

## 2026 City Council Candidate Questions

### Palo Alto's Fiscal Solvency

**What do you believe are the underlying causes of Palo Alto's structural budget challenges? Describe your approach to balancing the City's budget over the next five years. Which services should be protected from cuts? Where would you reduce spending, increase revenue, change employee costs, defer capital projects or find efficiencies? Please be specific.**

#### **BRYNA CHANG**

Palo Alto's structural deficit reflects several converging pressures: rising personnel costs including pension obligations that have outpaced revenue growth; declining sales tax and business tax revenues as retail has eroded; deferred infrastructure maintenance that compounds over time.

My approach:

- **Scrutinize personnel costs** — the largest share of the city budget. I have the financial background — MBA from Stanford, experience running complex organizations — to actually read and interrogate these numbers, not just accept staff summaries. We have already reduced expenses by not filling some open positions and may need to continue doing so by attrition.
- **Scrutinize consulting contracts** — many projects seem to recreate the wheel with the bulk of the report focusing on “existing conditions.” We should examine which consulting contracts we can eliminate or reduce. Our RFPs need to make clear we want consultants to build on existing work, and we should benchmark with other cities to make sure we are hiring consultants with demonstrated results in neighboring cities, at comparable rates.
- **Protect core services** — public safety, libraries, parks, and services for vulnerable residents should be protected from cuts wherever possible. Libraries in particular are community anchors that serve residents across income levels.
- **Grow the revenue base** — by preserving and growing retail sales tax revenues, supporting responsible commercial development, and ensuring Palo Alto's business tax rates are competitive with surrounding cities. Until Palo Alto passed its business tax in 2022, we were one of the few cities in Santa Clara County without one — and the rates levied on large corporations should be reconsidered to ensure they are paying their fair share. We should also consider whether hotel development because hotels generate TOT tax revenue for the city.
- **Prioritize neighborhood planning now** — so that housing development can move efficiently through permitting, generating new property tax revenue without requiring costly delays and re-work.
- **Defer or restructure capital projects** — prioritizing projects with the highest safety or liability exposure and deferring those that can wait without material harm; make purchases now for capital equipment that has long lead times and are expected to increase in price so that we can lock in today's pricing (we have done this with some of our electrical utility upgrades already).
- **Find efficiencies** — through technology (for example, our city staff needs to make better use of AI), shared services with neighboring cities, and rigorous program evaluation.

#### **YUDY DENG**

Palo Alto's budget challenge isn't just about one difficult year. Our costs are growing faster than our revenues. And you don't have to be a budget expert to see that too many things simply take too long and cost too much.

My priority is protecting the basics: public safety, utilities, streets, parks, libraries, and services for seniors and youth. Instead of across-the-board cuts, I want a real review of consulting contracts, duplicative studies, administrative costs, vacancies, and programs that aren't delivering enough value.

We also need to be realistic about major projects and what they will cost us long term. I want a responsible five-year plan that protects essential services, controls costs, and is straightforward with residents about the choices we have to make.

## **HENRY ETZKOWITZ**

Did not answer.

## **GARY GECHLIK**

We over spend on projects that other cities don't spend on. Saratoga has a 35 million dollar budget with half the people, so prorated that is 70 million dollars and there services are A-plus. They are thrifty. They don't discuss low income housing, they discuss fair housing, and they have beautiful facilities, like Montolvo and the Mountain Winery, world class.

## **RAYMOND LEE GOINS**

Did not answer.

## **BRIAN HAMACHEK**

I would protect emergency response, essential infrastructure maintenance, sanitation, basic park upkeep, library access, and services for children and seniors.

I would adopt a rolling five-year budget that separates recurring costs from one-time spending, shows deferred maintenance, and tests lower-revenue scenarios. Every proposed saving would identify its implementation cost, service impact, and whether it is already included in the budget.

I would review management layers, nonessential administrative vacancies, overlapping consultant contracts, repeated studies, underused software, and overlapping departmental reviews. Automation would have to demonstrate savings and accuracy while protecting sensitive information.

I would address employee costs through workforce planning and collective bargaining, comparing compensation, turnover, vacancies, and overtime. I would seek affordable future compensation agreements and consolidate work through attrition while honoring existing obligations.

Safety and maintenance should come before discretionary capital expansion. Major projects should be phased where practical, with lifetime staffing, maintenance, and debt costs disclosed before approval. I would pursue restoring reduced Children's Library hours using verified recurring savings.

For revenue, I would focus on retaining businesses, filling storefronts, accurate collection, and appropriate cost recovery. Any remaining budget gap and proposed voter-approved revenue measure would be presented openly. Restricted utility and capital funds would not be treated as general operating revenue.

Approved changes should begin by the second budget. In years three through five, I would track actual savings, service quality, reserves, and forecast accuracy.

## **ED LAUING**

I was Chair of the Finance Committee in 2026. We managed the creation a balanced budget – erasing a \$17m deficit - which council passed unanimously. Space here does not allow a full answer on long-term budgets by departments. But Public Safety should not be a target for cuts. In fact, as our city grows, we need to add staff in public safety.

## **VICKI VEENKER**

Palo Alto's structural budget challenges come from reduced sales tax allocations from the state, slowing property tax growth, and increases in pension, and retiree healthcare costs. The city's recurring costs for services and infrastructure are outpacing dependable revenue. In addition, over the last fiscal year, we had unexpected budget demands due to the need for increased safety measures at track crossings and OSV enforcement and program costs. Fortunately, on the revenue side, our TOT increased by almost 10%, or a few million, but that is only a fraction of the budget gap we had to close.

My priorities for the budget over the next five years are to protect essential city services such as police and fire staffing, reduce unnecessary consultant spending, defer lower-priority capital expenses, and increase revenue. One way of doing the latter is through our new economic development program.

Essential city services that should be prioritized included emergency response, utilities, youth mental health, crossing guards, and affordable housing support. I would seek to cut costs by prioritizing in-house studies and improving the efficiency of consultants and contracts through mechanisms such as reviewing all contracts before renewal and consolidating overlapping studies. I would prioritize filling vacancies where staff overtime costs the city more. While unfortunate, we can delay certain city beautification efforts and other nonessential or urgent capital upgrades. Continued integration of AI technologies can help achieve a 2026 council priority of increased government efficiency and reduce expenses.

By prioritizing effective use of Measure K funds, delaying nonessential capital expenditures, and working with PAUSD to cover the costs of rail-safety measures and crossing guards, we were able to close the FY2027 budget gap. Having been through four years of the budget balancing process on Council, I am well positioned to continue addressing and improving the City's fiscal outlook.