proposed Carpenter's Union Ordinance.	Accomplished/Ongoing.
14. Sidewalk Vending Ordinance	Accomplished. Ordinance has been adopted. Ongoing as to implementation and outreach efforts.
15. Permit Parking Ordinance	Accomplished. Ordinance has been adopted. Ongoing as to implementation and outreach efforts.
16. TDM Ordinance	Ongoing (near completion).
17. First Source Hiring	Accomplished (Analysis). Implementation (amendment) ongoing.
18. Municode Review and Enforcement (Parking/Street Vending and Blight)	Ongoing (recently added).
19. Ballot Measure to Amend UUT to include streaming platforms.	Ongoing (recently added; monitoring case law).
20. Provide legal support for various initiatives, including City Attorney Work Plan (existing and amendments as part of recent review cycle).	Ongoing.
21. Reach Code adoption (AB 130); Legal Memo.	Ongoing (near-completion).
22. Negotiation of MOU for Civic Center, Police Station and Track & Field Facility	Accomplished.
23. Negotiation of Real Estate and Land Deals, including Corp Yard, Civic Center Parcel	Ongoing.
24. Advise on Municipal Bond Offering (General Obligation Bond for Civic Center), including advising on Political Reform Act issues	Ongoing.
25. Term Limits Ballot Measure	Ongoing.
26. Inclusionary Housing Ordinance Amendments	Ongoing.
27. Amendments to Sewer Ordinance (Palo Alto).	Ongoing.

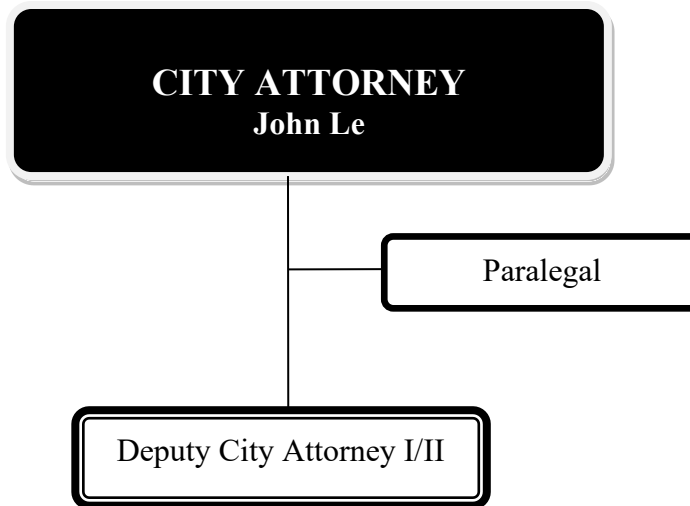
CITY ATTORNEY'S OFFICE

FY 2026-2027 Budget

OBJECTIVES

1.	Attend and provide advice at City Council meetings and provide the City Council an update of any relevant changes in applicable law, including regarding public meetings and conflicts of interest.
2.	Assist the City Council and the City Manager's Office implement Council priorities.
3.	Attend and provide advice at Planning Commission meetings.
4.	Attend and provide advice at Rent Stabilization Board meetings.
5.	Provide training to City boards, commissions, and committees regarding the Brown Act, Public Records Act, conflict of interest laws, and other relevant areas of the law.
6.	Represent the City in lawsuits and administrative hearing and pursue cost-effective resolution of pending litigation matters and the processing and settlement of claims filed against the City, including affirmative litigation opportunities (e.g., PCBs, PFAS/PFOS, Yu case, <u>Johals case</u> , etc.)
7.	Provide legal advice to all City departments regarding responses to PRA requests, record retention and subpoenas, including response and compliance with such requests by providing trainings to staff, assisting in procurement/implementation of related tracking and review software and establishing a procedure for responding to requests for Council or Boards/Commissions.
8.	Draft, review, and process City contracts, agreements, and other legal documents.
9.	Support the City Council, Human Resources, and other City departments on labor and employment matters.
10.	Provide legal advice to the City Council, Planning Commission and City departments on major project applications, including AB130/projects, proposed amendments to DAs, IHO ordinance, and IHO interpretation.
11.	Support the Public Works Department on various matters, including water infrastructure, and sewer-related matters (Sewer Ordinance amendment).
12.	Assist with the drafting and legal risk analysis of various ordinances, including First Source Hiring, TDM Ordinance, proposed Carpenter's Union Ordinance.
13.	Provide legal support for various initiatives including City Attorney Work Plan (existing and amendments as part of recent review cycle).
14.	Municode Review and Enforcement (Parking Street Vending and Blight).
15.	Continue to Work on Prior Council Priorities for the City Attorney's Office.
16.	Ballot Measure to Amend UUT to include streaming platforms.

CITY ATTORNEY'S OFFICE
FY 2026-2027 Budget



Total FTE's: 3.0

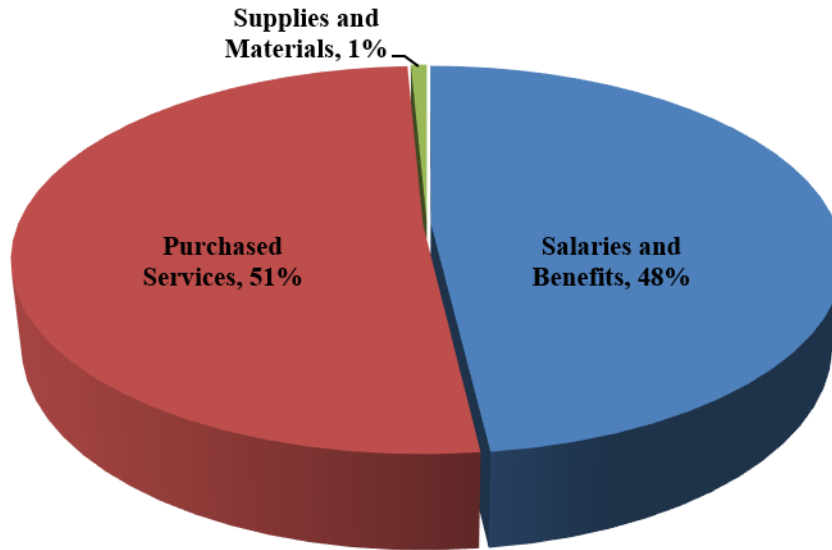
CITY CLERK'S OFFICE

FY 2026-2027 Budget

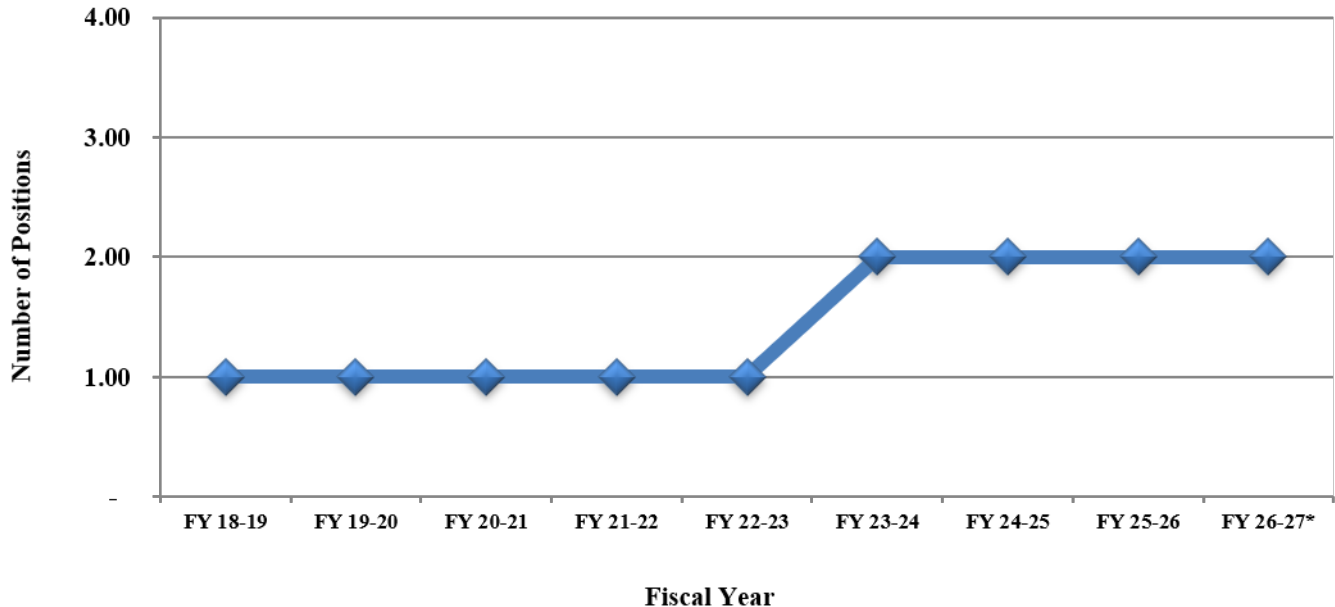
FY 2026-27

Operating \$667,379
Positions 2

CHARACTER OF EXPENDITURES



AUTHORIZED FTE



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY CLERK'S OFFICE

FY 2026-2027 Budget

Department Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	265,775	436,094	581,228	667,379	667,379
Special Revenue Funds	-	-	-	-	-
Capital Project Fund	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	265,775	436,094	581,228	667,379	667,379

EXPENDITURES BY DEPARTMENT

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
City Clerk's Office	265,775	436,094	581,228	667,379	667,379
TOTAL	265,775	436,094	581,228	667,379	667,379

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	179,853	252,931	289,840	321,091	321,091
Subtotal	179,853	252,931	289,840	321,091	321,091
Supplies and Services					
Purchased Services	84,551	171,462	289,088	341,288	341,288
Supplies and Materials	1,371	11,701	2,300	5,000	5,000
Capital Expenditures	-	-	-	-	-
Other Expenditures	-	-	-	-	-
Subtotal	85,922	183,163	291,388	346,288	346,288
TOTAL	265,775	436,094	581,228	667,379	667,379

AUTHORIZED FTE

	FY 2023-24 Adopted	FY 2024-25 Adopted	FY 2025-26 Adopted	FY 2026-27 Proposed*	FY 2026-27 Adopted*
City Clerk - Public Information Officer	1.00	1.00	1.00	1.00	1.00
Assistant City Clerk ¹	0.00	1.00	1.00	1.00	1.00
TOTAL	1.00	1.00	2.00	2.00	2.00

*Beginning in FY 2023-24, Authorized FTE may include limited-term positions.

¹FY 2026-27: Position title changed from Office Assistant to Assistant City Clerk.

CITY CLERK'S OFFICE

FY 2026-2027 Budget

MISSION STATEMENT

The City Clerk's Office is committed to providing our residents of East Palo Alto with accurate and transparent official City records and documents, dedicated to supporting the City Council and other City Departments with outstanding support, and dedicated to working with the State of California and the Federal Government to ensure compliance with applicable laws and regulations.

The City Clerk's Office functions as a sole position in Office with administrative support from the City Manager's Office.

The Clerk is responsible for facilitating the conduct of business by the City Council and fulfilling legal requirements as set forth in the City Code, federal and State laws. The City Clerk's Office administers City elections and campaign and financial disclosure laws. The City Clerk's Office maintains a record of all proceedings of the City Council; meets all requirements regarding public postings, legal advertising, recordation, and mailing of public hearing notices. The Office also processes appeals and administers the selection process for Council appointment of members to City board, commissions, and committees.

The City Clerk's Office provides administrative and travel assistance to Council, maintains the City Code, is the custodian of the City Seal, administers oaths or affirmations, and maintains the official record of City contracts and agreements. The Office also performs critical media outreach and information functions to improve communication of City information and engage the community through modern media platforms.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026-27 Proposed Budget reflects an overall increase of \$86,151 (14.8%) compared to the FY 2025-26 Adopted Budget. The increase is primarily driven by higher salaries and benefits costs of \$31,251, increased purchased services expenditures of \$52,200, and an increase of \$2,700 in supplies and materials.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous	% Change From Previous
2025-26 Adopted	\$581,228		
2026-27 Proposed	\$667,379	\$86,151	14.8%
2026-27 Adopted	\$667,379	\$0	0.0%

CITY CLERK'S OFFICE

FY 2026-2027 Budget

ACCOMPLISHMENTS

OBJECTIVES		RESULTS
1.	Implement Sister City and Cultural Exchange initiative.	The City formalized a Sister City partnership with Kolofo'ou, Tonga, including an official signing ceremony and commemorative event. Ongoing efforts include planning a follow-up visit with Tongan dignitaries to strengthen cultural ties.
2.	Upgrade and launch new City website.	The City Clerk's office has established a dedicated committee to guide the organization and structure of the new website and will soon be issuing a Request for Proposals (RFP) to move forward with its development and implementation.
3.	Continue to improve social media outreach and engagement.	The City Clerk's office enhanced its social media presence by increasing consistent, relevant content and using analytics to improve engagement and community awareness.
4.	Implement communications plan.	The City Clerk's office has initiated the development of a comprehensive communications plan and will be issuing a Request for Proposals (RFP) to support its creation and implementation, ensuring consistent and strategic messaging across all departments.
5.	Implement a Boards and Commissions engagement plan.	The City Clerk's office is currently working with a group of staff members to address Boards and Commissions engagement, including brainstorming strategies to improve processes, communication, and participation. A formal plan is expected in the coming months, in time to support upcoming recruitment efforts for Boards and Commissions.

CITY CLERK'S OFFICE

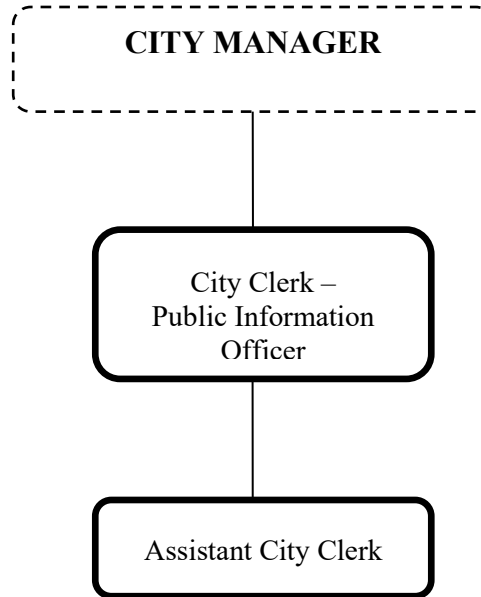
FY 2026-2027 Budget

OBJECTIVES

1.	Enhance Agenda and Meeting Management Efficiency.
2.	Continue to improve social media outreach and engagement.
3.	Modernize Records Management Systems.
4.	Strengthen Crisis and Emergency Communications.
5.	Develop and Implement a Comprehensive Communications Plan.

CITY CLERK'S OFFICE

FY 2026-2027 Budget



Total FTE's: 2.0

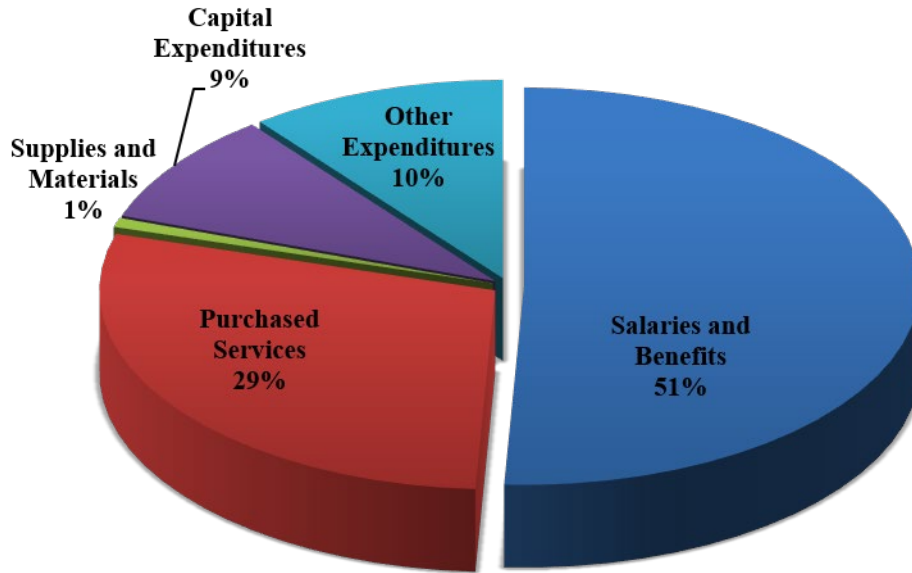
CITY MANAGER'S OFFICE

FY 2026-2027 Budget

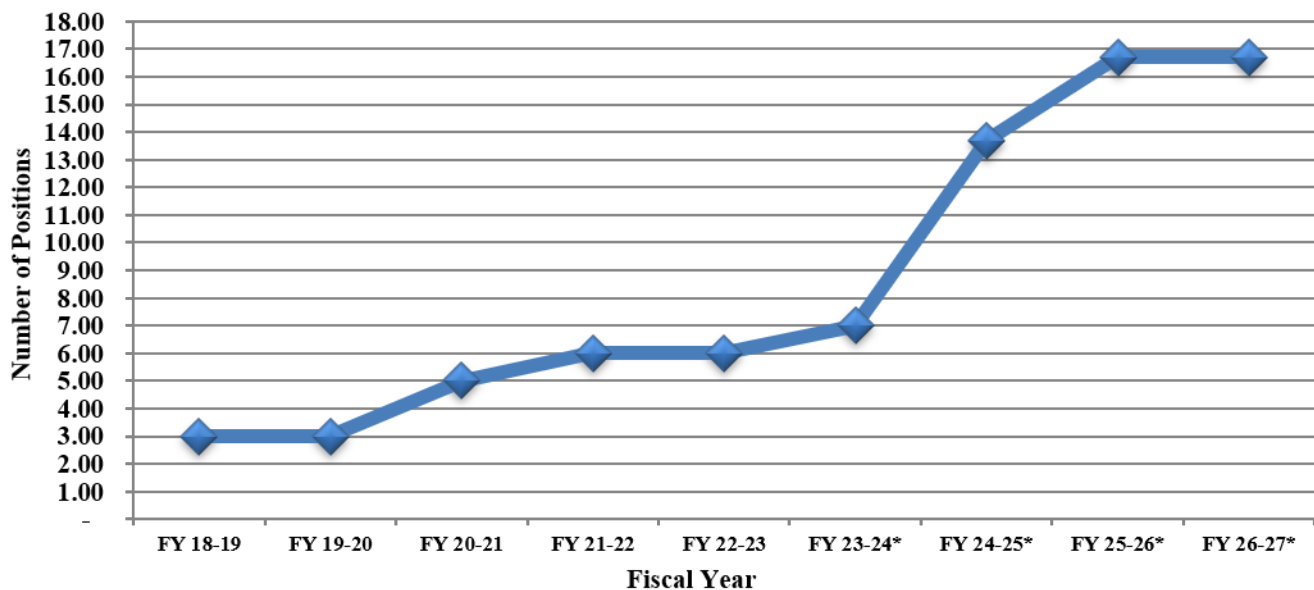
FY 2026-27

Operating \$6,640,822
Positions 16.7

CHARACTER OF EXPENDITURES



AUTHORIZED FTE



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY MANAGER'S OFFICE

FY 2026-27 Budget

Department Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	2,293,258	4,592,872	6,391,414	5,350,822	5,350,822
Special Revenue Funds	-	574,590	2,950,000	1,290,000	1,290,000
Capital Project Funds	3,284	-	-	-	-
Enterprise Funds	51,516	19,410	-	-	-
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	2,348,058	5,186,872	9,341,414	6,640,822	6,640,822

EXPENDITURES BY DEPARTMENT

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
City Manager's Office	1,418,308	2,178,605	3,282,587	2,661,543	2,661,543
Human Resources Division	929,750	1,323,768	1,351,914	1,188,176	1,188,176
Community Programs ¹	-	1,243,659	3,941,000	2,186,091	2,186,091
Senior Programs ¹	-	440,840	765,913	605,012	605,012
TOTAL	2,348,058	5,186,872	9,341,414	6,640,822	6,640,822

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	1,657,183	2,737,321	3,346,064	3,373,372	3,373,372
Subtotal	1,657,183	2,737,321	3,346,064	3,373,372	3,373,372
Supplies and Services					
Purchased Services	639,405	1,773,661	4,599,050	1,912,450	1,912,450
Supplies and Materials	40,168	80,674	51,300	50,000	50,000
Capital Expenditures	10,000	22,950	740,000	605,000	605,000
Other Expenditures	1,300	572,266	605,000	700,000	700,000
Subtotal	690,873	2,449,551	5,995,350	3,267,450	3,267,450
TOTAL	2,348,056	5,186,872	9,341,414	6,640,822	6,640,822

AUTHORIZED FTE

	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
City Manager's Office	5.00	4.00	7.00	7.00	7.00
Human Resources Division	2.00	2.00	2.00	4.00	4.00
Community Services Division ¹	0.00	5.70	5.70	5.70	5.70
TOTAL	7.00	11.70	14.70	16.70	16.70

¹ Division transferred to City Manager's Office from Administrative Services effective FY 2024-25.

*Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Department Summary

MISSION STATEMENT

The City Manager is responsible for ensuring the efficient delivery of municipal services and is accountable to the City Council for the performance of the City organization. The City Manager also develops recommendations and strategies to meet the current and future needs of the East Palo Alto community and to implement the Strategic Priorities of the City Council. Along with the City professional staff, the City Manager provides technical and administrative support and advice to the City Council in the performance of its duties.

The City Council appoints the City Manager to lead the municipal corporation. The City Manager's main role is to ensure effective and efficient management of all City programs, projects and services. The City Manager's Office (CMO) is comprised of the Administration, Community Services, Human Resources and Information Technology Divisions. The CMO fosters collaboration within the municipal organization as well externally with State, County, and local stakeholders.

The CMO oversees the City Council Strategic Priorities across all City departments. This team helps the City Council by suggesting and enforcing administrative, fiscal, and operational policies and by ensuring that the information provided for City Council decisions is thorough and reliable.

The Department comprises a total 16.7 FTE staff members.

Admin (5 FTEs)

- 1 City Manager
- 1 Assistant City Manager
- 2 Assistants to the City Manager
- 1 Executive Assistant to City Manager

Community Services (5.7 FTEs)

- 1 Community Services Manager
- 1 Recreational Coordinator
- 1.45 Recreational Leader (1FTE and 1PT, subject to Council approval)
- 1 Van Driver (2 PT)
- 0.75 Nutrition Site Supervisor
- 0.5 Kitchen Aide

Human Resources (4 FTEs)

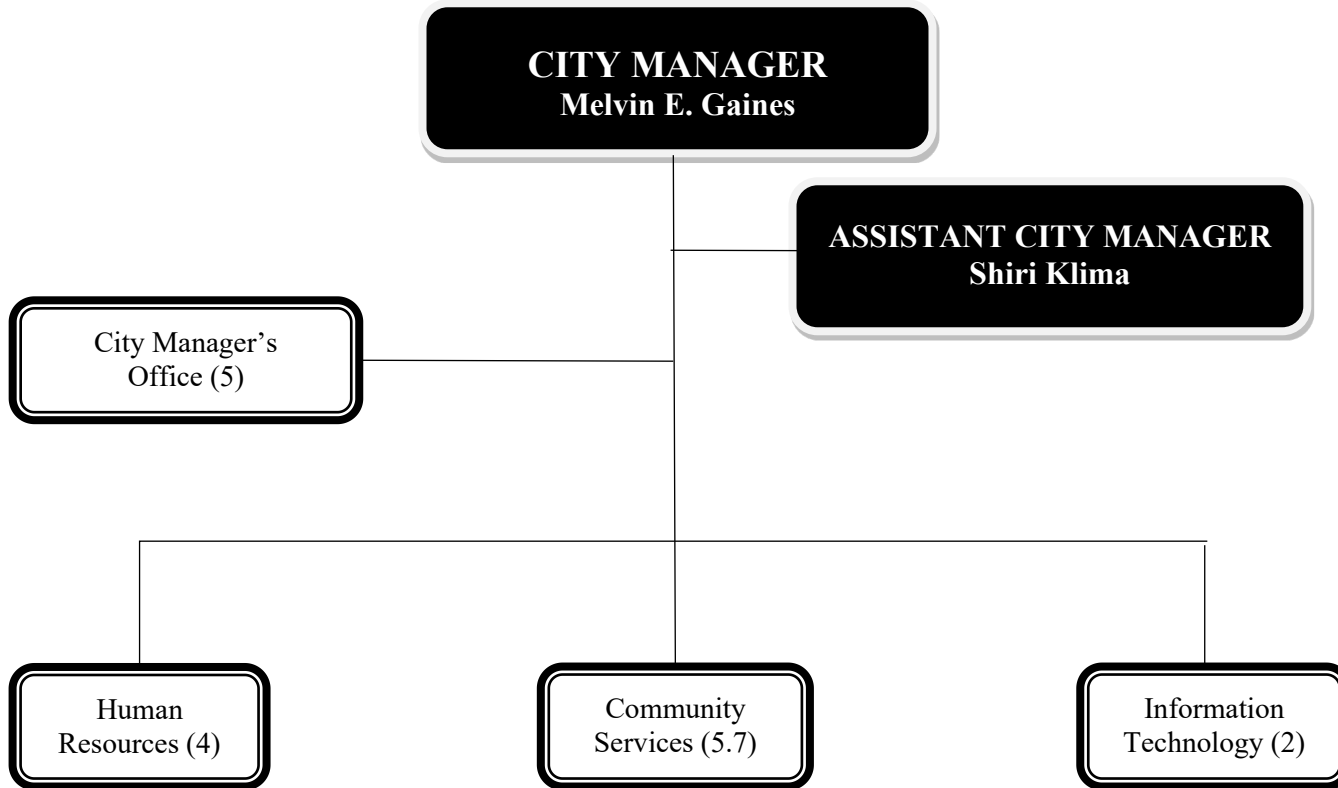
- 1 HR Manager
- 1 HR Technician
- Management Analyst I/II Ltd
- Human Resources Technician I/II Ltd

Information Technology (2 FTEs)

- 1 IT Manager
- 1 Information Technology Specialist I-II

CITY MANAGER'S OFFICE

FY 2026-2027 Budget



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

*Total FTE's: 16.7

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Division Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	1,363,508	2,159,487	3,282,587	2,661,543	2,661,543
Special Revenue Funds	-	-	-	-	-
Capital Project Funds	3,284	-	-	-	-
Enterprise Funds	51,516	19,118	-	-	-
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	1,418,308	2,178,605	3,282,587	2,661,543	2,661,543

EXPENDITURES BY DIVISION

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
City Manager's Office	1,418,308	2,178,605	3,282,587	2,661,543	2,661,543
TOTAL	1,418,308	2,178,605	3,282,587	2,661,543	2,661,543

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	1,101,046	1,468,092	1,957,187	1,885,643	1,885,643
Subtotal	1,101,046	1,468,092	1,957,187	1,885,643	1,885,643
Supplies and Services					
Purchased Services	300,066	702,813	1,317,400	770,400	770,400
Supplies and Materials	7,194	5,160	8,000	5,500	5,500
Capital Expenditures	10,000	2,540	-	-	-
Other Expenditures	-	-	-	-	-
Subtotal	317,260	710,513	1,325,400	775,900	775,900
TOTAL	1,418,306	2,178,605	3,282,587	2,661,543	2,661,543

AUTHORIZED FTE

	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
City Manager/General Manager	1.00	1.00	1.00	1.00	1.00
Assistant City Manager/Assistant General Manager	1.00	1.00	1.00	1.00	1.00
Assistant to the City Manager Ltd*	1.00	-	-	-	-
Assistant to the City Manager	-	-	2.00	2.00	2.00
Senior Management Analyst	1.00	1.00	-	-	-
Information Technology (IT) Manager	-	-	1.00	1.00	1.00
Information Technology (IT) Specialist I/II	-	-	1.00	1.00	1.00
Executive Assistant to City Manager	1.00	1.00	1.00	1.00	1.00
TOTAL	5.00	4.00	7.00	7.00	7.00

*Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY MANAGER’S OFFICE

FY 2026-2027 Budget

Administration Division Summary

SERVICE DESCRIPTION

The City Manager’s Office serves as the Chief Executive Officer and manages programs and policies, ensuring effective execution to support the City’s mission. The Office collaborates with federal, State, and local stakeholders and directs and oversees implementation of Council strategic planning and priorities. The City Manager’s Office performs oversight of the organization to provide professional delivery of quality public services, efficient government, community health and safety, fiscal stability, organizational effectiveness and development, economic vitality, quality of life, and resident involvement.

The City Manager’s Office is organized into the following programmatic functions: Administration and Policy Oversight, Cross-departmental Project Coordination, Human Resources, Information Technology, and Community Services. The Office directly oversees Human Resources, Information Technology, and Community Services. Significant functional oversight includes:

1. City personnel, budget, and major cross-departmental programs, projects and initiatives.
2. Planning and implementation of Council Strategic priorities and goals.
3. Collaborating with stakeholders regarding City functions; and
4. Making recommendations to Council on a variety of issues and initiatives.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects a decrease of \$621,044, or 18.9%, compared to the FY 2025–26 Adopted Budget. This reduction is primarily attributable to lower expenditures in salaries and benefits (\$71,544), purchased services (\$547,000), and supplies and materials (\$2,500).

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	\$3,282,587		
2026-27 Proposed	\$2,661,543	(\$621,044)	-18.9%
2026-27 Adopted	\$2,661,543	\$0	0.0%

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Prepare the City for disasters and emergencies by developing a comprehensive plan and detailed implementation strategies that includes preparing, educating, exercising, and recovery measures.	Advanced the City's disaster preparedness by updating the Emergency Operations Plan, conducting staff training and emergency exercises, coordinating with partner agencies, expanding community outreach, installing smoke alarms, and developing systems to track emergency agreements and distribute preparedness resources
2. Adopt an economic development strategic plan with various implementable projects to achieve potential short-term goals and maintain economic sustainability.	Developed and adopted the Economic Development Strategic Plan and 5-year Implementation Plan, incorporating stakeholder input and initiating execution of priority projects to support economic sustainability.
3. Prepare an infrastructure bond for 2026.	Advanced preparation of a November 2026 infrastructure ballot measure by conducting community feasibility surveys, refining funding strategy for a proposed \$90 million measure, and initiating outreach and informational efforts to the community to support public understanding.
4. Plan for the development of a Community Hub/Civic Center, which will include a new library, Police department, administrative offices, and park.	Advanced planning for a new Civic Center by pursuing funding and partnership opportunities, refining financing strategies, and awarding the architectural design contract to initiate design, site planning, and entitlement activities.
5. Initiate a five-year performance audit of all departments and divisions to identify ways to improve system and process efficiencies.	Initiated a five-year performance audit by issuing a Request for Proposals for consulting services and planning to engage a consultant in FY 2026–27 to begin the audit process.
6. Implement Shopping Cart Abatement Program.	Initiated development of a Shopping Cart Abatement Program by conducting preliminary research on program models and best practices from other jurisdictions.
7. Implement a pop-up/sidewalk vending policy and program.	Developed and secured City Council adoption of a sidewalk vending ordinance by conducting research, community outreach, and policy analysis. Staff is currently advancing implementation planning, including program materials, outreach, and administrative processes.
8. Distribute the Community Resource Grant funds for senior home repair assistance, small business assistance, senior programs and youth civic engagement activities.	Advanced Community Resource Grant initiatives by securing City Council approval of the Youth Commission implementation plan, City Council approval of a one-year agreement with the County to implement the Senior Home Repair Program, progressing procurement for a senior services evaluation, and conducting research to inform the structure of a small business assistance program

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

ACCOMPLISHMENTS

OBJECTIVES		RESULTS
		aligned with the Economic Development Strategic Plan.
9.	Work with the San Mateo County Libraries to identify and implement a comprehensive funding strategy for library construction.	Advanced development of a comprehensive funding strategy for library construction by integrating library funding into the broader Civic Center financing approach, including a capital campaign and potential ballot measure, and initiating fundraising efforts in coordination with project partners.
10.	Finalize acquisition of County-owned Beech Street property.	Advanced acquisition of the County-owned Beech Street property by reaching conceptual agreement terms with the County, securing City Council direction on the transaction framework, and initiating development of agreements to support property transfer and finalize the transaction.

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

OBJECTIVES

1.	Develop and implement a comprehensive funding strategy for library construction in collaboration with San Mateo County Libraries.
2.	Prepare and advance a 2026 ballot measure to fund infrastructure improvements and public facilities.
3.	Plan for the development of a new Civic Center facility, including key components, design, and implementation strategy.
4.	Design and implement a “pop-up”/sidewalk vending policy and program that supports equitable entrepreneurship while ensuring health and safety.
5.	Implement the Economic Development Strategic Plan with a focus on supporting small and micro businesses.
6.	Launch and implement a comprehensive emergency preparedness program focused on readiness, response, and community education.
7.	Develop and implement a program to distribute Community Resource Funds grants for small business assistance.
8.	Assess utility operations and develop a transition plan for post-lease operations.
9.	Finalize acquisition of the County-owned Beech Street property.
10.	Develop and implement a Shopping Cart Abatement Program.

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CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Human Resources Division

Division Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	929,750	1,323,476	1,351,914	1,188,176	1,188,176
Special Revenue Funds	-	-	-	-	-
Capital Project Funds	-	-	-	-	-
Enterprise Funds	-	292	-	-	-
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	929,750	1,323,768	1,351,914	1,188,176	1,188,176

EXPENDITURES BY DIVISION

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Human Resources Division	929,750	1,323,768	1,351,914	1,188,176	1,188,176
TOTAL	929,750	1,323,768	1,351,914	1,188,176	1,188,176

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	556,137	701,184	764,114	829,176	829,176
Subtotal	556,137	701,184	764,114	829,176	829,176
Supplies and Services					
Purchased Services	339,339	561,266	423,000	325,500	325,500
Supplies and Materials	32,974	40,908	14,800	18,500	18,500
Capital Expenditures	-	20,410	150,000	15,000	15,000
Other Expenditures	1,300	-	-	-	-
Subtotal	373,613	622,584	587,800	359,000	359,000
TOTAL	929,750	1,323,768	1,351,914	1,188,176	1,188,176

AUTHORIZED FTE

	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Human Resources Manager	1.00	1.00	1.00	1.00	1.00
Human Resources Assistant	1.00	1.00	1.00	1.00	1.00
Management Analyst I/II Ltd*	-	-	1.00	1.00	1.00
Human Resources Technician I/II Ltd*	-	-	1.00	1.00	1.00
TOTAL	2.00	2.00	4.00	4.00	4.00

*Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Human Resources Division Summary

SERVICE DESCRIPTION

Human Resources provides guidance and support to City departments, employees, officials, candidates, and the public in the areas of benefit administration, classification and compensation, labor and employee relations, recruitment and selection, organizational development and training, workers' compensation administration, risk management, and compliance.

Our objective is to attract the most diverse, competent, professional, and talented workforce as well as retain a talented and well-qualified workforce and help foster a positive working environment for employees.

The Human Resources (HR) Division currently is within the City Manager's Office with four positions: Human Resources Manager, Management Analyst I and two (2) Human Resources Technician I/II.

Core functions of the HR Division include:

- Recruiting, attracting new staff, and filling vacant positions with talented and well-qualified candidates;
- Providing labor negotiations to three bargaining units; meet and confer with labor representatives to cultivate and foster a positive working environment and build collaboration among all divisions;
- Serving as a liaison between departments, employees and leadership, ensuring clear and consistent communication of policies and initiatives;
- Providing disability and leave management, employee advocacy and engagement by administering job-protected leaves (FMLA, CFRA, ADA, etc.), and support reasonable accommodations process;
- Promoting a respectful and inclusive workplace by providing confidential support, to employees and facilitating issue resolution.
- Reviewing and interpreting policies and procedures to provide guidance for Directors/Managers/Supervisors to resolve issues;
- Maintaining the respective functions of the Enterprise Resource Planning (ERP) software to ensure that the HR processes are setup correctly;
- Managing and maintaining the City's Human Resources Information System (HRIS).
- Maintaining and developing the employee wellness policies and programs;
- Managing and providing support and guidance to management when dealing with personnel issues, employee performance evaluations, salary step increases, grievances, exit interviews for resignations, and retirement;
- Conducting new hire orientation on quarterly basis;
- Developing and ensuring professional staff development and training opportunities;
- Managing and conducting benefit meetings to provide employees with information regarding medical, dental, life insurance, retirement, and other benefits;
- Developing and implementing a workers' compensation management program;

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Human Resources Division Summary

The HR Division is increasingly requiring additional staff assistance due to the shift of responsibility and high-volume work projects and compliance tasks. The Division has been impacted by numerous compliance issues, personnel responses, HR informational system management, new initiatives for local emergency response, and other tasks.

The Division's budget includes additional temporary funding to backfill staff services and additional outside professional services to address work impacts related to new workload expectations; however, long-term the current staff level and current workload may not be sustainable.

HR's emphasis for the Fiscal Year 2026-2027 is to continue working to achieve the City of East Palo Alto's strategic mission while ensuring City employees are engaged and motivated to help East Palo Alto residents, businesses, organizations, and visitors. This will be accomplished by identifying issues and executing corrective measures effectively.

The Human Resources team has targeted its operation initiatives to align to the City Council's Strategic Plan by initially identifying ways to continue to retain and develop training programs for our great staff. The HR Division's goal is to be a proactive results-oriented business partner providing support to all levels of the City. We aim to hire the best people, while offering development and training to our existing staff.

The focus this year is to proactively support organizational resilience and employee engagement through strategic initiatives this year focused on workforce well-being, legal compliance, and market competitiveness through the following projects:

- **Classification and Compensation Update:** Lead citywide updates to job classifications and compensation structures to align with current duties, best practices, and employment laws. The initiatives promote internal equity, succession planning, workforce stability, and fiscal responsibility, while enhancing the City's ability to attract and retain top talent. Following these updates, conduct strategic labor negotiations with SEIU, MEA, and EPA POA to secure agreements that support retention, market competitiveness, and long-term fiscal sustainability. **Completion targets:** Job classifications – November 2026; Compensation study – January 2027.
- **Organizational Growth:** Drive organizational growth by ensuring the Administrative Pool Pilot Program achieves measurable success through comprehensive support, clear guidance, and effective tools for management and participants. Simultaneously, develop a robust succession planning program that cultivates future leaders via targeted training, strategic projects, and mentorship, aligning individual growth with organizational objectives and strengthening leadership pipelines.

Human Resources will continue to network with other local public agencies within the County of San Mateo and around California, attending webinars and conferences in efforts to stay informed of federal, State and local developments and changes in laws that may affect our City.

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Human Resources Division Summary

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects a decrease of \$135,592, or 10.2%, compared to the FY 2025–26 Adopted Budget. The reduction is primarily attributable to lower expenditures for capital expenditures (\$135,000) and purchased services (\$97,500). These savings are partially offset by an increase of \$65,062 in salaries and benefits.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	\$1,351,914		
2026-27 Proposed	\$1,188,176	(\$135,592)	-10.2%
2026-27 Adopted	\$1,188,176	\$0	0.0%

CITY MANAGER'S OFFICE

FY 2026-2027 Budget
Human Resources Division

ACCOMPLISHMENTS

OBJECTIVES		RESULTS
1.	Continue to improve marketing strategy to recruit and retain qualified staff.	Marketing strategy is working; vacancy rate is 8%.
2.	Update the classification specifications.	Estimated completion November 2026.
3.	Update the compensation study.	Estimated completion January 2027.
4.	Conduct an ergonomic citywide refresh.	Completed – January 2026. Zero reportable incidents for FY 2025-26.
5.	Update the City's personnel policies and procedures.	In process – Estimated completion by June 2026.
6.	Increase labor management check-in meetings.	HR meets with Local 21 and SEIU quarterly,

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Human Resources Division

OBJECTIVES

1.	Lead a citywide update of job classifications to align with current duties, best practices, and employment laws (SB 1100, 1162). The project involves collaboration with staff, departments, and labor groups to modernize specifications, promote internal equity, support succession planning, and ensure legally defensible recruitment and promotion processes. Estimated completion: November 2026.
2.	Conduct a comprehensive analysis of the City's compensation structure to attract and retain top-tier talent in a competitive labor market while maintaining fiscal responsibility. This includes updating the existing compensation study with current benchmark data, implementing equity adjustments, and strategically positioning pay to align with organizational goals. The initiative enhances workforce stability, supports long-term fiscal planning, reduces employee turnover, and strengthens the City's reputation as an employer of choice. Estimated completion: January 2027.
3.	Following the completion of the comprehensive compensation and classification studies, conduct strategic negotiations with SEIU, MEA, and EPA POA to secure agreements that advance organizational objectives. This process will ensure alignment of compensation structures with market benchmarks, reinforce internal equity, support employee retention, and uphold the City's long-term fiscal sustainability.
4.	Ensure the successful implementation and outcomes of the Administrative Pool Pilot Program by providing comprehensive support to management and participating employees. This includes offering clear guidance, effective tools, and resources that enable all stakeholders to fully engage with the program, optimize performance, and contribute to its overall success. The approach emphasizes collaboration, accountability, and continuous improvement to achieve measurable results and inform future program expansion.
5.	Create a succession plan program that develops future leaders by combining targeted training, strategic thinking, and intentional career pathing. Employees engage in skill-building opportunities, participate in cross-functional projects to enhance strategic decision-making, and receive mentorship to define clear advancement paths. The program strengthens leadership pipelines, supports continuous learning, and aligns individual growth with organizational goals.

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Community Services & Recreation Division

Division Summary

SOURCES

	FY 2023-24 ¹ Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	-	1,109,909	1,756,913	1,501,103	1,501,103
Special Revenue Funds	-	574,590	2,950,000	1,290,000	1,290,000
Capital Project Fund	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	-	1,684,499	4,706,913	2,791,103	2,791,103

EXPENDITURES BY DIVISION

	FY 2023-24 ¹ Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Community Programs	-	1,243,659	3,941,000	2,186,091	2,186,091
Senior Programs	-	440,840	765,913	605,012	605,012
TOTAL	-	1,684,499	4,706,913	2,791,103	2,791,103

CHARACTER OF EXPENDITURES

	FY 2023-24 ¹ Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	-	568,045	624,763	658,553	658,553
Subtotal	-	568,045	624,763	658,553	658,553
Supplies and Services					
Purchased Services	-	509,582	2,858,650	816,550	816,550
Supplies and Materials	-	34,606	28,500	26,000	26,000
Capital Expenditures	-	-	590,000	590,000	590,000
Other Expenditures	-	572,266	605,000	700,000	700,000
Subtotal	-	1,116,454	4,082,150	2,132,550	2,132,550
TOTAL	-	1,684,499	4,706,913	2,791,103	2,791,103

AUTHORIZED FTE

	FY 2023-24 ¹ Adopted	FY 2024-25 Adopted	FY 2025-26 Adopted	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Community Services Manager	-	1.00	1.00	1.00	1.00
Community Services Supervisor ²	-	1.00	1.00	1.00	1.00
Recreation Leader II (1 FTE, 1 PT)	-	1.45	1.45	1.45	1.45
Van Drivers (2-PT)	-	1.00	1.00	1.00	1.00
Nutrition Site Supervisor (PT)	-	0.75	0.75	0.75	0.75
Kitchen Aide (PT)	-	0.50	0.50	0.50	0.50
TOTAL	-	5.70	5.70	5.70	5.70

¹ Division transferred to City Manager's Office from Administrative Services effective FY 2024-25.

² FY 2026-27: Position title changed from Recreation Coordinator to Community Services Supervisor.

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Community Services Division Summary

SERVICE DESCRIPTION

Community Services is responsible for an array of services and facilities for residents and visitors to our City. Responsibilities include senior services, facility and park reservations, family and children programming, city-sponsored events, sports, leisure, and urban arts programming.

The Focus is on providing efficient, responsive, and innovative community-based services that promotes a healthy and safe neighborhood that meets the communities' diverse cultural, recreation, and information needs.

The Division is staffed with 5.70 full-time equivalent positions:

- 1 Community Services Manager
- 1 Community Services Supervisor
- 1 Part-Time (0.75) Nutrition Site Supervisor
- 1 Part-Time (0.5) Kitchen Aide
- 2 Part-Time Van Drivers (1.0)
- 1 Full-Time and 1 Part-Time (0.45) Recreation Leaders

The Community Services Division activities rely heavily on interdepartmental, inter-jurisdictional, and community partnerships to deliver services that enhance the quality of life for East Palo Alto residents with a focused effort on increasing community engagement. The Community Services Division provides staffing support to the Senior Advisory Committee, including efforts to fill vacancies with committed residents that represent the myriad of skill/talent, community senior interests, and cultural diversity of the community.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget is \$1,915,810, or 40.7%, lower than the FY 2025–26 Adopted Budget. This decrease is primarily attributable to reductions in purchased services and supplies and materials totaling \$2,044,600, partially offset by increases in salaries and benefits and other expenditures totaling \$128,790.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	\$4,706,913		
2026-27 Proposed	\$2,791,103	(\$1,915,810)	-40.7%
2026-27 Adopted	\$2,791,103	\$0	0.0%

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Community Services Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Complete the evaluation of the Youth Commission project and launch said initiative or pivot to alternative based on information received.	Completed robust Community Engagement strategy and received approval to move forward with three-year implementation plan for Youth Commission and Youth Task Force.
2. Launch pilot Dog Park to determine feasibility for permanent space at Martin Luther King Junior Park or other site.	In process of completing Pilot Dog Park by adoption of budget.
3. Work with Ravenswood School District to rollout Memorandum of Understanding/JUA to expand available parkland space for residents.	Looking to create a more significant approach to the joint use agreement that will serve the community more appropriately.
4. Maintain and expand senior and disabled individuals' vulnerability and emergency contact database.	Working on strategy to incorporate this into other funding mechanisms like Transient Occupancy Tax and/or Emergency Preparedness.
5. Conduct comprehensive evaluation of the Senior Center (as required per contract).	Evaluation of the Senior Center will be completed by budget adoption in June 2026 and full assessment will be completed by October 2026.
6. Implement quick-win projects from the Parks Master Plan.	Completion of scoreboard installation was in March. Cooley Landing AV Upgrades and Pilot Dog Park tentative for June 2026, Stadium Lighting and Park lighting improvements scheduled completion is October 2026.
7. Fund Community Services for YMCA, such as subsidized memberships.	Completed and is currently in the evaluation phase and project goals have been met each quarter.
8. Fund Community Services for EPACENTER to expand services and programs.	Completed and following changes to the schedule, we are in evaluation phase to be done by July 2026.

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Community Services Division

OBJECTIVES

1.	Continue making long deferred improvements to parks in the community that were outlined and requested in the Parks Master Plan.
2.	Make use of Park/Open Space to improve citywide communication and identify new ways to streamline outreach.
3.	Improve Senior Services community wide by making use of the Senior Services Assessment & Draft Plan.

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Information Technology Division Summary

SERVICE DESCRIPTION

The Information Technology (IT) Division functions as the City's primary technological cornerstone, assuming full responsibility for the design, implementation, and continuous stewardship of the municipality's digital landscape. By providing a robust and reliable infrastructure, the division ensures that every municipal department possesses the critical tools and technical support required to perform their daily operations with maximum efficiency and security.

The Information Technology (IT) Division currently is within the City Manager's Office with two permanent positions: Information Technology Manager, and Information Technology Specialist I-II.

Core functions of the IT Division include:

1. Network Infrastructure Management:

- **Wired and Wireless Network Support:** Design, implementation, maintenance, and troubleshooting of the City's local area network (LAN), wide area network (WAN) and wireless network (Wi-Fi) infrastructure across all City facilities.
- **Internet Connectivity Management:** Ensuring reliable and secure internet access for all City operations.
- **Network Security:** Implementing and maintaining firewalls, intrusion detection/prevention systems, virtual private network (VPNs), and other security measures to protect the City's network and data from cyber threats.
- **Network Monitoring and Performance Management:** Proactive monitoring of network health and performance to identify and resolve potential issues before they impact operations.

2. Systems and Server Administration:

- **Server Infrastructure Management:** Installation, configuration, maintenance, and monitoring of physical and virtual servers hosting critical City applications and data.
- **Operating System Support:** Providing support for server and desktop operating systems.
- **Data Backup and Recovery:** Implementing and managing robust data backup and recovery solutions to ensure business continuity in the event of data loss.
- **Cloud Services Management:** Evaluating, implementing, and managing cloud-based services as appropriate for City needs (e.g., e-mail, storage, software-as-a-service).

3. End-User Support and Help Desk Services:

- **Technical Support:** Providing timely and effective technical assistance to all City employees for hardware, software, and network-related issues via phone, email, remote access and in-person support.
- **Desktop and Laptop/Tablet Management:** Configuration, deployment, maintenance, and troubleshooting of employee workstations (desktops and laptops) and tablets.
- **Software Installation and Support:** Installing, configuring, and providing basic support for standard City software applications.
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CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Information Technology Division Summary

- **User Account Management:** Creating, managing, and disabling user accounts and access permissions.
- **IT Training and Guidance:** Providing basic IT training and guidance to employees on the use of City technology resources and best practices.

4. Application Support and Management:

- **Business Application Support:** Providing technical support for core City applications (e.g., financial management, permitting, public safety systems). This may involve vendor coordination.
- **Database Administration:** Managing and maintaining City databases.
- **Application Integration (as needed):** Assisting with the integration of different software applications to improve data flow and efficiency.

5. IT Security and Compliance:

- **Security Policy Enforcement:** Implementing and enforcing IT security policies and procedures.
- **Security Awareness Training:** Conducting security awareness training for employees to promote safe computing practices.
- **Vulnerability Management:** Identifying and addressing security vulnerabilities in City systems and applications.
- **Compliance with Regulations:** Ensuring IT systems and practices comply with relevant federal, State, and local regulations.

6. IT Planning and Procurement:

- **Technology Needs Assessment:** Collaborating with City departments to understand their technology needs and research, recommend, and implement appropriate solutions.
- **IT Strategic Planning:** Developing and maintaining the City's IT strategic plan, aligning technology investments with organizational goals.
- **Hardware and Software Procurement:** Managing the procurement process for IT hardware, software, and services, ensuring cost-effectiveness and compliance with purchasing policies.
- **IT Budget Management:** Assisting with the development and management of the IT budget.

7. Website and Digital Presence Support:

- **Website Content Management System (CMS) Support:** Providing technical support for the City's website content management system.
- **Basic Website Maintenance (if applicable):** Performing basic website troubleshooting.

Service Levels and Response Times:

The IT Division strives to provide timely and effective support. Specific service levels and response times may vary depending on the severity and complexity of the issue. Prioritization is typically based on impact to critical City operations.

The IT Division is committed to providing reliable and innovative technology solutions that empower the City to effectively serve its community.

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Information Technology Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Develop a Citywide Information Systems Master Plan.	The 5-Year Information Technology Strategic Plan was submitted to and subsequently approved by the City Council.
2. Create inter-departmental IT working group to foster communication, share best practices, and proactively address technological needs across the City.	To streamline digital operations and foster organizational synergy, the City established the Tech Governance Committee. This inter-departmental body is dedicated to breaking down silos by creating a unified forum for communication, the scaling of shared best practices, and the proactive identification of technological requirements across all City departments.
3. Collaborate with other departments to assist with the implementation of new applications and processes as directed by City Council priorities while providing technical expertise and ensuring seamless integration with the existing City infrastructure.	The 5-Year Information Technology Strategic Plan was developed through a comprehensive analysis of recommended strategic priorities, emphasizing a high degree of inter-departmental collaboration. This collaborative process ensured that the final Information Technology Plan—which has been formally presented to and accepted by the City Council—directly supports the implementation of new applications and processes aligned with Council priorities. By leveraging specialized technical expertise, the plan provides a roadmap for delivering modern solutions that maintain seamless integration with the City's existing infrastructure.
4. Continue to strengthen cybersecurity and data protection by enhancing cybersecurity posture, improving patch management compliance, strengthening data backup and recovery, and ensuring regulatory compliance.	The 5-Year Information Technology Strategic Plan incorporates a comprehensive cybersecurity component designed to proactively defend the City's digital assets. Central to this pillar is a commitment to continuous improvement of our cybersecurity posture. By embedding these safeguards into our long-term strategy, the City ensures the resilience of its infrastructure against evolving threats while maintaining operational continuity for all departments.
5. Continue to explore and implement emerging technologies.	Initiated a strategic research phase into emerging AI and automation technologies as part of the 5-Year Information Technology Strategic Plan. This effort focused on identifying scalable AI use cases to enhance municipal service delivery and operational efficiency.

CITY MANAGER'S OFFICE

FY 2026-2027 Budget

Information Technology Division

OBJECTIVES

- | | |
|----|--|
| 1. | Driven by the five-year IT strategic roadmap, our primary focus is the successful execution and completion of all Year 1 priorities. By adhering to this established timeline, we aim to transform these initial goals into tangible deliverables, ensuring the project maintains its momentum and remains aligned with our long-term organizational vision. |
|----|--|

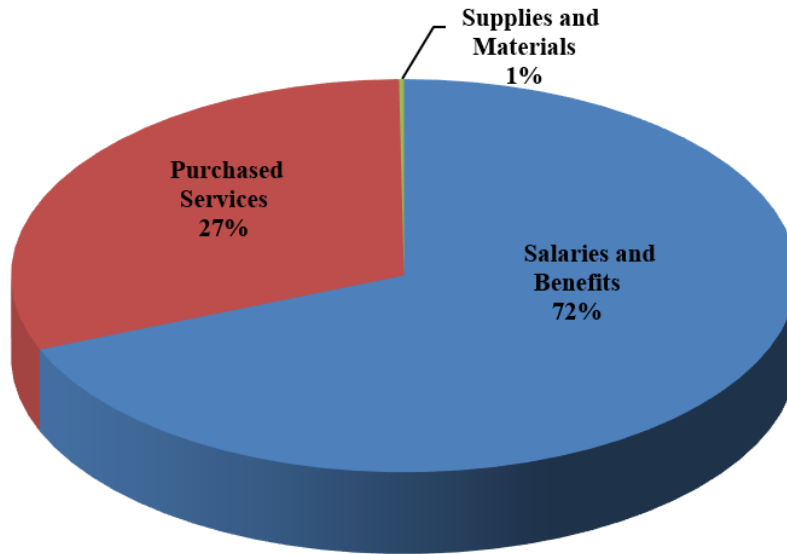
FINANCE DEPARTMENT

FY 2026-2027 Budget

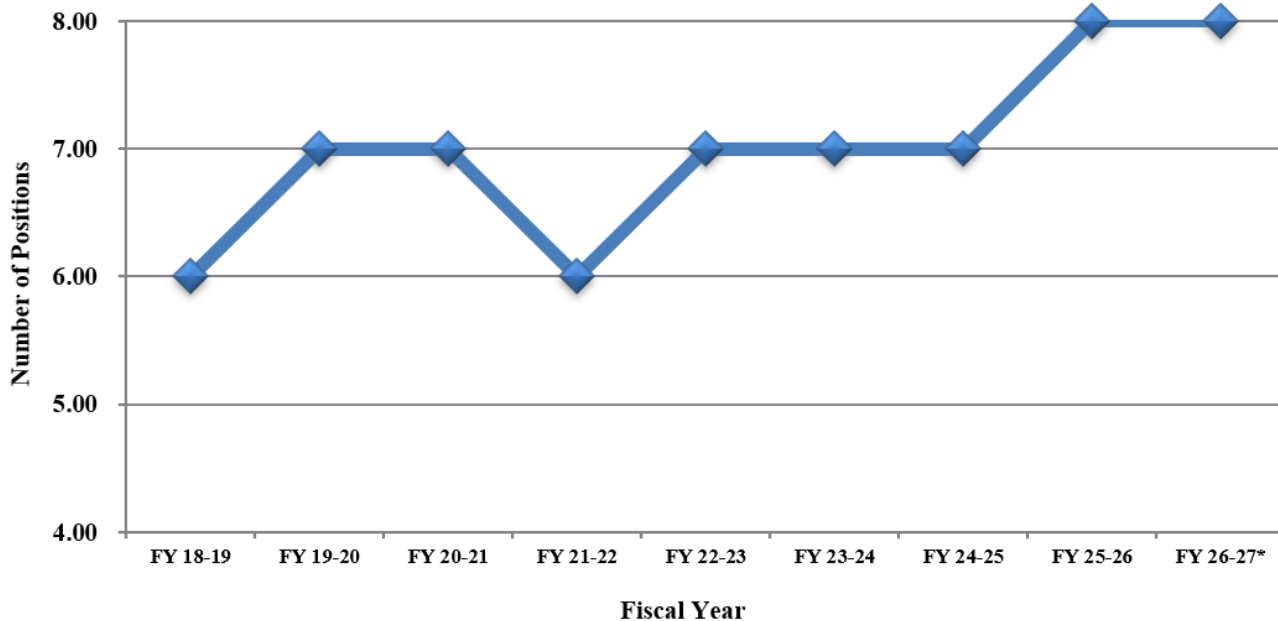
FY 2026-27

Operating	\$2,113,830
Positions	8

CHARACTER OF EXPENDITURES



AUTHORIZED STRENGTH



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

FINANCE DEPARTMENT

FY 2026-2027 Budget

Department Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	1,097,014	-	1,963,136	1,928,635	1,928,635
Special Revenue Funds	1,996	2,060	8,326	8,488	8,488
Capital Project Fund	25,032	51,047	62,671	72,832	72,832
Enterprise Funds	5,738	106,536	59,400	73,500	73,500
Successor Agency Trust Fund	30,433	27,189	27,593	30,374	30,374
TOTAL	1,160,213	186,831	2,121,126	2,113,830	2,113,830

EXPENDITURES BY DEPARTMENT

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Finance Department	1,160,213	1,524,635	2,121,126	2,113,830	2,113,830
TOTAL	1,160,213	186,831	2,121,126	2,113,830	2,113,830

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	976,555	1,130,313	1,414,780	1,455,309	1,455,309
Subtotal	976,555	1,130,313	1,414,780	1,455,309	1,455,309
Supplies and Services					
Purchased Services	174,867	389,048	701,546	654,221	654,221
Supplies and Materials	8,791	3,564	4,800	4,300	4,300
Capital Expenditures	-	-	-	-	-
Other Expenditures	-	1,710	-	-	-
Subtotal	183,658	394,322	706,346	658,521	658,521
TOTAL	1,160,213	1,524,635	2,121,126	2,113,830	2,113,830

AUTHORIZED FTE

	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Finance Director	1.00	1.00	1.00	1.00	1.00
Financial Services Manager	1.00	1.00	1.00	1.00	1.00
Accountant Senior	1.00	1.00	2.00	2.00	2.00
Accountant I	1.00	1.00	1.00	1.00	1.00
Account Technician I/II	2.00	1.00	1.00	1.00	1.00
Senior Accounting Technician	-	1.00	1.00	1.00	1.00
Grant Coordinator	1.00	1.00	1.00	1.00	1.00
TOTAL	7.00	7.00	8.00	8.00	8.00

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

FINANCE DEPARTMENT

FY 2026-2027 Budget

Department Summary

MISSION STATEMENT

Maintain the financial integrity of the City by providing fiscal management and oversight, including safeguarding assets. Oversee financial, compliance, and operational reviews and/or audits that provide independent and objective analysis of City departments; provide accurate, complete, and timely financial records, and enhance the City's financial reporting systems, controls, and disbursements.

Finance Department functions include administration, financial reporting, tax administration, budgeting, forecasting, cash management and treasury, capital financing and debt management, and risk management. The department has an authorized staffing level of eight positions, including: Finance Director/District Treasurer, Financial Services Manager, Accountant Senior (2), Accountant I, Senior Accounting Technician, Accounting Technician I/II, and Grants Coordinator.

Goals related to the Council Strategic Priorities for Finance Department include:

- Research new and diverse revenue sources, including grants and/or fees
- Maintain 10-year financial forecasts to enhance transparency and accountability
- Assess community needs, strategies, and support for funding public infrastructure initiatives.
- Assist the Sanitary District in developing finance and accounting procedures, improving efficiency, and supporting integration within the City.
- Implement a Centralized Grants Management System.
- Research options for the early termination of the Successor Agency to expedite dissolution and maximize the allocation of local tax revenues.
- Maintain an ongoing focus on improving daily operations to enhance effectiveness and efficiency in serving both City staff and external clients.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects a decrease of \$7,296, or 0.3%, compared to the FY 2025–26 Adopted Budget. The decrease is primarily attributable to lower expenditures for purchased services (-\$47,325) and supplies and materials (-\$500), partially offset by an increase in salaries and benefits (+\$40,529).

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change from Previous FY	% Change from Previous FY
2025-26 Adopted	\$2,121,126		
2026-27 Proposed	\$2,113,830	(\$7,296)	-0.3%
2026-27 Adopted	\$2,113,830	\$0	0.0%

FINANCE DEPARTMENT

FY 2026-2027 Budget

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Develop a Long-Term Fiscal Strategy and Structural Deficit Plan (Council Strategic Priority Work Plan).	Ongoing.
2. Maintain and Update 10-year Financial Projections to Enhance Transparency and Accountability.	Ongoing: The City annually reviews and updates the Forecasting Model using economic indicators and departmental input.
3. Research Options for the Early Termination of the Successor Agency to Expedite Dissolution and Maximize the Allocation of Local Tax Revenues.	In Progress: In February 2026, the Council approved the early cash defeasance of the Series 2015A Tax Allocation Refunding Bonds, planned for June 2026 and January 2027.
4. Develop and Implement CalPERS Prefunding Strategy.	In Progress: In February 2026, the Council approved a \$3,000,000 appropriation from the City's committed fund balance for Additional Discretionary Payments (ADP) to CalPERS. Staff is coordinating with CalPERS to process and remit the payments per their requirements.
5. Assess and prepare for utility operational and finance needs (Council Strategic Priority Work Plan).	Ongoing.
6. Implement a Grants Management System (Council Strategic Priority Work Plan).	Ongoing: Progress is underway, with City staff in the Pause for Change Learning Cohort working toward developing a solution.
7. Conduct a Comprehensive review of Financial Policies Including Credit Card Policy and Internal Control Policy.	Ongoing.
8. Complete FY2024-25 Annual Comprehensive Financial Report and submit application to Government Finance Officers Association (GFOA) by December 2025 for both City and Sanitary District.	Completed. ACFR was issued and submitted to GFOA.

FINANCE DEPARTMENT

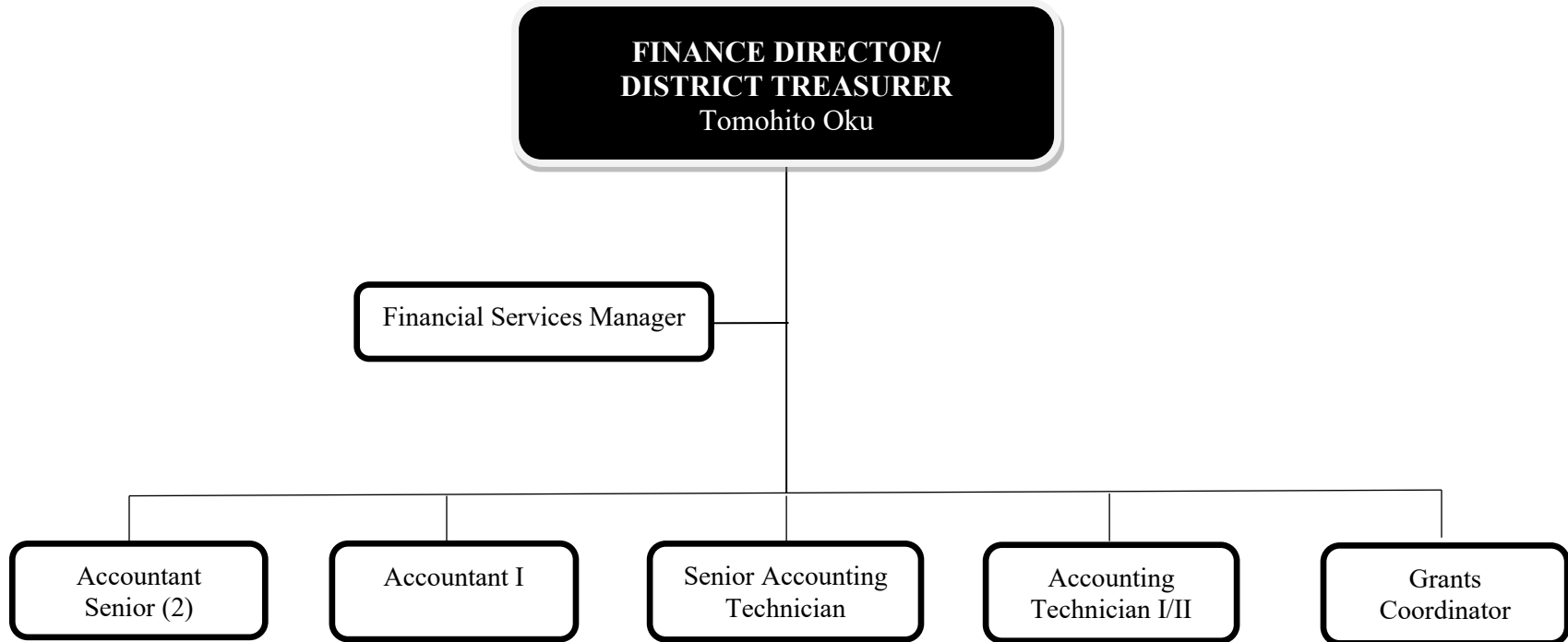
FY 2026-2027 Budget

OBJECTIVES

1.	Develop a Long-Term Fiscal Strategy and Structural Deficit Plan (Council Strategic Priority Work Plan).
2.	Implement the early cash defeasance of the Series 2015A Tax Allocation Refunding Bonds, as approved by the Council in February 2026, with a scheduled defeasance date in January 2027.
3.	Assess and prepare for utility operational and finance needs (Council Strategic Priority Work Plan).
4.	Implement a Grants Management System (Council Strategic Priority Work Plan).
5.	Conduct a Comprehensive review of Financial Policies Including Credit Card Policy and Internal Control Policy.
6.	Complete FY2025-26 Annual Comprehensive Financial Report and submit application to Government Finance Officers Association (GFOA) by December 2026 for both City and Sanitary District.

FINANCE DEPARTMENT

FY 2026-2027 Budget



Total FTE's: 8.0

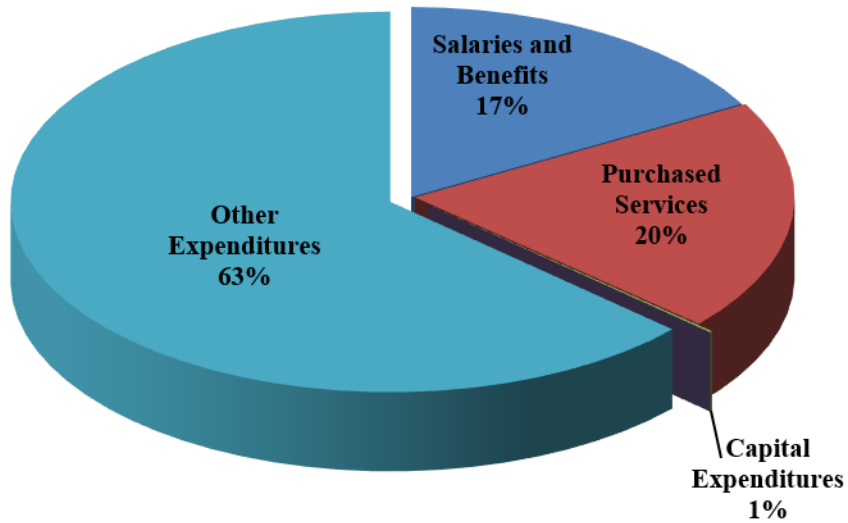
COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

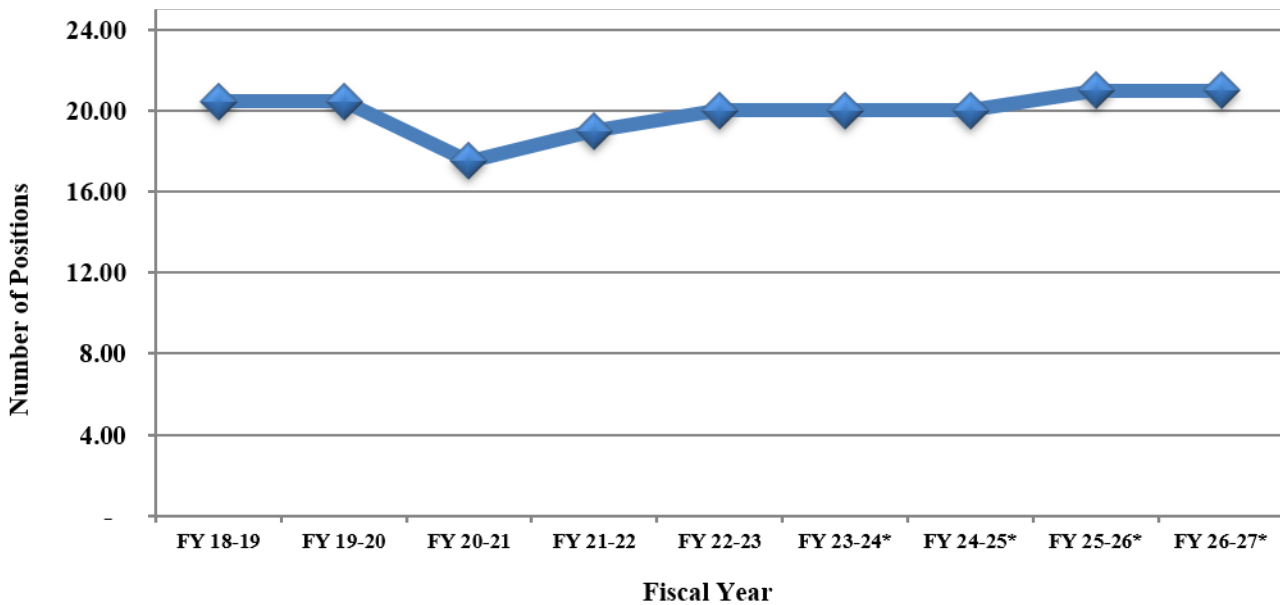
FY 2026-27

Operating \$22,268,732
Positions 21

CHARACTER OF EXPENDITURES



AUTHORIZED FTE



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Department Summary

SOURCES	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2026-27
	Actual	Actual	Adopted	Proposed	Adopted
General Fund					
Charges/Fees for Services	714,232	1,564,006	2,061,132	1,648,481	1,648,481
Use of Resources	2,554,967	2,140,368	2,637,516	1,895,752	1,895,752
Special Revenue Funds	1,800,742	1,253,212	2,450,439	18,724,499	18,724,499
Capital Project Funds	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	5,069,941	4,957,586	7,149,087	22,268,732	22,268,732

EXPENDITURES BY DIVISION	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2026-27
	Actual	Actual	Adopted	Proposed	Adopted
Administration Division	680,671	903,385	887,782	789,523	789,523
Building Services Division	1,165,948	1,169,013	1,735,132	1,262,481	1,262,481
Housing & Econ Development	1,698,191	1,587,325	2,798,131	18,542,361	18,542,361
Planning Division	1,525,131	1,297,863	1,728,042	1,674,367	1,674,367
TOTAL	5,069,941	4,957,586	7,149,087	22,268,732	22,268,732

CHARACTER OF EXPENDITURES	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2026-27
	Actual	Actual	Adopted	Proposed	Adopted
Personnel					
Salaries and Benefits	2,699,721	2,602,481	3,549,229	3,749,305	3,749,305
Subtotal	2,699,721	2,602,481	3,549,229	3,749,305	3,749,305
Supplies and Services					
Purchased Services	2,282,873	2,306,532	3,493,958	4,393,283	4,393,283
Supplies and Materials	26,515	33,701	31,601	25,101	25,101
Capital Expenditures	833	74,873	14,300	2,000	2,000
Other Expenditures	60,000	(60,000)	60,000	14,099,044	14,099,044
Subtotal	2,370,221	2,355,106	3,599,859	18,519,428	18,519,428
TOTAL	5,069,942	4,957,587	7,149,088	22,268,732	22,268,732

AUTHORIZED FTE	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2026-27
	Adopted*	Adopted*	Adopted*	Proposed*	Adopted*
Administration Division	4.00	4.00	4.00	4.00	4.00
Building Services Division	7.00	7.00	7.00	7.00	7.00
Housing & Econ Development	4.00	4.00	5.00	5.00	5.00
Planning Division	5.00	5.00	5.00	5.00	5.00
TOTAL	20.00	20.00	21.00	21.00	21.00

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Department Summary

MISSION STATEMENT

The Community & Economic Development Department seeks to make East Palo Alto a wonderful place to live, work, and play. The Department accomplishes this through effective current and long-range municipal planning, housing management, ensuring code compliance, and managing business attraction, small-business support, economic development, and retention opportunities in East Palo Alto.

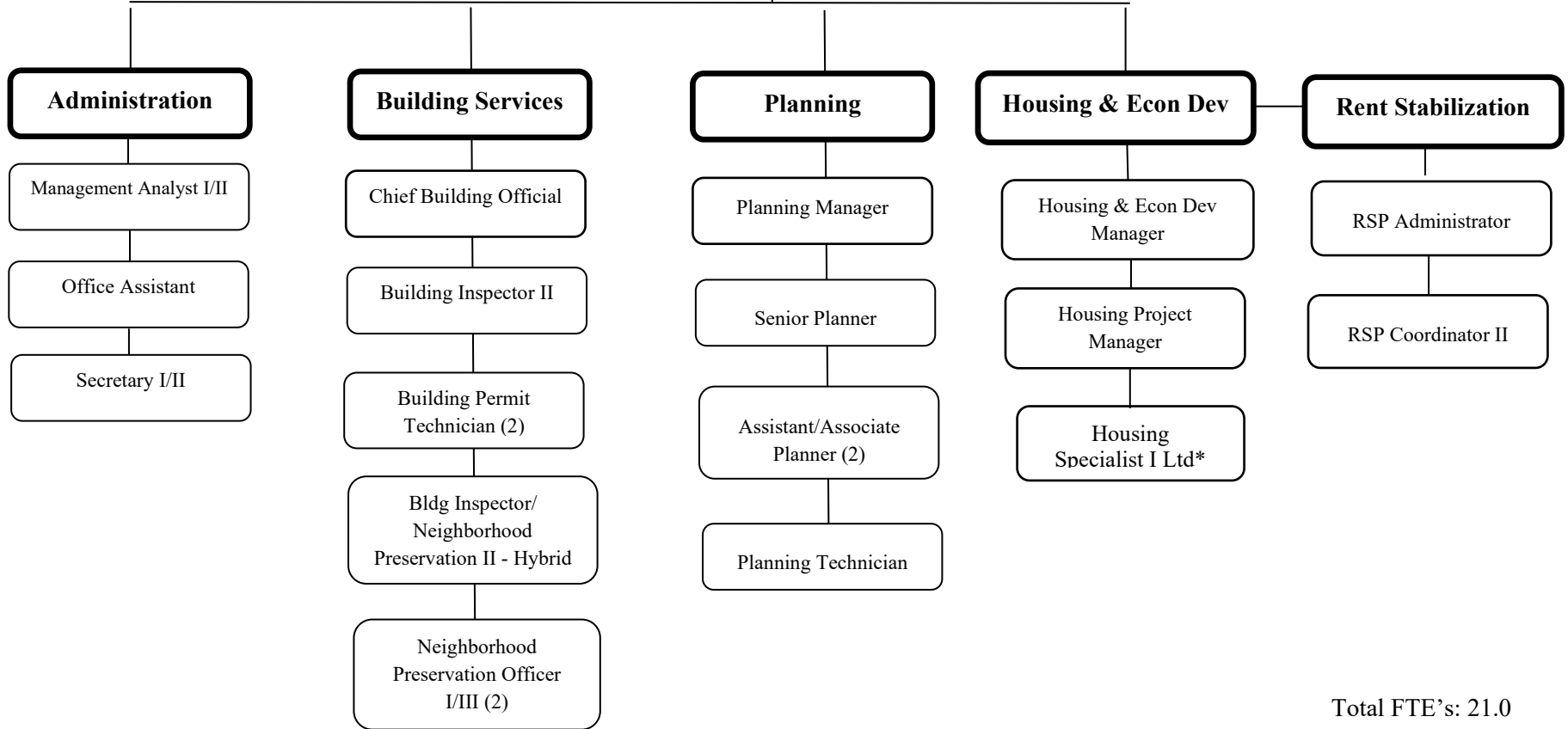
The Community and Economic Development Department consists of four divisions: Administration, Building, Planning, and Housing/Economic Development. The Department is responsible for a wide range of functions including:

- Coordinating and managing the City's development related functions (e.g. planning entitlement and permit processing; long range planning and development review; inspection services; assisting the production, preservation, and protections of affordable housing; and supporting compliance with the building code through enforcement);
- Coordinating business development and retention efforts through both capital projects and direct economic development efforts;
- Providing staff support to the Planning Commission and Rent Stabilization Board;
- Collaborating with regional organizations, such as the County Collaborative: 21 Elements, City/County Association of Governments (C/CAG), Metropolitan Transportation Committee (MTC), the South Bayside Waste Management Authority and the San Francisquito Creek Joint Powers Authority.

COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

FY 2026-2027 Budget

COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR
Vacant



Total FTE's: 21.0

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.
DB-52

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Administration Division

Division Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	558,523	797,141	686,231	498,576	498,576
Special Revenue Funds	122,148	106,244	201,551	290,947	290,947
Capital Project Funds	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	680,671	903,385	887,782	789,523	789,523

EXPENDITURES BY DIVISION

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Administration Division	680,671	903,385	887,782	789,523	789,523
TOTAL	680,671	903,385	887,782	789,523	789,523

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	509,069	753,484	675,672	727,543	727,543
Subtotal	509,069	753,484	675,672	727,543	727,543
Supplies and Services					
Purchased Services	167,504	146,668	205,210	53,230	53,230
Supplies and Materials	4,098	2,807	6,100	7,750	7,750
Capital Expenditures	-	426	800	1,000	1,000
Other Expenditures	-	-	-	-	-
Subtotal	171,602	149,901	212,110	61,980	61,980
TOTAL	680,671	903,385	887,782	789,523	789,523

AUTHORIZED FTE

	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Community & Econ Development Director	1.00	1.00	1.00	1.00	1.00
Management Analyst II	1.00	1.00	1.00	1.00	1.00
Secretary II	1.00	1.00	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00	1.00	1.00
TOTAL	4.00	4.00	4.00	4.00	4.00

* Beginning with FY 2023–24, Authorized FTE may include limited-term positions.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Administration Division Summary

SERVICE DESCRIPTION

The Community and Economic Development Department provides a wide array of services to the community. The Department provides planning and development related services to property owners and businesses. The Community and Economic Development Department serves as the focal point for business and economic development efforts as well as administration of local affordable housing funds, implementation of the General Plan and Building Codes, and other services including regional agency coordination.

The Administration of the Community and Economic Development Department is led by the Community and Economic Development Director with the assistance of one Management Analyst I/II and two (2) administrative support staff. The Administration Division manages the activities of and sets policy for the Department, manages budgets, and coordinates grant partnerships and contract administration, and oversees other administrative processes. Additionally, the Administration Division of Community and Economic Development works collaboratively with Public Works and is co-located with the Public Works Administration Division at the Tate Street offices, which is referred to as the City Permit Center.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects a net decrease of \$98,259, or 11.1%, compared to the FY 2025–26 Adopted Budget. The decrease is primarily driven by a \$151,980 reduction in purchased services expenditures. Partially offsetting these savings are increases of \$51,871 in salaries and benefits, \$1,650 in supplies and materials, and \$200 in capital expenditures.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous	% Change From Previous FY
2025-26 Adopted	\$887,782		
2026-27 Proposed	\$789,523	(\$98,259)	-11.1%
2026-27 Adopted	\$789,523	\$0	0.0%

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Building Services Division

Division Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	359,071	1,169,013	1,735,132	1,262,481	1,262,481
Use of Resources	806,785	-	-	-	-
Special Revenue Funds	92	-	-	-	-
Capital Project Funds	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	1,165,948	1,169,013	1,735,132	1,262,481	1,262,481

EXPENDITURES BY DIVISION

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Building Services Division	1,165,948	1,169,013	1,735,132	1,262,481	1,262,481
TOTAL	1,165,948	1,169,013	1,735,132	1,262,481	1,262,481

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	750,461	484,423	1,132,246	1,156,148	1,156,148
Subtotal	750,461	484,423	1,132,246	1,156,148	1,156,148
Supplies and Services					
Purchased Services	407,309	601,106	579,736	94,683	94,683
Supplies and Materials	8,178	9,725	13,150	10,650	10,650
Capital Expenditures	-	73,758	10,000	1,000	1,000
Other Expenditures	-	-	-	-	-
Subtotal	415,487	684,590	602,886	106,333	106,333
TOTAL	1,165,948	1,169,013	1,735,132	1,262,481	1,262,481

AUTHORIZED FTE

	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Chief Building Official	1.00	1.00	1.00	1.00	1.00
Building Inspector II	1.00	1.00	1.00	1.00	1.00
Building Permit Technician	2.00	2.00	2.00	2.00	2.00
Code Enforcement/Bldg Inspector Hybrid	-	-	1.00	1.00	1.00
Code Enforcement Officer II	3.00	3.00	2.00	2.00	2.00
TOTAL	7.00	7.00	7.00	7.00	7.00

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Building Services Division Summary

SERVICE DESCRIPTION

The Building Division ensures that existing and new/proposed development complies with the California Building Standards Code, Title 24, including California Code of Regulations Titles 8 and 19 as mandated by the State of California. The Division provides customer assistance to residents, property owners, contractors, developers, design professionals and businesses via the City's Permit Center. Services include plan review, permit issuance and assistance, building inspections, and enforcement of state and local regulatory laws.

Building Services Division responsibilities include project plan review, inspections, permit activities coordination, evaluation, implementation of codes and policies, and construction-related code enforcement for existing and new buildings and properties of all construction types and occupancies. The goal of the Division is to enforce minimum life safety standards for the built environment, which enhances the quality of life for residents and businesses.

Enhancement and constant improvement of building services and streamlining of the permitting and inspection processes are a major component of the City's economic and business development effort. The Division is managed by the Chief Building Official and is staffed with one Building Inspector, two Neighborhood Preservation Officers, one Building Inspector/Neighborhood Preservation Officer, and two Permit Technicians.

Additionally, the Building Services Division continues to add to customer service and operational efficiencies by developing and distributing educational handouts, policies, procedures, and written interpretations that address enforcement. These resources are also made available online to aid our customers in their efforts related to new construction, additions, alterations, maintenance, and repair of properties and structures in the City of East Palo Alto.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026-27 Proposed Budget is \$472,651 (27.2%) lower than the FY 2025-26 Adopted Budget. The decrease is primarily attributable to reductions in purchased services (\$485,053), capital expenditures (\$9,000), and supplies and materials (\$2,500), partially offset by a \$23,902 increase in salaries and benefits.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	\$1,735,132		
2026-27 Proposed	\$1,262,481	(\$472,651)	-27.2%
2026-27 Adopted	\$1,262,481	\$0	0.0%

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Building Services Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Ongoing improvements of service quality, efficiency and customer service levels in all areas of the Building Division's Permit Center, Building Inspections, Building Plan Review, and Code Enforcement.	Continued to improve service quality and operational efficiency across the Permit Center, Building Inspections, Building Plan Review, and Code Enforcement. Implemented electronic plan stamping to streamline permit issuance and reduce manual processing. Actively piloting workflow technologies to further automate routine tasks, improve turnaround times, and enhance the customer experience across all service areas
2. Implement the 2025 California Building Standards Code and adopted local amendments to maintain safety, sustainability, and code consistency.	Adopted and implemented the 2025 California Building Standards Code in accordance with AB 130, establishing the state baseline as the effective standard for all permit applications. Concurrently adopted local amendments incorporating an updated reach code to advance sustainability and energy efficiency goals.
3. Continue to support staff to pursue all applicable certification, training, and education in order for staff to develop and achieve their potential for exemplary customer benefits.	Supported staff development through year-round training opportunities, including in-person and remote sessions with CACEO, CALBO, SAP (Safety Assessment Program) Evaluator, and FEMA emergency preparedness programs, ensuring all Building Division staff participated as these sessions occurred. Provided on-the-job training as situational topics arise, enhancing staff's technical and customer service skills.
4. Conduct targeted public outreach to educate stakeholders on the 2025 code adoption, major changes, and their implications for building permit applicants.	Conducted targeted public outreach to inform stakeholders of the 2025 California Building Standards Code adoption and its implications for permit applicants. Building Division informational handouts and the division website are currently being updated to reflect new code requirements, ensuring applicants have access to current, accurate information prior to submittal.
5. Launch and support SolarAPP+ for the automated, same-day permitting of eligible residential solar energy systems, improving turnaround time and reducing staff review workload.	Continued piloting SolarAPP+ for automated, same-day permitting of eligible residential solar energy systems. The platform is actively being evaluated to streamline solar permit approvals, reduce staff review workload, and improve turnaround times for applicants.
6. Conduct proactive code enforcement with dedicated staff time allocated to address Tier 3 code violations, ensuring compliance and community safety.	Conducted proactive code enforcement with dedicated staff time focused on Tier 3 violations. New case intake and case closures are both tracking above annual targets, reflecting sustained enforcement activity and staff commitment to maintaining compliance and community safety citywide.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Building Services Division

OBJECTIVES

1.	Continue to improve operational efficiency across the Permit Center, Building Inspections, Plan Review, and Code Enforcement through technology modernization, electronic workflows, and process improvements that support effective and fiscally responsible service delivery.
2.	Pilot the use of AI-assisted tools to support building code compliance review, with the goal of improving plan check consistency, reducing turnaround times, and supporting the City's development objectives.
3.	Explore and implement AI-assisted workflow tools to automate repetitive administrative tasks, improve staff capacity, and enhance responsiveness to permit applicants.
4.	Provide staff training and community education on the 2025 California Building Standards Code and applicable state housing laws, to ensure consistent code application and informed permit applicants in support of the City's housing objectives.
5.	Transition SolarAPP+ from pilot to full production for automated same-day permitting of eligible residential solar energy systems, reducing staff workload and improving turnaround times in support of the City's sustainability and infrastructure goals.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

Division Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	236,357	440,357	549,243	108,809	108,809
Special Revenue Funds	1,461,834	1,146,968	2,248,888	18,433,552	18,433,552
Capital Project Funds	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	1,698,191	1,587,325	2,798,131	18,542,361	18,542,361

EXPENDITURES BY DIVISION

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Housing and Economic Development	1,230,713	1,105,549	2,382,437	17,953,737	17,953,737
Rent Stabilization Program	467,478	481,776	415,694	588,624	588,624
TOTAL	1,698,191	1,587,325	2,798,131	18,542,361	18,542,361

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	662,893	505,877	835,625	927,095	927,095
Subtotal	662,893	505,877	835,625	927,095	927,095
Supplies and Services					
Purchased Services	964,631	1,124,796	1,897,006	3,510,872	3,510,872
Supplies and Materials	10,667	16,541	5,500	5,350	5,350
Capital Expenditures	-	111	-	-	-
Other Expenditures (Loans)	60,000	(60,000)	60,000	14,099,044	14,099,044
Subtotal	1,035,298	1,081,448	1,962,506	17,615,266	17,615,266
TOTAL	1,698,191	1,587,325	2,798,131	18,542,361	18,542,361

AUTHORIZED FTE

	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Housing & Economic Development Mgr	1.00	1.00	1.00	1.00	1.00
Housing Project Manager	1.00	1.00	1.00	1.00	1.00
Housing Specialist I Ltd*	-	-	1.00	1.00	1.00
RSP Administrator	1.00	1.00	1.00	1.00	1.00
RSP Coordinator II	1.00	1.00	1.00	1.00	1.00
TOTAL	4.00	4.00	5.00	5.00	5.00

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division Summary

SERVICE DESCRIPTION

Administer affordable housing and workforce development programs, including the Rent Stabilization Program. The Rent Stabilization Program administers the Rent Stabilization and Eviction for Just Cause Ordinance, which 1) stabilizes rents, 2) protects residential tenants from unreasonable rent increases and unjust or retaliatory evictions; and 3) facilitates improvements for an economically viable rental housing market. The affordable housing and economic development programs include various initiatives to protect residents from displacement and increase housing affordability and economic mobility.

Initiatives include rental assistance, eviction defense, homelessness prevention, foreclosure prevention, home repairs, housing rehabilitation and preservation, affordable housing production, first-time homebuyer support, workforce development, and connection to job opportunities in the STEM and Building trades fields.

The Housing and Economic Development Division is a division incorporating programmatic tasks related to affordable housing development and programs, as well as the Rent Stabilization Program. Affordable housing and economic development programs are funded through multiple sources, including grants, Measure HH, Measure JJ, Transient Occupancy Tax, Inclusionary Housing In-Lieu Fees, successor housing, and the General Fund. The Rent Stabilization Program is fully funded through annual registration fees paid by landlords for regulated rental units. In addition to supporting the Rent Stabilization Board in adopting and implementing regulations for the Ordinances, the staff works directly with residents and landlords to gain compliance with the Ordinances and to improve living conditions for rental residents.

The Division has a staffing level of (4) positions and (1) limited-term position for these services and is supported by staff from the City Attorney's Office, City Manager's Office, Planning Division, Building Division, Public Works and Engineering, and the Finance Department. The Division also contracts Information Technology providers, hearing examiners, consultants, and temporary staff as needed.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026-27 Proposed Budget reflects an increase of \$15,744,230, or 562.7%, compared to the FY 2025-26 Adopted Budget. The increase is primarily driven by a \$14,039,044 increase in the Other Expenditures category, consisting primarily of loan advances for the Affordable Housing Preservation Fund, Affordable Housing Production NOFA projects, and County Equity Innovation Fund preservation funding. Purchased services also increase by \$1,613,866, primarily for professional and technical services related to Measure HH, major home repairs, direct rental assistance, and anti-displacement services. In addition, salaries and benefits increase by \$91,470. These increases are partially offset by a \$150 reduction in supplies and materials.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	\$2,798,131		
2026-27 Proposed	\$18,542,361	\$15,744,230	562.7%
2026-27 Adopted	\$18,542,361	\$0	0.0%

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Identify, apply for, and leverage regional, state and federal funding sources for affordable housing activities.	In 2025, the City did not submit applications for additional funding due to a reduction in available state funding. The City continues to monitor funding opportunities and assess alternative sources to sustain and advance housing programs, ensuring ongoing support for affordable housing development and related community initiatives.
2. Collaborate with affordable housing developers to ensure widespread marketing and outreach when units are open to applications.	The housing team already takes an active and collaborative role in supporting outreach efforts. For any developer submitting an inclusionary housing application, the housing team requires a comprehensive marketing plan to ensure that available units are properly and widely marketed to the community. This includes clear guidance on outreach strategies, recommended advertising platforms, and best practices for reaching income-qualified households. In addition, the housing team works closely with developers throughout the process to encourage inclusive, accessible, and transparent marketing efforts. The goal is to maximize community awareness, promote equitable access to housing opportunities, and help ensure that all available units reach eligible residents effectively.
3. Implement the City's Below Market Rate Program through monitoring and enforcement.	Housing staff continue to work closely with the BMR Administrator to monitor existing Below Market Rate (BMR) units and meet on a bi-weekly basis to review and address program compliance cases. In addition, the team is evaluating the Local Preference guidelines, as needed, to support the ongoing stewardship of 53 existing BMR units and the anticipated addition of 8 new rental or for-sale inclusionary housing units.
4. Participate in the Grand Nexus Study of inclusionary housing in-lieu fees and commercial linkage fees.	The City of East Palo Alto is participating in the Grand Nexus and Feasibility Study to explore potential updates to inclusionary housing requirements, including an evaluation of commercial linkage fee programs. San Mateo County is leading the effort, with grant and financial support provided by participating cities. Strategic Economics was selected through a competitive procurement process in 2025 to conduct the study. The City Council approved entering into a Memorandum of Understanding

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
	(MOU) with the County and Strategic Economics on October 21, 2024, and the project officially kicked off in January 2026.
<p>5. Implement and provide annual updates to the Inclusionary Housing Ordinance, including the Inclusionary Guidelines and in-lieu fees, in addition to any necessary amendments to adapt the ordinance to small projects.</p>	<p>The City of East Palo Alto continues to implement the Inclusionary Housing Ordinance (IHO) and provide periodic updates to the Inclusionary Guidelines and in-lieu fee structure, as needed. The City has also adopted provisions to address small-scale development allowing SB 9 lot split projects to be exempt from IHO requirements in order to reduce barriers to housing production. In addition, as mentioned previously, the City is participating in the Grand Nexus and Feasibility Study in partnership with the County, which will inform future updates to the IHO. In the meantime, City Council conducted an IHO Study Session on March 24, 2026, and directed staff to return with a Temporary Housing Development Incentive Program (THDIP) to promote housing development while the Grand Nexus and Feasibility Study is conducted.</p>
<p>6. Track progress toward meeting RHNA goals through the production of inclusionary housing units, ADUs, SB 9 units, SB 35 units, Density Bonus units, and housing for special needs and low-resourced populations.</p>	<p>The City annually reviews its progress in meeting Regional Housing Needs Allocation (RHNA) targets and evaluates the effectiveness of Housing Element policies and programs, with findings reported in the Annual Progress Report to HCD. The City also tracks production of inclusionary housing units, ADUs, SB 9 units, and housing for special needs populations. If the City is not making sufficient progress toward its Housing Element goals—specifically, achieving at least 130 lower-income units under construction or completed by 2027—it will, within six months, consider alternative land use strategies. These may include amending existing policies and programs, introducing new actions, identifying additional housing sites (including rezoning if necessary), and implementing strategies to support a broader range of housing types, such as missing middle housing, adaptive reuse, and increased development of ADUs and JADUs.</p>
<p>7. Implement a preservation strategy that addresses funding sources, identification of properties, and partnerships that can lead to preservation of existing affordable and</p>	<p>The City of East Palo Alto is implementing a comprehensive preservation strategy to protect existing affordable and rent-stabilized housing. On March 21, 2023, the City Council reviewed</p>

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
<p>rent-stabilized housing units in East Palo Alto. Prioritize assistance to lower resource neighborhoods identified in the Housing Element’s Affirmatively Furthering Fair Housing (AFFH) analysis.</p>	<p>potential funding sources and directed staff to pursue opportunities such as FIHPP, REAP 2.0, and other programs, as well as to develop preservation guidelines and establish a preservation fund. In 2025, the City Council allocated funding toward this effort, and staff prepared a Preservation NOFA, anticipated for release in early 2026.</p> <p>The strategy focuses on identifying at-risk and substandard properties, maintaining an updated inventory of such units, and forming partnerships to support long-term affordability. The City prioritizes assistance to lower-resource neighborhoods identified in the AFFH analysis and works to ensure compliance with the State Preservation Notice Law. Staff also actively engage property owners to preserve at-risk units and improve property conditions, with a goal of rehabilitating 13 substandard or at-risk units between 2024 and 2028.</p>
<p>8. Issue a Notice of Funding Availability (NOFA) for affordable housing preservation and production to expense affordable housing funds.</p>	<p>Ongoing. In 2025, the City utilized a \$100,000 award from the County of San Mateo’s Equity Innovation Fund to develop its Affordable Housing Preservation NOFA and program guidelines. On May 6, 2025, the City Council appropriated \$2,050,000 toward the Affordable Housing Preservation Program, which is anticipated to launch in early 2026 to support the acquisition, rehabilitation, and conversion of housing into long-term affordable units. Staff have started developing the Production NOFA guidelines and are seeking Council allocation of funding in the FY 26-27 budget, for anticipated release of the Production NOFA in late 2026 or in 2027.</p>
<p>9. Encourage smaller-scale housing that is relatively more affordable, including accessory dwelling units (ADUs). Collaborate with 21 Elements, the ADU Resource Center, and the ADU Technical Working Group, and with Planning and Building to develop and implement a “next-phase” strategy for promotion of ADUs, SB 9 units, and any future small development. This includes development code amendments and consideration of free</p>	<p>The Housing Division continues to meet with the ADU Technical Working Group and collaborate with 21 Elements/CPC and the ADU Resource Center to expand access to smaller-scale, more affordable housing.</p>

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
waivers or reductions, financial incentives and previously approved and modular ADU design plans.	
10. Monitor and continue administration of the CalHome ADU/JADU Loan Program.	The CalHome program ended in 2024. The City submitted one final application to the program in the beginning of 2025 but was not selected for funding.
11. Implement an effective and fair housing-compliant Local Preference Policy and post to website.	<p>On January 21, 2025, City Council adopted a resolution adopting an updated Local Preference Policy. The Local Preference Policy was implemented for the Colibri Commons, a 136-unit 100% affordable housing development built on formerly vacant city-owned land. Colibri Commons houses individuals and families earning 30% to 60% AMI, and individuals with disabilities or those who were formerly experiencing homelessness. The City was able to negotiate a 60% live/work/formerly displaced local preference requirement with the County of San Mateo, based on a disparate impact study MidPen funded and the County's AHF 12 NOFA underwriting policies, which allow city-imposed local preferences proportionally based on the relative City and County financial contributions. Of the total 136 units, 16 were set aside for Special Needs (with State/Federal funding), and 60% of the remaining 120 (72) were local preference, with the remaining 40% (48 units) open pool. Colibri Commons started its marketing in April 2025, and its tenant file intake process in June 2026. By January 2026, it was able to achieve full occupancy, with 89 East Palo Alto households moved into the 136 units (65 from local preference units, 20 from general pool, and 3 from Project Based Voucher units).</p> <p>Local Preference Policy: https://www.cityofepa.org/housing/page/local-preference</p>
12. Coordinate with the County and social service partners to reduce homelessness in East Palo Alto.	The City continues to meet monthly with the County of San Mateo and core service providers to address homelessness and manage encampments. These meetings focus on coordinating services, identifying resources, and implementing strategies to connect individuals experiencing homelessness with housing, supportive services, and long-term solutions.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
<p>13. Improve transparency and communication between the City and the public on housing issues, making the City website, social media, and newsletter a reliable source of housing information and making parallel efforts to reach residents through mailers and in-person meetings.</p>	<p>The Housing Division actively works to improve transparency and communication on housing issues. The division regularly updates the City website, social media channels, and newsletters to provide reliable and accessible housing information. In addition, the Housing Division conducts outreach through mailers, community meetings, and in-person events to ensure residents have multiple ways to stay informed and provide input.</p>
<p>14. Monitor and update City Council on progress made on the City’s Housing Element and Affordable Housing Strategy Regularly assess the level of staffing or contract assistance to ensure that sufficient staffing is committed to implementing the policies and programs in a timely manner.</p>	<p>The City annually reviews staffing and contract needs during the budget process, based on the Housing Element work program for the upcoming fiscal year, and allocates sufficient funds within the Community Economic Development Department budget to support these priorities. To augment capacity, the City entered into a contract in 2024 with HEART of San Mateo County for staff support as needed, with the contract continuing through January 2027. The City also hired a Temporary Housing Specialist to provide additional Housing Division support in FY 2025-26. Additionally, HEART’s Housing Consulting Services assisted with the City’s 2024–2028 Affordable Housing Strategy Update under a three-year shared housing staff agreement covering 2023–2026. These efforts ensure adequate resources are in place to implement the City’s housing programs effectively.</p>
<p>15. Join with other cities in San Mateo County to share housing staff to support longer-term housing initiatives and programs.</p>	<p>The City continues to participate with other San Mateo County communities to share housing staff and support longer-term housing initiatives and programs. As part of this collaboration, the City accesses HEART of San Mateo County’s Housing Consulting Services program, leveraging additional expertise and staffing resources.</p>
<p>16. With added staffing capacity, establish and implement a rent registry for both stabilized and market-rate rental units.</p>	<p>The City hired a Temporary Housing Specialist to add Housing support on both Housing division and Rent Stabilization Program in FY 25-26, including support with rent registry. The City also has a Partnership for the Bay’s Future Fellow will is supporting with this policy goal until the end of 2026. Initiated in 2023, staff have conducted research on implementing a citywide rent registry for both stabilized and market-rate rental units, including interviewing other cities such as</p>

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
	Berkeley and Alameda and learning about their program implementation. Progress continues, with Tolemi selected as the vendor for the registry database. The Rent Stabilization Program has migrated its data and launched a portal in early 2026 to transition properties under the RSO, and approximately 2,500 rent-stabilized units will be registered in the new system. This expanded staffing and infrastructure support the City's goal of a comprehensive and accessible rent registry.
17. With added staffing capacity, create homeownership opportunities for East Palo Alto residents and housing stability for existing homeowners, prioritizing seniors aging in place and lower-resourced neighborhoods. Programs can include home repair program, first-time homebuyer program, and foreclosure prevention.	Staff has worked in collaboration with HEART of San Mateo to support existing and future homeowners through the creation of major and minor home repair programs and research into a future First Time Homebuyer Program. The City of East Palo Alto has signed onto the County of San Mateo Minor Home Repair program which will begin to administer home repairs to senior low-income households in July 2026. Staff is in the process of finalizing guidelines and issuing a NOFA for a Major Home Repair program once funding is allocated by Council in FY 26-27. Lastly, staff interviewed several banks and credit unions with experience administering First Time Homebuyer programs in the Bay Area. Staff will present on the lessons learned, potential programs, and recommendations for such a program to City Council in mid-2026.
18. Evaluate and monitor program outcomes for the Measure HH Pilot Workforce Development Program.	The Pilot Workforce Development Program, approved in October 2022 with Measure HH funds, initially served 80 East Palo Alto residents through three partner organizations. In 2024, additional funding extended the program to May 2025, adding 40 more students, with the program ultimately running through December 2025. A consultant evaluation completed by June 2025 confirmed the program's success and provided recommendations for improvement.
19. Establish an RFP and execute contracts to continue the City's Measure HH Workforce Development Program.	Building on the Measure HH Pilot Workforce Development Program's outcomes, staff have started drafting an RFP to expand workforce development services and plan to issue it in 2026.
20. Submit notices of noncompliance to landlords when regulated rental units are not properly registered as required by the ordinances and regulations with	This is an ongoing activity of the Rent Stabilization Program. Staff track regulated rental units; noncompliance notices are sent out, and

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
	penalty fees are accrued for noncompliance and penalty waivers are processed for good cause.
21. Process pending petitions submitted by landlords and tenants within the timelines established in the Rent Stabilization Ordinance and regulations.	This is an ongoing activity of the Rent Stabilization Program. 26 petitions were submitted by residents living in Woodland Park under Sandhill Properties. RSP staff are reviewing those petitions and hearings have begun but are not yet resolved.
22. Mail Annual Program Fee Statements forms to landlords of regulated rental units under the 2010 Ordinance (regulated residential dwelling units) in November, so landlords can timely submit them and meet the deadlines established by the ordinances.	Staff sent out the 2025-2026 Annual Program Fee Statements and instructions for new online registration in November 2025. Notices were mailed to property owners of regulated units.
23. Under the 2010 Ordinance, issue Certificates of Maximum Allowable Rent for new tenants within five business days of the Board's receipt of a completed Vacancy Registration Statement to comply with the Ordinance and regulations.	This is an ongoing activity of the Rent Stabilization Program. Staff have worked with landlords to educate requirements under the ordinance. Staff have worked to bring landlords back into compliance when tenant registrations have not been submitted.
24. Provide information on the requirements for eviction in the ordinances to landlords and tenant, including mailing information to tenants within one business day of receipt of notices of eviction.	Staff provided referrals for rental assistance and reviewed notices for compliance with the Just Cause for Eviction Ordinance. Educated with landlords when notices were noncompliant and provided tenants with resources and their rights under the Rent Stabilization Ordinance.
25. Assist the City Attorney's Office and contract legal counsel to draft any needed regulations and amendments to the Rent Stabilization ordinances. Gain approval of amendments from the Board. update forms, notices, and informative materials to reflect any revisions adopted.	This is an ongoing activity of the Rent Stabilization Program. During FY 25-26 staff have brought before the Rent Board an emergency regulation addressing notifications during the sale of a property. Staff are also in the process of bringing a regulation amendment before the Rent Board.
26. Work with the Rent Stabilization Board, in collaboration with the Building Services	This is an ongoing activity of the Rent Stabilization Program. Staff has worked with

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
Division, to ensure that rental units meet the building, housing and safety code standards, so the rent stabilization ordinance's habitability goals can be accomplished.	Building to notify the owner(s) when a unit's habitability is in question. The city would only be informed if the tenant complains or submits a petition, or if a code enforcement complaint is filed by the tenant or someone from the public.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

OBJECTIVES

1.	Identify, apply for, and leverage regional, state and federal funding sources for affordable housing activities.
2.	Collaborate with affordable housing developers to ensure widespread marketing and outreach when units are open to applications.
3.	Implement the City's Below Market Rate Program through monitoring and enforcement.
4.	Participate in the Grand Nexus and Feasibility Study to update the Inclusionary Housing Ordinance and the inclusionary housing in-lieu fees and commercial linkage fees, to incentivize affordable housing development and reduce constraints.
5.	Track progress toward meeting RHNA goals through the production of inclusionary housing units, ADUs, SB 9 units, SB 35 units, SB 330 units, Density Bonus units, and housing for special needs and low-resourced populations.
6.	With added staffing capacity, implement a preservation strategy that addresses funding sources, identification of properties, and partnerships that can lead to preservation of existing affordable and rent-stabilized housing units in East Palo Alto. Prioritize assistance to lower resource neighborhoods identified in the Housing Element's Affirmatively Furthering Fair Housing (AFFH) analysis.
7.	With added staffing capacity, issue a Notice of Funding Availability (NOFA) for affordable housing preservation and production to expense affordable housing funds.
8.	Encourage smaller-scale housing that is relatively more affordable, including accessory dwelling units (ADUs). Collaborate with 21 Elements, the ADU Resource Center, and the ADU Technical Working Group, and with Planning and Building to develop and implement a "next-phase" strategy for promotion of ADUs, SB 9 units, and any future small development. This includes development code amendments and consideration of free waivers or reductions, financial incentives and previously approved and modular ADU design plans.
9.	Implement an effective and fair housing-compliant Local Preference Policy and post to website.
10.	Coordinate with the County and social service partners to reduce homelessness in East Palo Alto.
11.	Improve transparency and communication between the City and the public on housing issues, making the City website, social media, and newsletter a reliable source of housing information and making parallel efforts to reach residents through mailers and in-person meetings.
12.	Monitor and update City Council on progress made on the City's Housing Element and Affordable Housing Strategy Regularly assess the level of staffing or contract assistance to ensure that sufficient staffing is committed to implementing the policies and programs in a timely manner.
13.	Join with other cities in San Mateo County to share housing staff to support longer-term housing initiatives and programs.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Housing and Economic Development Division

OBJECTIVES

14.	With added staffing capacity, establish and implement a rent registry for both stabilized and market-rate rental units.
15.	With added staffing capacity, create homeownership opportunities for East Palo Alto residents and housing stability for existing homeowners, prioritizing seniors aging in place and lower-resourced neighborhoods. Programs can include home repair program, first-time homebuyer program, and foreclosure prevention.
16.	Continue to administer the City's Measure HH Workforce Development Program and evaluate program impacts and improvements.
17.	Provide excellent customer service support to residents, tenants, landlords, homeowners, developers and other stakeholders that interface with Housing and Rent Stabilization Program staff.
18.	Submit notices of noncompliance to landlords when regulated rental units are not properly registered as required by the ordinances and regulations with information about how to comply, the penalty fees that are accruing for noncompliance, and the procedure for submittal of a penalty waiver request for good cause.
19.	Process pending petitions submitted by landlords and tenants within the timelines established in the Rent Stabilization Ordinance and regulations.
20.	Mail Annual Program Fee Statements forms to landlords of regulated rental units under the 2010 Ordinance (regulated residential dwelling units) in November, so landlords can timely submit them and meet the deadlines established by the ordinances.
21.	Under the 2010 Ordinance, issue Certificates of Maximum Allowable Rent for new tenants within five business days of the Board's receipt of a completed Vacancy Registration Statement to comply with the Ordinance and regulations.
22.	Provide information on the requirements for eviction in the ordinances to landlords and tenant, including mailing information to tenants within one business day of receipt of notices of eviction.
23.	Assist the City Attorney's Office and contract legal counsel to draft any needed regulations and amendments to the Rent Stabilization ordinances. Gain approval of amendments from the Board. update forms, notices, and informative materials to reflect any revisions adopted.
24.	Work with the Rent Stabilization Board, in collaboration with the Building Services Division, to ensure that rental units meet the building, housing and safety code standards, so the rent stabilization ordinance's habitability goals can be accomplished.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Planning Division

Division Summary

SOURCES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	355,161	394,993	326,000	386,000	386,000
Use of Resources	953,302	902,870	1,402,042	1,288,367	1,288,367
Special Revenue Funds	216,668	-	-	-	-
Capital Project Funds	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	1,525,131	1,297,863	1,728,042	1,674,367	1,674,367

EXPENDITURES BY DIVISION	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Planning Division	1,525,131	1,297,863	1,728,042	1,674,367	1,674,367
TOTAL	1,525,131	1,297,863	1,728,042	1,674,367	1,674,367

CHARACTER OF EXPENDITURES	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	777,298	858,697	905,686	938,519	938,519
Subtotal	777,298	858,697	905,686	938,519	938,519
Supplies and Services					
Purchased Services	743,429	433,962	812,006	734,498	734,498
Supplies and Materials	3,571	4,627	6,850	1,350	1,350
Capital Expenditures	833	578	3,500	-	-
Other Expenditures	-	-	-	-	-
Subtotal	747,833	439,166	822,356	735,848	735,848
TOTAL	1,525,131	1,297,863	1,728,042	1,674,367	1,674,367

AUTHORIZED FTE	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Planning Manager	1.00	1.00	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00	1.00	1.00
Assistant/Associate Planner	2.00	2.00	2.00	2.00	2.00
Planning Technician	1.00	1.00	1.00	1.00	1.00
TOTAL	5.00	5.00	5.00	5.00	5.00

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Planning Division Summary

SERVICE DESCRIPTION

The Planning Division implements the City's planning policies, which are intended to maintain and enhance the quality of life for City residents and visitors through provision of an attractive and functionally built environment, protection of desirable environmental and scenic amenities, efficient development review. The Division provides quality development review and permitting services through efficient, professional, and customer-friendly public processes under the policy direction of the Planning Commission and ultimately the City Council.

The Planning Division is responsible for both current planning (development review) and advanced or long-range planning activities that guide the City's growth and development. In addition to its core staff, the Division engages professional consultants, as needed, to support specialized projects and environmental review processes. Core functions include, but are not limited to, processing ministerial and discretionary development applications for entitlement; responding to daily inquiries from residents, applicants, and stakeholders; administering environmental review and permitting for private development projects; updating development ordinances and policies to maintain compliance with state law; and ensuring that all operations are conducted in an efficient, professional, and customer-oriented manner. The General Plan and Development Code serve as the primary policy and regulatory frameworks guiding planning efforts to promote a safe, healthy, and well-balanced community consistent with the City's vision.

Despite significant competition with other jurisdictions and private-sector employers in recent years, the Division has achieved full staffing, with only one staff turnover in the past year. The Division is currently composed of a Planning Manager, a Senior Planner, two Assistant/Associate Planners, and a Planning Technician. This stable and well-trained team has strengthened the Division's capacity to manage a diverse workload effectively. As a result, most current planning projects are processed in-house, with only limited reliance on contract planners for supplemental support.

Consultants continue to play an important role in large or complex development proposals, such as the Four Corners and Woodland Park Apartment projects. In these cases, planners are assigned to coordinate closely with consultants ensuring continuity, institutional knowledge, and, where appropriate, assuming project management responsibilities over time. Although application volumes, particularly for smaller-scale projects, remain steady, the Division's full staffing level has enabled it to accommodate increased workload demands without routinely outsourcing small- and mid-sized projects, as was previously necessary.

The Division has also made meaningful progress on several long-range planning initiatives. Notably, it completed a comprehensive Development Code update to ensure consistency with evolving state legislation. Ongoing efforts include updates to the General Plan's Safety Element and Health and Equity (Environmental Justice) components, as well as plans to collaborate with consultants to update the City's Open Space Element. Planning staff also support the Housing Division in assisting with the preparation of annual progress reports. Additionally, the Division is finalizing Objective Design Standards (ODS) for

COMMUNITY DEVELOPMENT

FY 2026-2027 Budget

Planning Division Summary (Continued)

Planning Commission review and recommendation to City Council by the first half of this calendar year. The ODS would facilitate consistent and compliant project review in accordance with applicable state housing laws, including the Housing Accountability Act.

Finally, the Planning Division provides professional and administrative support to the Planning Commission, whose members are appointed by the City Council. The Commission is mandated by state law to review and act on planning and development matters, and the Division ensures that all items are presented with thorough analysis and clear recommendations. Moving forward, the Planning Division remains committed to continuous process improvements, enhanced service delivery, and the implementation of systems that promote transparency, efficiency, and accountability in all aspects of its work.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects a decrease of \$53,675, or 3.1%, compared to the FY 2025–26 Adopted Budget. The decrease is primarily driven by reductions of \$77,508 in purchased services, \$5,500 in supplies and materials, and \$3,500 in capital expenditures. These reductions are partially offset by an increase of \$32,833 in salaries and benefits.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous	% Change From Previous
2025-26 Adopted	\$1,728,042		
2026-27 Proposed	\$1,674,367	(\$53,675)	-3.1%
2026-27 Adopted	\$1,674,367	\$0	0.0%

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Planning Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
<p>1. Ensure Planning Division staff capacity to handle current and future projects, including ability to augment capacity with consultants, and a balanced range of current and long-range projects to implement Vista 2035 and the City's priorities.</p>	<p>Stable staffing levels have enabled the Planning Division to expand its capacity while maintaining flexibility through consultant support for complex and long-range efforts. The City continues to partner with firms such as PlaceWorks and CPC to advance key initiatives, including the ongoing updates to the General Plan's Safety and Environmental Justice Elements. Staff have successfully managed a balanced workload, processing current planning applications and Development Code updates for state compliance, and process improvements in a timely manner. Staff is currently working on additional development code updates to incorporate objective design standards per the Housing Accountability Act and additional process improvements consistent with the General Plan. Additionally, Planning continues to provide assistance to the Housing team in the preparation of the annual Housing Annual Progress Report for the City's Housing Element.</p>
<p>2. Staff the public counter efficiently and effectively.</p>	<p>Planning has implemented a coordinated counter schedule aligned with planners' and technicians' workloads to ensure timely responses to public inquiries and consistent, high-quality customer service Monday through Friday. Regular communication with front desk staff, combined with adequate staffing levels, has provided reliable and efficient counter coverage. Each staff member is equipped with a city cell phone to support direct and responsive communication. Counter schedules are shared with administrative staff to ensure quick access to planners when needed. Additionally, an online appointment system allows the public to schedule meetings, facilitating more detailed discussions prior to formal application submittal.</p>
<p>3. Enhance communication between staff and the public through outreach efforts and social media, as well as technology enhancements. Improve record keeping and enhance access to records.</p>	<p>Staff have enhanced communication and public access to information by maintaining a user-friendly Division website and providing regular updates, including project information, CEQA notices, and resources such as links to the San Mateo County ADU Resource Center. Applications and informational handouts have</p>

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Planning Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
	<p>been refined to improve clarity and usability for the public. In alignment with the City’s community outreach policy, staff have implemented consistent, early, and expanded outreach efforts for projects of varying scale. This includes increasing mailing radii for high-interest developments, such as the Four Corners applications. Additionally, staff continue to support transparency and record accessibility by posting quarterly updates on pending and approved administrative-level projects, ensuring the public has timely and reliable access to key information.</p>
<p>4. Respond to state mandates in a timely manner regarding housing based on local needs, including SB 9 and SB 35. Prepare long range and advanced planning policies consistent with state law.</p>	<p>Staff continue to build capacity to respond to evolving state housing mandates, including SB 9 and SB 35, as well as AB 130, through ongoing training and process improvements. Staff has successfully processed the City’s first AB 130 application, which requires an expedited review process. Efforts include preparing and refining implementation procedures, updating the Development Code, and ensuring the Division’s webpage, training materials, and public handouts reflect current legislative requirements. These updates are completed on a regular basis to keep pace with annual and biannual changes in state law.</p>
<p>5. Work with the City Manager’s Office and Code Enforcement staff to develop a pop-up and unlicensed businesses policy and program.</p>	<p>Planning staff has worked with the City Manager’s Office and Code Enforcement for the adoption for mobile vendor ordinance, Planning will continue to coordinate with both the City Manager and Code Enforcement of the new ordinance</p>

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2025-2026 Budget

Planning Division

OBJECTIVES

1.	Ensure Planning Division staff capacity to handle current and future projects, including ability to augment capacity with consultants, and a balanced range of current and long-range projects to implement Vista 2035 and the City's priorities.
2.	Staff the public counter efficiently and effectively.
3.	Enhance communication between staff and the public through outreach efforts and social media, as well as technology enhancements. Improve record keeping and enhance access to records.
4.	Respond to state mandates in a timely manner in regards to housing based on local needs, including SB 9 and SB 35. Prepare long range and advanced planning policies consistent with state law.
5.	Work with the City Manager's Office and Code Enforcement staff to develop a pop-up and unlicensed businesses policy and program.

COMMUNITY AND ECONOMIC DEVELOPMENT

FY 2026-2027 Budget

Planning Division

OBJECTIVES

1.	Continue to ensure that Planning Division staff have the capacity to manage a balanced range of development and long-range planning projects, both now and in the future, and maintain the ability to augment that capacity with consultants to support the implementation of Vista 2035 and other City's priorities including updating the Open Space Element.
2.	Continue to adequately staff the public information counter so that both walk-in visitors and callers, including members of the public and development customers, receive efficient and effective service.
3.	Enhance communication between staff, members of the public, and development customers through targeted website and social media postings, periodic developer roundtable meetings, and other outreach efforts.
4.	Improve recordkeeping and access to records by creating an action plan to catalog and digitize the large volume of hard-copy legacy and post-incorporation project files and procure the services of a Planning Intern to assist with this effort.
5.	Maintain consistency with state legislation by timely processing Development Code updates in response to the State's ongoing enactment of land use and development streamlining bills, including AB 130, SB 131, SB 9, SB 35, and SB 330. Additionally, continue to prepare advanced planning policies consistent with state law.
6.	Work with the City Manager's Office (IT division), as part of the IT Strategic Plan, to implement a citywide GIS platform and a robust Permit/Data Tracking System with a seamless web interface to aid land property and permit search by the public and development community.

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PUBLIC WORKS DEPARTMENT

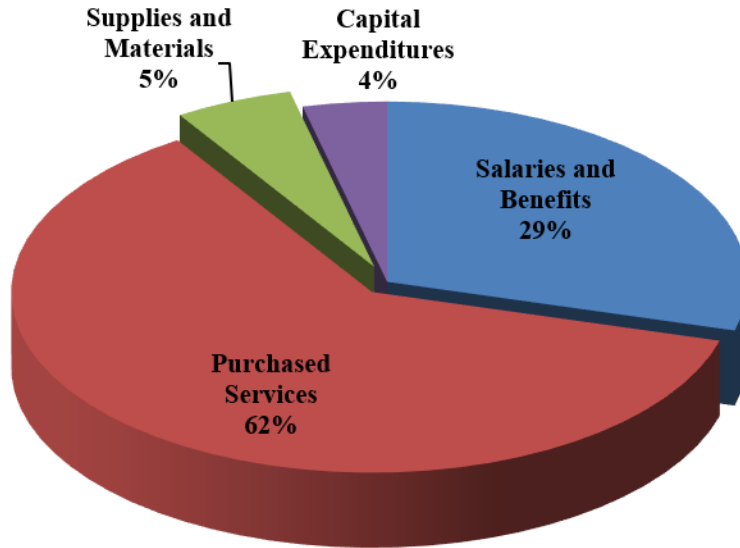
FY 2026-2027 Budget

FY 2026-27

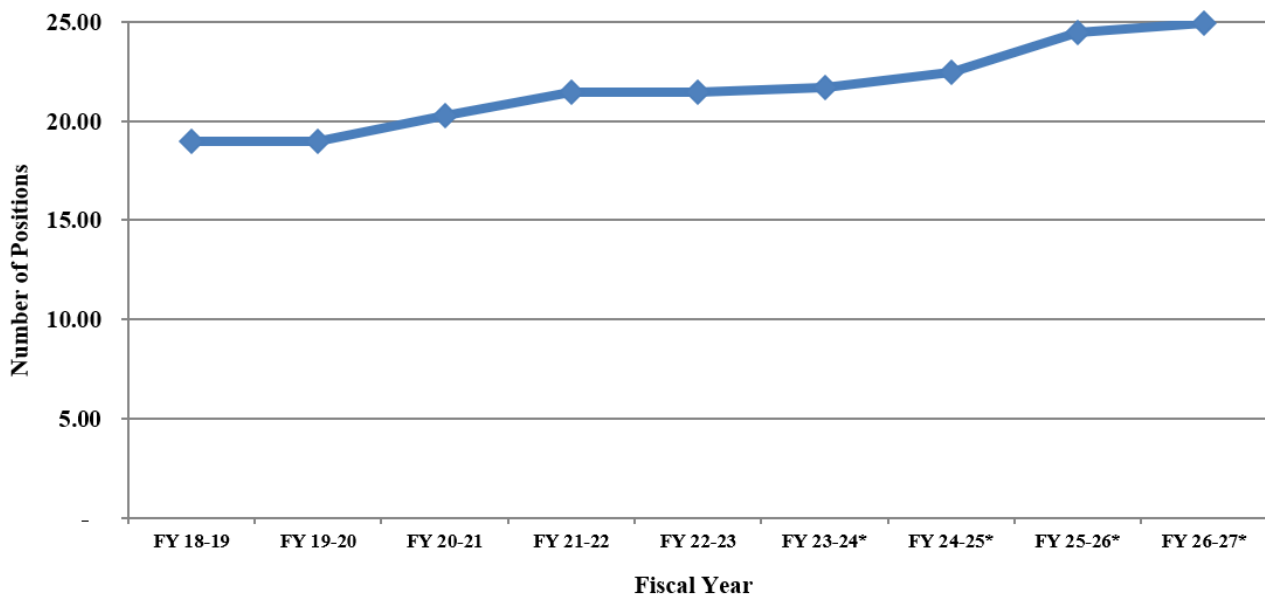
Operating \$15,331,926

Positions 24.91

CHARACTER OF EXPENDITURES



AUTHORIZED FTE



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Department Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	183,770	311,723	123,000	150,000	150,000
Use of Resources	3,946,717	4,549,842	6,503,667	6,610,505	6,610,505
Special Revenue Funds	1,096,026	1,432,054	1,916,966	2,191,070	2,191,070
Capital Project Fund	25,218	31,170	169,267	170,459	170,459
Enterprise Funds	287,764	5,376,397	5,856,227	6,209,892	6,209,892
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	5,539,495	11,701,186	14,569,127	15,331,926	15,331,926

EXPENDITURES BY DIVISION

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Administration Division	977,147	1,312,586	1,650,840	1,740,199	1,740,199
Engineering Division	1,143,209	6,342,174	7,561,070	8,101,753	8,101,753
Maintenance Division	3,419,139	4,046,425	5,357,217	5,489,974	5,489,974
TOTAL	5,539,495	11,701,186	14,569,127	15,331,926	15,331,926

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	2,812,611	3,792,595	4,585,783	4,499,656	4,499,656
Subtotal	2,812,611	3,792,595	4,585,783	4,499,656	4,499,656
Supplies and Services					
Purchased Services	1,968,834	6,453,732	9,078,462	9,441,138	9,441,138
Supplies and Materials	632,710	727,332	754,882	814,132	814,132
Capital Expenditures	89,933	706,903	150,000	577,000	577,000
Other Expenditures	35,407	20,623	-	-	-
Subtotal	2,726,884	7,908,589	9,983,344	10,832,270	10,832,270
TOTAL	5,539,495	11,701,185	14,569,127	15,331,926	15,331,926

AUTHORIZED FTE

	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Administration Division	4.45	4.45	4.45	4.45	4.45
Engineering Division	5.25	6.00	7.00	7.46	7.46
Maintenance Division	12.00	12.00	13.00	13.00	13.00
TOTAL	21.70	22.45	24.45	24.91	24.91

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Department Summary

MISSION STATEMENT

The Public Works Department provides administrative, engineering and maintenance services that ensure the design, construction, maintenance, and operation of public infrastructure, parks, and facilities, are high-quality and sufficient to the meet the needs of East Palo Alto residents, businesses, and visitors.

The Public Works Department includes the Administrative, Environmental, Engineering, and Maintenance Divisions.

Divisions Overview:

Administration Division

Administration performs oversight of Engineering, Environmental and Maintenance; and also performs direct budget preparation, scheduling, and operational contract and invoice payment processing. Administration performs a variety of direct collaboration with stakeholders including the San Francisquito Creek Joint Powers Authority flood control projects, Cal TRANS transportation issues, BAWSCA water related issues, and general county-statewide collaboration with CCAG and MTC and local environmental programs

Environmental Division

The Environmental division oversees several environmental contracts including solid waste/recycling trash services, street sweeping, tree services (Canopy) as well as planting and public education (Grassroots Ecology). The Environmental Division is responsible for coordination with the County on environmental sustainability programs as well as implementation of the City's Climate Action Plan. The Division also ensures compliance with the NPDES permit which includes the business/industrial/restaurant inspection program. This Division is also responsible for implementing the City's Clean City program.

Engineering Division

The Engineering Division oversees the design, development and construction of public works capital projects and facilities, including streets and roadways, water supply, and storm drainage systems. The Division is responsible for issuing permits for any work to be performed on City right-of-way and performs various reviews related to private development projects, and prepares grant applications

Maintenance Division

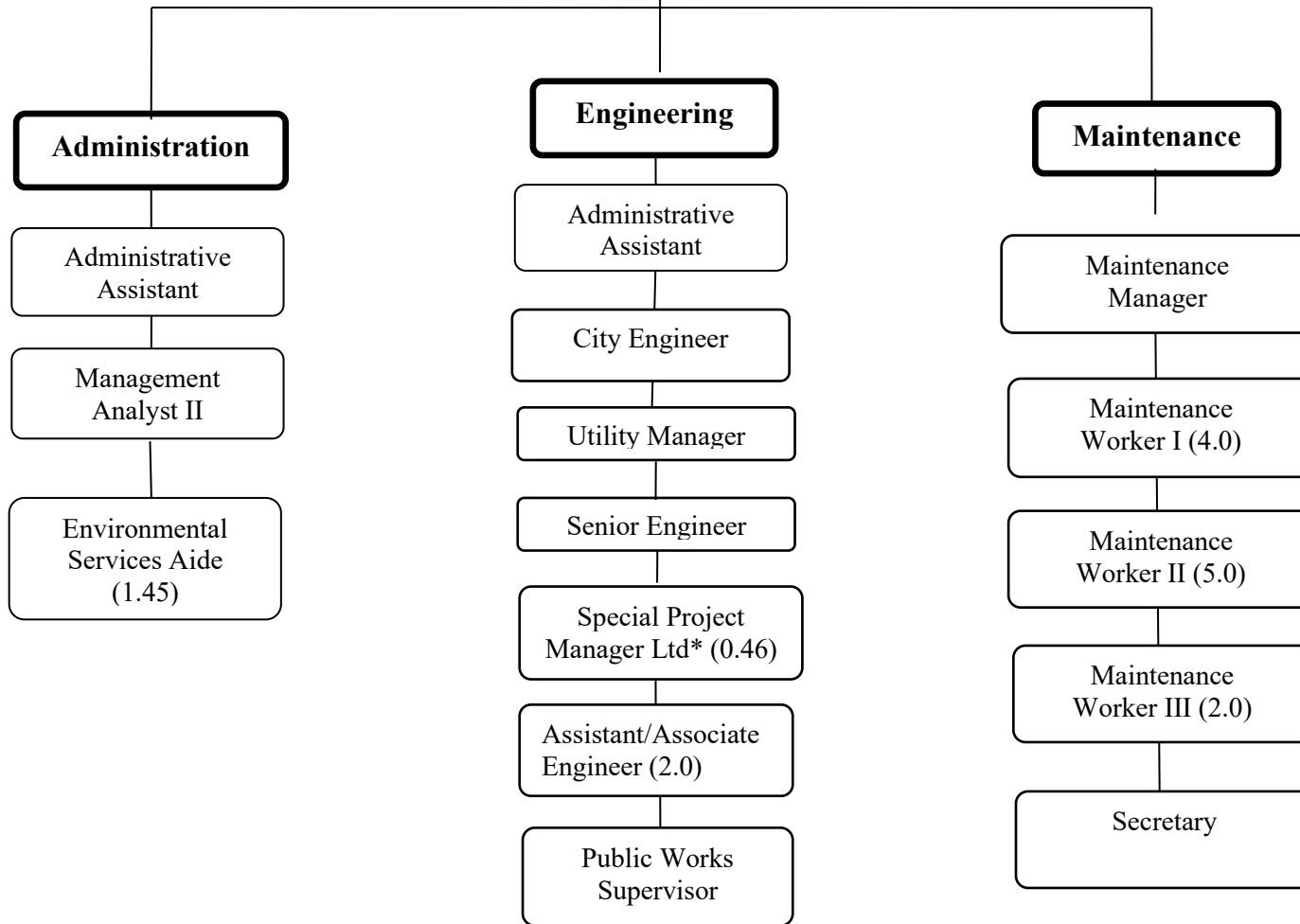
The Maintenance Division is responsible for the day-to-day maintenance of all City-owned facilities, parks and infrastructure. It coordinates and assists other departments with the use of City facilities during special events, holidays, as well as the general use of City facilities and parks.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

PUBLIC WORKS DIRECTOR

Humza Javed



Total FTE's: 24.91

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Administration Division

Division Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	1,718	-	10,000	-	-
Use of Resources	637,279	768,535	1,059,839	953,716	953,716
Special Revenue Funds	272,999	492,167	534,932	734,998	734,998
Capital Project Funds	-	-	-	-	-
Enterprise Funds	65,151	51,884	46,069	51,485	51,485
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	977,147	1,312,586	1,650,840	1,740,199	1,740,199

EXPENDITURES BY DIVISION

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Administration Division	446,447	485,328	862,649	742,993	742,993
Environmental Programs	530,700	827,259	788,191	997,206	997,206
TOTAL	977,147	1,312,586	1,650,840	1,740,199	1,740,199

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	561,101	681,133	843,427	857,026	857,026
Subtotal	561,101	681,133	843,427	857,026	857,026
Supplies and Services					
Purchased Services	379,972	598,275	798,663	877,923	877,923
Supplies and Materials	15,380	16,529	8,750	5,250	5,250
Capital Expenditures	-	-	-	-	-
Other Expenditures	20,694	16,649	-	-	-
Subtotal	416,046	631,453	807,413	883,173	883,173
TOTAL	977,147	1,312,586	1,650,840	1,740,199	1,740,199

AUTHORIZED FTE

	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Public Works Director	1.00	1.00	1.00	1.00	1.00
Management Analyst II	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Environmental Service Aide	1.45	1.45	1.45	1.45	1.45
TOTAL	4.45	4.45	4.45	4.45	4.45

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Administration Division Summary

SERVICE DESCRIPTION

The Public Works Administration Division provides oversight of the engineering and maintenance and environmental services that ensure the design, construction, maintenance, and operation of public infrastructure, parks, and facilities, are high-quality and sufficient to meet the needs of East Palo Alto residents, businesses, and visitors.

The Division is responsible for the oversight of a wide range of functions including:

- Maintaining existing streets, utilities and facilities.
- Developing and managing the City's Ten-Year Capital Improvement Program.
- As the environmental coordinator for the City, ensuring compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA).
- Serving as the Disabled Access Coordinator to ensure safe and reasonable access for all citizens under the Americans with Disabilities Act (ADA) and California Title 24.
- Managing storm water efforts to ensure compliance with the Clean Water Act and other mandates of the San Francisco Bay Regional Water Quality Control Board.
- Providing staff support to the City Council and Public Works and Transportation Commission
- Monitoring and collaborating with regional organizations (e.g., City/County Association of Governments (C/CAG), Metropolitan Transportation Committee (MTC), the Association of Bay Area Governments (ABAG), the South Bayside Waste Management Authority and the San Francisco Creek Joint Powers Authority).

Through these core functions, the Department supports Council Strategic Priorities by undertaking the following initiatives:

1. *Enhance Public Safety and Emergency Preparedness*

- Conduct inspections for new construction, remodels and public improvements throughout the City.
- Coordinate with Menlo Park Fire Protection District, West Bay Sanitary District, East Palo Alto Sanitation District, Palo Alto Park Mutual Water Company and other entities on new development and infrastructure projects.
- Coordinate and collaborate with East Palo Police Department, MPFPD and others on emergency preparedness efforts.
- Maintain the storm drain system including the O'Connor Pump Station, streets and other infrastructure.
- Continue to abate graffiti and illegal dumping on public facilities, within parks and adjacent to City streets.

2. *Enhance Economic Vitality*

- Continue to implement capital projects with particular focus on water supply and transportation projects.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Administration Division Summary (Continued)

3. *Increase Organizational Effectiveness*

- Develop software to provide reports and other information to the City Manager and Finance Department.
- Attend and monitor activities of special districts and regional agencies/authorities that affect the City of East Palo Alto.
- More fully implement the IWORQ software within Maintenance.
- Evaluate opportunities to utilize interns.

4. *Improve Public Facilities and Infrastructure*

- Continue to support the Engineering Division in managing the capital improvement program.
- Coordinate with SFCJPA on implementation of flood control projects, including Reach 2, Upstream Project and SAFER Bay Project.

5. *Improve Communication and Enhance Community Engagement*

- Provide articles for City Newsletter and City Manager Notes and Quotes.

6. *Create a Healthy and Safe Community*

- Evaluate opportunities to enhance/expand parks and open space opportunities.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The \$89,359 (+5.4%) increase from the FY 2025–26 Adopted Budget to the FY 2026–27 Proposed Budget is primarily driven by an increase in purchased services of \$79,260 for street maintenance services and professional and technical services, followed by an increase in salaries and benefits of \$13,599. These increases are partially offset by a reduction in supplies and materials of \$3,500.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	\$1,650,840		
2026-27 Proposed	\$1,740,199	\$89,359	5.4%
2026-27 Adopted	\$1,740,199	\$0	0.0%

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Administration Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Incorporate tools to strengthen, innovate and increase efficiency in all PW divisions leveraging technology.	Ongoing
2. Develop and implement standardized and streamlined procedures for contract, purchase order, invoice tracking management for all PW divisions.	Ongoing
3. Develop and implement standardized and streamlined procedures for Council approved items tracking and management for all PW divisions.	Complete
4. Develop and implement standardized and streamlined project management and grant tracking system for all PW divisions.	Ongoing
5. Assist in the monitoring and adjustment of the Gloria Way well water treatment system to provide redundancy in the water supply in case of water interruption or emergencies at the SFPUC Hetch Hetchy Water Supply Aqueduct System. While also evaluate and assess improvement upgrades and create efficiencies for the well operations.	Ongoing
6. Assist in the oversight and management of the City's water operator and work towards a lease extension with Veolia.	Ongoing
7. Continue to oversee groundwater management and monitoring.	Ongoing
8. Continue to coordinate with neighboring cities, regional agencies, and water providers regarding various city activities and operations.	Ongoing
9. Provide administration support to the Public Works and Transportation Commission (PWTC).	Ongoing
10. Manage and oversee the Environmental Services Division.	Ongoing. In the process of creating efficiencies between the Divisions
11. Provide general administration support to Maintenance and Engineering Divisions.	Ongoing
12. Assist with the development, implementation, and management of EPASD operations and capital projects.	Ongoing
13. Provide administration support to the EPASD Advisory Committee.	Ongoing

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Administration Division

ACCOMPLISHMENTS

OBJECTIVES		RESULTS
14.	Begin planning for the establishment of a utility division.	Ongoing
15.	Continue to set up and enhance the City's Asset Management Plan	Ongoing
16.	Continue to work with the SFCJPA on the Reach II and Safer Bay project advancement	Ongoing

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Environmental Programs

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Renew the Compost Procurement Program through County of San Mateo Resource Conservation District.	The third MOU with the County for the continuation of this program was executed in January 2026 and will guarantee service through the end of the year. Funded by SB 1383 grant. Future participation in the program will require general fund (or other) allocation.
2. Review street sweeping program and create consistency in signage and sweeping locations	Street Sweeping Signage Audit Phase 1 completed in Fall 2025. Signs that have damage or graffiti have been replaced. Subsequent phases include the installation of new signage and aligning signage with the current sweeping contract.
3. Develop comprehensive and improved Clean City program. Establish and expand partnerships with County resources to increase resources and incorporate humane practices.	Developed updated Standard Operating Procedures for encampment and illegal dumping response. Increased regular coordination with LifeMoves to conduct field visits.
4. Audit the street sweeping program to increase services, efficiencies, and study the possibility of bringing the program inhouse.	Ongoing
5. Continue efforts towards meeting compost procurement targets and reduce SB 1383 non-compliance to single digits.	Public waste audit conducted with Rethink Waste at the following locations: Bell Street Park, Jack Farrell Park, Cooley Landing Park. Updated bin and signage forthcoming. (Non-compliance was at 12 accounts during last update from Rethink Waste, requested an update for 2026)
6. Execute Metropolitan Transportation Commission Climate Program Implementation Grant for the installation of 24 publicly accessible chargers in East Palo Alto, prioritizing curbside and multi-family housing locations.	Funds were appropriated through regional TIP in October 2025. Caltrans authorization has been initiated and project has moved into RFP phase.
7. Complete the 1960 Tate Street EV Charging Installation Project.	Complete. In-house signage and striping for the 1960 Tate Lot is forthcoming.
8. Expand the City's electrification plan.	Ongoing. Conducted a natural gas cataloguing of all City facilities.
9. Improve and update Environmental Services pages on the City's website to improve organization and clarity.	Ongoing. Sustainability Coordinator Fellow auditing and drafting updated information.
10. Audit, update, and revamp the flood information and resource pages on the City's website.	Complete. All duplicate flood information on the Public Works webpage has been archived and information has been condensed into a single page reviewed by our CRS consultant.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Environmental Programs

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
11. Improve the Community Rating System annual recertification score for the City.	Floodplain mailers distributed to 1,900 addresses within NFIP, sandbag graphics and outreach
12. Coordinate, expand, and lead education events such as Bike to Work Day, recycling programs, Earth Day/watershed cleanup events, as well as Hazardous Waste and annual E-Waste events.	Ongoing. Total Household Hazardous Waste event appointments increased from 89 to 156 and EPA household participation increased from 30 to 56.
13. Continue the development of the City's Sustainability E-Newsletter and increased self-registration to 100+ subscribers.	Ongoing. Current subscriber count: 137
14. Expand tree planting efforts to 50 new trees and provide care for 60 young trees while enhancing educational programs, including bilingual workshops and specialized training for EPA Public Works staff.	Planted 92 new public trees between May 1, 2025 and May 1, 2026.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Administration Division

OBJECTIVES

1.	Incorporate tools to strengthen, innovate, and increase efficiency in all PW divisions leveraging technology.
2.	Continue to develop and implement standardized and streamlined procedures for contract, purchase order, and invoice tracking management for all PW divisions.
3.	Continue to develop and implement standardized and streamlined procedures for Council approved items tracking and management for all PW divisions.
4.	Continue to develop and implement a standardized project management and grant tracking system for all PW divisions.
5.	Provide administration support to the Public Works and Transportation Commission (PWTC).
6.	Complete the 2-year CIP update.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Environmental Programs

OBJECTIVES

1.	Begin construction of the MTC Regional EV Charging Project - 24 Level 2 chargers to be installed curbside and at various City facilities.
2.	Continuing implementation of the Clean City Program.
3.	NPDES: Complete reporting year 26-27 inspections, implement new requirements of MRP 3 and 4 permits, create more robust illicit discharge response program, and support through all elements of Annual Report completion.
4.	Fellowship: Work with Bay Area Community Resources to implement the Sustainability Service Corps Fellowship program.
5.	Begin Phase 2 of street sweeping signage program.
6.	Increase public participation in events [E-Waste/Shred Event and Household Hazardous Waste].
7.	Procure community tree planting services upon Canopy contract expiration and expand scope to include development review for “no missed opportunity” plantings.
8.	Building Electrification: Implement follow-up projects to gas infrastructure audit, including the replacement of remaining gas water heaters in City facilities, if feasible, through grant funds.
9.	Coordinate and execute annual events: Arbor Day Planting, Household Hazardous Waste Event, Fix-It Clinic in partnership with County, Earth Day Festival, Bike to Work Day, E-Waste & Shred Event, San Mateo County Leadership Council presentation, Wetlands & Watts, and seek out new partnerships for events that provide free/beneficial services to the community.
10.	Complete PCE Member Agency Grant project and close out grant.
11.	In coordination with Recology and Rethink Waste, continue outreach to expand compliance with SB 1383.

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PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Engineering Division

Division Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	182,052	311,723	113,000	150,000	150,000
Use of Resources	825,446	868,819	1,757,054	1,907,654	1,907,654
Special Revenue Funds	67,409	63,090	130,000	200,000	200,000
Capital Project Fund	25,218	31,170	169,267	170,459	170,459
Enterprise Funds	43,084	5,067,373	5,391,749	5,673,640	5,673,640
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	1,143,209	6,342,174	7,561,070	8,101,753	8,101,753

EXPENDITURES BY DIVISION

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Engineering Division	1,143,209	6,342,174	7,561,070	8,101,753	8,101,753
TOTAL	1,143,209	6,342,174	7,561,070	8,101,753	8,101,753

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	759,339	1,644,450	1,694,247	1,719,504	1,719,504
Subtotal	759,339	1,644,450	1,694,247	1,719,504	1,719,504
Supplies and Services					
Purchased Services	364,448	4,147,725	5,779,323	6,309,999	6,309,999
Supplies and Materials	3,195	64,280	87,500	60,250	60,250
Capital Expenditures	3,751	482,966	-	12,000	12,000
Other Expenditures	12,476	2,753	-	-	-
Subtotal	383,870	4,697,724	5,866,823	6,382,249	6,382,249
TOTAL	1,143,209	6,342,174	7,561,070	8,101,753	8,101,753

AUTHORIZED FTE

	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Administrative Assistant ¹	-	-	1.00	1.00	1.00
Assistant/Associate Engineer	2.00	2.00	2.00	2.00	2.00
City Engineer	1.00	1.00	1.00	1.00	1.00
Public Works Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Engineer	1.00	1.00	1.00	1.00	1.00
UUT Manager	-	1.00	1.00	1.00	1.00
Special Project Manager Ltd*	0.25	-	-	0.46	0.46
TOTAL	5.25	6.00	7.00	7.46	7.46

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Engineering Division Summary

SERVICE DESCRIPTION

The Engineering Division develops and manages master infrastructure plans and capital projects to enhance community, economic and business development, and retention. It manages the transportation network, coordinates maintenance of streets, facilities and infrastructure and provides development review services, ensuring adequate public improvements and services to existing and new development.

The Engineering Division is responsible for the maintenance and enhancement of existing infrastructure and public facilities as well as the design and construction of new public projects and infrastructure. Additionally, the Division is responsible for review and inspection of improvements required as part of new private developments. The Division provides primary support to the City's Public Works and Transportation Commission, in accordance with the Municipal Code.

The Division strategically addresses the following on an ongoing basis:

- Capital Improvement Program and projects.
- Storm drain and flood protection.
- Roads/traffic and transportation (new facilities, major rehabilitation and regular maintenance);
- Water utilities.
- NPDES and related Clean Water Act requirements.
- Encroachment & Grading Permits and land development/plan review.
- Coordination with Caltrans and other agencies; and
- Disaster/emergency preparedness, mitigation, and recovery.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026-27 Proposed Budget reflects an increase of \$540,683 (+7.2%) compared to the FY 2025-26 Adopted Budget. This net increase is primarily driven by higher expenditures for purchased services (\$530,676), including professional and technical services, followed by increases in salaries and benefits (\$25,257) and capital expenditures (\$12,000). These increases are partially offset by a decrease of \$27,250 in supplies and materials.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	\$7,561,070		
2026-27 Proposed	\$8,101,753	\$540,683	7.2%
2026-27 Adopted	\$8,101,753	\$0	0.0%

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Engineering Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Complete construction of the 2024-2025 Annual Street Resurfacing Project.	Completed
2. Complete sidewalk improvements as part of the Sidewalk Improvement Program.	Completed
3. Install bike lanes per the City's adopted Bicycle Transportation Plan.	Ongoing
4. Coordinate/Collaborate with SFC JPA on Design, Entitlements, & Permitting of Reach II Upstream Flood Control Project as well as begin the design of the Safer Bay Project.	Ongoing
5. Coordinate with the City of Palo Alto on the construction of the Newell Bridge Replacement Project.	Ongoing
6. Complete construction of the 12" Water Transmission main along University Avenue and Weeks Street.	Completed
7. Coordinate Bay trail access with MidPen Open Space and San Francisco Public Utilities Commission (SFPUC) at Rutgers Street.	Completed
8. Work with SFPUC towards a fourth water turnout in the City.	Ongoing
9. Complete construction of the 101 pedestrian overcrossing project and close out the grants.	Completed
10. Begin construction of the University Avenue safety improvements project for traffic signal and intersection safety improvements at Runnymede Street.	Complete
11. Complete the Phase I O'Connor Pump station improvements design and construction.	Ongoing
12. Perform review and approval of development projects throughout the City.	Ongoing
13. Begin construction of the East Bayshore Cyclist and Pedestrian Improvements Project.	Underway
14. Adopt a permit parking ordinance.	Complete
15. Identify options for additional water storage.	Ongoing
16. Begin Construction of the Pulgas Avenue Mini-Roundabout Project.	Completed

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Engineering Division

ACCOMPLISHMENTS

OBJECTIVES		RESULTS
17.	Complete the design of the Cummings Loft improvements Project and begin construction.	Ongoing
18.	Continue the design of the East Palo Alto Library Project.	Paused
19.	Complete construction of the tenant improvements at City Hall, the Tate Office, and the Police Station.	Complete
20.	Complete the outreach plan and begin the design of the University Avenue Grand Corridor Project.	Complete
21.	Complete a citywide streetlight assessment and identify areas of improvement and begin work.	Underway
22.	Complete the large trash capture project installation.	Completed
23.	Woodland Avenue Waterline and Palo Alto Interconnect Project	Completed
24.	Removal of Single-Walled UST at O'Connor Pump Station	Completed
25.	East Palo Alto Community Rating System (CRS)	Ongoing
26.	Cooley Landing O&M and periodic inspections	Ongoing

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Engineering Division

OBJECTIVES

1.	Complete the Pavement Management Plan (PMP) update.
2.	Complete sidewalk improvements as part of the Sidewalk Improvement Program.
3.	Install bike lanes per the City's adopted Bicycle Transportation Plan.
4.	Coordinate/Collaborate with SFC JPA on Design, Entitlements, & Permitting of Reach II Upstream Flood Control Project as well as begin the design of the Safer Bay Project.
5.	Coordinate with the City of Palo Alto on the construction of the Newell Bridge Replacement Project.
6.	Work with SFPUC towards a fourth water turnout in the City.
7.	Complete construction of the University Avenue safety improvements project for traffic signal and intersection safety improvements at Runnymede Street.
8.	Complete the Phase I O'Connor Pump station improvements design and construction.
9.	Perform review and approval of development projects throughout the City.
10.	Complete construction of the East Bayshore Cyclist and Pedestrian Improvements Project.
11.	Finalize the permit parking program details.
12.	Complete the water tank siting study.
13.	Complete the construction of the Cummings Loft improvements Project and begin construction.
14.	Make progress on the Civic Center Project.
15.	Complete the design of the University Avenue Grand Corridor Project.
16.	Complete a citywide streetlight assessment and identify areas of improvement and begin work.
17.	Begin design on the Woodland Avenue Improvements Project.
18.	Begin the design of the Railspur Trail Improvements.

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PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Maintenance Division

Division Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	2,483,992	2,912,488	3,686,774	3,749,135	3,749,135
Special Revenue Funds	755,618	876,798	1,252,034	1,256,072	1,256,072
Capital Project Fund	-	-	-	-	-
Enterprise Funds	179,529	257,140	418,409	484,767	484,767
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	3,419,139	4,046,425	5,357,217	5,489,974	5,489,974

EXPENDITURES BY DIVISION

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Maintenance Division	3,419,139	4,046,425	5,357,217	5,489,974	5,489,974
TOTAL	3,419,139	4,046,425	5,357,217	5,489,974	5,489,974

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	1,492,171	1,467,013	2,048,109	1,923,126	1,923,126
Subtotal	1,492,171	1,467,013	2,048,109	1,923,126	1,923,126
Supplies and Services					
Purchased Services	1,224,414	1,707,732	2,500,476	2,253,216	2,253,216
Supplies and Materials	614,135	646,523	658,632	748,632	748,632
Capital Expenditures	86,182	223,936	150,000	565,000	565,000
Other Expenditures	2,237	1,221	-	-	-
Subtotal	1,926,968	2,579,413	3,309,108	3,566,848	3,566,848
TOTAL	3,419,139	4,046,425	5,357,217	5,489,974	5,489,974

AUTHORIZED FTE

	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Maintenance Manager	1.00	1.00	1.00	1.00	1.00
Maintenance Worker I	4.00	3.00	4.00	4.00	4.00
Maintenance Worker II	4.00	5.00	5.00	5.00	5.00
Maintenance Worker III	2.00	2.00	2.00	2.00	2.00
Secretary I	1.00	1.00	1.00	1.00	1.00
TOTAL	12.00	12.00	13.00	13.00	13.00

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Maintenance Division

SERVICE DESCRIPTION

The Maintenance Division is responsible for the ongoing maintenance and upkeep of the City's parks, open spaces, landscaped medians, street landscaping, sidewalks, and municipal facilities. The Division also operates and manages the City's storm drain system, including the O'Connor Pump Station, to ensure effective flood control and infrastructure reliability. In addition, the Division performs underground utility marking; provides graffiti abatement in public areas; delivers fleet maintenance and support services; and oversees the administration and management of multiple municipal service contracts to ensure efficient, consistent, and cost-effective service delivery.

Maintenance Division Overview

The Maintenance Division is committed to excellence, integrity, and responsible stewardship of public resources. The Division supports the City's core operations by maintaining parks, streets, facilities, and critical infrastructure systems that protect public health, safety, and welfare. Services are provided citywide to ensure public assets remain safe, functional, and well-maintained.

Core Services and Responsibilities

Drainage District:

Maintains and operates the citywide storm drainage system, including the O'Connor Pump Station, to support flood control and stormwater management. Ensures compliance with National Pollutant Discharge Elimination System (NPDES) requirements as mandated by the San Francisco Bay Regional Water Quality Control Board.

Facilities Maintenance:

Provides ongoing maintenance and repair of City-owned and operated facilities, including the Senior Center, sanitary sewer facilities, Police Department and substation, Corporation Yard, Community Development offices, Cooley Landing building, Reentry Program facilities, YMCA space, and park concession buildings. Emphasis is placed on preventative maintenance and operational reliability.

Parks Maintenance:

Maintains City parks and recreational spaces, including Martin Luther King Jr. Park, Jack Farrell Park, Bell Street Park, Joel Davis Park, Cooley Landing, Newbridge Pocket Park, and Bay Road Pocket Parks. Responsibilities include landscape maintenance, irrigation, and upkeep of park amenities.

Open Space Landscaping:

Maintains landscaped areas such as street medians, alleyways, sound walls, Bay Trail corridors, and rail spur areas to support safety, environmental quality, and community aesthetics.

Urban Forestry (Trees):

Manages approximately 7,000 City trees located within public rights-of-way, parks, and facilities. Activities include pruning, hazard mitigation, and long-term tree health management.

Graffiti Abatement Program:

Provides timely removal of graffiti from public infrastructure, including rights-of-way, facilities, parks, signage, Bay Trail areas, traffic signal cabinets, pedestrian overcrossings, and pump station sites.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Maintenance Division

Sidewalk Maintenance:

Repairs and replaces damaged sidewalks to reduce liability, improve pedestrian safety, and maintain accessibility compliance.

Street Maintenance:

Performs roadway maintenance, including pothole repair, shoulder maintenance, and pavement crack sealing to preserve roadway conditions and extend asset life.

Regulatory Signage:

Installs and maintains traffic control and regulatory signage, including stop signs, to ensure roadway safety and compliance with standards.

Red Curb Maintenance:

Maintains over four miles of red curbs (no-parking zones) to support traffic flow, safety, and emergency access.

Illegal Dumping Response:

Supports the Clean City Program through removal of illegally dumped materials, including hazardous waste, to protect environmental quality and public health.

Street Sweeping Program Support:

Supports Street sweeping operations by installing and maintaining signage to ensure program effectiveness and compliance.

Fleet Services:

Provides maintenance and repair services for vehicles and equipment used by Community Development and Public Works Departments to ensure operational readiness.

Underground Utility Marking:

Locates and marks underground utilities in compliance with regulatory requirements to support safe excavation activities.

Emergency Response:

Provides 24/7 emergency response for after-hours and weekend incidents, including storm events, infrastructure failures, and public safety hazards.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Maintenance Division

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The \$132,757 (2.5%) increase from the FY 2025–26 Adopted Budget to the FY 2026–27 Proposed Budget is primarily driven by increased capital expenditures of \$415,000 for rolling stock and a \$90,000 increase in supplies and materials. These increases are partially offset by a decrease of \$247,260 in purchased services and a reduction of \$124,983 in salaries and benefits.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	\$5,357,217		
2026-27 Proposed	\$5,489,974	\$132,757	2.5%
2026-27 Adopted	\$5,489,974	\$0	0.0%

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Maintenance Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Upgrades to O'Connor Pump Station.	In progress.
2. Repair defective sidewalks citywide to prevent trip and fall.	Sidewalk inventory and assessment will be conducted by Precision Concrete starting in March 2026.
3. Conduct public tree assessment and inventory.	Public tree inventory and assessment will be conducted by ArborPro starting in March 2026.
4. Maintain EPASD Facility at 901 Weeks Street.	On going- reviewing facility contracts.
5. Improve maintenance of bus shelters, POC's and trails.	Implemented a weekly inspection and cleaning.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget
Maintenance Division

OBJECTIVES

1.	Enhance workforce safety and productivity.
2.	Enhance inspection and cleaning of storm drainage system.
3.	Reduce pothole response time to improve pavement condition.
4.	Improve Parks' asset conditions including future dog park.
5.	Improve work order performance.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Utilities Division Summary

SERVICE DESCRIPTION

The Utilities Division is comprised of East Palo Alto Water and East Palo Alto Sanitary District, a subsidiary of the City of East Palo Alto. East Palo Alto Water serves approximately 80% of the City of EPA through 3,000 service connections. East Palo Alto Water purchase most of the City's water from the SFPUC and receives the supply through three interconnections. East Palo Alto Sanitary District provides sewer and wastewater services, approximately 4,300 parcels in the City of East Palo Alto. EPASD system is a completely gravity fed system that runs to the Palo Alto Regional Water Quality Control Plant.

The Utilities Division is responsible for the City of East Palo Alto's water service area, and East Palo Alto Sanitary District. The City of EPA's water system is operated and maintained by Veolia Water. East Palo Alto Sanitation District is currently operated and maintained by West Bay Sanitary District.

The Division strategically addresses the following on an ongoing basis:

- Water distribution and operation, including strategic planning of a new water storage tank
- Water quality sampling- ensuring drinking water meets all federal and local standards.
- System maintenance of valves, hydrants, and meters.
- Water quality flushing program- ensure water in the system is circulated to ensure secondary aesthetic qualities are met.
- Sewer distribution and operation, including strategic planning of capital improvements on sewer mainline.
- Water and Sewer Capital Improvement Program: Facilitate the design and installation of new infrastructure in order to continue to meet the needs of an ever-growing City of East Palo Alto.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Utilities Division

ACCOMPLISHMENTS

OBJECTIVES		RESULTS
1.	Complete ranger pipeline project.	Pipeline installed and completed.
2.	Begin design of East Palo Alto Sanitary District (EPASD) Capital Improvement Program (CIP) 1.1 and 1.2.	Design began in April 2026.
3.	Close Circuit Television (CCTV) inspection of all EPASD mainline system.	Completed 33.6 miles of CCTV footage, documenting all of the EPASD system.
4.	Address EPASD “Hot Spots” issue and prevent further Sanitary Sewer Overflows.	EPASD has not recorded a sanitary sewer overflow since 2024, and “hot spots” have been cleaned and lowered significantly in total number in the system.
5.	Earn the trust of the community back, and make EPASD a more reliable sewer system.	City staff have focused on maintaining reliable sewer service while integrating District operations into City administrative, financial, and operational processes.
6.	Sewer System Master Plan	Sewer System Master Plan has been completed.
7.	Sewer System Management Plan	Sewer System Management Plan has been completed.
8.	Sewer Emergency Response Plan (SERP)	The SERP has been completed in partnership with WBSD and Fischer Compliance.
9.	EPASD Building Improvements	Re-painted the first floor of EPASD. Made HVAC repairs, lighting repairs, flooring repairs, garage and gate repairs, and re-started the recycling program.
10	Fats, Oils, Grease Program	Completion of quarterly FOG inspections for all qualifying businesses. The District and WBSD emphasize an educational approach during inspections and work collaboratively with businesses to ensure compliance with Board-adopted regulations.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Utilities Division

ACCOMPLISHMENTS

OBJECTIVES		RESULTS
11.	EPASD System Repairs	Performance of eleven minor mainline repairs by WBSD to maintain reliable system operations.
12.	Ensure EPASD State and Federal Requirements are brought up to date.	Ongoing reporting of sanitary sewer overflows (SSOs) through the California Integrated Water Quality System (CIWQS) in compliance with regulatory requirements.
13.	Regain Financial Administration and Organization.	<ul style="list-style-type: none"> • Establishment of financial procedures integrating EPASD operations into the City's financial systems while maintaining appropriate separation of District funds. • Development of the EPASD Master Fee Schedule to consolidate, update, and formalize fees associated with District services, permits, and regulatory programs. The schedule establishes a comprehensive list of charges related to sewer services, engineering review, inspections, permits, and administrative functions, coordinated with the City's Master Fee Schedule. • Plan Review and permitting process has been created.
14.	Hire Management and Admin Staff	A full-time Utility Manager and Administrative Assistant have been hired to manage EPASD and EPA Water.
15.	EPASD Advisory Committee	The Advisory Committee worked closely with staff and consultants during development of the EPASD Master Plan and will continue collaborating with staff as the nexus study progresses. The AC has also discussed sewer service fees, which staff will bring forward for review and consideration.

PUBLIC WORKS DEPARTMENT

FY 2026-2027 Budget

Utilities Division

OBJECTIVES

1.	Begin preliminary construction on East Palo Alto Sanitary District (EPASD) 1.1 & 1.2 Capital Improvement Program (CIP) in 2027.
2.	Perform audit on all 4,300 parcels on EPASD sewer service charge list.
3.	Work closely with Engineering Department on Water Tank Siting Study and other Water CIP.
4.	Research and locate funding for water and EPASD CIP.
5.	Continue Community outreach for Water and EPASD programs.
6.	Continue research of retaining operations and maintenance of Water and EPASD internally.

POLICE DEPARTMENT

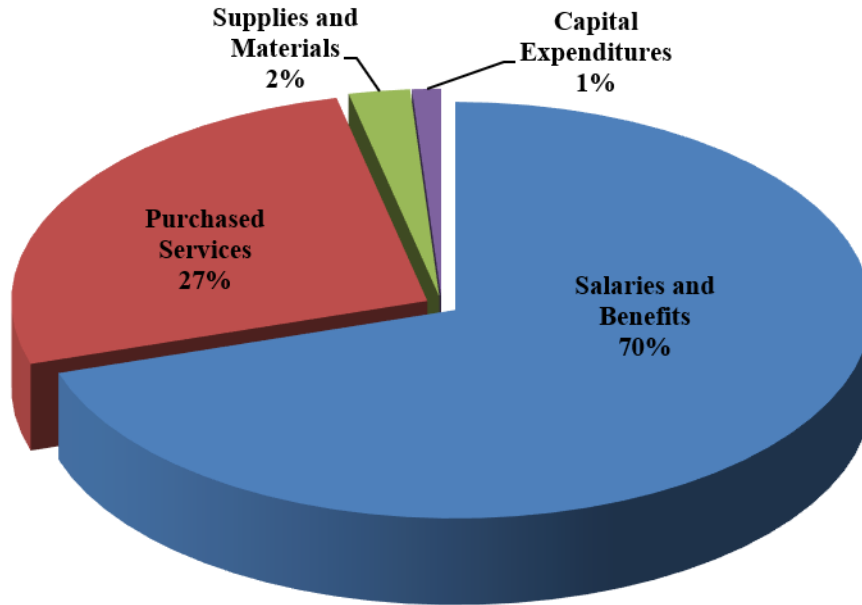
FY 2026-2027 Budget

FY 2026-27

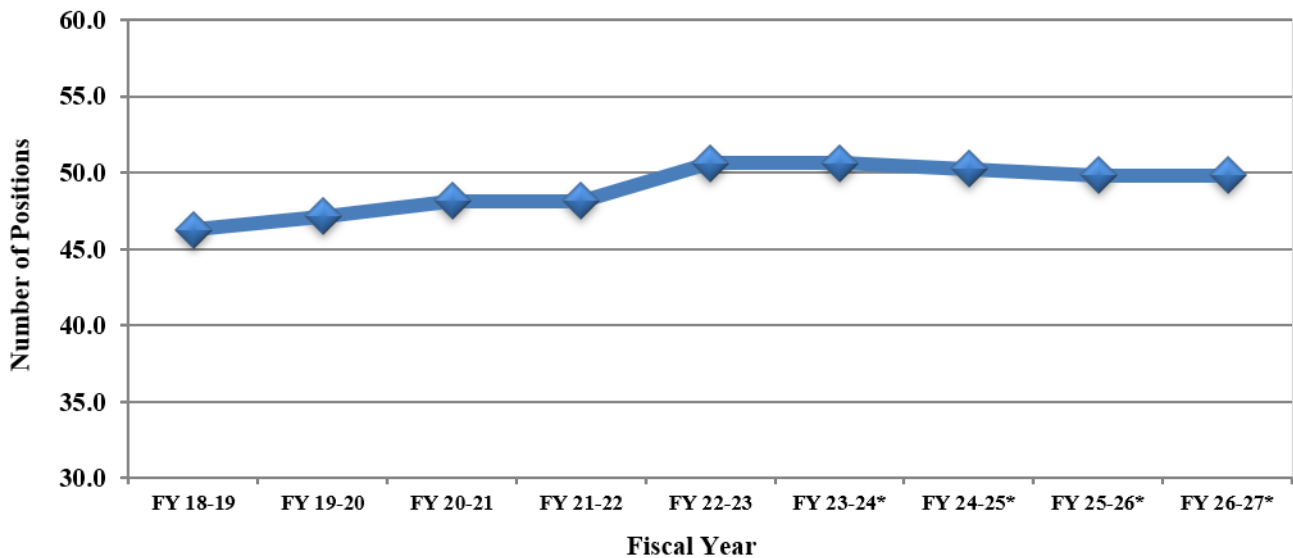
Operating \$17,783,877

Positions 49.80

CHARACTER OF EXPENDITURES



AUTHORIZED FTE



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

POLICE DEPARTMENT

FY 2026-2027 Budget

Department Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	414,605	485,577	545,000	580,000	580,000
Use of Resources	12,424,567	13,536,454	15,842,157	17,003,877	17,003,877
Special Revenue Funds	224,106	119,531	320,000	200,000	200,000
Capital Project Fund	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	13,063,278	14,141,562	16,707,157	17,783,877	17,783,877

EXPENDITURES BY DIVISION

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Administration Division	5,081,256	5,487,297	6,060,147	6,588,716	6,588,716
Investigations Division	940,444	1,442,737	2,582,994	1,750,565	1,750,565
Operations Division	7,041,578	7,211,529	8,064,016	9,444,596	9,444,596
TOTAL	13,063,278	14,141,562	16,707,157	17,783,877	17,783,877

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	9,452,796	10,119,034	11,934,674	12,466,858	12,466,858
Subtotal	9,452,796	10,119,034	11,934,674	12,466,858	12,466,858
Supplies and Services					
Purchased Services	2,988,140	3,206,285	4,094,833	4,693,519	4,693,519
Supplies and Materials	384,823	393,458	387,150	423,500	423,500
Capital Expenditures	237,519	422,785	290,500	200,000	200,000
Other Expenditures	-	-	-	-	-
Subtotal	3,610,482	4,022,528	4,772,483	5,317,019	5,317,019
TOTAL	13,063,278	14,141,562	16,707,157	17,783,877	17,783,877

AUTHORIZED FTE

	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Administration Division	9.00	9.00	9.00	9.00	9.00
Investigations Division	11.25	6.45	6.00	6.00	6.00
Operations Division	30.35	34.80	34.80	34.80	34.80
TOTAL	50.60	50.25	49.80	49.80	49.80

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

POLICE DEPARTMENT

FY 2026-2027 Budget

Department Summary

MISSION STATEMENT

The Mission of the East Palo Alto Police Department is to provide quality police service and work in partnership with the community to preserve the peace, establish a safe environment and do so with emphasis on mutual trust and respect.

The Divisions of the Police Department consist of Administration, Investigations and Operations.

The emphasis of this fiscal year's budget is to improve current service levels to the public. Attention will be focused on the priority of employee and organizational development, as well as community policing, crime reduction, traffic enforcement, and parking enforcement. Additionally, the department will focus on ongoing maintenance of mandated services for general law enforcement, vehicle abatement and emergency response (as a single agency or in concert with other federal, state, and/or local agencies). The Police Department will strive for successful completion of the following strategic priorities:

Administration:

1. Work with the City Manager's Office on site selection, funding strategy, and space needs for a new police facility, ensuring the design supports modern policing, community engagement, and long-term operational growth by the end of the fiscal year.
2. Implement a targeted recruitment and hiring strategy to fill all vacant sworn and professional staff positions.
3. Implement a new Computer Aided Dispatch (CAD) system designed to improve efficiency for patrol personnel by streamlining workflows, reducing response delays, and delivering enhanced data accuracy to support informed decision making and resource deployment

Operations:

1. Collaborate with the administrative division and Human Resources to recruit, hire, and deploy enough sworn Officers and CSO's to fully staff all positions
2. Collaborate with department leadership to creatively restructure existing resources and assignments to pilot a dedicated traffic enforcement unit focused on neighborhood traffic complaints
3. Partner with the City Manager's Office to implement a comprehensive parking management strategy, including the acquisition or contracting of dedicated parking enforcement personnel and technology, to improve traffic flow, enhance neighborhood livability, and support equitable enforcement across the city by the end of the fiscal year.

POLICE DEPARTMENT

FY 2026-2027 Budget

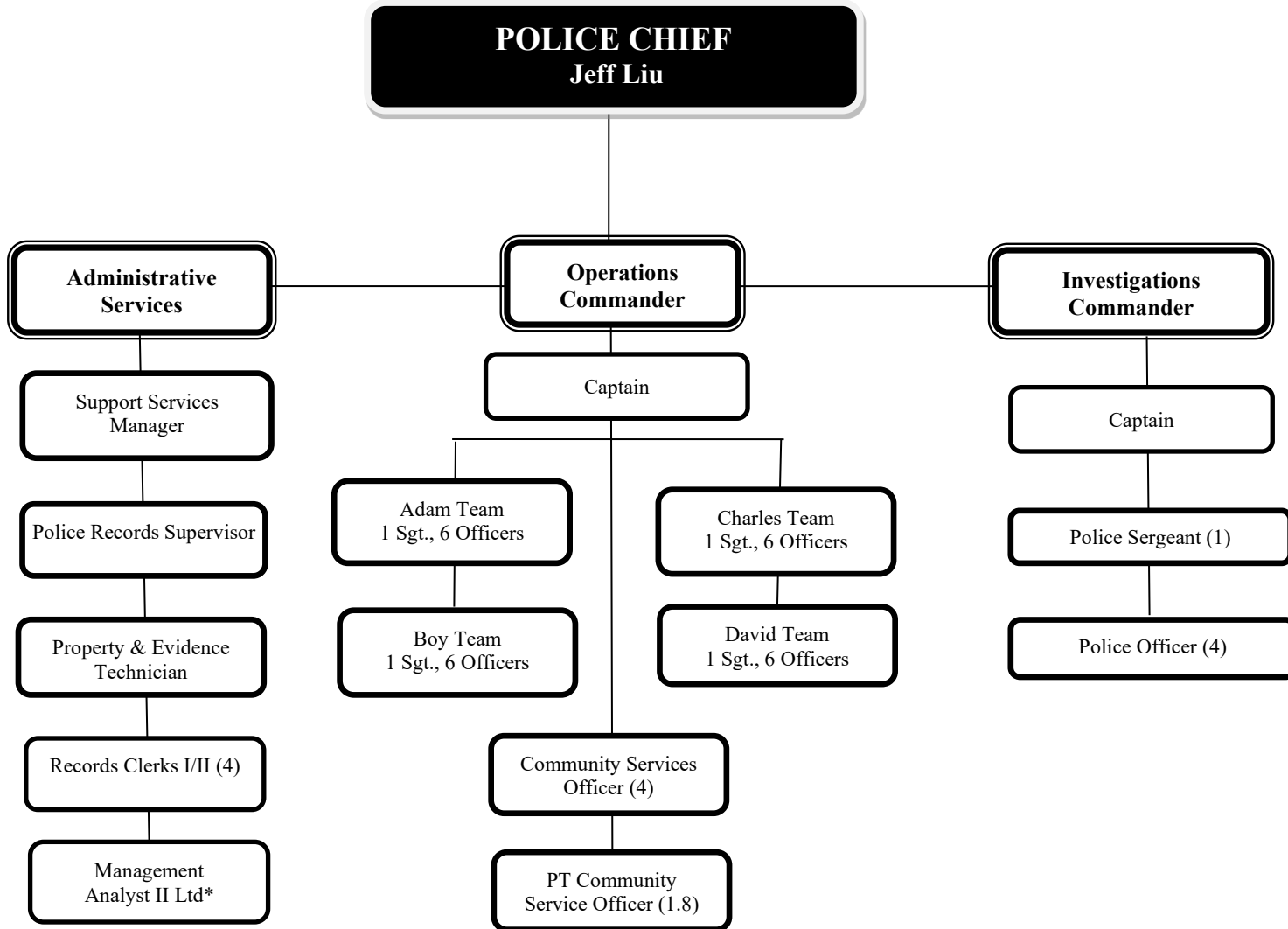
Department Summary

Investigations:

1. Work with the operations and administrations divisions to recruit, assign, and train qualified investigators to fill all vacant positions within the division.
2. Expand victim support services by formalizing partnerships with advocacy organizations, increasing referrals to mental health and trauma recovery resources.
3. Partner with the City Manager's Office to develop and implement a robust emergency preparedness plan that engages the community and enhances public awareness.

POLICE DEPARTMENT

FY 2026-2027 Budget



* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

Total FTE's: 49.80

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POLICE DEPARTMENT

FY 2026-2027 Budget

Administration Division

Division Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	414,605	485,577	545,000	580,000	580,000
Use of Resources	4,442,545	4,882,189	5,195,147	6,008,716	6,008,716
Special Revenue Funds	224,106	119,531	320,000	-	-
Capital Project Fund	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	5,081,256	5,487,297	6,060,147	6,588,716	6,588,716

EXPENDITURES BY DIVISION

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Administration Division	5,081,256	5,487,297	6,060,147	6,588,716	6,588,716
TOTAL	5,081,256	5,487,297	6,060,147	6,588,716	6,588,716

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	1,578,168	1,618,109	1,763,822	1,795,855	1,795,855
Subtotal	1,578,168	1,618,109	1,763,822	1,795,855	1,795,855
Supplies and Services					
Purchased Services	2,986,521	3,205,307	3,778,675	4,379,361	4,379,361
Supplies and Materials	279,048	241,096	227,150	213,500	213,500
Capital Expenditures	237,519	422,785	290,500	200,000	200,000
Other Expenditures	-	-	-	-	-
Subtotal	3,503,088	3,869,188	4,296,325	4,792,861	4,792,861
TOTAL	5,081,256	5,487,297	6,060,147	6,588,716	6,588,716

AUTHORIZED FTE

	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Police Chief	1.00	1.00	1.00	1.00	1.00
Support Services Manager	1.00	1.00	1.00	1.00	1.00
Property & Evidence Technician	1.00	1.00	1.00	1.00	1.00
Police Record's Clerk I/II	4.00	4.00	4.00	4.00	4.00
Police Record's Supervisor	1.00	1.00	1.00	1.00	1.00
Management Analyst II Ltd*	1.00	1.00	1.00	1.00	1.00
TOTAL	9.00	9.00	9.00	9.00	9.00

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

POLICE DEPARTMENT

FY 2026-2027 Budget

Administration Division Summary

SERVICE DESCRIPTION

The Administration Division provides direction, coordination and oversight to police employees and operations involving grants, contracts, policy matters, training, discipline and purchasing.

Under the supervision of the Chief of Police and the Support Services Manager, the Division is comprised of the Records Division, including the Property and Evidence Officer. The Administration Division has a direct staffing level of 9.0 positions.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects an increase of \$528,569 (+8.7%) compared to the FY 2025–26 Adopted Budget. This increase is primarily driven by higher expenditures for purchased services (\$600,686), mainly attributable to increased county service costs, and salaries and benefits (\$32,033). These increases are partially offset by decreases in capital expenditures (\$90,500) and supplies and materials (\$13,650).

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous FY	% Change From Previous FY
2025-26 Adopted	\$6,060,147		
2026-27 Proposed	\$6,588,716	\$528,569	8.7%
2026-27 Adopted	\$6,588,716	\$0	0.0%

POLICE DEPARTMENT

FY 2026-2027 Budget

Administration Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Work with the City Manager's Office on site selection, funding strategy, and space needs for a new police facility, ensuring the design supports modern policing, community engagement, and long-term operational growth by the end of the fiscal year.	Working with the City Manager's Office, we have a promising project in process.
2. Implement a targeted recruitment and hiring strategy to fill all vacant sworn and professional staff positions.	The vacant Support Services Manager position has been filled, three new Police Recruits will onboard this year, and a panel is being held to fill the vacant Police Officer position.
3. Implement a new Computer Aided Dispatch (CAD) system designed to improve efficiency for patrol personnel by streamlining workflows, reducing response delays, and delivering enhanced data accuracy to support informed decision making and resource deployment	We completed the Request for Proposals process and evaluated multiple service providers based on cost and deliverables. Based on this evaluation, the department will continue working with our existing service provider to enhance service delivery and increase capacity.

POLICE DEPARTMENT

FY 2026-2027 Budget

Administration Division

OBJECTIVES

1.	The Civic Commons Project is progressing, and we plan to work closely with the City Manager's Office to move forward with breaking ground on a new Police Department facility.
2.	Complete the ongoing project to install an onsite Livescan system, enhancing departmental capabilities and providing an accessible resource for the community.
3.	We aim to deploy new technology that provides the community with an enhanced online reporting platform, designed to overcome language barriers, ADA accessibility challenges, and literacy limitations.

POLICE DEPARTMENT

FY 2026-2027 Budget

Investigations Division

Division Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	940,444	1,442,737	2,582,994	1,750,565	1,750,565
Special Revenue Funds	-	-	-	-	-
Capital Project Fund	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	940,444	1,442,737	2,582,994	1,750,565	1,750,565

EXPENDITURES BY DIVISION

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Investigations Division	940,444	1,442,737	2,582,994	1,750,565	1,750,565
TOTAL	940,444	1,442,737	2,582,994	1,750,565	1,750,565

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	940,444	1,440,637	2,456,836	1,626,407	1,626,407
Subtotal	940,444	1,440,637	2,456,836	1,626,407	1,626,407
Supplies and Services					
Purchased Services	-	-	116,158	114,158	114,158
Supplies and Materials	-	2,100	10,000	10,000	10,000
Capital Expenditures	-	-	-	-	-
Other Expenditures	-	-	-	-	-
Subtotal	-	2,100	126,158	124,158	124,158
TOTAL	940,444	1,442,737	2,582,994	1,750,565	1,750,565

AUTHORIZED FTE

	FY 2023-24 Adopted	FY 2024-25 Adopted	FY 2025-26 Adopted	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Captain	1.00	1.00	1.00	1.00	1.00
Police Officer	4.00	4.00	4.00	4.00	4.00
Police Sergeant	1.00	1.00	1.00	1.00	1.00
Community Services Officer	3.00	-	-	-	-
Cold Case Investigator (PT)	0.45	0.45	-	-	-
Community Services Officer (4 PT)	1.80	-	-	-	-
TOTAL	11.25	6.45	6.00	6.00	6.00

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

POLICE DEPARTMENT

FY 2026-2027 Budget

Investigations Division Summary

SERVICE DESCRIPTION

The Investigations Division conducts all major criminal investigations, including homicides and aggravated assaults.

Under the direct supervision of the Criminal Investigations Captain, the Investigations Division is comprised of (1) Captain, (1) Detective Sergeant, (4) Police Officers (Detectives) and (2) Part-time Special Projects Managers Investigating “Cold Case” Homicides, investigative support, and special projects management.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The \$832,429 (32.2%) decrease from the FY 2025–26 Adopted Budget to the FY 2026–27 Proposed Budget is primarily attributable to reductions in salaries and purchased services.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous	% Change From Previous
2025-26 Adopted	\$2,582,994		
2026-27 Proposed	\$1,750,565	(\$832,429)	-32.2%
2026-27 Adopted	\$1,750,565	\$0	0.0%

POLICE DEPARTMENT

FY 2026-2027 Budget

Investigations Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Work with the operations and administrations divisions to recruit, assign, and train qualified investigators to fill all vacant positions within the division.	Over the past year, in coordination with the Operations and Administration Divisions, one full-time investigator and one limited-term investigator were assigned to the Investigations Division, both of whom are currently receiving extensive formal and on-the-job training to ensure their effectiveness in these roles.
2. Expand victim support services by formalizing partnerships with advocacy organizations, increasing referrals to mental health and trauma recovery resources.	The Department has added a grant-funded mental health crisis clinician to support both our community and our personnel; since onboarding, the clinician has built strong relationships with community members and local organizations while providing critical services to individuals who might otherwise struggle to access needed resources.
3. Partner with the City Manager's Office to develop and implement a robust emergency preparedness plan that engages the community and enhances public awareness.	In furtherance of this objective, the Police Department, in partnership with the City Manager's Office, has been actively working to strengthen the City's emergency preparedness plan while also enhancing the emergency preparedness capabilities of City staff through coordinated planning and training efforts.

POLICE DEPARTMENT

FY 2026-2027 Budget

Investigations Division

OBJECTIVES

1.	Enhance investigative efficiency by leveraging technology to streamline case management, improve investigative efficiency, and support timely, data-driven investigative outcomes.
2.	Fully staff the Investigations Division by filling the current vacancy and ensuring the newly assigned investigator receives comprehensive training to effectively perform in the role.
3.	Strengthen security and enhance the effectiveness of 290 registrations through the strategic use of technology and robust identity confirmation,

POLICE DEPARTMENT

FY 2026-2027 Budget

Operations Division

Division Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	7,041,578	7,211,529	8,064,016	9,244,596	9,244,596
Special Revenue Funds	-	-	-	200,000	200,000
Capital Project Fund	-	-	-	-	-
Enterprise Funds	-	-	-	-	-
Successor Agency Trust Fund	-	-	-	-	-
TOTAL	7,041,578	7,211,529	8,064,016	9,444,596	9,444,596

EXPENDITURES BY DIVISION

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Operations Division	7,041,578	7,211,529	8,064,016	9,444,596	9,444,596
TOTAL	7,041,578	7,211,529	8,064,016	9,444,596	9,444,596

CHARACTER OF EXPENDITURES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Personnel					
Salaries and Benefits	6,934,184	7,060,289	7,714,016	9,044,596	9,044,596
Subtotal	6,934,184	7,060,289	7,714,016	9,044,596	9,044,596
Supplies and Services					
Purchased Services	1,619	978	200,000	200,000	200,000
Supplies and Materials	105,775	150,262	150,000	200,000	200,000
Capital Expenditures	-	-	-	-	-
Other Expenditures	-	-	-	-	-
Subtotal	107,394	151,240	350,000	400,000	400,000
TOTAL	7,041,578	7,211,529	8,064,016	9,444,596	9,444,596

AUTHORIZED FTE

	FY 2023-24 Adopted*	FY 2024-25 Adopted*	FY 2025-26 Adopted*	FY 2026-27 Proposed*	FY 2026-27 Adopted*
Captain	1.00	1.00	1.00	1.00	1.00
Police Sergeant	4.00	4.00	4.00	4.00	4.00
Police Officer	24.00	24.00	24.00	24.00	24.00
Police Officer (3PT)	1.35	-	-	-	-
Community Services Officer	-	4.00	4.00	4.00	4.00
Community Services Officer (4 PT)	-	1.80	1.80	1.80	1.80
TOTAL	30.35	34.80	34.80	34.80	34.80

* Beginning with FY 2023-24, Authorized FTE may include limited-term positions.

POLICE DEPARTMENT

FY 2026-2027 Budget

Operations Division Summary

SERVICE DESCRIPTION

The Operations Division provides effective police services throughout the City, handle service calls, engages in problem-solving with the community, and keeps the peace.

Under the direction of the Chief of Police, the Operations Division is led by (1) Captain. The Operations Division performs police patrols, calls for service response, traffic enforcement, and special enforcement activities. The Operations Division has an authorized direct staffing level of 34.80 positions.

SIGNIFICANT CHANGES

FY 2025-2026 to FY 2026-2027 Budget:

The FY 2026–27 Proposed Budget reflects an increase of \$1,380,580 (17.1%) compared to the FY 2025–26 Adopted Budget. This increase is primarily attributable to higher salaries and benefits costs of \$1,330,580 and an increase of \$50,000 in supplies and materials for fuel.

The FY 2026-27 Adopted Budget was adopted without any changes.

Fiscal Year (FY)	Budget	\$ Change From Previous	% Change From Previous
2025-26 Adopted	\$8,064,016		
2026-27 Proposed	\$9,444,596	\$1,380,580	17.1%
2026-27 Adopted	\$9,444,596	\$0	0.0%

POLICE DEPARTMENT

FY 2026-2027 Budget

Operations Division

ACCOMPLISHMENTS

OBJECTIVES	RESULTS
1. Collaborate with the administrative division and Human Resources to recruit, hire, and deploy enough sworn Officers and CSO's to fully staff all positions.	We are presently fully staffed with Police Officers, and the recruitment process for the anticipated upcoming open police officer position is underway. Pending a successful conclusion of the interview and hiring process, we anticipate achieving full staffing by the end of the year.
2. Collaborate with department leadership to creatively restructure existing resources and assignments to pilot a dedicated traffic enforcement unit focused on neighborhood traffic complaints.	We have successfully staffed one motor officer position and are optimistic that we will be able to fill an additional position within the next year.
3. Partner with the City Manager's Office to implement a comprehensive parking management strategy, including the acquisition or contracting of dedicated parking enforcement personnel and technology, to improve traffic flow, enhance neighborhood livability, and support equitable enforcement across the city by the end of the fiscal year.	In collaboration with the City Manager's Office, we have successfully contracted with LAZ Parking to provide 24-hour, seven-day-a-week parking enforcement services. Enforcement will begin with a soft-education phase starting April 1, followed by full enforcement with citation issuance beginning in mid-April. With the addition of this dedicated enforcement and the support of our motor officer, we are optimistic that traffic flow and overall neighborhood livability will improve.

POLICE DEPARTMENT

FY 2026-2027 Budget

Operations Division

OBJECTIVES

1.	Expand the Traffic Enforcement Unit by adding a second motorcycle Officer focused on enhancing traffic safety.
2.	Enhance public safety by developing informative and engaging social media content that educates our community on critical public safety topics, including crime prevention, traffic safety, emergency preparedness, and community resources. By leveraging these platforms, we hope to empower residents with knowledge, foster stronger community partnerships, and promote proactive safety practices across East Palo Alto.
3.	We will collaborate with LAZ Parking to strengthen parking enforcement and remove abandoned vehicles, addressing blight and improving access to already limited street parking for the community.

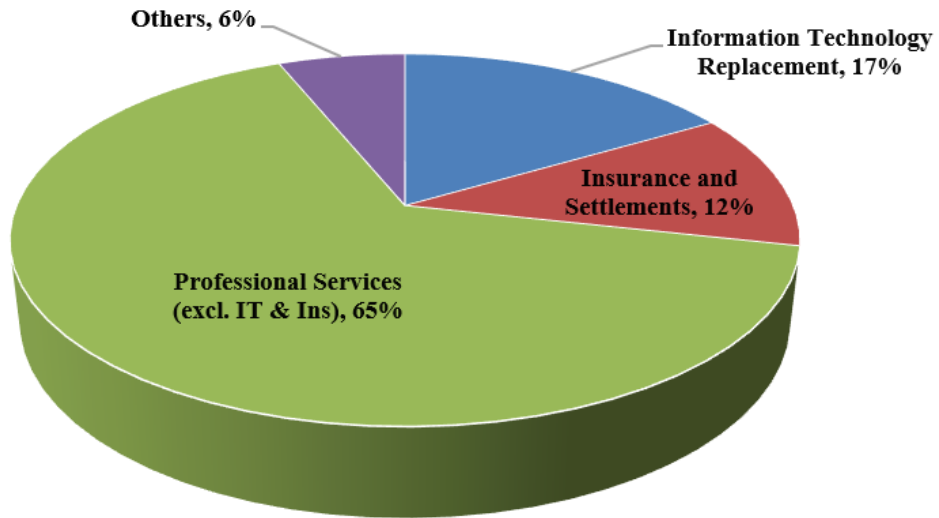
NON-DEPARTMENTAL

FY 2026-2027 Budget

FY 2026-27

Operating \$7,987,369

CHARACTER OF EXPENDITURES



NON-DEPARTMENTAL

FY 2026-2027 Budget

Department Summary

SOURCES

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
General Fund					
Charges/Fees for Services	-	-	-	-	-
Use of Resources	798,642	1,163,781	589,262	1,569,157	1,569,157
Special Revenue Funds	3,177,414	866,351	972,980	1,048,404	1,048,404
Capital Project Fund	9,238,459	-	180,233	188,608	188,608
Enterprise Funds	3,716,186	3,379,944	5,126,596	5,369,808	5,369,808
	7,692,242	5,410,076	6,688,838	7,987,369	7,987,369

EXPENDITURES BY DEPARTMENT*

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	FY 2026-27 Adopted
Information Technology Replacement	526,879	288,444	379,500	1,325,968	1,325,968
Insurance and Settlements	814,687	902,832	910,690	946,816	946,816
Professional Services (excl. IT & Ins)	4,001,734	4,178,207	5,076,115	5,219,173	5,219,173
Others	2,348,942	40,594	322,533	495,412	495,412
Subtotal	7,692,242	5,410,076	6,688,838	7,987,369	7,987,369

*Excludes Successor Agency activities

**Excludes capital equipment purchases budgeted directly in department or division.

Miscellaneous

Introduction

This section contains the following items of interest:

MISC- 3: FY 2026-27 Capital Improvement Funding

MISC- 5: FY 2026-27 Cost Allocation Plan Overhead
Charges

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FY 2026-2027 Capital Improvement Funding

PROJECT #	DESCRIPTION	FUND	SOURCE	TOTAL
N/A	IT Strategic Plan	F111	IT Fund	\$1,158,000
Sub-total IT fund				\$1,158,000
ST-07	Annual Street Resurfacing Project	F201	State Gas Tax - SB1 Funds	\$1,500,000
ST-09	Bicycle & Pedestrian Improvements	F201	State Gas Tax - SB1 Funds	\$500,000
Sub-total State Gas Tax				\$2,000,000
ST-07	Annual Street Resurfacing Project	F202	Measure A	\$500,000
ST-15	Signage and Striping Improvements	F202	Measure A	\$50,000
Sub-total Measure A				\$550,000
ST-07	Annual Street Resurfacing Project	F234	Measure W	\$250,000
Sub-total Measure W				\$250,000
N/A	San Francisquito Creek Sediment Removal	F301	CIP Local Match Fund	\$800,000
SD-04	Street Sweeping Signage	F301	CIP Local Match Fund	\$80,000
ST-33	Woodland Ave Street Improvements	F301	CIP Local Match Fund	\$175,000
Sub-total CIP (Local match)				\$1,055,000
FA-03	City Wide - EV Charging Station	F303	CIP Grant Fund	\$580,000
ST-07	Annual Street Resurfacing Project	F303	CIP Grant Fund	\$50,000
ST-33	Woodland Avenue Street Improvements	F303	CIP Grant Fund	\$525,000
ST-39	Fordham Street Improvement	F303	CIP Grant Fund	\$75,000
Sub-total CIP (Grant)				\$1,230,000
WS-01B	Emergency Water Connects – Palo Alto Park Mutual	F511	Water Capital Surcharge Fund	\$150,000
WD-06	Fire Hydrant Replacement (NEW)	F511	Water Capital Surcharge Fund	\$230,000
Sub-total Water Capital Surcharge fund				\$380,000
EPASD 1.1	Sewer System Master Plan - Pipeline Replacement	F530	EPA Sanitary District	\$1,000,000
EPASD 1.2	2025 Sewer System Master Plan - Pipeline Replacement	F530	EPA Sanitary District	\$1,695,000
Sub-total Sewer Capital Surcharge fund				\$2,695,000
TOTAL FY 2026-27 CIP FUNDING				\$9,318,000

Note:

Major CIP does not include technology asset replacement.

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FY 2026-27 Cost Allocation Plan Overhead Charges

Allocation	Building Use	City Council	City Manager's Office	Clerk Services	Human Resource	City Attorney	Finance	PW - Admin	PW - Maintenance	Non-Departmental	Information Technology ISF	Insurance ISF	TOTAL
General	\$ (130,688)	\$ (50,225)	\$ (410,164)	\$ (73,939)	\$ (114,759)	\$ (300,748)	\$ (797,448)	\$ (464,115)	\$ -	\$ (14,080)	\$ (167,685)	\$ (176,557)	\$ (2,700,408)
State Gas Tax	\$ -	\$ 3,044	\$ 26,988	\$ 2,663	\$ 8,112	\$ -	\$ 60,630	\$ 50,812	\$ -	\$ -	\$ 6,352	\$ 6,688	\$ 165,288
Measure A	\$ -	\$ -	\$ 57	\$ -	\$ -	\$ -	\$ 7,242	\$ 47,274	\$ -	\$ -	\$ -	\$ -	\$ 54,574
Mesure W	\$ -	\$ -	\$ 28	\$ -	\$ -	\$ -	\$ 6,687	\$ 12,559	\$ -	\$ -	\$ -	\$ -	\$ 19,274
NPDES	\$ 26,906	\$ -	\$ 19,597	\$ -	\$ 16,603	\$ -	\$ 44,400	\$ 18,365	\$ -	\$ -	\$ 13,001	\$ 13,688	\$ 152,560
Lighting District	\$ -	\$ -	\$ 5,817	\$ -	\$ 1,028	\$ -	\$ 30,905	\$ 15,771	\$ -	\$ -	\$ 805	\$ 847	\$ 55,173
Drainage District	\$ -	\$ -	\$ 6,436	\$ -	\$ 2,934	\$ -	\$ 38,231	\$ 12,852	\$ -	\$ -	\$ 2,297	\$ 2,418	\$ 65,169
CIP (Local Matching)	\$ -	\$ -	\$ 3,752	\$ -	\$ 5,648	\$ -	\$ 29,573	\$ 136,332	\$ -	\$ -	\$ 4,422	\$ 4,656	\$ 184,383
Impact Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,226
Rent Stabilization	\$ -	\$ 3,044	\$ 29,282	\$ 14,662	\$ 22,589	\$ 143,331	\$ 60,646	\$ -	\$ -	\$ 14,080	\$ 22,110	\$ 23,280	\$ 333,024
Housing in Lieu	\$ -	\$ -	\$ 1,695	\$ -	\$ -	\$ -	\$ 9,032	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,728
Housing TOT	\$ -	\$ -	\$ 476	\$ -	\$ -	\$ -	\$ 7,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,704
Housing Assistance	\$ -	\$ -	\$ 51	\$ -	\$ -	\$ -	\$ 9,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,206
Park in Lieu	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,107
CYSFF TOT	\$ -	\$ -	\$ 790	\$ -	\$ -	\$ -	\$ 8,446	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,236
Water	\$ 38,438	\$ 9,132	\$ 37,252	\$ 7,990	\$ 11,294	\$ 32,358	\$ 68,663	\$ 23,350	\$ -	\$ -	\$ 8,844	\$ 9,312	\$ 246,631
Garbage Service	\$ 65,344	\$ 4,565	\$ 24,980	\$ 3,994	\$ 26,253	\$ -	\$ 46,874	\$ 9,356	\$ -	\$ -	\$ 20,557	\$ 21,644	\$ 223,569
Successor Agency	\$ -	\$ -	\$ 511	\$ -	\$ 1,098	\$ -	\$ 4,847	\$ -	\$ -	\$ -	\$ 860	\$ 905	\$ 8,220
EPASD	\$ -	\$ 30,439	\$ 252,452	\$ 44,630	\$ 19,200	\$ 125,059	\$ 353,555	\$ 137,443	\$ -	\$ -	\$ 88,439	\$ 93,118	\$ 1,144,337

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Glossary

AB x1 26 - legislation adopted and signed by Governor Jerry Brown in June 2011 and upheld by the California Supreme Court in California Redevelopment Association, et al. v. Ana Matosantos, et al., which eliminated redevelopment agencies. As a result, the Redevelopment Agency of the City of East Palo Alto (RDA) was dissolved effective February 1, 2012. AB x1 26 provides that the City may become the Successor Agency to the Redevelopment Agency (affirmed by the City Council on January 10, 2012), and continue to satisfy “enforceable obligations” of the former RDA and administer the dissolution and wind down of the former RDA

AB 1484 - legislation adopted and signed by Governor Jerry Brown in June 2012 that amended various provisions of AB x1 26.

ADOPTED BUDGET - The City budget for a fiscal year, adopted by the City Council by resolution following the close of budget hearings.

APPROPRIATION - Legal authorization granted by City Council or other policy body to make expenditures and incur obligations for a specific purpose within a specific time frame.

ASSESSED VALUATION - A dollar value placed on real estate or other property by the County as a basis for levying property taxes.

AUDIT - A review of the City's accounts by an independent auditing firm to substantiate fiscal year-end balances and assure compliance with generally accepted standards for financial accounting and reporting.

AVAILABLE FUND BALANCE - The amount of fund balance available to finance appropriation requirements after deducting reserves.

BOND PROCEEDS - The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

BONDS - A certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest, by a specified future date.

BUDGET - A plan of financial operation, embodying an estimate of expenditures/ expenses for a given period (typically a fiscal year) and the means of financing them (revenue estimates). Upon approval by the City Council, the budget appropriation resolution is the legal basis for expenditures in the fiscal year.

BUDGET AUTHORITY - Under certain circumstances, the City Council may adjust the budgeted appropriations for reasons unforeseen at the time of the adoption of the original budget. Such amendments are made by Council resolution. The City Manager may make transfers of appropriations within a fund.

BUDGETARY CONTROL - The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

BUSINESS LICENSE TAX - This is a general tax on businesses for the privilege of conducting business within the city. Rates are set at each city's discretion but may not be discriminatory or confiscatory.

CAPITAL IMPROVEMENT BUDGET - Annual appropriations for capital improvement projects such as street improvements, building construction and various kinds of major facility maintenance. Capital projects are outlined in a five-year expenditure plan which details funding sources and expenditure amounts. They often are multi-year projects which require funding beyond the one-year period of the annual budget.

CAPITAL OUTLAY - Expenditures which result in the acquisition of, or addition to, fixed assets.

CAPITAL PROJECT - Any project having assets of significant value and a useful life of five years or more. Capital projects include the purchase of land, design, engineering, and construction of buildings, infrastructure such as streets, bridges, drainage, street lighting, water/sewer systems, etc. Capital projects may include the acquisition of heavy equipment management control technique of

formal budgetary and machinery or rolling stock using capital funding sources.

CAPITAL PROJECTS FUND - A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

CAPITALIZATION POLICY - The criteria used by a government to determine which outlays should be reported as fixed assets.

CASH WITH FISCAL AGENT - An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

CAPITAL INVESTMENT PROGRAM (CIP) - A section in the five-year capital plan listing projects for which some level of funding is available.

COMMUNITY ORIENTED POLICING SERVICES (COPS) - A grant program supporting community involvement offered by the U.S. Department of Justice.

CONSUMER PRICE INDEX (CPI) - A statistical description of price levels provided by the U.S. Department of Labor. The change in this index from year to year is used to measure the cost of living and economic inflation.

CONTINGENCY - An amount of money appropriated for unforeseen expenditures. It is limited to not more than 15% of the appropriations in any fund.

CURRENT SERVICE CHARGES - These are charges imposed to support services provided to individuals. These charges may not exceed the cost of providing the service plus overhead. The rationale behind service charges is that certain services are primarily for the benefit of individuals rather than the general public.

DEBT SERVICE - Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes or leasing arrangements.

DEBT SERVICE FUND - A fund established to account for the accumulation of resources for, and

the payment of, general long term debt principal and interest.

DEFICIT - An excess of expenditures or expenses over revenues (resources).

DEPARTMENT - An organizational unit comprised of divisions or programs. It is the basic unit of service responsibility encompassing a broad mandate of related activities.

DEPRECIATION - (1) Expiration in the service life of fixed assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. (2) The portion of the cost of a fixed asset, other than wasting assets, charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

DESIGNATED FUND BALANCE- A portion of an unreserved fund balance that has been “earmarked” by the City Manager or the City Council for specified purposes.

DESIGNATION - An account containing money set aside by the City Council for a specific future use. Money in a designation is earmarked for specific use, but may not be legally restricted to that use.

DEVELOPMENT IMPACT FEES - Fees placed on the development of land or conditions required for the approval of a development project such as the donation (“dedication” or “exaction”) of certain lands (or money) to specific public uses. The fees are typically justified as an offset to the future impact that development will have on existing infrastructure.

DIVISION - A sub-section (or activity) within a department which furthers the objectives of the City by providing specific services or programs.

ENCUMBERANCE - An anticipated expenditure committed for the payment of goods and services not yet received or paid for. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of

expenditures ultimately to result if unperformed contracts in process are completed.

ENTERPRISE FUND - A fund established to account for operations financed and operated in a manner similar to private business enterprises (e.g., water, gas and electric utilities, airports, parking garages, or transit systems). In this case the governing body intends that costs (i.e., expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. A fund established because the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management controls, accountability or other purposes.

ERAF - Educational Revenue Augmentation Fund. The state enacted legislation in 1992 whereby partial responsibility of funding education was shifted to local governments, directing specified amounts of local agency property taxes to be deposited into such funds to support schools.

EXCESS ERAF REFUND - Accounts for the remaining funds in ERAF account after the County of San Mateo has met the State's revenue limits for schools and community colleges. The revenue limit is based on several factors such as average daily attendance and cost of living increases. The excess is then refunded proportionally to each agency's contribution based on state statute.

EXPENDITURES - Monies spent, including current operating expenses, debt service and capital outlays.

EXPENSE - The actual spending of funds by an enterprise fund set aside by an appropriation.

FINES FORFEITURES AND PENALTIES - Revenues received and/or bail monies forfeited upon conviction of a misdemeanor or municipal infraction.

FISCAL YEAR - In accounting terms, it is the net of a twelve-month period used for budgeting and accounting purposes. For the City of East Palo Alto, the fiscal year is from July 1 to June 30.

FIXED ASSETS - Long-lived tangible assets obtained or controlled as a result of past

transactions, events or circumstances. Fixed assets include buildings, equipment, and improvements other than buildings and land. In the private sector, these assets are referred to most often as property, plant and equipment.

FORFEITURE- See Fines, forfeitures, and penalties.

FRANCHISES FEES- Fees paid to a municipality from a franchisee for "rental" or as a "toll" for the use of city streets and rights-of-way. The businesses required to pay franchise fees in East Palo Alto include utilities such as water, gas, electricity, cable television and solid waste collection and disposal. Telephone utilities are specifically exempted from franchise fees by State law.

FULL-TIME EQUIVALENT (FTE) - The amount of time a regular full or part-time position has been budgeted for in terms of the amount of time an employee works in a year. Except as noted, part-time services provided by casual/seasonal employees, such as those for summer recreation programs, are not included.

FUND - An independent fiscal and accounting entity with a self-balancing set of accounts. Examples are the General Fund, Special Revenue Funds, Capital Projects, Enterprise, and Internal Service Funds.

FUND BALANCE - The amount of financial resources available for use. Generally, this represents a summary of all the annual operating surpluses and deficits since the fund's inception.

FY - Fiscal year.

GASOLINE TAX (HIGHWAY USERS TAX) - The Gasoline Tax is a 26-cent per gallon tax on fuel used to propel a motor vehicle or aircraft. The use of these revenues is restricted to "research, planning, construction, improvement, maintenance, and operation of public streets and highways or public mass transit guideways". The basic means of distribution to cities is population. The allocation formula is very complicated.

GENERAL FUND - The primary fund used to account for all revenues and expenditures of the City not legally restricted as to use. This fund is used to offset the cost of the City's general

operations. Examples of departments financed by the General Fund include the Police and Administrative Support Services Departments, such as the City Manager's Office.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB) - A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

GRANT - Contributions, gifts of cash or other assets from another governmental entity to be used or expended for a specific purpose, activity or facility.

HOMEOWNER'S PROPERTY TAX RELIEF - Revenue from the state to offset city loss of property tax for state-imposed \$7,000 per dwelling homeowner exemption.

INFRASTRUCTURE - Facilities on which the continuance and growth of a community depend, such as streets and roads, sewers, public buildings, parks, etc.

INTRAFUND TRANSFERS - A transfer of moneys between departments in the same fund.

INVESTMENT EARNINGS - Revenue earned from the investment of idle public funds.

JOINING POWERS AUTHORITY - The Joint Exercise of Powers Act authorizes local public agencies to exercise common powers and to form joint powers authorities (JPAs) for the purpose of jointly receiving or providing specific services.

LEGAL LEVEL OF BUDGETARY CONTROL - The level at which spending in excess of budgeted amounts would be a violation of law.

LEVEL OF BUDGETARY CONTROL - One of the three possible levels of budgetary control and authority to which organizations, programs, activities and functions may be subject. These levels of budgetary control are: (a) appropriated budget, (b) legally authorized non-appropriated budget review and approval process, which is outside the appropriated budget process or (c) non-budgeted financial activities, which are not subject to the appropriated budget and the appropriation process or to any legally authorized non-appropriated budget review and approval process,

but still are relevant for sound financial management and oversight.

LEVY - (Verb) to impose taxes, special assessments or service charges for the support of governmental activities; (noun) the total amounts of taxes, and/or special assessments and/or service charges imposed by a governmental agency.

LICENSES AND PERMITS - Charge designed to reimburse City for costs of regulating activities being licensed, such as licensing of animals and bicycles, etc.

LIEN - A claim on assets, especially property, for the payment of taxes or utility service charges.

LIQUIDITY - Refers to the ability to rapidly convert an investment into cash.

LOCAL AGENCY INVESTMENT FUND (LAIF) - Was established by the state to enable treasurers to place idle funds in a pool for investment. Each agency is currently limited to LAIF to an investment of \$20 million plus any bond proceeds.

MISSION STATEMENT- A succinct description of the scope and purpose of a City department.

MEASURE C PARCEL TAX - A measure passed by the voters on the November 2006 ballot that calls for a 10 year special tax on all City parcels. Revenue generated from such tax will be used for public safety and crime prevention programs.

MOTOR VEHICLE IN-LIEU FEES - State residents pay a fee to the State each year that is computed as a percent of the depreciated value of their motor vehicles. Each city and county in California receive a portion, based on population, of the total motor vehicle license fees collected by the State. In 2004, the State reduced local government allocation from 2.0% to 0.67%. The difference of 1.33% was a swap for local property tax, now known as Property Tax in Lieu of VLF.

OBJECTIVES - The expected results or achievements of a budget activity which can be measured and achieved within a given time frame. Achievement of the objective advances the organization towards a corresponding goal.

OPERATING BUDGET - Annual appropriation of funds for on-going program costs, including

salaries and benefits, services and supplies, debt service and capital outlay.

ORDINANCE - A formal legislative enactment by the City Council. It has the full force and effect of law within City boundaries unless preempted by a higher form of law. An ordinance has a higher legal

OTHER EXPENDITURES- This category reflects transfer outs of the General Fund and excise tax settlement payments. Transfers are used to move funds to other operating funds in order to finance the operations of another fund or to reimburse the other fund for certain services provided to the General Fund.

OTHER FINANCING SOURCES - Governmental fund general long-term debt proceeds, amounts equal to the present value of minimum lease payments arising from capital leases, proceeds from the sale of general fixed assets, and operating transfers in.

OTHER FINANCING USES - Governmental fund operating transfers out and the amount of refunding bond proceeds deposited with the escrow agent. Such amounts are classified separately from expenditures on the governmental operating statement.

OTHER REVENUES - This category includes reimbursements from other government agencies, interest earned on investments and contributions. This category also includes some loan repayments made to the General Fund, i.e., from the Redevelopment Agency for budget purposes only.

OVERHEAD ALLOCATION - A methodology for identifying and allocating overhead, (indirect) costs incurred by central services departments to the direct cost programs.

OVERSIGHT BOARD – this board provides some oversight to the Successor Agency (see definition) and has the fiduciary responsibility to holders of enforceable obligations and the taxing entities that benefit from the distribution of the revenues, especially property tax revenue.

PERFORMANCE MEASURE- An annual indicator of achievement or measures of prediction for a program of work unit as defined in the organization of the budget. Measures may be

expressed as a number count, fraction, or a percent of achievement related to the size of the problem or service being provided.

PERMITS, FEES AND CHARGES FOR SERVICES- This category includes the City's charges and fees for licenses and permits issued by the City; as well as, the community development services of staff, provided to customers. The license and permit revenues are designed to reimburse the City for costs of regulating the activities being licensed. Fees and charges for services are imposed to support services provided to individuals and businesses.

PERS - Public Employees' Retirement System.

P.O.S.T - Peace Officer Standards and Training - a State reimbursement program for Police Officer Training.

PROPERTY TAX - Homes, businesses, and other taxable real and personal property are subject to a property tax rate of 1% of assessed value. Since Proposition 13 was enacted in 1978, the assessed valuation of real property in the "base year" of 1975-1976 may increase each year by the change in the Consumer Price Index (CPI), not to exceed 2% as long as it is held by the same owner. When there is a transfer of property ownership, or when property is newly constructed, it is reappraised at its current full market value. The property tax is imposed on real property (land and permanently attached improvements such as buildings) and tangible personal property (movable property) located within the state. By definition, this ad valorem tax is based on the property value, as defined in law, rather than on a fixed amount or benefit.

ADOPTED BUDGET - The financial and operating document submitted by the City Manager to the City Council for consideration.

PROPOSITION 13 - Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the maximum annual increase of any ad valorem tax on real property to 1% of the full cash value of such property.

PURCHASED SERVICES - This category covers a wide-range of services such as consulting services, outside professional, legal, and auditing

services, county services, i.e., supplemental police patrol, and animal control services; City facilities maintenance services, etc.

RDA - Redevelopment Agency.

RECEIVABLES-REDEVELOPMENT

AGENCY- This receivable sets out amounts due the City from the Redevelopment Agency making those funds unavailable for appropriations until received.

REGULAR POSTISION - Any permanent position in the classified service that is required to be filled through certification, or by provisional appointment.

REIMBURSEMENT FOR STATE MANDATED COSTS - Article XIII B, Section 6 of the California Constitution which requires the State to reimburse local agencies for the cost of state-imposed programs. Process is commonly called "SB 90" after its original 1972 legislation.

RESERVE - An account used to record a portion of the fund balance as legally segregated for a specific use, usually at a future time.

RESOLUTION - A special order of the City Council which has a lower legal standing than an ordinance.

REVENUES - Monies received or anticipated by a local government from both tax and non-tax sources during the fiscal year.

SALARIES AND BENEFITS - This major category accounts for full-time and part-time employees, overtime expenses and all employee benefits, such as medical, dental, retirement, life insurance, long term disability, and workers compensation. Where applicable, uniform allowance is also included in this category.

SALES TAX - This tax is levied on goods and services at the point-of-sale. Sales tax in San Mateo County is 8.25% of which approximately 1% is returned to East Palo Alto for those sales which take place in East Palo Alto.

SB 90 - Reimbursement process for state mandated costs, named after its original 1972 legislation.

SERVICE CHARGES - Charges imposed to support services to individuals or to cover the cost of providing such services. The fees charged are limited to the cost of providing the service or regulation required (plus overhead).

SERVICES - Expenditures/expenses for services.

SINGLE AUDIT - An audit performed in accordance with the Single Audit Act of 1984 and the Office of Management & Budget (OMB) Circular A-128, Audits of State and Local Governments. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of the federal agencies.

SPECIAL REVENUE FUND - A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes. GAAP only require the use of special revenue funds when legally mandated.

SUCCESSOR AGENCY – designated as the entity to the former redevelopment agency. The agency is given the authority, rights, powers, duties, and obligations previously provided to the former redevelopment agency under the Community Redevelopment Law, except for those that were repealed, restricted or amended in Assembly Bill 1X26. The purpose of the agency are 1)make payments on the redevelopment agency's enforceable obligations; and 2)wind down the activities of the redevelopment agency.

SUPPLEMENTAL PROPERTY TAX - In the event a property changes ownership, the county collects a supplemental property tax assessment in the current tax year by determining a supplemental value. In future tax periods, the property carries the full cash value.

SUPPLIES AND MATERIALS - This category of expenses relates to supplies needed and required to operate as a cost of doing business. Some of the major supplies consist of general office supplies, safety supplies, utilities and fuel for City vehicles, etc.

TAX - Compulsory charge levied by a government for the purpose of financing services performed for the common benefit.

TAX ALLOCATED BONDS - Bonds issued by redevelopment agencies to revitalize blighted and economically depressed areas of the community and to promote economic growth.

TAX BASE - The objects or transactions to which a tax is applied (e.g., parcels of property, retail sales, etc.). State law or local ordinances define the tax base and the objects or transactions exempted from taxation.

TAX INCREMENT FINANCING - A tax incentive designed to attract business investment by dedicating to the project area the new property tax revenues generate by redevelopment. The increase in revenues (increment) is used to finance development-related costs in that district.

TAX RATE - The amount of tax applied to the tax base. The rate may be flat, incremental or a percentage of the tax base, or any other reasonable method.

TEMPORARY POSITION - A non-regular, temporary position created to meet a peak workload or other unusual work situation; can include seasonal or recurrent intermittent employment.

TRANSIENT OCCUPANCY TAX (TOT) - This is a general tax imposed on occupants for the privilege of occupying rooms in hotels, motels, inns, or other lodging facilities for 30 days or less. The current tax rate in East Palo Alto is 12%. Of the total tax anticipated to be received by the City, there is a 10% set-aside for children, youth, senior and families services and another 10% for housing services for the residents of East Palo Alto.

TRUST FUNDS - Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

UNDESIGNATED FUND BALANCE - The City will maintain an Undesignated General Fund Balance to help mitigate the effects of such unanticipated situations as the following:

- a) Economic downturns

- b) Loss of revenues to or imposition of additional costs by other governmental agencies
- c) Errors in financial forecasting
- d) Natural disasters

UNRESERVED FUND BALANCE - That portion of a fund balance available for spending or appropriation in the future.

UTILITY USER'S TAX - This tax is imposed on the consumer (residential or commercial) of utilities – electric, gas, cable television, and telephone services. The current tax rate is 5%. The tax is collected by the companies providing the service as part of their billing process and is issued to the City.

VLF - See Motor Vehicle In-Lieu Fee.

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CITY OF EAST PALO ALTO

DETAILED BUDGET INFORMATION

FY 2026-2027



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CITY OF EAST PALO ALTO
FY 2026-2027 BUDGET BY FUND CATEGORY

	General Fund and Internal Reserves	Special Revenue Funds	Capital Improvement Funds	Enterprise Funds	City Total	Successor Trust Fund	GRAND TOTAL
Revenues							
Property Tax	17,006,190	1,091,236	-	1,609,934	19,707,361	3,528,516	23,235,877
Sales Tax	5,827,100	-	-	-	5,827,100	-	5,827,100
Transient Occupancy Tax	2,200,000	550,000	-	-	2,750,000	-	2,750,000
Business License Tax	830,000	1,620,690	-	-	2,450,690	-	2,450,690
Utility User Tax	2,160,558	-	-	-	2,160,558	-	2,160,558
Other Taxes	140,000	3,402,554	-	-	3,542,554	-	3,542,554
Licenses, Fees, and Permits	1,725,334	1,502,715	2,771,335	3,745,266	9,744,650	-	9,744,650
Charges for Services	2,206,280	142,600	-	10,021,571	12,370,451	-	12,370,451
Fines and Forfeitures	632,500	-	-	-	632,500	-	632,500
Use of Money and Property	1,941,764	1,415,764	791,556	1,679,787	5,828,871	58,248	5,887,119
Grants and Intergovernmental	65,000	1,248,100	1,230,000	-	2,543,100	-	2,543,100
Other Miscellaneous	613,800	-	-	303,333	917,133	-	917,133
Total Revenues	35,348,525	10,973,659	4,792,892	17,359,891	68,474,967	3,586,764	72,061,731
Expenditures							
City Council	261,352	-	-	7,500	268,852	-	268,852
City Attorney	1,617,805	10,700	-	50,600	1,679,105	1,400	1,680,505
City Clerk	667,379	-	-	-	667,379	-	667,379
City Manager	5,350,822	1,290,000	-	-	6,640,822	-	6,640,822
Finance	1,928,635	8,488	72,832	73,500	2,083,455	30,374	2,113,830
Community Development	3,544,234	18,724,499	-	-	22,268,732	-	22,268,732
Public Works	6,760,504	2,191,071	170,459	6,209,892	15,331,926	-	15,331,926
Police	17,583,877	200,000	-	-	17,783,877	-	17,783,877
Non-Departmental							
Capital/Technology	1,158,000	2,800,000	2,285,000	3,075,000	9,318,000	-	9,318,000
Debt Service	-	-	-	-	-	-	-
Insurance and Settlements	1,123,373	-	-	-	1,123,373	-	1,123,373
IT Operations	495,864	-	-	15,040	510,904	-	510,904
Other Non-Departmental	1,463,932	112,561	-	3,627,640	5,204,133	5,027,985	10,232,118
Overhead Allocation	(2,860,620)	925,618	198,832	1,727,128	(9,042)	9,041	-
Total Expenditures	39,095,159	26,262,936	2,727,123	14,786,300	82,871,517	5,068,801	87,940,319
Net Sources / (Uses)	(3,746,633)	(15,289,277)	2,065,769	2,573,591	(14,396,550)	(1,482,037)	(15,878,587)
Other Financing Sources / (Uses)							
Transfers In	-	989,268	-	-	989,268	-	989,268
Transfers Out	(989,268)	-	-	-	(989,268)	-	(989,268)
Net Operating Transfers	(989,268)	989,268	-	-	-	-	-
Change in Fund Balance	(4,735,901)	(14,300,009)	2,065,769	2,573,591	(14,396,550)	(1,482,037)	(15,878,587)
Other Changes	-	-	-	-	-	-	-
Projected Fund Balance							
July 01, 2026 Balance*	17,881,000	37,832,000	17,639,000	37,225,000	110,577,000	(13,944,032)	96,632,968
June 30, 2027 Balance	14,303,099	23,531,991	19,704,769	39,798,591	96,180,450	(15,426,069)	80,754,381

*Excludes certain assets, reserves, and commitments.

CITY OF EAST PALO ALTO
FY 2026-2027 GENERAL FUND BUDGET

	General Fund F110	Info Services Reserve F111	Equipment and Vehicle Reserve F112	Insurance Reserve F113	Development Pass Through F117	Eliminating	Total
Revenues							
Property Tax	17,006,190	-	-	-	-	-	17,006,190
Sales Tax	5,827,100	-	-	-	-	-	5,827,100
Transient Occupancy Tax	2,200,000	-	-	-	-	-	2,200,000
Business License Tax	830,000	-	-	-	-	-	830,000
Utility User Tax	2,160,558	-	-	-	-	-	2,160,558
Other Taxes	140,000	-	-	-	-	-	140,000
Licenses, Fees, and Permits	1,725,334	-	-	-	-	-	1,725,334
Charges for Services	2,206,280	-	-	-	-	-	2,206,280
Fines and Forfeitures	632,500	-	-	-	-	-	632,500
Use of Money and Property	1,941,764	-	-	-	-	-	1,941,764
Grants and Intergovernmental	65,000	-	-	-	-	-	65,000
Other Miscellaneous	-	-	-	-	613,800	-	613,800
Total Revenues	34,734,725	-	-	-	613,800	-	35,348,525
Expenditures							
City Council	253,852	7,500	-	-	-	-	261,352
City Attorney	1,412,805	-	-	125,000	80,000	-	1,617,805
City Clerk	552,701	114,678	-	-	-	-	667,379
City Manager	4,915,078	435,744	-	-	-	-	5,350,822
Finance	1,854,021	74,614	-	-	-	-	1,928,635
Community Development	3,019,318	54,916	-	-	470,000	-	3,544,234
Public Works	6,342,101	68,403	350,000	-	-	-	6,760,504
Police	17,081,633	302,244	200,000	-	-	-	17,583,877
Non-Departmental							
Major Capital/Technology	-	1,158,000	-	-	-	-	1,158,000
Insurance and Settlements	-	-	-	1,123,373	-	-	1,123,373
IT Operations	-	495,864	-	-	-	-	495,864
Other Non-Departmental	1,463,932	-	-	-	-	-	1,463,932
Overhead Allocation	(2,356,166)	(327,897)	-	(176,557)	-	-	(2,860,620)
Total Expenditures	34,539,277	2,384,066	550,000	1,071,816	550,000	-	39,095,159
Net Sources / (Uses)	195,449	(2,384,066)	(550,000)	(1,071,816)	63,800	-	(3,746,633)
Other Financing Sources / (Uses)							
Transfers In	-	1,226,066	550,000	1,071,816	-	(2,847,882)	-
Transfers Out	(3,837,150)	-	-	-	-	2,847,882	(989,268)
Net Operating Transfers	(3,837,150)	1,226,066	550,000	1,071,816	-	-	(989,268)
Change in Fund Balance	(3,641,701)	(1,158,000)	-	-	63,800	-	(4,735,901)
Other Changes	63,800	-	-	-	(63,800)	-	-
Projected Fund Balance							
July 01, 2026 Balance*	17,881,000	3,853,000	687,000	2,273,000	-	(6,813,000)	17,881,000
June 30, 2027 Balance	14,303,099	2,695,000	687,000	2,273,000	-	(6,813,000)	14,303,099

*Excludes certain reserves and commitments

CITY OF EAST PALO ALTO
FY 2026-2027 SPECIAL REVENUE FUNDS BUDGET

	Community Programs	Housing Programs	Transportation and Infrastructure Programs	Total
Revenues				
Property Tax	-	-	1,091,236	1,091,236
Sales Tax	-	-	-	-
Transient Occupancy Tax	275,000	275,000	-	550,000
Business License Tax	-	1,620,690	-	1,620,690
Utility User Tax	-	-	-	-
Other Taxes	-	1,677,000	1,725,554	3,402,554
Licenses, Fees, and Permits	-	1,502,715	-	1,502,715
Charges for Services	-	2,600	140,000	142,600
Fines and Forfeitures	-	-	-	-
Use of Money and Property	89,424	669,960	656,379	1,415,764
Grants and Intergovernmental	138,100	-	1,110,000	1,248,100
Other Miscellaneous	-	-	-	-
Total Revenues	502,524	5,747,965	4,723,170	10,973,659
Expenditures				
City Council	-	-	-	-
City Attorney	-	10,700	-	10,700
City Clerk	-	-	-	-
City Manager	1,290,000	-	-	1,290,000
Finance	-	2,496	5,992	8,488
Community Development	49,044	18,675,455	-	18,724,499
Public Works	123,563	-	2,067,508	2,191,071
Police	200,000	-	-	200,000
Non-Departmental	-	-	-	-
Capital/Technology	-	-	2,800,000	2,800,000
Insurance and Settlements	-	-	-	-
IT Operations	-	-	-	-
Other Non-Departmental	-	14	112,547	112,561
Overhead Allocation	9,236	381,785	534,597	925,618
Total Expenditures	1,671,843	19,070,449	5,520,643	26,262,936
Net Sources / (Uses)	(1,169,319)	(13,322,484)	(797,474)	(15,289,277)
Other Financing Sources / (Uses)				
Transfers In	-	-	989,268	989,268
Transfers Out	-	-	-	-
Net Operating Transfers	-	-	989,268	989,268
Change in Fund Balance	(1,169,319)	(13,322,484)	191,794	(14,300,009)
Other Changes	-	-	-	-
Projected Fund Balance				
July 01, 2026 Balance*	2,867,000	17,852,000	17,113,000	37,832,000
June 30, 2027 Balance	1,697,681	4,529,516	17,304,794	23,531,991

*Excludes certain reserves and commitments

CITY OF EAST PALO ALTO
FY 2026-2027 COMMUNITY PROGRAMS BUDGET

	Public Safety Grants F213	Federal and State Grants F215	Local Grants F230	CYSFF TOT F231	Total Community Programs
Revenues					
Property Tax	-	-	-	-	-
Sales Tax	-	-	-	-	-
Transient Occupancy Tax	-	-	-	275,000	275,000
Business License Tax	-	-	-	-	-
Utility User Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses, Fees, and Permits	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Use of Money and Property	14,526	8,949	23,779	42,170	89,424
Grants and Intergovernmental	100,000	38,100	-	-	138,100
Other Miscellaneous	-	-	-	-	-
Total Revenues	114,526	47,049	23,779	317,170	502,524
Expenditures					
City Council	-	-	-	-	-
City Attorney	-	-	-	-	-
City Clerk	-	-	-	-	-
City Manager	-	-	590,000	700,000	1,290,000
Finance	-	-	-	-	-
Community Development	-	-	49,044	-	49,044
Public Works	-	-	123,563	-	123,563
Police	200,000	-	-	-	200,000
Non-Departmental			-	-	-
Capital/Technology	-	-	-	-	-
Insurance and Settlements	-	-	-	-	-
IT Operations	-	-	-	-	-
Other Non-Departmental	-	-	-	-	-
Overhead Allocation	-	-	-	9,236	9,236
Total Expenditures	200,000	-	762,607	709,236	1,671,843
Net Sources / (Uses)	(85,474)	47,049	(738,828)	(392,066)	(1,169,319)
Other Financing Sources / (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Net Operating Transfers	-	-	-	-	-
Change in Fund Balance	(85,474)	47,049	(738,828)	(392,066)	(1,169,319)
Other Changes	-	-	-	-	-
Projected Fund Balance					
July 01, 2026 Balance*	674,000	1,423,000	47,000	723,000	2,867,000
June 30, 2027 Balance	588,526	1,470,049	(691,828)	330,934	1,697,681

*Excludes certain reserves and commitments

CITY OF EAST PALO ALTO
FY 2026-2027 HOUSING PROGRAMS BUDGET

	Rent Stabilization F204	Inclusionary Housing F205	Housing In Lieu F207	Housing Assistance F209	Housing Commercial Impact F216	Housing TOT F218	Measure HH F219	Housing Successor F220	Silicon Valley Community F233	Measure JJ F235	Total
Revenues											
Property Tax	-	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	275,000	-	-	-	-	275,000
Business License Tax	-	-	-	-	-	-	-	-	-	1,620,690	1,620,690
Utility User Tax	-	-	-	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	1,677,000	-	-	-	1,677,000
Licenses, Fees, and Permits	852,390	650,325	-	-	-	-	-	-	-	-	1,502,715
Charges for Services	2,600	-	-	-	-	-	-	-	-	-	2,600
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-	-
Use of Money and Property	17,352	-	311,233	12,870	-	68,208	209,093	48,235	2,970	-	669,960
Grants and Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	872,342	650,325	311,233	12,870	-	343,208	1,886,093	48,235	2,970	1,620,690	5,747,965
Expenditures											
City Council	-	-	-	-	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-	10,700	-	-	10,700
City Clerk	-	-	-	-	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	2,496	-	-	-	2,496
Community Development	649,097	12,200	6,130,275	6,480	-	1,868,775	8,369,847	129,742	-	1,509,039	18,675,455
Public Works	-	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-	-
Non-Departmental											
Capital/Technology	-	-	-	-	-	-	-	-	-	-	-
Insurance and Settlements	-	-	-	-	-	-	-	-	-	-	-
IT Operations	-	-	-	-	-	-	-	-	-	-	-
Other Non-Departmental	-	-	-	-	-	-	14	-	-	-	14
Overhead Allocation	354,148	-	10,728	9,206	-	7,704	-	-	-	-	381,785
Total Expenditures	1,003,245	12,200	6,141,002	15,686	-	1,876,479	8,372,357	140,442	-	1,509,039	19,070,449
Net Sources / (Uses)	(130,903)	638,125	(5,829,770)	(2,816)	-	(1,533,271)	(6,486,264)	(92,207)	2,970	111,651	(13,322,484)
Other Financing Sources / (Uses)											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Net Operating Transfers	-	-	-	-	-	-	-	-	-	-	-
Change in Fund Balance	(130,903)	638,125	(5,829,770)	(2,816)	-	(1,533,271)	(6,486,264)	(92,207)	2,970	111,651	(13,322,484)
Other Changes	-	-	-	-	-	-	-	-	-	-	-
Projected Fund Balance											
July 01, 2026 Balance*	306,000	-	5,409,000	401,000	(42,000)	2,642,000	8,273,000	514,000	135,000	214,000	17,852,000
June 30, 2027 Balance	175,097	638,125	(420,770)	398,184	(42,000)	1,108,729	1,786,736	421,793	137,970	325,651	4,529,516

*Excludes certain reserves and commitments

CITY OF EAST PALO ALTO
FY 2026-2027 INFRASTRUCTURE PROGRAMS BUDGET

	State Gas Tax F201	Measure A F202	NPDES F203	Park in Lieu F206	Lighting District F221	Drainage District F222	Measure W F234	Total
Revenues								
Property Tax	-	-	-	-	919,058	172,179	-	1,091,236
Sales Tax	-	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-	-
Business License Tax	-	-	-	-	-	-	-	-
Utility User Tax	-	-	-	-	-	-	-	-
Other Taxes	1,725,554	-	-	-	-	-	-	1,725,554
Licenses, Fees, and Permits	-	-	-	-	-	-	-	-
Charges for Services	-	-	140,000	-	-	-	-	140,000
Fines and Forfeitures	-	-	-	-	-	-	-	-
Use of Money and Property	147,084	207,015	13,854	12,104	199,851	38,197	38,273	656,379
Grants and Intergovernmental	-	770,000	-	-	-	-	340,000	1,110,000
Other Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	1,872,638	977,015	153,854	12,104	1,118,909	210,376	378,273	4,723,170
Expenditures								
City Council	-	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-	-
Finance	-	1,846	2,300	-	-	-	1,846	5,992
Community Development	-	-	-	-	-	-	-	-
Public Works	789,176	-	816,509	-	236,154	225,668	-	2,067,508
Police	-	-	-	-	-	-	-	-
Non-Departmental								
Capital/Technology	2,000,000	550,000	-	-	-	-	250,000	2,800,000
Insurance and Settlements	-	-	-	-	-	-	-	-
IT Operations	-	-	-	-	-	-	-	-
Other Non-Departmental	94,272	-	10,461	-	6,098	1,716	-	112,547
Overhead Allocation	171,356	54,574	164,981	1,107	55,942	67,363	19,274	534,597
Total Expenditures	3,054,804	606,420	994,251	1,107	298,194	294,747	271,120	5,520,643
Net Sources / (Uses)	(1,182,166)	370,594	(840,397)	10,997	820,715	(84,371)	107,153	(797,474)
Other Financing Sources / (Uses)								
Transfers In	64,500	-	840,397	-	-	84,371	-	989,268
Transfers Out	-	-	-	-	-	-	-	-
Net Operating Transfers	64,500	-	840,397	-	-	84,371	-	989,268
Change in Fund Balance	(1,117,666)	370,594	-	10,997	820,715	-	107,153	191,794
Other Changes	-	-	-	-	-	-	-	-
Projected Fund Balance								
July 01, 2026 Balance*	4,253,000	5,533,000	95,000	395,000	3,707,000	1,235,000	1,895,000	17,113,000
June 30, 2027 Balance	3,135,334	5,903,594	95,000	405,997	4,527,715	1,235,000	2,002,153	17,304,794

*Excludes certain reserves and commitments

CITY OF EAST PALO ALTO
FY 2026-2027 CAPITAL PROJECT FUNDS BUDGET

	Capital Improvement F301/303	Parks and Trails Impact F305	Public Facilities Impact F306	Transportation Impact F307	RBD-I Storm Drain Impact F308	RBD-O Storm Drain Impact F309	Total
Revenues							
Property Tax	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-
Business License Tax	-	-	-	-	-	-	-
Utility User Tax	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-
Licenses, Fees, and Permits	-	641,916	1,125,741	737,123	-	266,555	2,771,335
Charges for Services	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Use of Money and Property	723,117	12,381	22,200	14,407	8,257	11,193	791,556
Grants and Intergovernmental	1,230,000	-	-	-	-	-	1,230,000
Other Miscellaneous	-	-	-	-	-	-	-
Total Revenues	1,953,117	654,297	1,147,941	751,531	8,257	277,748	4,792,892
Expenditures							
City Council	-	-	-	-	-	-	-
City Attorney	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-
Finance	72,832	-	-	-	-	-	72,832
Community Development	-	-	-	-	-	-	-
Public Works	170,459	-	-	-	-	-	170,459
Police	-	-	-	-	-	-	-
Non-Departmental							
Capital/Technology	2,285,000	-	-	-	-	-	2,285,000
Insurance and Settlements	-	-	-	-	-	-	-
IT Operations	-	-	-	-	-	-	-
Other Non-Departmental	-	-	-	-	-	-	-
Overhead Allocation	188,608	2,178	2,178	2,289	1,919	1,661	198,832
Total Expenditures	2,716,898	2,178	2,178	2,289	1,919	1,661	2,727,123
Net Sources / (Uses)	(763,780)	652,119	1,145,763	749,242	6,338	276,087	2,065,769
Other Financing Sources / (Uses)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Net Operating Transfers	-	-	-	-	-	-	-
Change in Fund Balance	(763,780)	652,119	1,145,763	749,242	6,338	276,087	2,065,769
Other Changes	-	-	-	-	-	-	-
Projected Fund Balance							
July 01, 2026 Balance*	15,789,000	272,000	187,000	613,000	385,000	393,000	17,639,000
June 30, 2027 Balance	15,025,220	924,119	1,332,763	1,362,242	391,338	669,087	19,704,769

*Excludes certain reserves and commitments

CITY OF EAST PALO ALTO
FY 2026-2027 ENTERPRISE FUNDS BUDGET

	Water Lease F510	Water Capital F511	Water Meter F512	Water Capacity F513	Sub-total Water Enterprise	Garbage Service F520	Sewer Services F530	Sewer Connection F533	Total
Revenues									
Property Tax	-	-	-	-	-	-	1,609,934	-	1,609,934
Sales Tax	-	-	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-
Business License Tax	-	-	-	-	-	-	-	-	-
Utility User Tax	-	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-	-
Licenses, Fees, and Permits	-	-	-	1,205,036	1,205,036	-	40,230	2,500,000	3,745,266
Charges for Services	10,000	1,250,000	-	-	1,260,000	3,461,565	5,300,006	-	10,021,571
Fines and Forfeitures	-	-	-	-	-	-	-	-	-
Use of Money and Property	536,795	396,577	56,358	20,504	1,010,233	78,513	517,638	73,403	1,679,787
Grants and Intergovernmental	-	-	-	-	-	-	-	-	-
Other Miscellaneous	-	23,333	-	-	23,333	280,000	-	-	303,333
Total Revenues	546,795	1,669,910	56,358	1,225,540	3,498,602	3,820,078	7,467,808	2,573,403	17,359,891
Expenditures									
City Council	-	-	-	-	-	-	7,500	-	7,500
City Attorney	7,000	-	-	-	7,000	-	43,600	-	50,600
City Clerk	-	-	-	-	-	-	-	-	-
City Manager	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	2,300	71,200	-	73,500
Community Development	-	-	-	-	-	-	-	-	-
Public Works	168,766	5,000	-	-	173,766	344,230	5,691,896	-	6,209,892
Police	-	-	-	-	-	-	-	-	-
Non-Departmental									
Capital/Technology	-	380,000	-	-	380,000	-	2,695,000	-	3,075,000
Insurance and Settlements	-	-	-	-	-	-	-	-	-
IT Operations	-	-	-	-	-	-	15,040	-	15,040
Other Non-Departmental	18,111	-	-	-	18,111	3,609,529	-	-	3,627,640
Overhead Allocation	188,406	56,353	7,590	2,732	255,081	243,210	1,228,837	-	1,727,128
Total Expenditures	382,283	441,353	7,590	2,732	833,958	4,199,269	9,753,073	-	14,786,300
Net Sources / (Uses)	164,512	1,228,556	48,767	1,222,809	2,664,644	(379,191)	(2,285,265)	2,573,403	2,573,591
Other Financing Sources / (Uses)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Net Operating Transfers	-	-	-	-	-	-	-	-	-
Change in Fund Balance	164,512	1,228,556	48,767	1,222,809	2,664,644	(379,191)	(2,285,265)	2,573,403	2,573,591
Other Changes	-	-	-	-	-	-	-	-	-
Projected Fund Balance									
July 01, 2026 Balance*	2,961,000	11,075,000	1,638,000	(4,026,000)	11,648,000	1,570,000	23,843,000	164,000	37,225,000
June 30, 2027 Balance	3,125,512	12,303,556	1,686,767	(2,803,191)	14,312,644	1,190,809	21,557,735	2,737,403	39,798,591

*Excludes certain reserves and commitments

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Table of Contents

Table of Contents.....	i
Detailed Budget Information by Division	
City Manager's Office	
City Manager's Office.....	DB- 5
Human Resources.....	DB- 7
Community Services and Recreation.....	DB- 9
Senior Services.....	DB- 11
Information Technology Operations.....	DB- 13
Community and Economic Development	
Administration.....	DB- 15
Building Services.....	DB- 17
Planning.....	DB- 19
Housing and Economic Development.....	DB- 21
Rent Stabilization.....	DB- 23
Finance Department.....	DB- 25
Non Departmental.....	DB- 27
Police Department	
Administration.....	DB- 31
Operations.....	DB- 35
Investigations.....	DB- 37
City Attorney's Office.....	DB- 39
City Clerk's Office.....	DB- 41
City Council.....	DB- 43
Public Works	
Administration.....	DB- 45
Environmental.....	DB- 47
Engineering.....	DB- 49
Maintenance.....	DB- 51
East Palo Alto Sanitary District.....	DB- 57

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : **City Manager's Office / Administration (11111)**

Fund	Detail	Adopted FY 26	Adopted FY 27
53101 Staff Augmentation			
110	▲ Additional Staffing for Special Projects	130,000	65,000
110	Staff Augmentation	-	-
	Subtotal	130,000	65,000
53201 Professional and Technical Services			
110	Citywide Lobbying Efforts	165,000	166,500
110	CM Discretionary Fund	20,000	22,500
110	▲ ★ Community Surveying/Financial Growth Efforts	125,000	45,000
110	▲ ★ Design and Implement a "Pop-Up"/Sidewalk Vending Policy and Program	18,000	10,000
110	Economic Development Strategic Plan	120,000	-
110	Emergency Planning and Development	60,000	-
110	▲ ★ Emergency Planning and Development	100,000	60,000
110	Financial growth efforts - NEW	75,000	-
110	Management Consultant for Leadership Development - NEW	40,000	-
110	Performance Auditors	200,000	200,000
110	Policy Development	25,000	25,000
110	Property Due Diligence	50,000	-
110	▲ ★ Economic Development Support	27,000	100,000
111	▲ ★ IT Master Plan	100,000	10,000
111	Other Professional & Technical	-	-
	Subtotal	1,125,000	639,000
54990 Other Property Services			
110	Wilbur Properties (Gateway)	16,000	15,000
	Subtotal	16,000	15,000
55400 Advertising/Notices			
110	Advertising/Notices	2,500	2,500
	Subtotal	2,500	2,500
55410 Printing and Binding			
110	Printing and Binding	5,000	2,000
	Subtotal	5,000	2,000
55600 Meeting and Catering			
110	City Manager's Office and Department Head retreats	3,000	3,000
110	City Wide Events	-	7,500
	Subtotal	3,000	10,500
55800 Transportation and Training			
110	ACM Professional Development	3,000	3,000
110	Assistant to the City Manager Professional Development	4,000	4,000
110	City Manager Professional Development	3,000	3,000
110	Executive Assistant to the City Manager Training	2,000	2,000
110	League of CA Cities Annual Conference	3,600	3,600
110	Washington DC Trip	5,000	5,000
	Subtotal	20,600	20,600
55910 Memberships/ Dues			
110	ICMA	2,400	2,400
110	Leadership Council San Mateo County	2,800	2,800
110	Miscellaneous	900	900
110	MMANC	500	1,000
110	Sillicon Valley Business Journal	200	200
110	SVEDA	2,500	2,500
	Subtotal	9,300	9,800
55920 Community Meetings			
110	Community Meetings	4,000	4,000
	Subtotal	4,000	4,000
55990 Other Services			
110	▲ ★ Implement a Shopping Cart Abatement Program	2,000	2,000
	Subtotal	2,000	2,000

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : **City Manager's Office / Administration (11111)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	60301 General Office Supplies		
110	General Office Supplies	5,000	2,000
	Subtotal	5,000	2,000
	60208 Fuel		
110	Fuel	-	500
	Subtotal	-	500
	60302 Postage and Delivery		
110	Postage and Delivery	3,000	3,000
	Subtotal	3,000	3,000
	▲ One-time expense		
	⊙ Periodic expense (ex: every 5 years)		
	★ Strategic Priorities Workplan		
	Division Total	1,325,400	775,900

FY 2027
Expense Detail request (Excl. Payroll)
Department / Division : **City Manager's Office / Human Resources (11113)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	53120 County Services		
110	Livescan and other professional services	-	500
	Subtotal	-	500
	53201 Professional and Technical Services		
110	Compensation and Salary Study	100,000	-
110	Recruitment marketing	5,000	5,000
110	EEOC Potential Claims (Consultant Support)	100,000	100,000
110	Classification (FEHA/ADA) Study	80,000	100,000
	Subtotal	285,000	205,000
	53202 Medical Services		
110	Pre-employment Physical & Drug Testing	30,000	30,000
110	Livescan (DOJ)	20,000	20,000
	Subtotal	50,000	50,000
	55400 Advertising/Notices		
110	Advertising/Notices	5,000	-
	Subtotal	5,000	-
	55410 Printing and Binding		
110	Printing and Binding	3,000	-
	Subtotal	3,000	-
	55600 Meeting and Catering		
110	December Holiday Party	3,000	3,000
110	Halloween/Benefit Fair	1,200	1,200
110	HR Orientation	2,000	2,000
110	Miscellaneous	12,800	-
110	Recruitments/Full Day Panels	1,000	3,800
	Subtotal	20,000	10,000
	55800 Transportation and Training		
110	CALPELRA Conference California Public Employer Labor Relations Assoc.	10,000	10,000
110	Caselle	3,500	3,500
110	LCW - City wide	6,500	6,500
110	PARMA - City wide	5,000	5,000
110	SHRM	5,000	5,000
	Subtotal	30,000	30,000
	55910 Memberships/ Dues		
110	Cal-ICMA	800	800
110	CALOPPS - Application Tracking System	4,200	4,200
110	CALPELRA - Annual Membership	2,410	2,410
110	HR Association of San Mateo County (HRA)	625	625
110	PARMA	1,800	1,800
	Regional Training & Development Consortium For Public Agencies		
110	CALOPPS - Application Tracking System	965	965
	San Mateo County Employment Relations Consortium - (LCW) Liebert		
110	Cassidy Whitmore	3,000	3,000
110	Society of Human Resources Management (SHRM)	1,200	1,200
	Subtotal	15,000	15,000
	55920 Special Events		
110	December Holiday Party	2,000	2,000
110	Employee Picnic	2,500	2,500
110	Halloween/Benefit Fair	500	500
110	Health & Wellness Efforts	2,000	2,000
110	Other Employee appreciation efforts/events	8,000	8,000
	Subtotal	15,000	15,000
	60201 Reference/Text Sets/Subscripti		
110	Reference/Text Sets/Subscripti	1,500	-
	Subtotal	1,500	-

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : **City Manager's Office / Human Resources (11113)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	60203 Safety Supplies		
110	Refresh Safety Backpacks	3,000	3,000
	Subtotal	3,000	3,000
	60301 General Office Supplies		
110	General Office Supplies	10,000	15,000
	Subtotal	10,000	15,000
	60302 Postage and Delivery		
110	Postage and Delivery	300	500
	Subtotal	300	500
	70410 Furniture & Equipment		
110	▲ Citywide Ergonomics Refresh	150,000	15,000
	Subtotal	150,000	15,000
	▲ One-time expense		
	⊕ Periodic expense (ex: every 5 years)		
	★ Strategic Priorities Workplan		
	<i>Division Total</i>	<i>587,800</i>	<i>359,000</i>

FY 2027
Expense Detail request (Excl. Payroll)
Department / Division : **City Manager's Office / Community Services (14142)**

Fund	Detail	Adopted FY 26	Adopted FY 27
53201 Professional and Technical Services			
110	Establish a Joint-Use Agreement with RCSD for Shared Recreation Sites	50,000	-
110	Park - AV Improvements	60,000	-
110	Park - Pilot Dog Park	75,000	-
110	Park - Scoreboards	30,000	-
110	Park - Shading	95,000	-
110	Project Management Park (15%)	45,000	-
221	Park - Cameras	300,000	-
221	Park - Lighting for Safety	250,000	-
221	Park - Sports lighting	950,000	-
221	Park Project manager (85%)	255,000	-
	Subtotal	2,110,000	-
54240 Building Maintenance			
110	Maintenance	-	100
	Subtotal	-	100
54250 Landscape/Park Maintenance			
110	Landscaping for Publicly owned space - NEW	-	125,000
	Subtotal	-	125,000
54260 Vehicle Maintenance Service			
110	Maintenance Services- for 3 vehicles	4,000	3,000
	Subtotal	4,000	3,000
55300 Communications			
110	Communications	-	5,000
	Subtotal	-	5,000
55400 Advertising/Notices			
110	Advertising/Notices	3,500	5,000
	Subtotal	3,500	5,000
55410 Printing and Binding			
110	Printing and Binding	1,500	2,000
	Subtotal	1,500	2,000
55600 Meeting and Catering			
110	○ Consultant Meetings	1,000	1,000
110	▲★ Development of Youth Commission	4,000	4,000
	Subtotal	5,000	5,000
55800 Transportation and Training			
110	California Parks and Recreation Society (CPRS)or Trainings	4,500	4,500
110	National Recreation and Parks Association	-	1,500
	Subtotal	4,500	6,000
55910 Memberships/ Dues			
110	California Parks and Recreation Society (CPRS)	500	500
110	National Parks & Recreation Association	2,000	300
	Subtotal	2,500	800
55920 Special Events			
110	Children's Day	8,000	8,000
110	Cinco de Mayo	8,000	8,000
110	Juneteenth	8,000	8,000
110	Multicultural Event	8,000	8,000
110	Summer Programs Park Activation, City Events & Celebrations	350,000	350,000
	Subtotal	382,000	382,000
55990 Other Services			
110	Other Services	5,000	-
	Subtotal	5,000	-
60103 Equipment Maintenance Supplies			
110	Equipment Maintenance Supplies	5,000	5,000
	Subtotal	5,000	5,000

FY 2027
Expense Detail request (Excl. Payroll)
Department / Division : **City Manager's Office / Community Services (14142)**

Fund	Detail	Adopted FY 26	Adopted FY 27
111	60201 Reference/Text Sets/Subscriptions Reference/Text Sets/Subscriptions	500	500
	Subtotal	500	500
110	60202 Uniform & Safety Apparel Uniform & Safety Apparel	1,000	3,000
	Subtotal	1,000	3,000
110	60203 Safety Supplies Safety Supplies	-	2,000
	Subtotal	-	2,000
110	60205 Recreation Supplies Recreation Supplies	-	2,000
	Subtotal	-	2,000
110	60208 Fuel Fuel	2,000	3,000
	Subtotal	2,000	3,000
110	60209 Other Operating Supplies Other Operating Supplies	2,500	-
	Subtotal	2,500	-
110	60301 General Office Supplies General Office Supplies	2,000	-
	Subtotal	2,000	-
110	60302 Postage and Delivery Postage	-	3,000
	Subtotal	-	3,000
230	70420 Furniture & Equipment (Over \$5000) ▲ Stanford Grant for Lighting Equipment - Pending Grant	530,000	530,000
	Subtotal	530,000	530,000
230	70510 Rolling Stock: Vehicles, Mower, etc. ▲ Truck to move Lighting Equipment for Parks	60,000	60,000
	Subtotal	60,000	60,000
231	80905 Grants Child/Fam Grants	150,000	550,000
231	○★ Youth Commission	-	50,000
231	Adjustment for Council Recommendation	10,000	-
231	Expand EPACENTER Services and Programs Through City Funding	70,000	-
231	Expand Access to YMCA Programming and Services for the Greater East Palo Alto Community	175,000	-
	Subtotal	405,000	600,000
	▲ One-time expense		
	○ Periodic expense (ex: every 5 years)		
	★ Strategic Priorities Workplan		
	Division Total	3,526,000	1,742,400

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : **City Manager's Office / Senior Services (14143)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	53201 Professional and Technical Services		
110	▲ Meal Services - PVIC and Senior Center, Inc.	200,000	200,000
110	Consultant for Evaluation of Senior Center	80,000	-
	Subtotal	280,000	200,000
	54260 Vehicle Maintenance Service		
110	Vehicle Maintenance Service for Senior Bus	3,000	3,000
	Subtotal	3,000	3,000
	55400 Advertising Notices		
110	Advertising Notices	1,500	-
	Subtotal	1,500	-
	55410 Printing and Binding		
110	Printing and Binding	1,000	-
	Subtotal	1,000	-
	55600 Meeting and Catering		
110	Senior Advisory Committee Meetings	3,000	3,000
	Subtotal	3,000	3,000
	55800 Transportation and Training		
110	Driver Trainings/Requirements (DMV, Licensing)	800	500
110	Provider Meetings	400	200
110	ServSafe Certification	200	200
	Subtotal	1,400	900
	55910 Memberships/ Dues		
110	California Association for Coordinated Transportation (CalACT)	750	750
	Subtotal	750	750
	55920 Special Events		
110	Senior Tech Trainings	-	50,000
110	Senior Events and Activities	50,000	25,000
	Subtotal	50,000	75,000
	60102 Vehicle Maintenance Supplies		
110	Vehicle Maintenance Supplies for Senior Bus	2,500	1,500
	Subtotal	2,500	1,500
	60203 Safety Supplies		
110	Safety Supplies	1,000	1,500
	Subtotal	1,000	1,500
	60208 Fuel		
110	Fuel	5,500	-
	Subtotal	5,500	-
	60209 Other Operating Supplies		
110	Senior Center Operating Costs - Bldg. Maint & Repair	4,500	4,500
	Subtotal	4,500	4,500
	60301 General Office Supplies		
110	General Office Supplies	2,000	-
	Subtotal	2,000	-
	80905 Grants		
231	Child/Fam Grants - Senior Inc. Grant	200,000	100,000
	Subtotal	200,000	100,000
	▲ One-time expense		
	⊙ Periodic expense (ex: every 5 years)		
	★ Strategic Priorities Workplan		
	Division Total	556,150	390,150

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FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : City Manager's Office / IT Operations (95952)

Fund	Detail	Adopted FY 26	Adopted FY 27
53201 Professional and Technical Services			
111	Shamrock Copier Solutions partner	12,000	20,000
	Subtotal	12,000	20,000
54430 Equipment Lease and Rentals			
111	Equipment Lease and Rentals	15,000	20,000
	Subtotal	15,000	20,000
54440 Computer Software Lease			
111	Adobe Acrobat Professional DC	8,000	9,000
111	⊖ Barracuda 690 for on-premise backups (every 3yrs)	15,000	17,000
111	Barracuda Office 365 protection/backup	14,000	17,000
111	DocuSign	24,150	24,150
111	Endpoint Protection	3,000	5,000
111	MDM Solution	1,080	5,000
111	Microsoft (Office 365, AZURE p2, Server)	75,000	75,000
111	Multi-factor authentication	14,580	10,000
111	VMware	12,000	-
111	Zoom (Citywide)	10,000	10,000
	Subtotal	176,810	172,150
55300 Communications			
111	Phone - 11111	5,000	5,000
111	Phone - 12121	3,000	3,000
111	Phone - 13131	3,500	3,500
111	Phone - 14142	2,000	2,000
111	Phone - 21211	1,500	1,500
111	Phone - 21212	5,000	5,000
111	Phone - 21214	1,000	1,000
111	Phone - 31313	1,500	1,500
111	Phone - 31314	3,500	3,500
111	Phone - 31315	3,000	3,000
111	Phone - 31777	3,000	3,000
111	Phone -10101	2,300	2,300
111	Phone -11113	1,500	1,500
111	Services - Internet, VOIP	114,650	114,650
530	Communications	15,040	15,040
	Subtotal	165,490	165,490
55800 Transportation and Training			
111	Transportation and Training	5,000	10,000
	Subtotal	5,000	10,000
70420 Furniture & Equipment (Over\$5K)			
111	Albert IDS (ongoing cost)	18,000	18,000
111	iPads - 31777	-	264
111	iPads - 31315	-	5,000
111	Cisco Switches*	86,400	-
111	Desktops/Laptops/Other Equipment	100,000	-
111	Desktop/Laptop refresh (25)	-	50,000
111	Replacement Servers	-	10,000
111	Firewalls (Tate, PD, Corp Yard)	-	30,000
111	iPhone Replacement	-	5,000
111	Others - Miscellaneous	-	5,000
	Subtotal	204,400	123,264

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : **City Manager's Office / IT Operations (95952)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	90310 Overhead Allocation		
111	IT Overhead Allocation	(184,160)	(327,898)
201	IT Overhead Allocation	7,165	12,420
203	IT Overhead Allocation	14,664	25,422
204	IT Overhead Allocation	19,952	43,234
221	IT Overhead Allocation	908	1,574
222	IT Overhead Allocation	2,591	4,491
301	IT Overhead Allocation	4,988	8,647
510	IT Overhead Allocation	9,976	-
511	IT Overhead Allocation	-	17,294
520	IT Overhead Allocation	23,188	40,198
530	IT Overhead Allocation	99,758	172,937
705	IT Overhead Allocation	970	1,681
	Subtotal	-	-

- ▲ One-time expense
- ⊙ Periodic expense (ex: every 5 years)
- ★ Strategic Priorities Workplan

Division Total	578,700	510,904
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FY 2027

Expense Detail request (Excl. Payroll)

Department/ Division : **CED / Administration (31311)**

Fund	Detail	Adopted FY 26	Adopted FY 27
111	54440 Computer Software Lease		
	CRW TRAKIT (80%* \$25,000)	20,000	20,000
	Subtotal	20,000	20,000
110	54990 Other Property Services		
	HOA Cummings Loft	12,000	12,000
	Subtotal	12,000	12,000
110	55400 Advertising/Notices		
	Advertising/ Notices	3,000	1,000
	Subtotal	3,000	1,000
110	55410 Printing and Binding		
	Printing and Binding	1,500	500
	Subtotal	1,500	500
110	55600 Meeting and Catering		
	Meeting and Catering, team buildings	500	1,500
	Subtotal	500	1,500
110	55800 Transportation and Training		
	Housing California - Director	2,000	2,000
	ICMA Annual Conference - Director/MA	6,000	6,000
	Microsoft Suite basic skills training	500	500
	MMANC Annual Conference	1,500	1,500
	MMANC Women's Leadership Summit - MA	130	130
	Management/Supervisory Academy	-	3,500
	Various workshops and conferences	500	500
	Subtotal	10,630	14,130
110	55910 Memberships/ Dues		
	C/CAG	400	400
	MMANC Membership	180	200
	Subtotal	580	600
110	55920 Special Events		
	Staff Retreats/21 Elements/County Meetings	1,000	1,000
	Team Building Efforts	-	2,500
	Subtotal	1,000	3,500
110	60201 Reference/Text Sets/Subscriptions		
	Reference/Text Sets/Subscriptions	500	500
	Subtotal	500	500
110	60203 Safety Supplies		
	Safety Supplies	1,000	500
	Subtotal	1,000	500
110	60301 General Office Supplies		
	General Office Supplies	4,500	6,500
	▲ Water Dispenser	-	250
	Subtotal	4,500	6,750
110	70410 Furniture & Equipment (Under \$5000)		
	▲ Cubicle Resources	-	1,000
	Subtotal	800	1,000

▲ One-time expense

⊕ Periodic expense (ex: every 5 years)

★ Strategic Priorities Workplan

Division Total

212,110

61,980

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FY 2027
Expense Detail request (Excl. Payroll)
Department/ Division : **CEDD / Building (31315)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	53101 Staff Augmentation		
110	Proactive Code Enforcement efforts	150,000	-
	Subtotal	150,000	-
	53201 Professional and Technical Services		
110	ADU Resource Center	34,000	34,000
110	Outside Plan Review, Inspections	333,333	-
	Subtotal	367,333	34,000
	54260 Vehicle Maintenance Service		
110	Electric Vehicle Maintenance	-	780
	Subtotal	-	780
	54440 Computer Software Lease		
111	Bluebeam (33%)	2,403	2,403
	Subtotal	2,403	2,403
	55400 Advertising/Notices		
110	Advertising/Notices	5,000	3,000
	Subtotal	5,000	3,000
	55410 Printing and Binding		
110	Printing and Binding	1,500	1,500
	Subtotal	1,500	1,500
	55600 Meeting and Catering		
110	Building Safety Event	1,000	1,000
	Subtotal	1,000	1,000
	55800 Transportation and Training		
110	ADA Coordinator Conference - Building Official	1,250	1,250
110	CALBO ABM - Building Official	5,000	5,000
110	CALBO Education Week - 2nd Permit Technician	1,550	1,550
110	CALBO Education Week - Building Inspector	1,300	1,300
110	CALBO Education Week - Chief Building Official	1,600	1,600
110	CALBO Education Week - Permit Technician	1,300	1,300
110	Certified Access Specialist (CASp) SB1608 & SB1186 - Building Official	1,500	1,500
110	ICC Conference - Building Official & Staff	5,000	5,000
110	PBIG/CALBIG/CACEO/ASCE/ACI/NFPA	2,500	2,500
	Subtotal	21,000	21,000
	55820 Tuition Reimbursement		
110	Tuition Reimbursement	2,000	2,000
	Subtotal	2,000	2,000
	55910 Memberships/ Dues		
110	Americans with Disabilities Act (ADA) Coordinator - Building Official/Building Inspector	300	300
110	California Access Specialist Institute - Building Official/Building Inspector	350	350
110	California Association of Code Enforcement Officers - All	400	400
110	California Building Inspectors Group - All	250	250
110	California Building Officials (CALBO) - Building Official/Staff	300	300
110	IAPMO - International Assoc. of Plumbing, Mechanical Officials - Building Official/Staff	400	400
110	International Code Council - Building Official/Staff	1,500	1,000
110	Tri-Chapter of ICC - Building Official	500	500
	Subtotal	4,000	3,500
	55920 Special Events		
110	Meeting with Fire & Police	1,500	1,500
	Subtotal	1,500	1,500
	55990 Other Services		
111	▲ Inspection Software	24,000	24,000
	Subtotal	24,000	24,000
	60201 Reference/Text Sets/Subscriptions		
110	Reference/Text Sets/Subscriptions	4,000	2,000
	Subtotal	4,000	2,000
	60202 Uniform & Safety Apparel		
110	Uniform & Safety Apparel	3,500	3,500
	Subtotal	3,500	3,500

FY 2027

Expense Detail request (Excl. Payroll)

Department/ Division : **CEDD / Building (31315)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	60203 Safety Supplies		
110	Safety Supplies	3,000	3,000
	Subtotal	3,000	3,000
	60208 Fuel		
110	Fuel	2,000	1,500
	Subtotal	2,000	1,500
	60302 Postage and Delivery		
110	Postage and Delivery	650	650
	Subtotal	650	650
	70410 Furniture & Equipment (Under \$5000)		
110	▲ Repairs	-	1,000
111	iPad	5,500	-
	Subtotal	10,000	1,000
	▲ One-time expense		
	⊙ Periodic expense (ex: every 5 years)		
	★ Strategic Priorities Workplan		
	Division Total	602,886	106,333

FY 2027
Expense Detail request (Excl. Payroll)
Department/ Division : **CEDD / Planning (31314)**

Fund	Detail	Adopted FY 26	Adopted FY 27
53101 Staff Augmentation			
110	▲★ Intern for GIS mapping	10,500	10,500
	Subtotal	10,500	10,500
53130 Stipends			
110	Planning Commission Stipends	7,900	6,000
	Subtotal	7,900	6,000
53201 Professional and Technical Services			
110	▲★ General Plan Update, GIS Consultants, Outside On-Call Consultants, Specialist Code Advice	242,750	200,000
117	MCA CEQA Services	297,500	200,000
117	MCA Engineering	-	210,000
117	Other MCA Planning Services	67,500	60,000
	Subtotal	744,750	670,000
54260 Vehicle Maintenance			
110	Vehicle Maintenance	-	500
	Subtotal	-	500
54440 Computer Software Lease			
111	Bluebeam subscription for marking up plan sets virtually (33%*\$7,280)	2,403	2,763
111	Environmental Systems Research Institute (ESRI Inc) - GIS	5,000	5,750
	Subtotal	7,403	8,513
55400 Advertising/Notices			
110	Advertising/Notices	10,000	10,000
110	▲ Update Safety Element and Environmental Justice Element (communication)*	4,000	2,000
	Subtotal	14,000	12,000
55410 Printing and Binding			
110	Printing and Binding	1,500	1,500
	Subtotal	1,500	1,500
55600 Meeting and Catering			
110	Meals for Commission Meetings	5,600	5,600
	Subtotal	5,600	5,600
55800 Transportation and Training			
110	Bay Area Planning Director Meetings	200	200
110	California Planning Association Conference	6,000	6,000
110	CEQA-Intro and Advanced Class	1,000	1,000
110	CLE CEQA Update	1,790	1,790
110	Clerk Training	500	500
110	Planetizen Training	1,125	1,300
110	Planning Commissioner Academy	6,000	6,000
	Subtotal	17,353	16,790
55910 Memberships/ Dues			
110	American Planning Association (AICP/APA certification)	3,000	3,000
110	MMANC	-	95
	Subtotal	3,000	3,095
60201 Reference/Text Sets/Subscriptions			
110	Reference/Text Sets/Subscriptions	350	300
	Subtotal	350	300
60203 Safety Supplies			
110	Safety Supplies	2,500	600
	Subtotal	2,500	600
60302 Postage and Delivery			
110	Postage and Delivery	500	450
	Subtotal	500	450
70410 Furniture & Equipment (Under \$5000)			
110	New filing cabinets and book shelves for office	2,000	-
111	iPad	1,500	-
	Subtotal	3,500	-
▲ One-time expense			
○ Periodic expense (ex: every 5 years)			
★ Strategic Priorities Workplan			
		Division Total	
		822,356	735,848

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FY 2027
Expense Detail request (Excl. Payroll)
Department/ Division : CEDD / Housing (31777)

Fund	Detail	Adopted FY 26	Adopted FY 27
53101 Staff Augmentation			
110	▲ Staff Augmentation	-	23,000
218	▲ Staff Augmentation	-	45,000
	Subtotal	-	68,000
53201 Professional and Technical Services			
110	21 Elements Shared Housing Staff Program	-	40,667
110	Update the Inclusionary Housing Ordinance*	25,000	-
207	BMR Administration	-	-
207	○ EPACANDO BMR Monitoring	71,380	15,224
207	Grand Nexus Study (F207 50%/F216 50%)*	37,500	-
209	○ AmeriNat BMR Loan Servicing (72%)	2,255	6,480
209	AmeriNat/San Mateo County invoices	-	-
215	AmeriNat CallHome Loan Servicing	921	-
216	Grand Nexus Study (F207 50%/F216 50%)*	37,500	-
218	▲* MHR Grants Admin Costs (15%)	-	45,000
218	▲* Major Home Repairs Grants	-	255,000
218	▲* Major Home Repairs Admin Cost (20%)	-	200,000
218	▲* Major Home Repairs Loans	-	300,000
219	○* Measure HH	-	1,100,000
219	Conclude Measure HH Pilot Evaluation and Initiate Ongoing Workforce Development Program *	850,000	-
220	○ AmeriNat BMR Loan Servicing (28%)	877	2,520
220	BMR Administration	-	-
220	○ EPACANDO BMR Monitoring (\$80%)	69,519	60,896
230	Affordable Housing Preservation via Equity Innovation Fund	-	-
235	○ Anti-Displacement Services - CLSEPA (15% Admin)**	-	25,500
235	○ Anti-Displacement Services - Samaritan House (\$2K Other Program Costs + 15% Admin)**	-	35,000
235	○ Anti-Displacement Services - WeHOPE (\$2K Other Program Costs + 15% Admin)**	-	35,000
235	○ Anti-Displacement Legal Services - CLSEPA & Legal Aid (Other Program Costs + 15% Admin)**	-	292,500
235	Rental Assistance - NEW (\$1.7M*30%)	510,000	-
235	○ Direct Rental Assistance - CLSEPA & Legal Aid SMC**	-	115,000
235	○ Direct Rental Assistance - CLSEPA**	-	170,000
235	○ Direct Rental Assistance - WeHOPE**	-	218,000
235	○ Direct Rental Assistance - Samaritan House**	-	218,000
235	21 Element Shared Housing Staff Program	40,000	-
235	HDL Non-discovery	12,000	-
235	○ HDL Discovery	70,000	70,000
	Subtotal	1,726,952	3,204,787
55400 Advertising/Notices			
110	Advertising/Notices	-	-
205	Advertising/Notices	-	6,200
205	▲* Mailers - Inclusionary Housing	-	6,000
207	Advertising/Notices	1,000	-
219	Advertising/Notices	200	200
235	▲* Advertising/Notices	6,000	6,000
	Subtotal	7,200	18,400
55600 Meeting and Catering			
235	▲* 1 policy-related community meeting	500	1,000
235	21 Elements Housing Meeting	500	-
	Subtotal	1,000	1,000
55800 Transportation and Training			
110	Housing California Conference	4,000	5,000
110	Miscellaneous Training (i.e. NPH, ULI, etc.)	2,500	7,500
110	USC Lusk Training Real Estate Program	5,400	-
	Subtotal	11,900	12,500
55910 Memberships/ Dues			
110	21 Elements Dues	-	3,200
110	HIP Housing Dues	-	2,500
110	Individual Dues (e.g. HLC, NPH)	-	200
220	HEART Dues	9,267	9,267
235	21 Elements Dues	3,200	-
235	HIP Housing Dues	2,500	-
235	HLC Dues	200	-
235	Housing California Conference	150	-
235	Non-Profit Housing Association & Urban Land Institute	464	-
	Subtotal	15,781	15,167

FY 2027
 Expense Detail request (Excl. Payroll)
 Department/ Division : **CEDD / Housing (31777)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	60301 General Office Supplies		
235	General Office Supplies	1,500	-
	Subtotal	1,500	-
	92120 Loan Advances		
207	▲ Affordable Housing Preservation Fund	-	2,050,000
207	▲ Affordable Housing Production NOFA (\$12M total)	-	4,000,000
218	▲ Affordable Housing Production NOFA (\$12M total)	-	1,000,000
219	▲ Affordable Housing Production NOFA (\$12M total)	-	7,000,000
220	Bay Road Loan Advance Annual Payment from SA Trust	60,000	-
230	▲ County Equity Innovation Fund - Preservation Funding	-	49,044
	Subtotal	60,000	14,099,044
	▲ One-time expense		
	○ Periodic expense (ex: every 5 years)		
	★ Strategic Priorities Workplan		
	Division Total	1,824,333	17,418,898

FY 2027

Expense Detail request (Excl. Payroll)

Department/ Division : **CEDD / Rent Stabilization (31313)**

Fund	Detail	Adopted FY 26	Adopted FY 27
53101 Staff Augmentation			
204	☞ Staff Augmentation	-	54,000
	Subtotal	-	54,000
53130 Stipends			
204	Rent Stabilization Board Stipends	2,500	2,500
	Subtotal	2,500	2,500
53201 Professional and Technical Services			
204	Implementation Ordinance Amendments	2,500	2,500
204	Hearing Examiners - Eichner, RFP, Roush	82,500	81,000
204	Mediators	2,000	2,000
	Subtotal	87,000	85,500
54410 Land and Building Lease and Rentals			
204	CH Lease 5%	11,686	11,686
204	CH Security	1,437	1,437
	Subtotal	13,123	13,123
55400 Advertising/Notices			
204	Advertising/Notices	-	1,000
	Subtotal	-	1,000
55410 Printing and Binding			
204	Printing and Binding	20,000	20,000
	Subtotal	20,000	20,000
55600 Meeting and Catering			
204	Meeting and Catering	1,500	2,500
	Subtotal	1,500	2,500
55800 Staff Training and Transportation			
204	California Rent Stabilization Convening - SoCal		1,400
204	Housing California Conference	6,000	7,200
204	MMANC - Annual Conference	-	2,000
204	Rent Stabilization Statewide Conference	1,600	-
204	Rent Stabilization Statewide Conference	600	-
	Subtotal	8,200	10,600
55910 Memberships/ Dues			
204	California Rent Stabilization News	1,500	1,500
204	Housing California	150	-
204	MMANC		95
204	Memberships/ Dues	-	-
204	Non-Profit Housing Association	200	200
	Subtotal	1,850	1,795

FY 2027

Expense Detail request (Excl. Payroll)

Department/ Division : **CEDD / Rent Stabilization (31313)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	60209 Other Operating Supplies		
204	Other Operating Supplies	-	350
	Subtotal	-	350
	60301 General Office Supplies		
110	General Office Supplies	-	-
204	General Office Supplies	-	1,000
	Subtotal	-	1,000
	60302 Postage and Delivery		
204	Postage and Delivery	4,000	4,000
	Subtotal	4,000	4,000

▲ One-time expense

⊙ Periodic expense (ex: every 5 years)

★ Strategic Priorities Workplan

<i>Division Total</i>	<i>138,173</i>	<i>196,368</i>
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FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : Finance / Finance (13131)

Fund	Detail	Adopted FY 26	Adopted FY 27
53201 Professional and Technical Services			
110	Annual 10 year forecasting update	5,500	-
110	▲★ Develop a 10-Year Fiscal Strategy and Address the Structural Deficit	150,000	75,000
110	Financial advisory for defeasance for SA fund	40,000	-
110	▲★ Municipal Advisory Services for Financing options	40,000	250,000
110	SB90 Reporting	6,765	10,000
111	Caselle	70,000	70,000
111	Credit Card monthly fee	1,548	1,548
111	Implement a Centralized Grants Management System	150,000	-
203	NPDES Data services Tax roll	2,300	2,300
219	Professional and Technical Services	650	650
520	Garbage Data services Tax roll	2,300	2,300
530	Caselle Data migration from Quickbooks	10,000	-
705	SA Debt covenants, RDA Analysis, Willdan	3,732	3,732
	Subtotal	482,795	415,530
53210 Audit Services			
110	ACFR Statistics support	3,234	5,000
110	Bartel (GASB 68) = Foster Foster	2,100	2,100
110	CAP and User fee Annual update	5,000	-
110	GF Audit	70,929	75,000
110	GFOA ACFR application fee	548	1,000
110	New GASB Implementation	10,000	-
110	Pension refunding strategy	6,000	-
110	STARS support	2,310	2,500
110	SUTA support	2,026	2,500
202	Measure A Audit	1,792	1,846
219	Measure HH Audit	1,792	1,846
234	Measure W Audit	1,792	1,846
530	Audit	25,000	20,600
530	Bartel (GASB68) Report	2,100	3,300
530	County PPT Fees	10,000	10,000
530	New GASB Implementation	2,000	-
530	OPEB Actuarial Study (2 Reports)	8,000	5,000
530	▲★ EDS Tax Roll Consultant	-	30,000
530	Data Service Tax Roll	-	2,300
705	Audit	3,102	3,102
	Subtotal	157,725	167,940
54440 Information Technology			
111	Gov.invest - Pension Forecasting	3,066	3,066
	Subtotal	3,066	3,066
55400 Advertising/ Notices			
110	Advertising/ Notices - Budget Hearing Notices	500	500
	Subtotal	500	500
55410 Printing and Binding			
110	Printing and Binding - Budget Booklet	5,000	8,000
	Subtotal	5,000	8,000
55600 Meeting and Catering			
110	Budget Kick-off meeting	-	500
110	Meeting and Catering - Department Retreat	2,000	2,000
	Subtotal	2,000	2,500
55800 Transportation and Training			
110	Annual Payroll Update	1,000	1,000
110	California Municipal Treasurers' Conference	1,000	1,000
110	CSFMO Chapter Meetings, Webinars	1,000	1,000
110	CSMFO, Annual Conference - Calif. Society of Municipal Finance Officers	7,500	7,500
110	Notary Commission Renewal (backup to City Clerk) - NEW	375	-
110	Webinars, Single Audit, CPE, Other	6,000	6,000
	Subtotal	16,875	16,500

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : Finance / Finance (13131)

Fund	Detail	Adopted FY 26	Adopted FY 27
	55910 Memberships/ Dues		
110	American Payroll Association (APA)	600	600
110	CA Board of Accountancy (CPA License)	500	500
110	CA Municipal Treasures Association	200	300
110	CA Society of Finance Officer (CSMFO)	750	750
110	California CPA Society	785	785
110	Gov't Finance officers association (GFOA)	250	750
110	HBR, other	500	500
	Subtotal	3,585	4,185
	55990 Other Services		
110	Other Services - Loomis, Paper Shredding	30,000	36,000
	Subtotal	30,000	36,000
	60301 General Office Supplies		
110	General Office Supplies	4,000	3,500
	Subtotal	4,000	3,500
	60302 Postage and Delivery		
110	Postage and Delivery - FedEx	800	800
	Subtotal	800	800
	▲ One-time expense		
	⊙ Periodic expense (ex: every 5 years)		
	★ Strategic Priorities Workplan		
	Division Total	706,346	658,521

FY 2027

Expense Detail request (Excl. Payroll)

Department/ Division : **Non-Departmental / Non-Departmental (95951)**

Fund	Detail	Adopted FY 26	Adopted FY 27
53120 County Services			
110	SMC Property Tax Admin Fee	75,462	79,235
203	SMC Property Tax Admin Fee	9,529	10,005
219	SMC Property Tax Admin Fee	13	14
221	SMC Property Tax Admin Fee	5,808	6,098
222	SMC Property Tax Admin Fee	1,634	1,716
520	SMC Property Tax Admin Fee	9,075	9,529
	Subtotal	101,521	106,597
53201 Professional and Technical Services			
110	Business License Tax Admin - General	24,000	30,000
110	Business License Tax Discovery	25,000	-
	Subtotal	49,000	30,000
54410 Land and Building Lease and Rentals			
110	Card key	9,000	9,000
110	Lease (CH)	222,029	222,029
110	Security (CH)	27,293	27,293
	Subtotal	258,322	258,322
54430 Equipment Lease and Rentals			
110	Equipment Lease and Rentals	9,000	9,000
	Subtotal	9,000	9,000
54910 Garbage Services-BFI			
520	Garbage Services-BFI	3,500,000	3,600,000
	Subtotal	3,500,000	3,600,000
54990 Other Property Services			
110	Property tax - Corp Yar insurance and GF tax	24,615	25,846
110	Property tax - Sewer & CDA at 1765 East Bayshore Road 114-450-030	2,837	2,979
110	Property tax - Sewer at 1798 Bay Road 063-231-250	726	762
110	Property tax - Sewer at 1960 Tate 063-665-020/ 063-676-02088	4,065	4,268
110	Property tax - Sewer at 2277 University Ave 063-302-460	726	762
110	Property tax - Sewer at East Palo Alto 063-514-010	660	660
110	Property tax - Sewer at East Palo Alto 063-514-030	660	660
110	Property tax - Sewer at East Palo Alto 063-680-090	660	660
110	Property tax - Sewer & CDA 1950 Bay road 063-240-490	34,944	36,691
203	Other Property Services	434	456
510	Property tax - Corp Yard F510 tax - Reimb to Property Owner	868	911
510	Quarterly pass thru to Veolia	17,200	17,200
	Subtotal	88,395	91,855
55210 Premiums			
113	Liability	871,287	990,554
113	Property	145,060	132,819
	Subtotal	1,016,347	1,123,373
55230 Settlements/ Judgements			
113	Settlements/ Judgements	50,000	-
	Subtotal	50,000	-
55910 Memberships/ Dues			
110	Citywide CCAG Dues - GF	13,089	13,743
110	League of CA Cities (Transferred from 11111 in FY26)	13,000	14,431
201	CCAG Transportation, Congestion Relief - Gas tax portion	89,783	94,272
	Subtotal	115,872	122,446
55940 Joint Powers Authority Dues			
110	Joint Powers Authority Dues	938,965	985,913
	Subtotal	938,965	985,913

FY 2027

Expense Detail request (Excl. Payroll)

Department/ Division : **Non-Departmental / Non-Departmental (95951)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	80110 Principal		
706	Principal	4,542,166	5,022,485
	Subtotal	4,542,166	5,022,485
	80120 Interest-Other		
706	Interest- Other	353,425	-
	Subtotal	353,425	-
	80210 Bank Charges		
705	Bank Charges	5,500	5,500
	Subtotal	5,500	5,500
	90010 Transfers Out		
110	Transfers Out	3,602,115	3,837,150
110	To adjust NPDES	1,101	-
110	To adjust Drainage	(50,000)	-
110	To adjust IT Transfers	200,000	-
	Subtotal	3,753,216	3,837,150
	90310 Overhead Allocation		
110	General Overhead Allocation	(2,307,892)	(2,356,166)
113	Insurance Allocation	(155,657)	(176,557)
201	General Overhead Allocation	147,107	-
201	Insurance Allocation	7,484	6,688
201	Overhead Allocation	-	152,248
202	Overhead Allocation	53,243	54,574
203	Overhead Allocation	122,097	125,872
203	Insurance Allocation	13,099	13,688
204	Overhead Allocation	280,197	287,634
204	Insurance Allocation	17,286	23,280
206	Overhead Allocation	1,080	1,107
207	Overhead Allocation	10,466	10,728
209	Overhead Allocation	8,981	9,206
218	Overhead Allocation	7,516	7,704
221	Overhead Allocation	51,748	53,521
221	Insurance Allocation	1,234	847
222	Overhead Allocation	58,582	60,454
222	Insurance Allocation	2,587	2,418
231	Overhead Allocation	9,011	9,236
234	Overhead Allocation	18,804	19,274
301	Overhead Allocation	168,906	175,305
301	Insurance Allocation	6,339	4,656
305	Overhead Allocation	2,125	2,178
306	Overhead Allocation	2,125	2,178
307	Overhead Allocation	2,233	2,289
308	Overhead Allocation	1,873	1,919
309	Overhead Allocation	1,621	1,661
510	Overhead Allocation	183,367	188,406
510	Insurance Allocation	8,875	-
511	Overhead Allocation	29,022	29,747
511	Insurance Allocation	-	9,312
512	Overhead Allocation	7,405	7,590
513	Overhead Allocation	2,665	2,732
520	Overhead Allocation	176,650	181,368
520	Insurance Allocation	19,892	21,644
530	Overhead Allocation	934,703	962,782
530	Insurance Allocation	88,912	93,118
705	Overhead Allocation	15,490	-
705	Overhead Allocation	824	6,456
705	Insurance Allocation	-	905
	Subtotal	-	-

FY 2027

Expense Detail request (Excl. Payroll)

Department/ Division : **Non-Departmental / Non-Departmental (95951)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	92110 Loan Advances		
705	Loan Advances	60,000	-
	Subtotal	60,000	-
	▲ One-time expense		
	⊙ Periodic expense (ex: every 5 years)		
	★ Strategic Priorities Workplan		
	<i>Division Total</i>	<i>14,841,729</i>	<i>15,192,641</i>

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FY 2027

Expense Detail request (Excl. Payroll)

Department/ Division : Police / Administration (41411)

Fund	Detail	Adopted FY 26	Adopted FY 27
53120 County Services			
110	SMC Dispatch Services	1,002,519	1,498,054
110	SMC Citation Pass-Through	100,000	125,000
110	SMC Animal Control Services	581,780	650,000
110	SMC Animal Control Bond Payment	26,000	70,000
110	SMC Crime Lab	137,000	150,000
110	SMC- District Attorney- RIMS Interface	3,000	3,000
110	SMC Message Switch	15,000	15,000
	Subtotal	1,865,299	2,511,054
53201 Professional and Technical Services			
110	Briefing Room- Patrol	1,963	1,963
110	CORA	9,500	9,500
110	Critical Incident Videos Productions	30,000	30,000
110	* Expand Parking Enforcement Capacity	350,000	410,000
110	Genesys	-	2,400
110	Lexipol- Duty & training manual policy	12,547	12,547
110	Mutual Aide Radio Services	6,500	6,500
110	PD Web Page	4,000	10,000
110	Polygraph	1,200	-
110	PowerDMS- FTO software	3,355	3,355
110	Pre-employment Background Investigations	30,000	31,200
110	Pre-employment psychological testing	15,000	15,000
110	Promotional Testing Services	10,000	10,000
110	Resilience Crime Tip Line	5,500	5,500
110	Shot-Spotter License	62,000	62,000
110	SMC - Dispatch - ShotSpotter Agreement	5,000	5,000
110	SMC- Sheriffs - Range Fee	7,500	7,500
110	Star Vista	21,500	21,500
110	Turbo Data Citation Processing	118,480	118,480
110	Vector Solutions-Scheduling	7,200	7,200
111	Flock	75,000	92,000
	Subtotal	776,245	861,645
53202 Medical Services			
110	Medical Services/Victims	5,500	5,500
	Subtotal	5,500	5,500
54240 Building Maintenance			
110	Building Maintenance	4,000	4,000
	Subtotal	4,000	4,000
54260 Vehicle Maintenance Service			
110	Image Auto	150,000	150,000
110	PD Cars equipment, warranties - MDT's	-	17,000
110	Police Towing for 2-companies	10,000	37,000
110	Vehicle system, parts, services	5,500	5,500
111	PD Cars equipment, warranties - MDT's	17,000	17,000
	Subtotal	182,500	226,500
54410 Land and Building Lease and Rentals			
110	141 Demeter	196,927	200,866
110	219 Demeter	77,600	79,152
	Subtotal	274,527	280,018
54430 Equipment Lease and Rentals			
111	Axon Contract Renewal - Camera Lease, Subscription, Interview Room	162,744	162,744
	Subtotal	162,744	162,744
54440 Computer Software Lease			
111	SunRidge - Rims	15,500	15,500
	Subtotal	15,500	15,500
55300 Communications			
110	Decrease of \$10,000 for Communication Services	65,000	-
111	Communication Services	-	15,000
	Subtotal	65,000	15,000

FY 2027

Expense Detail request (Excl. Payroll)

Department/ Division : Police / Administration (41411)

Fund	Detail	Adopted FY 26	Adopted FY 27
	55410 Printing and Binding		
110	Printing and Binding	7,500	7,500
	Subtotal	7,500	7,500
	55600 Meeting and Catering		
110	Meeting and Catering	-	-
110	Community Policing Meetings	8,000	10,000
110	PD Special Operations Catering	7,500	9,375
	Subtotal	15,500	19,375
	55800 Transportation and Training		
110	International Assoc. of Chiefs of Police - GF	12,000	12,000
110	Leadership/Management Training - GF	9,000	9,000
110	Property & Evidence Training - GF	6,000	6,000
110	Records Training - GF	6,000	6,000
110	Training for New Police Personnel	40,000	40,000
110	Wellness Training & Services	-	10,000
110	Women Leaders	-	10,000
	Subtotal	73,000	93,000
	55810 Advanced Training		
110	Advanced Officer Training (POST)	12,000	-
110	CORE POST (Adv/Cultural)	-	15,500
110	Cultural Competency/Diversity (POST)	3,500	-
110	Instructor (POST)	-	5,000
110	Investigations and Gang Training (POST)	10,000	10,000
110	Other POST Trainings	15,000	-
110	RangeMaster Training (POST)	5,000	-
110	Tactical Training (POST)	9,000	24,000
	Subtotal	54,500	54,500
	55910 Memberships/ Dues		
110	California Police Chiefs Association (CPCA)	1,200	1,500
110	CCJWSA	300	300
110	CCUG	300	300
110	CLEARs	300	300
110	Fastrak - moved to 55990	-	-
110	International Association of Chiefs of Police (IACP)	660	825
110	International Conference of Police Chaplains (ICPC)	2,500	2,500
110	San Mateo County Police Chiefs and Sheriffs Association	1,800	2,250
110	The One Hundred Club of San Mateo County	1,000	1,250
	Subtotal	8,060	9,225
	55920 Special Events		
110	Clean Zone Project	10,000	-
110	Community Policing and Special Events	10,000	10,000
110	Special Events - Holidays, Back-to-School, etc.	10,000	10,000
230	H&H	150,000	-
	Subtotal	180,000	20,000
	55940 Joint Powers Authority Dues		
110	Joint Powers Authority Dues	-	-
110	San Mateo county Public safety communication	50,000	50,000
110	San Mateo county Sheriff	25,000	30,000
	Subtotal	75,000	80,000
	55990 Other Services		
110	Car Wash	6,000	6,000
110	Fast Track	7,800	7,800
	Subtotal	13,800	13,800
	60201 Reference/Text Sets/Subscriptions		
110	Reference/Text Sets/Subscriptions	1,000	1,000
	Subtotal	1,000	1,000
	60202 Uniform & Safety Apparel		
110	Uniform & Safety Apparel	40,000	40,000
	Subtotal	40,000	40,000

FY 2027

Expense Detail request (Excl. Payroll)

Department/ Division : Police / Administration (41411)

Fund	Detail	Adopted FY 26	Adopted FY 27
	60203 Safety Supplies		
110	Safety Supplies	12,500	12,500
	Subtotal	12,500	12,500
	60204 AMMO & Firearms		
110	AMMO & Firearms	23,500	23,500
	Subtotal	23,500	23,500
	60207 Utilities		
110	Utilities	85,000	85,000
	Subtotal	85,000	85,000
	60209 Other Operating Supplies		
110	Other Operating Supplies	10,000	10,000
	Subtotal	10,000	10,000
	60301 General Office Supplies		
110	General Office Supplies	53,650	40,000
	Subtotal	53,650	40,000
	60302 Postage and Delivery		
110	Postage and Delivery	1,500	1,500
	Subtotal	1,500	1,500
	70420 Furniture and Equipment		
213	Furniture and Equipment	170,000	-
	Subtotal	170,000	-
	70510 Rolling Stock: Vehicles, Mower, etc.		
112	(2) Police Patrol Vehicles with Equipment	120,500	200,000
	Subtotal	120,500	200,000
	▲ One-time expense		
	⊖ Periodic expense (ex: every 5 years)		
	★ Strategic Priorities Workplan		
	Division Total	4,296,325	4,792,861

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FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : **Police / Operations (41412)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	53201 Professional and Technical Services		
213	▲ Police Crisis Clinician (On-Site)		200,000
	Subtotal	-	200,000
	55990 Parking Program		
110	Parking Program	200,000	-
	Subtotal	200,000	-
	60208 Fuel		
110	Fuel	150,000	200,000
	Subtotal	150,000	200,000
	▲ One-time expense		
	⊙ Periodic expense (ex: every 5 years)		
	★ Strategic Priorities Workplan		
	Division Total	350,000	400,000

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FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : **Police / Investigation (41413)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	53201 Professional and Technical Services		
110	Bosch Systems	3,500	3,500
110	CDR Software - Documentation System	1,200	1,200
110	CID Callyo - Wire Services	8,000	6,000
110	CID Car Rental for Investigations	2,000	2,000
110	CID Cellbrite UFED Touch	10,000	10,000
110	CID Integrity Tracking System	5,000	5,000
110	CID Net Transcript	2,000	2,000
110	CID Nighthawk - LEO Vision	5,000	-
110	CID Richmond Crime Labs	20,000	20,000
110	Crash Data Group Inc.	1,200	1,200
110	FirstTwo Inc-CID	5,400	5,400
110	Forensic Logic - Soundthinking (Crime Tracer)	5,058	5,058
110	Keller Center/Medical Costs	35,000	40,000
110	Lexis Nexis - Report System Annual	8,800	8,800
110	Sketch Artist	2,000	2,000
110	T-Mobile Pen Locate	2,000	2,000
	Subtotal	116,158	114,158
	60210 Undercover Fund		
110	Undercover Fund	10,000	10,000
	Subtotal	10,000	10,000
	▲ One-time expense		
	☉ Periodic expense (ex: every 5 years)		
	★ Strategic Priorities Workplan		
	Division Total	126,158	124,158

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FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : City Attorney / CAO (12121)

Fund	Detail	Adopted FY 26	Adopted FY 27
	53201 Professional and Technical Services		
110	Legal Research Service (Westlaw)	33,000	33,000
	Subtotal	33,000	33,000
	53210 Legal and Accounting Services		
110	Outside legal expertise - Code Enforcement Cases (from Bldg)	15,000	15,000
110	Outside legal expertise - General	95,000	95,000
110	Outside legal expertise - Investigation (From HR)	78,750	82,940
110	Outside legal expertise - Investigation	65,000	65,000
110	Outside legal expertise - Labor Employment (From HR)	90,000	93,600
110	Outside legal expertise - Union Negotiations (From HR)	-	75,000
110	Outside legal expertise - PD Investigation	50,000	52,000
110	Outside legal expertise - PW Litigation	150,000	150,000
113	Outside legal expertise - Litigation	70,000	50,000
117	Outside legal expertise - Developer Reimbursement Agreements	50,000	80,000
220	Outside legal expertise - SA Housing	27,500	7,000
220	Outside legal expertise -BMR Monitoring (Curry)	-	3,700
230	Legal and Accounting Services	15,000	-
510	Outside legal expertise - Water Matters	5,000	7,000
530	Legal and Accounting Services - Legal Advise-Colantuono	40,000	41,600
705	Outside legal expertise - SA Capital	1,400	1,400
	Subtotal	752,650	819,240
	55230 Settlements/Judgements		
113	Settlements	-	75,000
	Subtotal	-	75,000
	55410 Printing and Binding		
110	Printing and Binding	300	300
	Subtotal	300	300
	55600 Meeting and Catering		
110	Meeting and Catering	250	250
	Subtotal	250	250
	55800 Transportation and Training		
110	BACA & Municipal Law Meetings (Monthly)	500	500
110	Land Use/Pitchess Seminars - registration, mileage travel	850	850
110	League of California Cities Annual Conference	4,000	4,000
110	League of California Cities Seminars (as needed)	900	900
110	League of California Cities, City Attorneys Conference	1,500	1,500
110	Legal Secretary Courses (2)	400	500
110	Legal Secretary Courses (2)	500	-
110	Other seminars and workshops	200	3,200
530	Special District Conference	2,000	2,000
	Subtotal	10,850	13,450
	55910 Memberships/ Dues		
110	State Bar of California	1,550	1,800
	Subtotal	1,550	1,800
	60201 Reference/Text Sets/Subscriptions		
110	Reference/Text Sets/Subscriptions	4,500	2,000
	Subtotal	4,500	2,000
	60301 General Office Supplies		
110	General Office Supplies	1,000	1,000
	Subtotal	1,000	1,000
	60302 Postage and Delivery		
110	Postage and Delivery	250	250
	Subtotal	250	250

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : **City Attorney / CAO (12121)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	70310 Other		
110	Office Wall Project	32,100	-
	Subtotal	32,100	-
	70410 Furniture & Equipment (Under \$5000)		
110	Furniture & Equip Under\$5k	5,000	-
111	Furniture & Equip Under\$5k	1,000	-
	Subtotal	6,000	-
	▲ One-time expense		
	⊙ Periodic expense (ex: every 5 years)		
	★ Strategic Priorities Workplan		
	<i>Division Total</i>	<i>842,450</i>	<i>946,290</i>

FY 2027
Expense Detail request (Excl. Payroll)
Department / Division : **City Clerk's Office / Clerk Services (11112)**

Fund	Detail	Adopted FY 26	Adopted FY 27
53120 County Services			
110	County Services	-	-
110	▲★ Potential Ballot Measure - NEW	-	140,000
	Subtotal	-	140,000
53201 Professional and Technical Services			
110	Communications Plan (General) - NEW	25,000	-
110	Conduct Council Term Limit Policy Research	7,000	-
110	Cultural Bridges for Translation Services (Citywide)	20,000	20,000
110	Document Shredding	5,000	5,000
110	▲★ Implement Sister City and Cultural Exchange Initiative	70,610	20,610
110	Mass Mailers	30,000	30,000
110	Mid-Peninsula Media Center for Hybrid Meetings	4,000	4,000
111	AI Minutes Software	1,500	1,500
111	ZenCity Communications Management	10,000	-
	Subtotal	173,110	81,110
54440 Computer Software Lease			
111	AMS Annual - Granicus (Cloud-based)	21,690	21,690
111	* City Website Update	45,000	45,000
111	MCCi (Laserfiche)	7,000	7,000
111	Mass Email Software	1,000	1,000
111	Municipal Code Host and Update	6,300	6,300
111	NextRequest/ PRA software	11,000	11,000
111	Social Media Accounts/ Hootsuite	1,188	1,188
111	Website Hosting - CivicPlus	14,000	20,000
111	Zoom for Council Meetings Only - To 95952	-	-
	Subtotal	107,178	113,178
55300 Communications			
110	Communications	-	2,000
	Subtotal	-	2,000
55400 Advertising/Notices			
110	Social & Print Media Advertising (Facebook Ads)	3,000	-
110	Advertising/ Notices	-	2,000
	Subtotal	3,000	2,000
55410 Printing and Binding			
110	Printing and Binding	800	-
	Subtotal	800	-
55800 Transportation and Training			
110	CA Association of Public Information Officers	1,250	1,250
110	CA City Clerks Association Div - Quarterly Meetings	250	250
110	City Clerks Annual Conference	1,000	1,000
110	City Clerks New Law and Elections Conference	1,000	1,000
110	Professional Development Training/Seminars	500	500
	Subtotal	4,000	4,000
55910 Memberships/ Dues			
110	CAPIO	275	275
110	City Clerks Association of California	130	130
110	International Institute of Municipal Clerks	210	210
110	National Notary Association	110	110
110	PRSA	275	275
	Subtotal	1,000	1,000

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : **City Clerk's Office / Clerk Services (11112)**

Fund	Detail	Adopted FY 26	Adopted FY 27
	60201 Reference/Text Sets/Subscriptions		
110	Netfile	-	3,000
	Subtotal	-	3,000
	60301 General Office Supplies		
110	General Office Supplies	2,300	-
	Subtotal	2,300	-
	▲ One-time expense		
	⊙ Periodic expense (ex: every 5 years)		
	★ Strategic Priorities Workplan		
	Division Total	291,388	346,288

FY 2027
Expense Detail request (Excl. Payroll)
Department / Division : **Council / (10101)**

Fund	Detail	Adopted FY 26	Adopted FY27
53201 Professional and Technical Services			
110	⊖ City Attorney/City Manager Evaluations (every 3 years)	38,000	30,000
110	○ Council Priorities or Team Building (MRG)	15,000	15,000
110	⊖ Headshots (Bi-annual)		1,000
	Subtotal	53,000	46,000
55410 Printing and Binding			
110	Printing & Binding	-	500
	Subtotal	-	500
55600 Meeting and Catering			
110	Meeting and Catering	5,000	7,000
	Subtotal	5,000	7,000
55800 Transportation and Training			
110	Annual Washington DC Trip	7,000	7,000
110	CA League of California Cities - Peninsula Quarterly Meetings	1,000	1,000
110	CA League of Cities - Mayors & Council Members Advanced Leadership Workshops	1,200	1,200
110	CA League of Cities - Mayors & Council Members Exec Forum	1,000	1,000
110	CA League of Cities - New Mayor and Council Members Academy	2,000	-
110	Council of Cities Dinner Meetings	2,000	-
110	Joint Venture Silicon Valley - State of the Valley	750	750
110	League of California Cities Annual Conference & Expo	2,000	-
110	Miscellaneous training and meetings	1,850	-
110	National League of Cities - Summit	3,000	2,850
110	San Mateo County Regional Issues Seminar (Organized by Redwood City Chamber of Commerce)	1,200	1,200
110	U.S. Conference of Mayors	5,000	5,000
530	Training for board members	7,500	7,500
	Subtotal	35,500	27,500
55910 Memberships/ Dues			
110	ABAG Membership	10,362	10,362
110	National League of Cities	2,000	2,000
110	SFO Round Table Membership Dues	1,500	1,500
	Subtotal	13,862	13,862
55920 Special Events			
110	Special Events - State of the City, Community Sponsorship, Special Meetings	10,000	10,000
	Subtotal	10,000	10,000
60301 General Office Supplies			
110	General Office Supplies	2,000	1,000
	Subtotal	2,000	1,000
70410 Furniture & Equipment under (\$5K)			
111	Laptops for Council (20%)	7,500	7,500
	Subtotal	7,500	7,500
		Division Total	126,862
			113,362

- ▲ One-time expense
- ⊖ Periodic expense (ex: every 5 years)
- ★ Strategic Priorities Workplan

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FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : PW / Administration (21211)

Fund	Detail	Adopted FY 26	Adopted FY 27	
54440 Computer Software Lease				
111	TRAKiT (20%* \$25,000)	5,000	5,000	
	Subtotal	5,000	5,000	
55600 Meeting and Catering				
110	PWTC Meetings	2,000	2,750	
110	Staff Retreat and Quarterly Division Meetings	1,000	1,500	
	Subtotal	3,000	4,250	
55800 Transportation and Training				
110	Administrative Professional	300	1,500	
110	APWA annual conference	1,500	1,500	
110	ASCE trainings	1,500	1,500	
110	Budget/Project Management	3,000	3,000	
110	League of CA Conference	2,100	2,100	
110	Manager/Supervisor Academy	2,500	2,500	
110	MMANC Conference	-	2,000	
	Subtotal	12,700	14,100	
55910 Memberships/ Dues				
110	APWA	200	-	
110	ASCE Membership	500	500	
110	CCAC Membership	500	500	
110	CSFMO Membership	250	250	
110	ELGL	50	50	
110	ICMA	200	200	
110	MMANC	100	360	
110	QSD Licensing	150	150	
110	State of California DCA	150	150	
221	Annual Membership Dues for Street Light CAL-SLA	300	300	
	Subtotal	2,400	2,460	
55920 Special Events				
110	Outreach and Education	3,000	3,000	
	Subtotal	3,000	3,000	
60201 Reference/Text Sets/Subscriptions				
110	Reference/Text Sets/Subscriptions	500	250	
	Subtotal	500	250	
60301 General Office Supplies				
110	▲ Water Dispenser - NEW	-	500	
110	General Office Supplies	3,500	3,500	
	Subtotal	3,500	4,000	
▲ One-time expense ☉ Periodic expense (ex: every 5 years) ★ Strategic Priorities		Division Total	150,850	33,060

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FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : PW / Environmental Services (21214)

Fund	Detail	Adopted FY 26
53201 Professional and Technical Services		
110	Bay Area Community Resource Fellow	31,500
110	Canopy Contract - UFMP/Community Tree Services	80,000
110	Other Professional and Technic	-
203	Grassroots Ecology	
203	Stormwater Consultant	
230	▲ PCE Grant (243K-CIP 120K) -50% upfront fee	123,563
	Subtotal	235,063
54210 Street Maintenance Services		
203	Street Sweeping Services Contract	365,000
	Subtotal	365,000
55300 Communications		
110	Communications	1,000
	Subtotal	1,000
55400 Advertising/ Notices		
110	Advertising/ Notices	-
	Subtotal	-
55410 Printing and Binding		
110	Floodplain Mailers, CRS Communications, Event Flyers	3,000
	Subtotal	3,000
55600 Meeting and Catering		
110	Environmental Catering and Quarterly Division Offsite meetings	2,500
	Subtotal	2,500
55800 Transportation and Training		
110	CASQA Conference	1,500
110	NPDES Inspection Training	750
110	Various Workshops and Conferences (MMANC WLS, Winter Forum, Summer Symposium)	750
	Subtotal	3,000
55910 Memberships/ Dues		
110	Association of Environmental Professionals	500
110	CASQA Agency Membership (Annual)	250
110	Conference materials/handbooks	50
110	MMANC	200
110	☉ OneShoreline Annual Funding Contributions FSLRRA	40,000
	Subtotal	41,000
55920 Special Events		
110	Clean-up Events (quarterly)	500
110	Earth Day	3,000
110	Harzardous eWaste Event	250
110	Shred Event	250
110	Arbor Day/Mayor Tree Planting	-
110	Bike to Work Day	-
	Subtotal	4,000

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : **PW** / Environmental Services (21214)

Fund	Detail	Adopted FY 26
	60201 Reference/Text Sets/Subscriptions	
110	Reference/Text Sets/Subscriptions	250
	Subtotal	250
	60202 Uniform & Safety Apparel	
110	Uniform & Safety Apparel	750
	Subtotal	750
	60301 General Office Supplies	
110	General Office Supplies	500
	Subtotal	500
	60302 Postage and Delivery	
110	Postage and Delivery	500
	Subtotal	500
	▲ One-time expense	
	⊕ Periodic expense (ex: every 5 years)	
	★ Strategic Priorities	
	Division Total	656,563

FY 2027
Expense Detail request (Excl. Payroll)
Department / Division : PW / Engineering (21212)

Fund	Detail	Adopted FY 26	Adopted FY 27
	53101 Staff Augmentation		
110	Development review support	200,000	50,000
110	SB 35 Staff Aug Plan Review - Increased technical counter activity	125,000	-
110	Survey for Development Review - Post-Entitlement	-	50,000
530	Sheryll Temp employee through AppleOne	39,520	80,000
	Subtotal	364,520	180,000
	53201 Professional and Technical Services		
110	▲★ Launch a Residential Parking Permit Program	400,000	400,000
110	★ Development Support - Third party review assessment	-	150,000
110	Engineering Inspection Services - NEW	-	150,000
110	On-Call Geo-Technical	50,000	-
110	★ On-Call Transportation Services	50,000	50,000
110	▲ TDM Administrator	-	200,000
510	Assessment Management	50,000	50,000
510	Groundwater Monitoring	50,000	-
510	Water Rate study	150,000	-
530	EPASD Data Service Tax Roll	2,300	-
530	○ Freyer & Laretta Engineering services - both cost recovery and staff aug	350,000	100,000
530	○ EKI Technical Services - On-Call Technical	-	100,000
530	Office Expenses	5,000	-
530	Palo Alto Treatment	2,700,000	2,875,884
530	West Bay Contract	1,200,000	1,800,000
530	Wildan Impact Fee Study for EPASD, rate study and EDS tax roll	187,000	-
	Subtotal	5,194,300	5,875,884
	54220 Street Lights Maintenance		
221	Cal West - Traffic Signal Maintenance & Repair	55,000	100,000
	Subtotal	55,000	100,000
	54230 Signs/Signals Maintenance		
201	Cal West - Traffic Signal Maintenance & Repair	75,000	100,000
	Subtotal	75,000	100,000
	54440 Computer Software Lease		
111	AutoCAD - Transferred from 111-95951	3,000	3,000
111	Bluebeam (33%)	2,403	2,403
111	Radar Sign Subscription	-	4,000
	Subtotal	5,403	9,403
	55300 Communications		
530	EPASD Landlines and Internet	-	9,000
	Subtotal	-	9,000
	55400 Advertising/Notices		
110	Advertising/Notices	2,000	-
511	Advertising/Notices	5,000	5,000
530	Advertising/Notices	25,000	5,000
	Subtotal	32,000	10,000
	55410 Printing and Binding		
110	Printing and Binding	1,000	-
	Subtotal	1,000	-
	55600 Meeting and Catering		
110	Community Rating Service for FEMA activities	300	300
110	Engineering Retreats	500	500
110	Outreach meetings for construction	500	-
110	Ribbon cutting ceremonies	500	1,000
530	6 Advisory Commission Meetings, plus any meetings at EPASD	-	1,500
530	Meeting and Catering	-	1,000
	Subtotal	1,800	4,300

FY 2027
Expense Detail request (Excl. Payroll)
Department / Division : PW / Engineering (21212)

Fund	Detail	Adopted FY 26	Adopted FY 27
55800 Transportation and Training			
110	American Public Works Association Conference	1,500	1,500
110	Annual League of California Cities PW Meeting	2,500	2,500
110	ASCE/APWA monthly training	700	900
110	CalTrans Federal Aid/ RE Training	500	650
110	CASQA	-	1,500
110	FEMA Training	500	500
110	Inspection Training (various)	300	300
110	PE Certification Training	1,000	1,000
110	Professional Training (various)	300	-
110	Transportation and Training	-	-
530	CWEA Annual Conference & Expo (AC26)	-	3,400
530	MMANC Women's Leadership Summit Conference	-	550
530	Municipal Management Association Northern CA Conference	-	2,800
530	For meetings	6,000	-
530	EPASD Staff Trainings	5,000	-
	Subtotal	18,300	15,600
55910 Memberships/ Dues			
110	APWA	500	750
110	ASCE Membership	500	600
110	QSD Certification	300	300
110	State of California DCA	700	540
530	CWEA Membership (PW Director, Utility Manager, Admin Asst)	-	753
530	APWA Membership (PW Director, Utility Manager, Admin Asst)	-	869
530	California Special Districts Association (CSDA)	-	2,000
530	Memberships/ Dues	30,000	-
	Subtotal	32,000	5,812
60201 Reference/ Text Sets/ Subscriptions			
111	Reference/ Text Sets/ Subscriptions	4,000	4,000
	Subtotal	4,000	4,000
60202 Uniform & Safety Apparel			
110	Uniform & Safety Apparel	1,000	-
	Subtotal	1,000	-
60207 Utilities			
530	Utilities	54,000	50,000
	Subtotal	54,000	50,000
60208 Fuel			
110	Fuel	2,500	-
530	Fuel	-	250
	Subtotal	2,500	250
60209 Other Operating Supplies			
530	Other Operating Supplies	8,500	5,000
	Subtotal	8,500	5,000
60301 General Office Supplies			
110	General Office Supplies	2,000	-
530	General Office Supplies	10,000	1,000
	Subtotal	12,000	1,000
60302 Postage and Delivery			
110	Postage and Delivery	500	-
530	Postage and Delivery	5,000	-
	Subtotal	5,500	-
70410 Furniture & Equipment (Under \$5000)			
110	Furniture & Equip Under\$5k	-	-
530	▲ Furniture & Equip Under\$5k	-	12,000
	Subtotal	-	12,000
▲ One-time expense			
⊙ Periodic expense (ex: every 5 years)			
★ Strategic Priorities Workplan			
Division Total		5,866,823	6,382,249

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : PW / Maintenance (21213)

Fund	Detail	Adopted FY 26	Adopted FY 27
53120 County Services			
110	SMC County Inspections - Cooley Landing Soil Gas Mitigation System	10,000	10,000
110	SMC Health & Hazmat inspection	1,500	1,500
	Subtotal	11,500	11,500
53201 Professional and Technical Services			
110	Badger Daylighting Contract (flood protection)) & Newbridge trash capture device maintenance	100,000	75,000
110	Brightview Landscape Services Contract (soundwall weed removal)	41,000	41,000
110	Brightview Landscape Services Contract - 1266 Beech - NEW	-	12,000
110	C2R Engineering Contract (flood protection)	-	75,000
110	▲ Cooley Landing Maintenance Project - NEW	-	100,000
110	Graffiti Abatement Program - NEW Contract	75,000	-
110	Miscellaneous	25,000	-
110	Ninyo & Moore-Cooley Landing (Sea level Rise, Soil Gas Mitigation, Engineering Cap inspection)	-	50,000
110	Precision Concrete Cutting - NEW	75,000	-
110	Republic Services Contract (Hazardous Materials Disposal)	100,000	50,000
110	Tree Inventory & Assessment	100,000	150,000
110	West Coast Arborist Contract (Trees in Public Right-of-Way)	130,000	-
111	IWORQ System (Annual Work Order License)	6,000	-
201	Chrisp Company Contract-original contract \$50K, add \$50K annually per PW Director	100,000	50,000
201	Public Tree Assessment & inventory	20,000	50,000
201	West Coast Arborist Contract	20,000	-
203	SD-09 Trash Capture Project - Newbridge & Saratoga	20,000	25,000
221	IWORQ System (Annual Work Order License)	-	10,000
222	▲ Pump station pond maintenance	200,000	100,000
222	McNabb Contract (Annual Runnymede Drainage Channel Maintenance)	9,800	-
510	Annual backflow testing & repairs	12,000	15,000
	Subtotal	1,033,800	803,000
54210 Street Maintenance Services			
201	Street Maintenance Services	100,000	100,000
	Subtotal	100,000	100,000

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : PW / Maintenance (21213)

Fund	Detail	Adopted FY 26	Adopted FY 27
54240 Building Maintenance			
110	A-1 Septic Tank Service @ Cooley Landing	3,000	-
110	AA Locks & Alarm	20,000	20,000
110	Ace Fire -fire extinguisher	5,000	5,000
110	Acme Pacific-Senior Center kitchen equipment	5,000	5,000
110	Andys Roofing	40,000	-
110	Arias F. electric contract	50,000	50,000
110	Bay Area Fencing	10,000	-
110	Environmental Systems HVAC contract	60,000	25,000
110	Everon Contract (Building Alarm)	17,500	17,500
110	Fast Sign	7,500	7,500
110	Global Industrial-trashcans	4,000	-
110	Grainger	15,000	20,000
110	Home Depot	20,000	15,000
110	James Plumbing & Drain Services	5,000	5,000
110	Johnson Control Contract (Building Alarm)	23,000	25,000
110	LC Networks	-	6,000
110	Lock Works Unlimited-Tate Card Access	250	3,000
110	Miscellaneous Items	15,000	-
110	National Fence-Cooley Landing	-	1,000
110	Ninyo & Moore-Cooley Landing Inspections	25,000	-
110	Omega Industrial Supply-Graffiti Abatement Supplies	10,000	10,000
110	Pro-Techs Security cameras	10,000	10,000
110	Quality Plumbing	5,000	6,000
110	Real Time Locksmith	-	2,500
110	R & S Erection of San Mateo (PD & Corp Yard gate repair)	-	10,000
110	Simonds Machinery-Cooley Landing Sewer Pumps	5,000	-
110	Tap Plastic	-	1,000
110	Terminix-Rodent Control	2,500	4,000
110	Vortex door	20,000	20,000
110	Building Maintenance	-	-
222	AAA Smart Alarm company	2,000	2,000
222	Miscellaneous	1,000	1,000
222	Building Maintenance	-	-
520	Global Industrial-trashcans	-	6,000
530	A-1 Septic Tank Service @ Cooley Landing	-	5,000
530	Building Maintenance - Alarm and others	32,000	32,000
530	Degree HVAC	1,000	1,000
530	Everon	12,876	12,876
530	Elevator	-	1,000
530	Misc.	50,000	50,000
530	Rodent Control	-	2,500
530	Simonds Machinery-Cooley Landing Sewer Pumps	-	10,000
	Subtotal	476,626	391,876
54250 Landscape/Parks Maintenance			
110	Ciardella's Garden	20,000	20,000
110	Home Depot	10,000	5,000
110	Horizon	15,000	15,000
110	Miscellaneous	5,000	-
110	Playground Unlimited	10,000	-
110	Ross Recreation Equipment- Playgrounds parts	20,000	10,000
	Subtotal	80,000	50,000

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : PW / Maintenance (21213)

Fund	Detail	Adopted FY 26	Adopted FY 27
54260 Vehicle Maintenance Service			
110	A1 Auto Service & Towing	-	2,500
110	Cardenas Tire	-	6,500
110	Image Auto Contract	44,000	44,000
110	Vehicle Maintenance Service	-	-
201	A1 Auto Service & Towing	-	2,000
201	Cardenas Tire	-	5,000
201	Image Auto Contract	4,500	4,500
201	Vehicle Maintenance Service	-	-
203	Miscellaneous	5,000	5,000
203	MME Hayward	7,500	7,500
203	San Jose Mission Ford	8,000	8,000
203	Vehicle Maintenance Service	-	-
221	Image Auto Contract	5,000	5,000
221	Riche's Tires - Bucket Truck	2,000	2,000
Subtotal		76,000	92,000
54270 Equipment Maintenance			
110	AAA Forklift General Maintenance - Lawn mowers, tractor, forklift, compressor	20,000	20,000
201	AAA Forklift (equipment PM Program)	17,000	17,000
201	Pulgas two mini round about maintenance and upkeep	-	10,000
201	Riche's tire	5,000	5,000
203	MME	3,000	3,000
203	RoadSafe Traffic Systems	4,000	4,000
222	Calcon System-SCADA System	9,500	9,500
222	Peterson Power Contract	30,000	30,000
222	Technology-fuel system	5,000	12,000
Subtotal		93,500	110,500
54280 Janitorial Services			
110	Frank & Grossman	150,000	150,000
110	Karla's Janitorial	-	66,500
530	Janitorial services	25,000	30,000
Subtotal		175,000	246,500
54410 Land and Building Lease and Rentals			
110	Corp Yard lease (85%)	280,000	285,600
203	Land and Building Lease and Re	17,000	17,340
510	Land and Building Lease and Re	33,000	33,000
Subtotal		330,000	335,940
54430 Equipment Lease and Rentals			
110	Equipment Lease and Rentals	5,000	-
222	Equipment Lease and Rentals	5,000	-
Subtotal		10,000	-
54440 Information Technology			
111	Information Technology	2,500	-
Subtotal		2,500	-
54990 Other Property Services			
110	Corp Yard Paving & Striping	10,000	10,000
110	Level 2 charging station	15,000	-
203	Runnymede Drainage Channel	-	3,500
Subtotal		25,000	13,500
55300 Communications			
110	Two-Way Radios Annual Subscription (for emergency use)	15,000	10,000
Subtotal		15,000	10,000
55400 Advertising/Notices			
110	San Mateo Daily Journal and the Bay Area Trade Journal	-	5,000
Subtotal		-	5,000

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : PW / Maintenance (21213)

Fund	Detail	Adopted FY 26	Adopted FY 27
	55410 Printing and Binding		
110	Printing and Binding	200	1,000
	Subtotal	200	1,000
	55600 Meeting and Catering		
110	Safety Training Meetings	2,500	
110	Team Building (quarterly)	2,500	1,500
110	Meeting and Catering	-	
	Subtotal	5,000	1,500
	55800 Transportation and Training		
110	Admin Training (Secretary)	2,000	-
110	Du-All Safety-safety trainings	20,000	20,000
110	▲ Playground Certifications for Maintenance Staff	5,000	2,500
110	Transportation and Training	-	-
110	▲ USA North-Underground Utility Marking-Recertification	-	13,650
	Subtotal	27,000	36,150
	55910 Memberships/ Dues		
110	Menlo Park Fire District - Annual Corp Yard inspection	4,000	4,000
110	SMC Environmental Health	-	900
110	SMC Environmental Health - Corp Yard Annual Haz-Mat Inspection Fee	1,500	2,500
110	SMC Environmental Health-Cooley Landing	2,000	2,500
110	USA North-Annual Fees	-	2,500
203	California Rural Water Association	3,500	3,500
203	Regional Water Board Annual Permit Fee	20,000	20,000
203	State Water Board Annual Waste Discharge Fee	1,500	1,500
222	Menlo Park Fire District - Annual Inspection of Pump Station	1,000	1,000
222	San Mateo County Environmental Health - Pump Station Annual Haz-Mat Inspection Fee	2,000	2,000
222	State of California Board of Equalization - Pump Station Underground Storage Tank	850	850
222	State of California Department of Toxic Substance Control - Annual Fee for Pump Station	2,000	2,000
510	Bay Area Air Quality Management District - Annual Permit Renewal - Gloria Way Well	1,000	1,500
	Subtotal	39,350	44,750
	60101 Hardware Supplies		
110	Hardware Supplies, Kimball Midwest	5,000	5,000
203	Ennis Flint-storm drain (flow to bay stencils)	5,000	-
203	Kimball Midwest	2,500	2,500
203	Sand & bags	10,000	10,000
222	Hardware Supplies	2,500	1,000
	Subtotal	25,000	18,500
	60102 Vehicle Maintenance Supplies		
110	Vehicle Maintenance Supplies- Amazon, Auto Zone	2,000	2,750
203	Vehicle Maintenance Supplies	2,000	2,000
	Subtotal	4,000	4,750
	60103 Equipment Maintenance Supplies		
201	Equipment Maintenance Supplies	500	-
201	Home Depot	500	-
201	Western States Tools	1,500	3,000
203	Equipment Maintenance Supplies	-	1,000
222	Equipment Maintenance Supplies	3,000	2,000
	Subtotal	5,500	6,000
	60104 Asphalt and Other Street Supplies		
201	Advance Construction Supplies	12,000	12,000
201	Bormann's Steel	2,500	2,500
201	Grainger	10,000	10,000
201	Graniterock	5,000	-
201	Lyngso Garden	10,000	-
201	Zumar	5,000	20,000
	Subtotal	44,500	44,500

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : PW / Maintenance (21213)

Fund	Detail	Adopted FY 26	Adopted FY 27
60105 Electrical Supplies			
110	Amazon	2,000	2,000
110	CED Bay Area	2,500	8,000
110	Home Depot	1,000	1,000
221	CED Bay Area	15,000	15,000
	Subtotal	20,500	26,000
60107 Sidewalk Maintenance			
110	Material for sidewalk repair - NEW	-	15,000
	Subtotal	-	15,000
60108 Janitorial Supplies			
110	Amazon	5,000	5,000
110	Home Depot	3,000	3,000
110	Resource Solutions of SF Group	18,000	18,000
	Subtotal	26,000	26,000
60109 Landscape & Park Maintenance Supplies			
110	Cariradellas Garden	5,000	5,000
110	Home Depot	5,000	5,000
110	Horizon	20,000	20,000
110	Site One-buildings irrigation Rain Master controllers	6,500	6,500
110	Trees and Shrubs (Boething Treeland Farms)	4,000	4,000
	Subtotal	40,500	40,500
60202 Uniform & Safety Apparel			
110	Cintas uniform	20,000	28,000
110	Miscellaneous	1,000	1,000
110	Safety Boots	2,500	2,750
	Subtotal	23,500	31,750
60203 Safety Supplies			
110	Safety Supplies	-	-
110	Kimball Mid West	5,000	5,000
110	Bay Area First Aid & Supplies	5,000	5,000
	Subtotal	10,000	10,000
60207 Utilities			
110	Utilities	250,000	250,000
201	Utilities	70,000	70,000
221	Caltrans	8,132	8,132
221	IWORQ	5,500	5,500
221	Utilities	65,000	65,000
	Subtotal	398,632	398,632
60208 Fuel			
110	Chevron Texaco	5,000	12,000
110	Kamps Propane	-	5,000
110	RCSD-fuel	10,000	-
201	Chevron Texaco	10,000	10,000
201	RCSD Fuel	1,000	-
222	Valley Oil-Diesel Fuel	7,000	10,000
	Subtotal	33,000	37,000
60209 Other Operating Supplies			
110	Other Operating Supplies	10,000	-
221	Holiday lights	5,000	5,000
221	Other Operating Supplies	-	-
221	USA Marking Paints	-	5,000
510	USA Marking Paints	-	10,000
520	Grapplers - trash pickers	2,500	2,500
520	▲ New sweeping signs, posts, brackets	-	50,000
520	Street Trashcans Replacement	10,000	15,000
	Subtotal	27,500	87,500

FY 2027

Expense Detail request (Excl. Payroll)

Department / Division : PW / Maintenance (21213)

Fund	Detail	Adopted FY 26	Adopted FY 27
	60301 General Office Supplies		
110	General Office Supplies	-	2,500
	Subtotal	-	2,500
	70310 Other		
111	Corp Yard Security Project (Camera) moved from 110-99991-70310	50,000	50,000
	Subtotal	50,000	50,000
	70410 Furniture & Equipment (Under \$5000)		
110	Parks & Facilities Trashcan Replacement	15,000	-
110	Furniture & Equip Under\$5k	-	-
	Subtotal	15,000	-
	70420 Furniture & Equipment (Over \$5000)		
222	Pump Station SCADA System	15,000	15,000
	Subtotal	15,000	15,000
	70510 Rolling Stock: Vehicles, Mower, etc.		
112	Electric forklift	30,000	-
112	▲ Electric Mini Sweeper - NEW	-	350,000
112	Light tower	20,000	-
112	Mower	20,000	-
201	▲ Backhoe - NEW	-	150,000
	Subtotal	70,000	500,000
	▲ One-time expense		
	☉ Periodic expense (ex: every 5 years)		
	★ Strategic Priorities Workplan		
	Division Total	3,309,108	3,566,848

FY 2027

Expense Detail request (Excl. Payroll)

Department / Fund: **East Palo Alto Sanitary District (Fund 530)**

Fund	Division	Detail	Adopted FY 26	Adopted FY 27
53101 Staff Augmentation				
530	21212	Staff Augmentation - Temp Employee through AppleOne	39,520	80,000
		Subtotal	39,520	80,000
53201 Other Professional and Technic				
530	13131	Other Professional and Technic	10,000	-
530	21212	EPASD Data Service Tax Roll	2,300	-
530	21212	Office Expenses	5,000	-
530	21212	Palo Alto Treatment	2,700,000	2,875,884
530	21212	West Bay Contract	1,200,000	1,800,000
530	⊖	21212 Freyer & Laurretta Engineering Services- both cost recovery and staff aug	350,000	100,000
530	⊖	21212 EKI Technical Services - On Call	-	100,000
530	21212	Wildan Impact Fee Study for EPASD	30,000	-
530	21212	Wildan Rate Study for EPASD	150,000	-
530	21212	Wildan EDS Tax Roll	7,000	-
		Subtotal	4,454,300	4,875,884
53210 Legal and Accounting Services				
530	12121	Legal and Accounting Services - Legal Advise-Colantuono	40,000	41,600
530	▲★	13131 EDS Tax Roll Consultant	-	30,000
530	13131	EPASD Data Service Tax Roll	-	2,300
530	13131	Audit	25,000	20,600
530	13131	Bartel (GASB68) Report	2,100	3,300
530	13131	County PPT Fees	10,000	10,000
530	13131	New GASB Implementation	2,000	-
530	13131	OPEB Actuarial Study (2 Reports)	8,000	5,000
		Subtotal	87,100	112,800
54240 Building Maintenance				
530	21213	Building Maintenance		
530	21213	Building Maintenance - Alarm and others	32,000	32,000
530	21213	Degree HVAC	1,000	1,000
530	21213	Rodent Control	-	2,500
530	21213	Elevator	-	1,000
530	21213	Everon	12,876	12,876
530	21213	A-1 Septic Tank Service @ Cooley Landing	-	5,000
530	21213	Simonds Machinery-Cooley Landing Sewer Pumps	-	10,000
530	21213	Misc.	50,000	50,000
		Subtotal	95,876	114,376
54280 Janitorial Services				
530	21213	Janitorial Services	25,000	30,000
		Subtotal	25,000	30,000
55300 Communications				
530	21212	EPASD Landlines and internet	-	9,000
530	95952	Communications	15,040	15,040
		Subtotal	15,040	24,040
55400 Advertising				
530	21212	Advertising - Publication & Legal Notice	25,000	5,000
		Subtotal	25,000	5,000
55410 Printing and Binding				
530	21212	Printing and Binding	-	500
		Subtotal	-	500
55600 Meeting and Catering				
530	21212	6 Advisory Commission Meetings, any meetings at EPASD	-	1,500
		Subtotal	-	1,500

FY 2027

Expense Detail request (Excl. Payroll)

Department / Fund: **East Palo Alto Sanitary District (Fund 530)**

Fund	Division	Detail	Adopted FY 26	Adopted FY 27
55800 Transportation and Training				
530	10101	Training for board members	7,500	7,500
530	12121	Special District Conference	2,000	2,000
530	21212	MMANC Women’s Leadership Summit Conference - Sacramento, CA	-	550
530	21212	Municipal Management Association Northern CA Conference - Yosemite	-	2,800
530	21212	CWEA Annual Conference & Expo (AC26)	-	3,400
530	21212	Transportation and Training	11,000	-
Subtotal			20,500	16,250
55910 Membership and Dues				
530	21212	CWEA Membership (PW Director, Utility Manager, Admin Asst)	-	753
530	21212	APWA Membership (PW Director, Utility Manager, Admin Asst)	-	869
530	21212	California Special Districts Association (CSDA)	-	2,000
530	21212	Membership and Dues	30,000	-
Subtotal			30,000	3,622
55920 Special Events				
530	21212	Special Events	-	500
Subtotal			-	500
60207 Utilities				
530	21212	Utilities - PG&E, Water, Recology	54,000	50,000
Subtotal			54,000	50,000
60208 Fuel				
530	21212	Fuel	-	250
Subtotal			-	250
60209 Other Operating Supplies				
530	21212	Other Operating Supplies	8,500	5,000
Subtotal			8,500	5,000
60301 General Office Supplies				
530	21212	General Office Supplies	10,000	1,000
Subtotal			10,000	1,000
60302 Postage and Delivery				
530	21212	Postage and Delivery	5,000	-
Subtotal			5,000	-
70410 Furniture & Equipment Under \$5K				
530	▲ 21212	Furniture & Equip Under\$5k	-	12,000
Subtotal			-	12,000
90310 Overhead Allocation				
530	95951	Cost allocation	939,297	1,055,900
530	95951	Insurance Internal Service allocation	84,318	-
530	95952	IT Overhead Allocation	99,758	172,937
Subtotal			1,123,373	1,228,837
<p>▲ One-time expense ☉ Periodic expense (ex: every 5 years) ★ Strategic Priorities Workplan</p>				
Fund 530 Total			5,993,209	6,561,059

TWO-YEAR CAPITAL IMPROVEMENT PROGRAM UPDATE

FISCAL YEARS 2026-2027 & 2027-2028

University Ave Interchange & Corridor | East Palo Alto, CA



PREPARED BY

Humza Javed
Public Works Director

Jessica Felix
Management Analyst

CONTACT

Phone: (650) 853-3130
Date: May 19, 2026

ABOUT THIS REPORT

This report presents the City of East Palo Alto's Capital Improvement Program for FY 2026-2027 and FY 2027-2028, outlining planned infrastructure investments across streets, parks, utilities, and community facilities.

PROGRAM CATEGORIES

Community Facilities
City buildings, civic spaces

Parks & Open Space
Park expansions, trails, recreation

Sewer Projects
EPASD sewer projects

Information Technology
IT infrastructure & systems

Storm Related Projects
Flood control, creek, pump, sweeping

Streets & Transportation
Roadways, signals, bike/ped improvements

Water Supply
Water mains, emergency supply

FY 2026–2027

17 Projects This Fiscal Year

Community Facilities \$620K (1.56%)

#	Project Name	Amount	Status
FA-03	EV Charging Stations (Citywide)	\$580,000	● Appropriated
N/A	Civic Center EV Charging Station	\$40,000	● Planned

Parks & Open Space \$30M (75.27%)

#	Project Name	Amount	Status
PK-26	Field at Civic Center	\$30,000,000	● Planned

Sewer Projects \$2.695M (6.76%)

#	Project Name	Amount	Status
EPASD 1.1	EPASD Sewer Project 1.1	\$1,000,000	● Appropriated
EPASD 1.2	EPASD Sewer Project 1.2	\$1,695,000	● Appropriated

Information Technology \$1.158M (2.91%)

#	Project Name	Amount	Status
N/A	IT Strategic Plan	\$1,158,000	● Appropriated

Storm Related Projects \$880K (2.21%)

#	Project Name	Amount	Status
SD-04	Street Sweeping Signage	\$80,000	● Appropriated
SP-16	San Francisquito Creek Sediment Removal	\$800,000	● Appropriated

Streets & Transportation \$4.125M (10.35%)

#	Project Name	Amount	Status
ST-07	Annual Street Resurfacing Project (ongoing)	\$2,300,000	● Appropriated
ST-09	Bicycle & Pedestrian Improvements	\$500,000	● Appropriated
ST-11	Sidewalk Repair Program	\$250,000	● Planned
ST-15	Signage & Striping Improvements	\$50,000	● Appropriated
ST-33	Woodland Ave Street Improvements	\$700,000	● Appropriated
ST-39	Fordham Street Roundabout Project	\$75,000	● Appropriated
ST-45	University Ave Grand Corridor Pilot Program	\$250,000	● Planned

Water Supply \$380K (0.95%)

#	Project Name	Amount	Status
WS-01B	Emergency Water Connects – PA Park Mutual	\$150,000	● Appropriated
WD-06	Fire Hydrant Replacement (ongoing)	\$230,000	● Appropriated

● Appropriated	\$9.318M
● Partially Funded	\$0
● Planned	\$30.54M

TOTAL EXPENDITURE — 17 PROJECTS \$39,858,000

Legend: ● Appropriated ● Partially Funded ● Planned

FY 2027–2028

20 Projects This Fiscal Year

Community Facilities \$140.45M (78.64%)

#	Project Name	Amount	Status
FA-26	Civic Center	\$120,000,000	● Planned
FA-06	Corporation Yard	\$200,000	● Planned
FA-05	New Police Department Building	\$20,000,000	● Planned
N/A	Senior Rehabilitation Facility	\$250,000	● Planned

Parks & Open Space \$1.115M (0.62%)

#	Project Name	Amount	Status
PK-15	Bell Street Park Restroom	\$500,000	● Planned
PK-12	Hetch Hetchy Aqueduct Linear Park	\$465,000	● Planned
PK-13	Hazelwood Way Park Access	\$150,000	● Planned

Sewer Projects \$13.142M (7.36%)

#	Project Name	Amount	Status
EPASD 1.1	EPASD Sewer Project 1.1	\$5,042,000	● Planned
EPASD 1.2	EPASD Sewer Project 1.2	\$8,100,000	● Planned

Streets & Transportation \$7.9M (4.42%)

#	Project Name	Amount	Status
ST-07	Annual Street Resurfacing Project (ongoing)	\$2,300,000	● Planned
ST-09	Bicycle & Pedestrian Improvements	\$500,000	● Planned
ST-10	New Sidewalk, Curb & Gutter Program	\$2,000,000	● Planned
ST-11	Sidewalk Repair Program	\$250,000	● Planned
ST-03	Safe Routes to School	\$100,000	● Planned
ST-33	Woodland Ave Street Improvements	\$2,300,000	● Planned
ST-39	Fordham Street Roundabout Project	\$450,000	● Planned

Water Supply \$15.99M (8.95%)

#	Project Name	Amount	Status
WD-06	Fire Hydrant Replacement (ongoing)	\$230,000	● Planned
WD-26	Water Storage Tank Project	\$8,000,000	● Planned
WS-03A	New Storage Tank East of Hwy 101	\$6,000,000	● Planned
WD-08	East Bayshore Water Infrastructure Impr	\$1,760,000	● Planned

● Planned \$178.597M

TOTAL EXPENDITURE — 20 PROJECTS \$178,597,000

Legend: ● Appropriated ● Partially Funded ● Planned



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Tomohito Oku, Finance Director
Esther Aguirre, Senior Accountant

SUBJECT: Establishing the Fiscal Year 2026-27 Appropriation Limit

Recommendation

Adopt a Resolution establishing the FY 2026-27 Appropriation Limit of \$45,312,635.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Ensure Our Financial and Organizational Health

Background

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The proposition created Article XIII B of the State Constitution designed to limit the growth in appropriations of all entities of government to changes in cost of living and population. Further, in 1980, the State Legislature amended the Government Code to implement Article XIII B.

In 1990, California voters passed Proposition 111 providing adjustment formulas more responsive to local growth issues, as well as requirement for an annual review of the Gann Limit calculations to be performed by city auditors each fiscal year. Section 1.5. of Article XIII B (Proposition 111) changed the annual adjustment factors beginning with the FY 1990-91 Appropriation Limit. After that point, on an annual basis, local entities may choose between whichever is greater: the change in per capita income or assessed valuation due to non-residential construction within the City. To determine the population factor, the entity can select the greater of population growth either within the City or the County. Staff determines the

PUBLIC HEARING ITEM 7.2

appropriation limit associated with each fiscal year budget. The City Council is required to adopt a limit on appropriations subject to a formula outlined in the State Constitution Article XIII B.

Analysis

The attached calculation of the appropriation limit follows the formula established in the California Constitution. Not all revenues are restricted by the limit; only those that are referred to as “proceeds of taxes.” Thus, attention must be given to what revenues fall into that category.

Total revenues are classified either as “proceeds” or “non-proceeds” of taxes. In FY 2026-27, budgeted revenue sources total \$72,061,731 (See Attachment 2: Schedule 1 and Schedule 2). Total revenue sources are reduced by non-proceeds of taxes and other qualifying exclusions in the amount of \$36,217,514; leaving \$35,844,217 net revenue sources subject to limitation (See Attachment 2: Schedule 1).

GANN Limit Law provides some choice in the factors applied to determine the limit each fiscal year. The basic determinant factors are (1) the change in the cost of living, and (2) the change in population. See Government Code Section 7901. To determine the change in the cost of living, the City may choose from either: a) the change in California per capita income as determined by the California Department of Finance, or b) the percentage change in local assessment tax roll from the prior year attributable to the addition of non-residential new construction as calculated by the San Mateo County Assessor’s Office. To determine the change in population, the City may choose either: a) the percentage change within the City, the or b) the percentage change within San Mateo County as determined by the California Department of Finance. For each factor, staff recommends the choice resulting in the maximum increase allowable.

The FY 2026-27 appropriation limit is determined by taking the prior year adjustment ending limit of \$43,188,407 and multiplying by the per capita income factor and the County population rate factor. The appropriation limit is adjusted by the factored decrease in population in the County of San Mateo (-0.03%), and by the factored increase in per capita personal income (4.95%). The FY 2026-27 calculated appropriation limit applying such factors is \$45,312,635 (See Attachment 2: Schedule 3).

The City’s calculated net revenue “subject to limitation” is \$35,844,217 (noted above) is subtracted from the appropriation limit of \$45,312,635 leaving a remaining appropriations capacity of \$9,468,418 or 20.90%. (See Attachment 2)

In conclusion, the City’s 2026-27 budget appropriations that are subject to limitation are under the calculated appropriation limit and thus in compliance with Article XIII B of the State Constitution.

It is important for the Council and the public to note that the City’s Appropriations Subject to Limit are \$9,468,418 or 20.90%, below the FY 2026-27 Appropriation Limit allowed by Statute. If the City ends a fiscal year having more Appropriations Subject to Limit than its Appropriation Limit allows, the City must return the excess either by reducing taxes or fees. Alternatively, the voters of the City may, by majority approval, increase the Appropriations Limit of the City

 **PUBLIC HEARING ITEM 7.2****Fiscal Impact**

There is no fiscal impact for this item.

Public Notice

Notice of this agenda item by publishing a notice of the hearing date in “San Mateo County Times” and, also, posting the City Council agenda on the City’s official bulletin board outside City Hall and making the agenda and report available at the City’s.

The public was provided notice by making the agenda and report available on the City’s website and on bulletin boards located at (1) City Hall: 2415 University Avenue, East Palo Alto, (2) Library: 2415 University Avenue, East Palo Alto, and (3) 1960 Tate Street, East Palo Alto.

Environmental

The action being considered does not constitute a “Project” within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15378 (b)(5), in that it is a government administrative activity that will not result in direct or indirect changes in the environment.

Attachments

1. Resolution.
2. Appropriation Limit Calculation.

RESOLUTION NO. XX– 2026

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO**

ESTABLISHING AN APPROPRIATION LIMIT OF \$45,312,635 FOR FISCAL YEAR 2026-27

WHEREAS, the City is required to adopt a limit on appropriations subject to a formula outlined in Article XIII B of the California Constitution; and

WHEREAS, the California Constitution also requires a method of inflation be chosen; and

WHEREAS, the City of East Palo Alto elects to use the following factors relevant to the calculation of the Appropriation Limit for FY 2026-27:

- Per Capita Personal Income Change: +4.95% (Plus Four Point Ninety-Five Percent)
- County of San Mateo Population Adjustment: -0.03% (Minus Three Hundredths Percent)

WHEREAS, a resolution establishing the annual appropriation limit must be adopted at a regularly scheduled meeting or noticed special meeting of the City Council; and

WHEREAS, the City Council held public hearings and adopted the Fiscal Year 2026-27 budget on June 16, 2026, and appropriations therein were determined within the calculated appropriation limit; and

WHEREAS, a determination of the FY 2026-27 Appropriations Limit has been made available to the public fifteen days prior to the meeting held.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY:

1. Finds the foregoing recitals are true and correct, and are incorporated by this reference into this action;
2. Sets the Appropriation Limit for Fiscal Year 2026-27 at \$45,312,635 pursuant to the calculation prepared in accordance with local law, contained within **Exhibit A**, which is attached hereto and incorporated by this reference;
3. Finds and determines that the Appropriation Limit of \$45,312,635 exceeds the Appropriations Subject to Limitation calculated in the amount of \$35,844,217 by \$9,468,418; therefore, the City of East Palo Alto complies with the provisions of Article XIII B of the State Constitution; and
4. Finds that the action being considered does not constitute a “Project” within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15378 (b)(5), in that it is a government administrative activity that will not result in direct or indirect changes in the environment.

PASSED AND ADOPTED this 16th day of June 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Webster Lincoln, Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin, City Clerk

John D. Lê, City Attorney

CITY OF EAST PALO ALTO
Appropriation Limitation Calculation
2026-27

EXHIBIT A

Executive Summary

An annual calculation of the City's appropriation limitation is required by Article XIIB of the California Constitution. City expenditures may increase only in relation to changes in per capita income or growth in non-residential assessment valuation, whichever is greater, and the population change for the City or County, whichever is greater.

The City's 2026-27 proposed budget appropriations that are subject to limitation are \$9,468,418 million under the limitation as shown below:

I. Determination of Appropriation Limit:

2026-27 Appropriation Limit (Schedule 3)	\$	45,312,635
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II. Determination of Appropriations Subject to Limitation:

2026-27 Revenue Sources for Appropriations (Schedule 2)	\$	72,061,731
Deductions of Exempt Revenues and Qualified Capital (Schedule 1)		<u>(36,217,514)</u>

2026-27 Appropriations Subject to Limitation (Schedule 1)	\$	<u>35,844,217</u>
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III. Amount Under/(Over) Appropriation Limit (I-II)	\$	<u>9,468,418</u>
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IV. Remaining Capacity as a Percent of FY 2026-27 Limit		<u>20.90%</u>
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CITY OF EAST PALO ALTO
CALCULATION OF APPROPRIATIONS SUBJECT TO LIMITATION
2026-27

SCHEDULE 1

Total Revenue Sources For Appropriations (Schedule 2)	<u>\$ 72,061,731</u>
<u>Exclusions:</u>	
Non-Proceeds of Taxes (Schedule 2)	(36,217,514)
Net Revenue Sources Subject to Limitation	<u><u>\$ 35,844,217</u></u>

CITY OF EAST PALO ALTO
SUMMARY OF REVENUES BY CATEGORY
2026-27

SCHEDULE 2

	Budgeted Proceeds of Tax	Budgeted Non-Proceeds of Tax	Total Revenues
Taxes			
Property Taxes	18,054,710	5,138,450	\$ 23,193,161
Sales and Use Tax	5,827,100	1,110,000	6,937,100
Utility Users Tax	2,160,558	-	2,160,558
Transient Occupancy Tax	2,750,000	-	2,750,000
Other Taxes	4,332,690	1,725,554	6,058,244
	<u>\$ 33,125,058</u>	<u>\$ 7,974,004</u>	<u>\$ 41,099,063</u>
Franchise Fees			
Franchise Fees	\$ -	\$ 1,371,051	\$ 1,371,051
Licenses, Fees, and Permits			
Building and Other Permits	\$ -	\$ 1,289,509	1,289,509
Rent Stabilization Fees	-	852,390	852,390
NPDES	-	140,000	140,000
Water Capacity system/ supply fee	-	1,205,036	1,205,036
Development Impact Fees	-	5,311,565	5,311,565
	<u>\$ -</u>	<u>\$ 8,798,501</u>	<u>\$ 8,798,501</u>
Fines and Forfeitures			
Vehicle Code and Parking Fines	\$ -	\$ 525,000	\$ 525,000
Other Fees and Fines	-	685,325	685,325
	<u>\$ -</u>	<u>\$ 1,210,325</u>	<u>\$ 1,210,325</u>
Grants and Intergovernmental			
California SLESF	\$ -	\$ 100,000	\$ 100,000
California SB2	-	30,600	\$ 30,600
Subventions and Reimbursements	42,716	-	42,716
Annual Street, Woodland Ave, Fordham & other CIP	-	1,230,000	1,230,000
Miscellaneous Grants	-	7,500	7,500
	<u>\$ 42,716</u>	<u>\$ 1,368,100</u>	<u>\$ 1,410,816</u>
Charges for Current Services			
Sewer Service Fee		\$ 5,200,000	\$ 5,200,000
Solid Waste and Recycling Charges	\$ -	\$ 3,461,565	\$ 3,461,565
Water Capital Replacement Fees	-	1,260,000	1,260,000
Building Charges	-	697,066	697,066
Planning Charges	-	182,600	182,600
Police Services	-	20,000	20,000
Miscellaneous Charges	-	38,502	38,502
	<u>\$ -</u>	<u>\$ 10,859,733</u>	<u>\$ 10,859,733</u>
Use of Money and Property (ex. Interest)			
Facility Use and Leases	-	506,360	506,360
Penalties	-	70,000	70,000
	<u>\$ -</u>	<u>\$ 576,360</u>	<u>\$ 576,360</u>

CITY OF EAST PALO ALTO
SUMMARY OF REVENUES BY CATEGORY
2026-27

SCHEDULE 2

	<u>Budgeted Proceeds of Tax</u>	<u>Budgeted Non-Proceeds of Tax</u>	<u>Total Revenues</u>
Other Miscellaneous			
Solid Waste Reimbursements	\$ -	\$ 280,000	\$ 280,000
Other	-	1,075,124	1,075,124
	<u>\$ -</u>	<u>\$ 1,355,124</u>	<u>\$ 1,355,124</u>
Operating Budget Subtotal	\$ 33,167,774	\$ 33,513,198	\$ 66,680,972
Percent of Total	49.74%	50.26%	100.00%
Interest Allocation	\$ 2,676,443	\$ 2,704,316	\$ 5,380,759
TOTAL	\$ 35,844,217	\$ 36,217,514	\$ 72,061,731

CITY OF EAST PALO ALTO
 APPROPRIATIONS LIMIT COMPUTATION
 CUMULATIVE GROWTH RATE
 2026-27

FISCAL YEAR	BEGINNING LIMIT	POPULATION FACTOR	PER CAPITA INCOME FACTOR	ASSESSED VALUATION CHANGE FACTOR	ENDING LIMIT
2007-08	15,463,621	1.0139	1.0442	N/A	16,371,558
2008-09	16,371,558	1.0126	N/A	1.0920	18,103,000
2009-10	18,103,000	1.0121	N/A	1.1120	20,374,116
2010-11	20,374,116	1.0117	N/A	1.0080	20,777,393
2011-12	20,777,393	1.0080	N/A	0.9810	20,545,684
2012-13	20,545,684	1.0098	1.0377	N/A	21,529,195
2013-14	21,529,194	1.0109	1.0512	N/A	22,878,172
2014-15	22,878,172	1.0117	N/A	1.1160	25,830,765
2015-16	25,830,765	1.0100	1.0382	N/A	27,085,675
2016-17	27,085,675	1.0091	1.0537	N/A	28,799,891
2017-18	28,799,891	1.0056	1.0369	N/A	30,029,838
2018-19	30,029,838	1.0065	N/A	1.0379	31,369,805
2019-20	31,369,805	1.0028	1.0385	N/A	32,668,760
2020-21	32,668,760	0.9987	1.0373	N/A	33,843,251
2021-22	33,843,251	0.9925	1.0573	N/A	35,514,101
2022-23	35,514,101	0.9908	1.0755	N/A	37,844,018
2023-24	37,844,018	0.9957	1.0444	N/A	39,354,338
2024-25	39,354,338	0.9950	1.0362	N/A	40,575,070
2025-26	40,575,070	1.0000	1.0644	N/A	43,188,407
2026-27	43,188,407	0.9997	1.0495	N/A	45,312,635

Sources: State Dept. of Finance, Budget Resolutions & Prior Year Appropriation Limits, San Mateo County Assessor's Office

N/A = Not applicable; calculation formula uses the higher of per capita or assessed valuation factors multiplied by population factor.

Notes:

Population factor: San Mateo County, $((-0.03+100)/100 = 0.9997)$

Per Capita Income Factor, $((4.95+100)/100 = 1.0495)$

Total Change Factor $(0.9997 \times 1.0495) = 1.04918515$



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: June 23, 2026
TO: Honorable Mayor and Members of the City Council
VIA: Melvin E. Gaines, City Manager
BY: John D. Lê, City Attorney
SUBJECT: Resolution Updating City Council Procedures for Meetings

Recommendation

Adopt a resolution amending the City of East Palo Alto “Code of Ethics and Conduct for Elected and Appointed Officials” to:

1. Comply with SB 707 by adopting formal policies addressing disruptions of telephonic or internet services during meetings;
2. Clarify the procedures for the orderly receipt of public comment during City Council meetings; and
3. Clarify the procedure for responding to meeting disruptions by members of the public participating in-person or by remote access, consistent with Government Code §§ 54957.95 and 54957.96.

Executive Summary

The proposed amendments regarding compliance with SB 707 for technical disruptions with remote access will require the City Council to take a recess, attempt to restore service, and not resume the meeting for one hour, unless service is restored earlier.

The amendments will also set reasonable time limits for public comments, give in-person speakers priority over remote speakers, and prohibit the use of large signs in the meeting room that cause actual disruptions.

The amendments will also clarify that members of the public (in-person and remote) may be removed from City Council meetings for causing an actual disruption that precludes conducting the business of the City, provided that the person is first notified and warned before removal occurs.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

- Priority: Civic Engagement
- Priority: Governance, Organizational Strength, and Fiscal Sustainability

Background

On June 1, 2021, the City of East Palo Alto City Council adopted Resolution No. 75-2021 adopting the City of East Palo Alto “Code of Ethics and Conduct for Elected and Appointed Officials,” and repealed the prior version titled “Council Rules of Procedure.” The Code of Ethics and Conduct for Elected and Appointed Officials is designed to describe the manner in which Councilmembers and members of City boards, commissions, and committees should treat one another, City staff, constituents, and others they come into contact with while representing the City of East Palo Alto. The Code of Ethics and Conduct for Elected and Appointed Officials outlines ethical standards, conduct rules, the City Council agenda setting process, and policy enforcement provisions.

On July 16, 2024, the City of East Palo Alto City Council adopted Resolution No. 67-2024 amending the City of East Palo Alto “Code of Ethics and Conduct for Elected and Appointed Officials.”

On October 3, 2025, the California Legislature enacted Senate Bill 707 (SB 707), amending the Ralph M. Brown Act to require, among other actions, the adoption of formal policies addressing disruptions of telephonic or internet services during meetings, and to clarify the procedure for responding to disruptions to meetings by members of the public participating in-person or by remote access. The deadline to comply with the requirement regarding disruptions of telephonic or internet services during meetings is July 1, 2026.

The City Council desires to update the Code of Ethics and Conduct for Elected and Appointed Officials in light of the requirements of SB 707, to clarify the procedures for receiving public comments at City Council meetings, and to clarify the procedures for responding to an actual disruption of a Council meeting consistent with Government Code §§ 54957.95 and 54957.96.

Analysis

The proposed amendments to the Code of Ethics and Conduct for Elected and Appointed Officials will enable the City to comply with the requirement of SB 707 regarding disruptions of telephonic or internet services during meetings, as well as established case law requiring that a member of the public may not be removed from a public meeting unless they cause an “actual

disruption” that impedes the orderly conduct of the meeting. (*Norse v. City of Santa Cruz*, 629 F.3d 966 (9th Cir. 2010) [holding that expulsion of member of the public from city council meeting required “actual disruption,” not merely any violation of the “decorum rules” adopted by the city council]; *Acosta v. City of Costa Mesa*, 718 F.3d 800 (9th Cir. 2013) [finding ordinance barring “disorderly, insolent, or disruptive behavior” at city council meetings to be facially overbroad].) Specifically, the proposed amendments are intended to:

- Clarify procedures for the chair, Council Members, and staff to follow in the event of telephonic or internet service disruption during meetings.
- Ensure staff make a good faith effort to restore service in the event of disruption.
- Define how and when the City Council may reconvene in connection with service disruption.

The proposed amendments will also provide the Council Members and members of the public with clarity regarding the procedures for the orderly receipt of public comment during City Council meetings. Specifically, the proposed amendments are intended to:

- Clarify procedures for receiving comments from the public via in-person attendance and virtual attendance at City Council meetings, including giving in-person speakers priority over remote speakers. Adopt reasonable time limits for public comments, including when there are more than 20 speakers for an item on an agenda. Adopt reasonable restrictions barring the use of signs by members of the public in the City Council meeting room that present actual disruptions to the meetings, including signs that obstruct views of the Council Members, obstruct access to exits etc. Clarify the procedure for responding to disruptions to meetings by members of the public participating in-person or by remote access, including the requirements codified at Government Code sections 54957.95 and 54957.96 that the conduct must cause an actual disruption, and for notifying and warning the person causing the disruption that they may be removed from the meeting if the disruption does not promptly cease.

Fiscal Impact

There is no fiscal impact for this item.

Public Notice

The public was provided notice by making the agenda and report available on the City’s website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental

The action being considered does not constitute a “Project” within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15378 (b)(5), in that it is a government administrative activity that will not result in direct or indirect changes in the environment.



Government Code § 84308

Applicability of Levine Act: No, as the proposed action does not entail an entitlement.

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Resolution
1. Draft Amended “Code of Ethics and Conduct for Elected and Appointed Officials, Including Provisions for Conduct at City Council Meetings”

RESOLUTION NO. XX– 2026

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO**

**AMENDING THE CITY OF EAST PALO ALTO CODE OF ETHICS AND CONDUCT FOR
ELECTED AND APPOINTED OFFICIALS, INCLUDING PROVISIONS FOR CONDUCT AT CITY
COUNCIL MEETINGS.**

WHEREAS, on June 1, 2021, the City of East Palo Alto City Council adopted Resolution No. 75-2021 adopting the City of East Palo Alto “Code of Ethics and Conduct for Elected and Appointed Officials,” and repealed the prior version titled “Council Rules of Procedure;” and

WHEREAS, the Code of Ethics and Conduct for Elected and Appointed Officials is designed to describe the manner in which Councilmembers and members of City boards, commissions, and committees should treat one another, City staff, constituents, and others they come into contact with while representing the City of East Palo Alto; and

WHEREAS, the Code of Ethics and Conduct for Elected and Appointed Officials outlines ethical standards, conduct rules, the City Council agenda setting process, public meeting procedures, and policy enforcement provisions; and

WHEREAS, on July 16, 2024, the City of East Palo Alto City Council adopted Resolution No. 67-2024 amending the City of East Palo Alto “Code of Ethics and Conduct for Elected and Appointed Officials;” and

WHEREAS, on October 3, 2025, the California Legislature enacted Senate Bill 707, amending the Ralph M. Brown Act to require, among other actions, the adoption of formal policies addressing disruptions of telephonic or internet services during meetings, and to clarify the procedure for responding to disruptions to meetings by members of the public participating in person or by remote access; and

WHEREAS, the deadline to comply with SB 707’s requirement regarding disruptions of telephonic or internet services during meetings is July 1, 2026; and

WHEREAS, the City Council desires to update the Code of Ethics and Conduct for Elected and Appointed Officials in light of the requirements of SB 707, to clarify the procedures for receiving public comments at City Council meetings consistent with SB 707 and current custom and practice, and to clarify the procedures for responding to an actual disruption of a Council meeting consistent with Government Code §§ 54957.95 and 54957.96.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY:

1. Finds the foregoing recitals are true and correct, and are incorporated by this reference into this action;
2. Adopts the amended Code of Ethics and Conduct for Elected and Appointed Officials, Including Provisions for Conduct at City Council Meetings, attached hereto as **Exhibit A**; and

3. Finds that the proposed action does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5), in that it is a governmental administrative activity that will not result in direct or indirect changes in the environment.

PASSED AND ADOPTED this 16th day of June 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Webster Lincoln, Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin, City Clerk

John D. Lê, City Attorney



ADMINISTRATIVE POLICY

SUBJECT: CODE OF ETHICS AND CONDUCT FOR ELECTED AND APPOINTED OFFICIALS, INCLUDING PROVISIONS FOR CONDUCT AT CITY COUNCIL MEETINGS

SECTION 1: POLICY

This policy shall be referred to as the Code of Ethics and Conduct for Elected and Appointed Officials, Including Provisions for Conduct at City Council Meetings (“Code of Ethics and Conduct”).

SECTION 2: PURPOSE

The City of East Palo Alto (“City”) has established this Code of Ethics and Conduct for members of the City Council and the City’s boards, commissions, and committees to assure public confidence in the integrity of local government and its effective and fair operation. The Code of Ethics and Conduct is designed to describe the manner in which Councilmembers and members of City boards, commissions, and committees should treat one another, City staff, constituents, and others they come into contact with while representing the City of East Palo Alto. The Code of Ethics and Conduct also includes provisions for the conduct of participants in Council meetings.

SECTION 3: APPLICABILITY

This Code of Ethics and Conduct applies to the East Palo Alto City Council (“City Council”), and City boards, commissions, and committees (“Advisory Bodies”). For ease of reference in the Code of Ethics and Conduct, the term “Member” refers to any member of the City Council or City Advisory Bodies established by City ordinance, resolution, or Council policy.

SECTION 4: ETHICS

A. Introduction: The residents and businesses of the City are entitled to have fair, ethical and accountable local government. To this end, the public should have full confidence that their elected and appointed officials:

1. Comply with both the letter and spirit of the laws and policies affecting the operations of government;
2. Are independent, impartial and fair in their judgment and actions;

3. Use their public office for the public good, not for personal gain; and
 4. Conduct public deliberations and processes openly, unless required by law to be confidential, in an atmosphere of respect and civility.
- B. Rule: Members shall comply with all applicable ethics laws, rules, and guidelines, including those set forth in this section.
- C. Act in the Public Interest: Recognize that stewardship of the public interest must be their primary concern, and that Members will work for the common good of the people of East Palo Alto and not for any private or personal interest, and will assure fair and equal treatment of all persons, claims and transactions coming before them.
- D. Comply with both the spirit and the letter of the Law and City Policy: Members shall comply with the laws of the nation, the State of California, and the City of East Palo Alto in the performance of their public duties.
- E. Conduct of Members: The professional and personal conduct of Members while exercising their office must be above reproach and avoid even the appearance of impropriety. Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of City Council, Advisory Bodies, City staff or the public.
- F. Respect for Process: Members shall perform their duties in accordance with the processes and rules of order established by the City Council.
- G. Conduct at Public Meetings: Members shall prepare themselves for public issues, listen courteously and attentively to all public discussions before the body, and focus on the business at hand.
- H. Decisions Based on Merit: Members shall base their decisions on the merits and substance of the matter at hand, rather than on unrelated considerations. When making adjudicative decisions (those decisions where the Member is called upon to determine and apply facts particular to an individual case), Members shall maintain an open mind until the conclusion of the hearing on the matter and shall base their decisions on the facts presented at the hearing and the law.
- I. Communication: For adjudicative matters pending before the body, Members shall refrain from receiving information outside of an open public meeting or agenda materials, except on advice of the City Attorney. Members shall publicly disclose substantive information that is relevant to a matter under consideration by the body which they may have received from sources outside of the public decision-making process.
- J. Conflict of Interest: In order to assure their independence and impartiality on behalf of the common good and compliance with conflict of interest laws, Members shall use their best efforts to refrain from creating an appearance of impropriety in their actions and decisions. Members shall not use their official positions to influence government decisions in which they have (1) a material financial interest, (2) an organizational responsibility or personal relationship which may give the appearance of a conflict of interest, or (3) a strong personal bias.

A Member who has a potential conflict of interest regarding a particular decision shall disclose the matter to the City Attorney and reasonably cooperate with the City Attorney to analyze the potential conflict. If advised by the City Attorney to seek advice from the Fair Political Practices Commission (“FPPC”) or other appropriate state agency, a Member shall not participate in a decision unless and until he or she has requested and received advice allowing the Member to participate. A Member shall diligently pursue obtaining such advice. The Member shall provide the Mayor and the City Attorney a copy of any written request or advice, and conform his or her participation to the advice given. In providing assistance to Members, the City Attorney represents the City and not individual members.

In accordance with the law, Members shall disclose investments, interests in real property, sources of income, and gifts; and if they have a conflict of interest regarding a particular decision, shall not, once the conflict is ascertained, participate in the decision and shall not discuss or comment on the matter in any way to any person including other members unless otherwise permitted by law.

- K. Gifts and Favors: Members shall not take any special advantage of services or opportunities for personal gain, by virtue of their public office that is not available to the public in general. Members shall refrain from accepting any gifts, favors or promises of future benefits which might compromise their independence of judgment or action or give the appearance of being compromised.
- L. Confidential Information: Members must maintain the confidentiality of all written materials and verbal information provided to Members which is confidential or privileged. Members shall neither disclose confidential information without proper legal authorization, nor use such information to advance their personal, financial or other private interests.
- M. Use of Public Resources: Members shall not use public resources which are not available to the public in general (e.g., City staff time, equipment, supplies or facilities) for private gain or for personal purposes not otherwise authorized by law.
- N. Representation of Private Interests: In keeping with their role as stewards of the public interest, members of City Council shall not appear on behalf of the private interests of third parties before the City Council or any Advisory Body or proceeding of the City, nor shall members of any Advisory Body appear before their own bodies or before the City Council on behalf of the private interests of third parties on matters related to the areas of service of their bodies.
- O. Advocacy: Members shall represent the official policies or positions of the City Council, or Advisory Body, to the best of their ability when designated as delegates for this purpose. When presenting their individual opinions and positions, Members shall explicitly state they do not represent their Advisory Body or the City of East Palo Alto, nor will they allow the inference that they do. Councilmembers and Advisory members have the right to endorse candidates for all Council seats or other elected offices. However, it is inappropriate to

mention or display endorsements during City Council meetings, or Advisory Body meetings, or other official City meetings.

- P. Policy Role of Members: Members shall respect and adhere to the council-manager structure of City government as outlined in the East Palo Alto Municipal Code. In this structure, the City Council determines the policies of the City with the advice, information and analysis provided by City staff, Advisory Bodies, and the public. Except as provided by the East Palo Alto Municipal Code, Members shall not interfere with the administrative functions of the City or the professional duties of City staff, nor shall they impair the ability of City staff to implement Council policy decisions.
- Q. Independence of Advisory Bodies: Members of City Council shall refrain from using their position to unduly influence the deliberations or outcomes of Advisory Body proceedings. This is necessary due to the value of the independent advice of Advisory Bodies to the public decision-making process.
- R. Positive Workplace Environment: Members shall support the maintenance of a positive and constructive workplace environment for City employees and for residents and businesses interacting with the City. Members shall recognize their special role in dealings with City employees and shall not create the perception of inappropriate direction to City staff.

SECTION 5: CONDUCT RULES

The Conduct Rules set forth in Sections 6-14 are designed to describe the manner in which Members should treat one another, City staff, constituents, and others they come into contact with while representing the City of East Palo Alto.

SECTION 6: ELECTED AND APPOINTED OFFICIALS' CONDUCT WITH EACH OTHER IN PUBLIC MEETINGS

- A. Introduction: Members are individuals with a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, all have chosen to serve in public office in order to preserve and protect the present and the future of the community. In all cases, this common goal should be acknowledged even though individuals may not agree on every issue.
- B. Respect the Chair: It is the responsibility of the chair to keep the comments of Members on track during public meetings. Members should respect efforts by the chair to focus discussion on current agenda items. If there is disagreement about the agenda or the chair's actions, those objections should be voiced politely and with reason, following procedures outlined in parliamentary procedure.
- C. Practice Civility and Decorum: Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of debate by a free democracy in action. However, free debate does not require nor justify public officials to make belligerent, personal, impertinent, slanderous, threatening, abusive, or disparaging

comments.

- D. Avoid Offensive Comments: If a Member is personally offended by the remarks of another member, the offended member should make notes of the actual words used and call for a "point of personal privilege" that challenges the other member to justify or apologize for the language used. The chair will maintain control of this discussion.
- E. Demonstrate Effective Problem-solving Approaches: Members have a public stage and have the responsibility to show how individuals with disparate points of view can find common ground and seek a compromise that benefits the community as a whole.

SECTION 7: CITY COUNCIL AGENDA SETTING

A. Agenda Setting Process:

1. *The Agenda Committee*. The Agenda Committee is comprised of the Mayor and Vice Mayor. The charge of the Agenda Committee is to work with Staff to plan City Council Meetings. There are three primary purposes to Agenda Committee meetings: 1) to plan how City Council Meetings will be conducted, including review of approximate time allocations for agenda item presentations and to ensure adequate time for large complex items; 2) to identify any issues or questions that may need greater staff preparation for the meeting; and 3) to discuss future meetings, including items to be included on future meeting agendas.

Consideration in building the agenda should be given to the potential length of the meeting and at what point items of significant public concern may be heard. The purpose of the meeting is not to work on policy issues. Normally, the Mayor and Vice Mayor attend the Agenda Committee meetings with the City Manager, City Attorney, and other staff, as appropriate. The Mayor and Vice Mayor's roles are to represent the interests of the entire Council.

2. *Councilmember Requests to the Agenda Committee*. A City Council member may submit a request to the Agenda Committee to add a matter to a future meeting agenda. The request may be written directly to the Agenda Committee or made verbally under Council Reports at any public meeting of the Council. The request will be considered at the Agenda Committee meeting.
 - i. *The Decision*. The Agenda Committee may grant any such request as a matter of courtesy without further discussion and will agendize the requested item for a future agenda as soon as practicable, considering staff input on operational and budgetary capacity. If the Agenda Committee is unable to arrive at a consensus on the request, the Mayor or Vice Mayor may grant the request outright.

If the Agenda Committee denies the request, then the requesting councilmember may make the request through the City Manager. In that instance, the City Manager would ensure an item would be added to the

next City Council meeting agenda under “Council Reports” to discuss the request for the item to be added to another future agenda. When discussing the request during “Council Reports,” as an ordinary agenda item where parliamentary rules of procedure apply, the entire Council would consider the request to add the item to a future agenda. If a majority of the Council votes to grant the request, the councilmember who made the request will work with the City Manager and a member of the Agenda Committee to agendaize the requested item for a future agenda, as soon as practicable considering staff input on operational and budgetary capacity, on a date agreed upon by the councilmember, Agenda Committee representative, and the City Manager.

- B. Proclamations: To the extent possible, Councilmembers must submit Proclamations requests to the Mayor or Vice Mayor and the City Clerk at least two weeks in advance of the event for recognition of the person who is the subject of the Proclamation. The Proclamation must have a contact name, email/phone number, and a sample of the wording.
- C. Special Presentations: Councilmembers must submit requests for special presentations to the Mayor/Vice Mayor for consideration of agenda placement at the Mayor/Vice Mayor meeting.
- D. Letter of Support: If a letter of support is written in an individual Councilmember’s capacity, the letter shall reflect that it reflects only the viewpoint of the author and not the full City Council. The author shall provide the City Clerk a copy of the letter for official retention.

SECTION 8: ELECTED AND APPOINTED OFFICIALS’ CONDUCT WITH THE PUBLIC IN PUBLIC MEETINGS

- A. Introduction: Making the public feel welcome is an important part of the democratic process. No signs of partiality, prejudice or disrespect should be evident on the part of individual Members toward an individual participating in a public forum. Every effort should be made to be fair and impartial in listening to public testimony.
- B. Practice Active Listening: While questions or clarification may be asked, a Member’s primary role during public testimony is to listen.
- C. Maintain an Open Mind: The public deserves an opportunity to influence the thinking of elected and appointed officials and Members shall maintain an open mind.
- D. Avoid Debate or Argument: Only the chair – not individual members – can interrupt a speaker during a presentation. However, a Member can ask the chair for a point of order if the speaker is off the topic or exhibiting behavior or language the Member finds disturbing.
- E. Call for Public Speakers: Public comments during City Council meetings will be received as outlined in this section, unless otherwise provided by the chair. When it is time for the public to provide comments, the chair will call for in-person speakers to line up in the meeting room, and ask virtual participants to identify themselves for inclusion in the meeting agenda. The chair will call each in-person speaker to come to the podium and provide their comment. Virtual speakers will be given an opportunity to provide comments after all of the in-person speakers have provided comment. The chair will make a last call

for public speakers. After the last call, no additional in-person or virtual speakers may provide comments.

- F. Time Limits: Unless the chair determines otherwise, each speaker will have 2 minutes to make any comments on an agenda item. When there are more than 20 speakers for an item, the speaker time will be automatically reduced to 1 minutes per speaker. Notwithstanding the foregoing, the chair also has the authority to limit public comment in the aggregate by, for example, limiting total amount of public comment, in terms of total number of minutes, for each item under consideration, based on various factors, including the total number of items on agenda.
- G. In-Person Participants: Members of the public attending a City Council meeting in-person may be removed from the meeting for causing an actual disruption of the meeting that precludes the City Council from conducting the business of the City. The City Council does not condone the use of loud, profane (including lewd, obscene, racist, homophobic, or antisemitic comments, which are outside the subject matter jurisdiction of the City Council), threatening, or personally abusive language during a City Council meeting. Any conduct, including profane comments, that the chair determines causes an actual disruption of City Council meetings, is grounds for removal from the meeting. Prior to removing a member of the public from a City Council meeting, the chair will first notify the person that the person is disrupting the meeting and warn the person that the person will be removed from the meeting if the disruptive conduct continues. The prior warning, however, is not necessary if there is a use of force by the member of the public, or if there is a true threat of force from the member of the public. After being issued a warning, if the person continues to cause an actual disruption, the chair may request that law enforcement remove the person from the City Council meeting room.
- H. Signs in Meeting Room: No sign, placard, banner, prop, or poster (collectively “signs”) shall be brought into the City Council meeting room unless it can be held by one person. Signs shall not: (a) block or obstruct a view of the legislative body on the dais by any other person seated in the City Council meeting room; (b) block or obstruct access to and/or use of exits, aisles, doorways, and/or access to accessibility features; (c) be affixed to poles, posts, sticks, or other devices; (d) be affixed to and/or rest on the walls of the City Council meeting room; and (e) otherwise present an actual disruption of the City Council meeting.
- I. Remote Participants: Remote participation in City Council meetings is neither a right nor a requirement of the Brown Act. The ability to participate remotely is provided as a courtesy to members of the public who do not wish or are unable to attend a City Council meeting in-person. Remote participants in City Council meetings are subject to the same restrictions as in-person participants. Remote participants may be removed from the City Council meeting for causing an actual disruption of the meeting that precludes the City Council from conducting the business of the City. Prior to removing a remote participant, the chair will first notify the person that the person is disrupting the meeting and warn the person that the person will be removed from the meeting if the disruptive conduct continues. After being issued a warning, if the remote participant continues to cause an actual disruption, the chair may remove the person from the virtual meeting room.
- J. Remote Access Disruption: If the internet or telephonic service providing remote access to the public for a City Council meeting experiences a disruption that prevents the public from attending or observing, the City Council shall recess the meeting and make a good faith attempt to restore the service. The City Council may convene in closed session during

this period. The open session meeting may not reconvene until at least one hour following the disruption, or the service has been restored, whichever occurs first. If the City Council reconvenes the meeting and the remote service has not been restored, upon reconvening, the City Council shall adopt a verbal motion by a majority of the Members present finding that a good faith effort was attempted to restore service, and that the public interest in continuing the meeting outweighs the public interest in remote access.

SECTION 9: ELECTED AND APPOINTED OFFICIALS' CONDUCT WITH THE CITY STAFF

- A. Introduction: Governance of a City relies on the cooperative efforts of elected officials, who set policy, appointed officials who advise the elected officials, and City staff who implement and administer the City Council's policies. Therefore, every effort should be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.
- B. Respect City Staff: Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Poor behavior towards City staff is not acceptable.
- C. Council Requests to City Manager: City Council requests that deal with policy or fiscal issues or requests that may be construed as direction shall be directed to the City Manager. City Council members may contact department directors for general inquiries or questions. City Council members may also correspond directly with the City Attorney.
- D. Council Agenda Questions: City Council requests for answers to questions on council agenda items should be submitted to the City Manager, City Attorney or relevant department director or manager prior to the meeting whenever possible.
- E. Avoid Disruption: Members should not disrupt City staff while they are in meetings, on the phone, or engrossed in performing their job functions in order to have their individual needs met. Members should not attend City staff meetings unless requested by City staff, as the Member's presence may imply support, show partiality, intimidate City staff, or hamper City staff's ability to do their job objectively.
- F. Refrain from Public Criticism: Members should never express concerns about the performance of a City employee in public, to the employee directly, or to the employee's manager. Councilmember comments about City staff performance should only be made to the City Manager or City Attorney through private correspondence or conversation. Appointed officials should make their comments regarding City staff to the City Manager, City Attorney, or the Mayor.
- G. Avoid Administrative Functions: Members acting in their individual capacity must not attempt to influence City staff on the making of appointments, awarding of contracts, selecting of consultants, processing of development applications, or granting of City licenses and permits.
- H. Refrain from Political Influence: Members should not solicit any type of political support (financial contributions, display of posters or lawn signs, name on support list, etc.) from

City staff. City staff may, as private citizens with constitutional rights, support political candidates but all such activities must be done away from the workplace.

- I. No Attorney-Client Relationship: Members shall not seek to establish an attorney-client relationship with the City Attorney, including his or her staff, and attorneys contracted to work on behalf of the City. The City Attorney represents the City and not individual members. Members who consult with the City Attorney cannot enjoy or establish an attorney-client relationship with the City Attorney.

SECTION 10: CITY COUNCIL CONDUCT WITH ADVISORY BODIES

- A. Introduction: The City has established several Advisory Bodies as a means of gathering more community input. Residents who serve on Advisory Bodies become more involved in government and serve as advisors to the City Council. They are a valuable resource to the City's leadership and should be treated with appreciation and respect.
- B. Conduct at Advisory Body Meetings: Councilmembers may attend any Advisory Body meeting, which are always open to any member of the public. However, Councilmembers should be sensitive to the way their participation – especially if it is on behalf of an individual, business or developer – that could be viewed as unfairly affecting the process. Any public comments by a Councilmember at an Advisory Body meeting should be clearly made as individual opinion and not a representation of the viewpoint of the entire City Council. Individual Councilmembers are also responsible to ensure compliance with the Brown Act at all times.
- C. Limit Contact with Advisory Body Members: It is inappropriate for a Councilmember to contact an Advisory Body member to lobby on behalf of an individual, business, or developer, and vice versa. It is acceptable for Councilmembers to contact Advisory Body members in order to clarify a position taken by the Board, Committee or Commission.
- D. Respect the Role of Advisory Body Members: The City Council appoints individuals to serve on Advisory Bodies, and it is the responsibility of Advisory Bodies to follow policy established by the City Council. However, Advisory Body members do not report to individual Councilmembers, nor should Councilmembers feel they have the power or right to threaten Advisory Body members with removal if they disagree about an issue. Appointment and re-appointment to an Advisory Body should be based on such criteria as expertise, ability to work with City staff and the public, and commitment to fulfilling official duties. A Board, Committee, or Commission appointment should not be used as a political "reward."
- E. Be Respectful of Diverse Opinions: A primary role of Advisory Bodies is to represent many points of view in the community and to provide the City Council with advice based on a full spectrum of concerns and perspectives. Councilmembers may have a closer working relationship with some individuals serving on Advisory Bodies, but must be fair and respectful of all residents serving on Advisory Bodies.
- F. Refrain from Political Influence: Advisory Body members may offer political support to a Councilmember, but not in a public forum while conducting official duties. Conversely, Councilmembers may support Advisory Body members who are running for office, but not in

an official forum in their capacity as a Councilmember.

SECTION 11: CONDUCT OF CITY STAFF RELATED TO PUBLIC MEETINGS

- A. Staff Report Writing: The City Manager shall supervise and approve all City staff reports that are published as part of the City Council agenda. City staff shall prepare well-written staff reports and provide accompanying documents on all agenda items in accordance with the agenda format and preparation schedule. Furthermore, the City Manager shall advise management staff of potentially political or controversial issues coming before the City Council and direct City staff to be present and appropriately prepared at City Council meetings.
- B. Council Inquiries: City staff shall be available for questions from City Council members in accordance with the Brown Act prior to and during meetings and shall respond to questions during meetings only when requested to do so by Council members, the City Manager, or the City Attorney.
- C. Decorum: City staff shall refrain from arguing with the City Council members, Advisory Body members, and the public. Electronic equipment that is not otherwise being used for public meeting purposes shall be set to silent or off mode during public meetings.
- D. Keeping Council Informed: To the extent permitted by the Brown Act, the City Manager and City staff shall keep the Mayor and City Council members informed of significant issues in the City of East Palo Alto.

SECTION 12: CONDUCT WITH THE MEDIA

- A. Introduction: Councilmembers are frequently contacted by the media for background and quotes. The best advice for dealing with the media is to never go "off the record." Most members of the media represent the highest levels of journalistic integrity and ethics, and can be trusted to keep their word. However, one bad experience can be catastrophic. Words that are not said cannot be quoted.
- B. Mayor as Spokesperson: The Mayor is the designated representative of the City Council to present and speak on an official City position. If an individual Councilmember is contacted by the media, the Councilmember should be clear about whether their comments represent the official City position or a personal viewpoint.
- C. Choose Words Carefully: Comments taken out of context can cause problems. Be especially cautious about humor, sardonic asides, sarcasm, or word play. It is never appropriate to use personal slurs or swear words when talking with the media.
- D. Limits on Advisory Body Members: Advisory Body members are not authorized to represent the City outside of official advisory body meetings unless specifically authorized to do so.

SECTION 13: SANCTIONS

- A. Acknowledgement of Code of Ethics and Conduct: Councilmembers who do not sign an acknowledgement that they have read and understand the Code of Ethics and Conduct shall be ineligible for intergovernmental assignments or Council subcommittees. Advisory Body members who do not sign an acknowledgement that they have read and understand the Code of Ethics and Conduct are not eligible to hold office.
- B. Standards and Expectations: The Code of Ethics and Conduct expresses standards of ethical conduct expected for members of the City Council, and Advisory Bodies. Members have the primary responsibility to assure that ethical standards are understood and met, and that the public can continue to have full confidence in the integrity of government. The Mayor and City Council, and chairs of City Advisory Bodies have the additional responsibility to intervene when actions of Members that appear to be in violation of the Code of Ethics and Conduct are brought to their attention.
- C. Councilmember Sanctions: Councilmembers who intentionally and repeatedly do not follow proper conduct may be reprimanded or censured by the City Council, lose seniority or committee assignments (both within the City of East Palo Alto and with intergovernmental agencies) or other privileges afforded by the Council (i.e., restrictions on official City travel).

Individual Councilmembers should point out to the offending Councilmember the perceived infractions of the Code of Ethics and Conduct. If the offenses continue, then the matter should be referred to the Mayor in private. If the Mayor is the individual whose actions are being questioned, then the matter should be referred to the Vice Mayor. It is the responsibility of the Mayor (or Vice Mayor) to initiate action if a Councilmember's behavior may warrant sanction. If no action is taken by the Mayor (or Vice Mayor), then the alleged violation(s) can be brought up with the full City Council.

D. Advisory Body Member Sanctions:

- 1. Counseling: Counseling and verbal warnings may be administered by the Mayor to an Advisory Body member failing to comply with City policy. This lower level of sanctions shall be kept private to the degree allowed by law. The Mayor shall advise the chair of the respective Advisory Body of the counseling or verbal warning, and also notify the City Manager, City Attorney, and City Clerk.
- 2. Investigation: When deemed warranted, the Mayor or majority of City Council may call for an investigation of an Advisory Body member's conduct. In addition, should the City Manager or City Attorney believe an investigation is warranted, they shall confer with the Mayor, or City Council in compliance with the Brown Act. The Mayor or City Council shall ask the City Manager or the City Attorney to investigate the allegation and report the findings.
- 3. Discipline: Written reprimands, censure and removal are all options available to the City Council for disciplining an Advisory Body member failing to comply with City policy. Any form of discipline imposed by City Council shall be determined by a majority vote of at least a quorum of the City Council at a noticed public meeting and such action shall be preceded by a report to City Council with supporting

documentation.

4. Alternative Remedy: These sanctions are alternatives to any other remedy that might otherwise be available to remedy conduct that violates this code or state or federal law. In order to protect and preserve good government, any individual including the City Manager and the City Attorney after complying with Rule 1.13 of the State Bar Rules of Professional Conduct, who knows or reasonably believes a Member acts or intends or refuses to act in a manner that is or may be a violation of law reasonably imputable to the organization, or in a manner which is likely to result in substantial injury to the organization, may report the violation to the appropriate governmental authorities.

- E. Inappropriate City Staff Behavior: Councilmembers should refer to the City Manager, or City Attorney as appropriate, any City staff who do not follow proper conduct in their dealings with Councilmembers, other City staff, or the public. These employees may be disciplined in accordance with standard City procedures for such actions.

SECTION 14: IMPLEMENTATION

The Code of Ethics and Conduct is an expression of the standards of conduct expected by the City for its elected and appointed officials. It therefore becomes most effective when Members are thoroughly familiar with it and embrace its provisions. For this reason, this document shall be included in the regular orientations for candidates for City Council, Advisory Bodies, and newly elected and appointed officials. Members entering office shall sign a statement (example below) acknowledging they have read and understand the Code of Ethics and Conduct. In addition, the Code of Ethics and Conduct shall be periodically reviewed by the City Council, Boards, Committees and Commissions, and update it as necessary.

Example:

I affirm that I have read and understand the City of East Palo Alto Code of Ethics and Conduct for Elected and Appointed Officials.

Signature

Date