

# City Council Adopted 2012-2013 Budget

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Operations and Capital

TOWN OF LOS ALTOS HILLS  
26379 FREMONT ROAD  
LOS ALTOS HILLS, CA 94022

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**Town of Los Altos Hills**  
**2012-2013 Adopted Budget**

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## RESOLUTION NO. 29-12

### A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF LOS ALTOS HILLS ADOPTING THE FISCAL YEAR 2012-13 APPROPRIATIONS LIMIT, APPROPRIATIONS AND INTERFUND TRANSFERS, AND EMPLOYEE COMPENSATION PLAN

**WHEREAS**, the City Council of the Town of Los Altos Hills has received and completed its review of the proposed 2012-13 Operating and Capital Improvement Program Budget and Employee Compensation Plan for fiscal year 2012-13; and

**WHEREAS**, the City Council of the Town of Los Altos Hills now desires to adopt the 2012-13 Fiscal Year Appropriations Limit, Operating and Capital Improvement Program Budgets, and Employee Compensation Plan for fiscal year 2012-13;

**NOW THEREFORE**, the City Council of the Town of Los Altos Hills does hereby resolve as follows:

1. The City Council does hereby approve and adopt an appropriations limit, pursuant to California Constitution Article XIII B, for fiscal year 2012-13 of \$5,285,865 as set forth in Exhibit A.
2. The City Council does hereby approve and adopt the budget for the Town for fiscal year 2012-13 consisting of appropriations and interfund transfers as set forth in Exhibit B and the Employee Compensation Plan as set forth in Exhibit C attached hereto.
3. The amount of the 2012-13 fiscal year budget for each account area of the budget may be drawn upon in the form of warrants issued for payment of demands and certified in accordance with the provisions of California Government Code Sections 37208 and 37209.
4. The City Manager is hereby authorized to prepare an administrative budget which further specifies the accounts for the expenditure of appropriations approved by the City Council and set forth in Exhibit A. The City Manager shall provide the Council with copies of this budget.
5. The City Manager shall periodically report to the City council the amount and classification of revenues received and expenditures made.
6. A copy of the adopted budget, signed by the Mayor and attested to by the City Clerk, shall be kept on file with the City Clerk of the Town of Los Altos Hills, as the official budget of the Town of Los Altos Hills for the 2012-13 fiscal year.

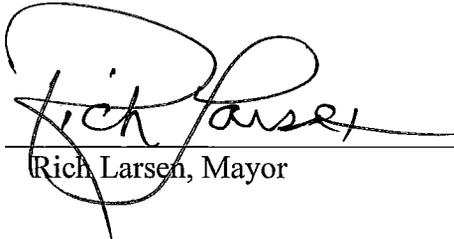
The above and foregoing resolution was passed and adopted by the City Council of the Town of Los Altos Hills at a regular meeting held on the 21st day of June, 2012 by the following vote:

AYES: Larsen, Waldeck, Mordo, Radford, Summit

NOES: None

ABSTAIN: None

ABSENT: None

BY:   
Rich Larsen, Mayor

ATTEST:

  
Deborah Padovan, City Clerk

Town of Los Altos Hills  
 Appropriations Limit Calculation for Fiscal Year 2012-13  
 June 21, 2012

**A. Calculation of 2012-13 Appropriations Limit**

|   |        |                     |
|---|--------|---------------------|
| <b>Prior Year Appropriation Limit</b>           |        | <b>\$ 5,031,438</b> |
| Annual Change Factors                           |        |                     |
| Cost of living adjustment factors               |        |                     |
| California per capita personal income (CPCPI)   | 1.0377 |                     |
| Population adjustment factors                   |        |                     |
| Town of Los Altos Hills (LAH)                   | 1.0073 |                     |
| County of Santa Clara (SCC)                     | 1.0124 |                     |
| Authorized Adjustment Factor                    |        |                     |
| CPCPI X SCC Population change                   | 1.0506 |                     |
| <b>2012-13 Appropriation Limit as adjusted</b>  |        |                     |
| Prior year limit x Authorized Adjustment Factor |        | <b>\$ 5,285,865</b> |

**B. 2012-13 Estimated Tax Proceeds Subject to Appropriations Limit**

|   |                     |                     |
|---|---------------------|---------------------|
| <u>Property taxes</u>   |                     |                     |
| Current secured and unsecured                                       | \$ 2,719,711        |                     |
| In-lieu of vehicle license fees & triple flip                       | 759,421             |                     |
| Supplemental taxes  | 34,860              |                     |
| Homeowner's property tax exemption                                  | 19,481              |                     |
| Subtotal all property taxes   | <u>\$ 3,533,473</u> |                     |
| <u>Other Taxes</u>  |                     |                     |
| General sales tax   | \$ 62,000           |                     |
| Property transfer taxes   | 135,000             |                     |
| Business tax  | 205,000             |                     |
| Public safety sales tax   | 39,000              |                     |
| Subtotal all other taxes  | <u>\$ 441,000</u>   |                     |
| <b>Total estimated tax proceeds subject to appropriations limit</b> |                     | <b>\$ 3,974,473</b> |

**C. 2012-13 Appropriations Subject to Limit**

|  |              |                     |
|--|--------------|---------------------|
| Appropriations supported by tax proceeds           |              |                     |
| Administration                                     | \$ 1,314,725 |                     |
| Committees and Grants                              | 177,056      |                     |
| Public Safety                                      | 1,097,853    |                     |
| Planning, Building, Engineering (net of user fees) | 623,332      |                     |
| Parks & Recreation (net of user fees)              | 310,966      |                     |
| <b>Total appropriations subject to limit</b>       |              | <b>\$ 3,523,934</b> |

**D. Over (Under) Appropriations Limit**

|   |                  |                       |
|---|------------------|-----------------------|
| Appropriations limit as adjusted                        | \$ 5,285,865     |                       |
| Total appropriations subject to limit                   | <u>3,523,934</u> |                       |
| <b>Appropriations Over (Under) Appropriations Limit</b> |                  | <b>\$ (1,761,932)</b> |
|   |                  | <b>-33%</b>           |

Town of Los Altos Hills, California

All Funds Summary of Fiscal Year 2012 - 2013 Proposed Budget  
(000's)

|                           | <u>General</u> |         | <u>Drainage</u> |         | <u>Pathway</u> |         | <u>Streets</u> |         | <u>COPS</u>   | <u>Sewer</u> |         | <u>Total</u> |
|---------------------------|----------------|---------|-----------------|---------|----------------|---------|----------------|---------|---------------|--------------|---------|--------------|
|                           | Operating      | Capital | Operating       | Capital | Operating      | Capital | Operating      | Capital | Public Safety | Operating    | Capital |              |
| <b>Revenues</b>           | \$ 6,786       | \$ 80   | \$ -            | \$ 99   | \$ -           | \$ 978  | \$ 187         | \$ 155  | \$ 101        | \$ 1,389     | \$ 159  | \$ 9,934     |
| <b>Expenditures</b>       | 5,324          | 65      | 239             | 265     | 303            | 1,200   | 349            | 890     | 96            | 1,286        | 440     | 10,457       |
| Net Operations            | 1,462          | 15      | (239)           | (166)   | (303)          | (222)   | (162)          | (735)   | 5             | 103          | (281)   | (523)        |
| <b>Transfers In (Out)</b> | (1,462)        | 15      | 252             | -       | 288            | -       | 152            | 755     | -             | (281)        | 281     | -            |
| Net before 1 time         | -              | 30      | 13              | (166)   | (15)           | (222)   | (10)           | 20      | 5             | (178)        | -       | (523)        |
| <b>One Time</b>           | 1,300          |         |                 |         |                |         |                |         |               |              |         | 1,300        |
| Net Change                | (1,300)        | 30      | 13              | (166)   | (15)           | (222)   | (10)           | 20      | 5             | (178)        | -       | (1,823)      |
| <b>Beg Fund Balance</b>   | 4,306          | 120     | 226             | 575     | 318            | 357     | 359            | 26      | 87            | 3,031        |         | 9,405        |
| <b>End Fund Balance</b>   | \$ 3,006       | \$ 150  | \$ 239          | \$ 409  | \$ 303         | \$ 135  | \$ 349         | \$ 46   | \$ 92         | \$ 2,853     | \$ -    | \$ 7,582     |

|   | Annual Range    |            | Hourly Range  |            |
|---|-----------------|------------|---------------|------------|
|   | Bottom          | Top        | Bottom        | Top        |
| <b>City Manager' s Office</b>                     |                 |            |               |            |
| City Manager                                      | Set by contract |            | <i>salary</i> |            |
| City Clerk  | \$ 67,656       | \$ 109,308 | <i>salary</i> |            |
| Public Safety Officer                             | \$ 53,532       | \$ 65,076  | <i>salary</i> |            |
| <b>Administrative Services</b>                    |                 |            |               |            |
| Director - Administrative Services                | \$ 120,528      | \$ 162,780 | <i>salary</i> |            |
| Finance Manager                                   | \$ 78,012       | \$ 94,824  | <i>salary</i> |            |
| Office Specialist I/II                            | \$ 42,516       | \$ 58,392  | \$ 20.4396    | \$ 28.0720 |
| <b>Planning, Building, Parks &amp; Recreation</b> |                 |            |               |            |
| Director - Planning & Building                    | \$ 120,528      | \$ 162,780 | <i>salary</i> |            |
| Senior Planner                                    | \$ 78,012       | \$ 94,824  | \$ 37.5043    | \$ 45.5867 |
| Associate Planner                                 | \$ 69,612       | \$ 84,612  | \$ 33.4660    | \$ 40.6773 |
| Assistant Planner                                 | \$ 62,292       | \$ 75,720  | \$ 29.9469    | \$ 36.4024 |
| Building Official                                 | \$ 74,292       | \$ 90,300  | \$ 35.7159    | \$ 43.4118 |
| Community Development Specialist                  | \$ 51,816       | \$ 67,656  | \$ 24.9106    | \$ 32.5258 |
| Planning/Building Technician                      | \$ 51,816       | \$ 62,976  | \$ 24.9106    | \$ 30.2758 |
| Community Services Coordinator                    | \$ 55,656       | \$ 67,656  | \$ 26.7567    | \$ 32.5257 |
| Barn Manager                                      | \$ 52,236       | \$ 63,492  | <i>salary</i> |            |
| Parks & Recreation Facility Aide                  | \$ 37,836       | \$ 45,984  | \$ 18.1897    | \$ 22.1068 |
| <b>Public Works</b>                               |                 |            |               |            |
| Director - Public Works                           | \$ 120,528      | \$ 162,780 | <i>salary</i> |            |
| Associate/Senior Civil Engineer                   | \$ 78,012       | \$ 94,824  | <i>salary</i> |            |
| Assistant Engineer                                | \$ 64,968       | \$ 78,972  | \$ 31.2334    | \$ 37.9658 |
| Maintenance Superintendent                        | \$ 72,336       | \$ 87,924  | \$ 34.7756    | \$ 42.2695 |
| Maintenance Worker III                            | \$ 52,236       | \$ 63,492  | \$ 25.1125    | \$ 30.5238 |
| Maintenance Worker II                             | \$ 47,484       | \$ 57,720  | \$ 22.8280    | \$ 27.7489 |
| Maintenance Worker I                              | \$ 42,036       | \$ 51,096  | \$ 20.2088    | \$ 24.5644 |



June 21, 2012

To the Citizens of the Town of Los Altos Hills,  
Honorable Mayor and Members of the City Council

It is a pleasure to submit to you the proposed Operating and Capital Budget for the Town of Los Altos Hills, for the fiscal year ending June 30, 2013.

The budget is meant to serve the following four major purposes:

- To define **policy**, as established by the City Council.
- To serve as an **operating guide** for management staff through its allocation of financial resources to the various services the City provides, while complying with State requirements for General Law cities. The Budgets for all funds are prepared according to generally accepted accounting principles for governmental funds.
- To present the Town's **Financial Plan** for the fiscal year, by estimating the financial resources that are available for Fiscal Year and allocating them to the various public services the Town provides and legally limiting where those resources are spent.
- To serve as a **Communication Document** for the citizens of Los Altos Hills who wish to understand how the Town operates and the methods used to finance those operations.

The following principles guided the development of this fiscal planning document:

- Continue to **deliver core services** (planning, building, engineering, public safety, and general administration) with a General Fund operating surplus;
- **Ensure the safety** of Town infrastructure assets including roadways and facilities;
- Adopt a budget that lives within the resources available to the Town and establish **minimum fund balances** in all special revenue funds equal to one year of operating expenses;
- **Contain personnel costs** by maintaining personnel headcount at 21.0 full time employees and continuing employee compensation practices in accordance with recommendations by the Santa Clara Civil Grand Jury in their 2010 report on employee compensation.

The Proposed Fiscal Year 2012 – 2013 Budget, which totals \$10.457 million of expenditures, continues to maintain the level of services in all areas that we have provided in the past. At the direction of Council and Finance and Investment Committee (FIC), but with the exception of the included estimate of \$1.3 million in “one-time” expenditures for refunding the Road Impact Fee (RIF) monies, the proposed General Fund budget balances revenues with expenditures and all transfers. It is important to point out that the RIF refund will be the third major “one time” expenditure to either improve the Town’s overall financial condition or respond to legal issues that the Town has made in the last four years. In Fiscal Year 2009 – 2010, we paid off the CalPERS Side Fund at a cost of \$0.6 million. Last year, we paid off the Town Hall note for \$1.4 million.

The good news continues to be that even after these expenditures and the RIF payment mentioned above, we estimate that the General Fund will end Fiscal Year 2012 - 2013 with over \$3.0 million as its General Fund balance. The \$ 3.0 million represents 44% of annual expenditures plus transfers and far exceeds the Government Finance Officers Association (GFOA) minimum recommendation of 15%. In addition, in accordance with Town policy to maintain a 100% reserve for operations in each of the three special revenue funds, there is another \$0.9 million in the Storm Drain, Pathways and Streets funds that provide further operating reserves for the Town.

The proposed General Fund Budget also continues the Town’s past practice of allocating \$70,000 for a CalPERS rate reserve and another \$300,000 for the retiree medical benefits (OPEB) fund.

The Sewer Budget reflects significant increases in the cost of contractual services the Town receives from Los Altos and Palo Alto. Working with members of the FIC, Town staff will work with our service providers to better understand the basis of these increases and their implication for future years. Although the Sewer Fund has adequate reserves, the possibility exists that rate increases may be required. Staff plans to return to Council in the fall with update and a recommendation, if necessary. It should also be noted that the Sewer Fund budget no longer includes depreciation in the expenditures. This allows the operating statement to more accurately show the changes in working capital.

In addition to what we believe is adequate funding for normal maintenance and capital improvements, the Capital Budgets recommend \$125,000 in the Storm Drain Fund for the O’Keefe Road Improvements and \$500,000 in the Streets Fund for the Elena Road Project. Finally and most importantly, with the help of an \$800,000 Valley Transit Authority grant, \$1,100,000 is appropriated for Pathway improvements on Fremont Road.

With the budget as a guide, management is charged with daily operations including the execution of contracts, purchases, and employee compensation within the City Council approved benefit plan and salary ranges. Any information that arises over the course of the fiscal year which

would modify the parameters outlined in this document will be presented to the City Council at the earliest possible opportunity. The Town's management team takes great pride in delivering high quality services to the community while remaining respectful of fiscal constraints inherent to local government finance.

I would like to acknowledge the Town Council and the FIC for their input in the development of this budget. The two bodies met on May 31, 2012 in a joint budget study session to review the Town's fiscal condition in 2011-12 and to discuss preliminary projections for Fiscal Year 2012 - 2013. With feedback from the joint study session, staff compiled the following document which includes operating changes and a capital improvement program. The recommendations in this document were reviewed by the FIC at a special meeting on June 11, 2012 and I am pleased to report that the FIC supports adoption of the Proposed Fiscal Year 2012 – 2013 Town of Los Altos Hills Budget.

Respectfully Submitted,

/s/ Carl Cahill

City Manager

# Town Officers

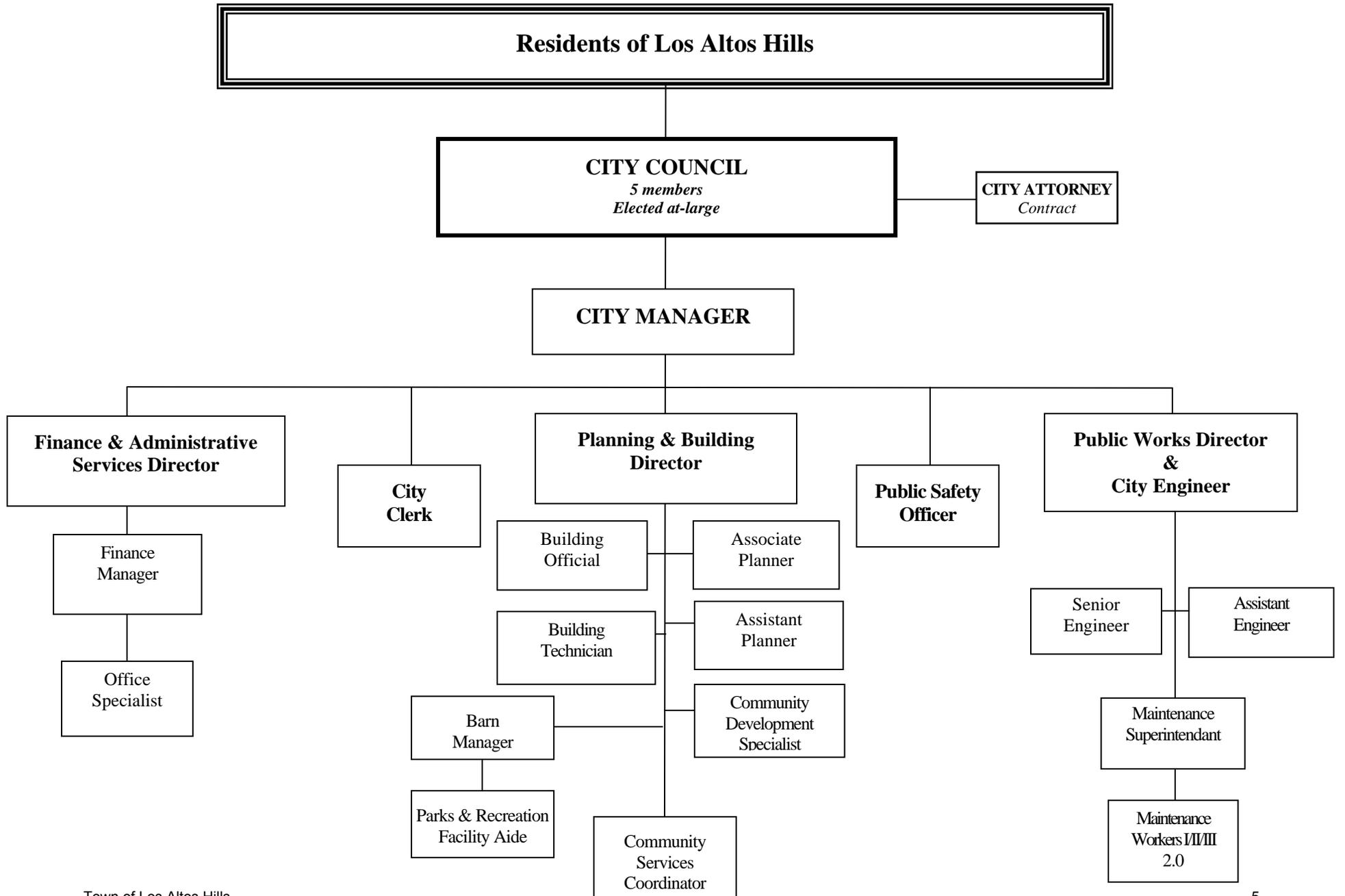
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As of July 1, 2012

| <u>City Council</u>         | <u>Term Expires</u> |
|-----------------------------|---------------------|
| Rich Larsen, Mayor          | 2012                |
| Gary Waldeck, Mayor Pro Tem | 2014                |
| Jean Mordo                  | 2012                |
| John Radford                | 2014                |
| Ginger Summit               | 2012                |

City Council Appointed  
Carl Cahill, City Manager  
Steve Mattas, City Attorney

City Manager Appointed  
Richard Chiu, Public Works Director & City Engineer  
Debbie Pedro, Planning & Building Director  
Robert Stout, Interim Finance Director  
Deborah Padovan, City Clerk



# Financial Summaries

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**Town of Los Altos Hills  
General Fund Budget Summary**

| GENERAL FUNDS (011,014,015)                                | Prior Years      |                  | Current Year       |                     | Adopted Budget     | Future Years       |                    |                    |                    |                    |
|--|------------------|------------------|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 2009-10          | 2010-11          | 2011-12 Budget     | 2011-12 Est. Actual | 2012-13            | 2013-14 Projection | 2014-15 Projection | 2015-16 Projection | 2016-17 Projection | 2017-18 Projection |
| <b>Revenues</b>  |                  |                  |                    |                     |                    |                    |                    |                    |                    |                    |
| Property taxes   | \$ 3,435,630     | \$ 3,393,605     | \$ 3,522,776       | \$ 3,561,682        | \$ 3,651,792       | 3,735,784          | 3,821,707          | \$ 3,936,358       | \$ 4,054,449       | \$ 4,176,082       |
| Taxes other than property                                  | 332,190          | 503,766          | 405,727            | 426,472             | 441,000            | 447,615            | 454,329            | 461,144            | 468,061            | 475,082            |
| Franchise fees   | 387,804          | 428,331          | 429,574            | 433,334             | 442,060            | 448,691            | 455,421            | 462,253            | 469,187            | 476,224            |
| Licenses and permits                                       | 625,609          | 780,012          | 622,804            | 783,114             | 806,608            | 818,707            | 830,987            | 843,452            | 856,104            | 868,945            |
| Use of money and property                                  | 164,472          | 178,458          | 484,956            | 223,179             | 215,800            | 218,122            | 220,479            | 222,871            | 225,299            | 227,764            |
| Intergovernmental  | 109,537          | 83,446           | 85,927             | 53,302              | 49,200             | 49,938             | 50,687             | 51,447             | 52,219             | 53,002             |
| Charges for services                                       | 674,821          | 582,916          | 651,108            | 615,074             | 650,766            | 660,528            | 670,435            | 680,492            | 690,699            | 701,060            |
| P&R Program Charges for services                           | 131,103          | 124,524          | 130,000            | 143,296             | 146,000            | 148,190            | 150,413            | 152,669            | 154,959            | 157,283            |
| P&R Facilities Charges for services                        | 196,375          | 214,889          | -                  | 238,448             | 244,314            | 247,978            | 251,698            | 255,474            | 259,306            | 263,195            |
| Miscellaneous  | 58,913           | 108,855          | 100,000            | 136,605             | 138,400            | 139,411            | 140,437            | 141,479            | 142,536            | 143,609            |
| <b>Total Revenues</b>                                      | <b>6,116,452</b> | <b>6,398,802</b> | <b>6,432,872</b>   | <b>6,614,506</b>    | <b>6,785,940</b>   | <b>6,914,963</b>   | <b>7,046,594</b>   | <b>7,207,639</b>   | <b>7,372,819</b>   | <b>7,542,248</b>   |
| <b>Expenditures</b>  |                  |                  |                    |                     |                    |                    |                    |                    |                    |                    |
| Administration   | 1,657,183        | 1,669,327        | 1,834,788          | 1,721,458           | 1,511,366          | 1,533,241          | 1,558,566          | 1,581,352          | 1,604,615          | 1,628,366          |
| Public safety  | 985,001          | 1,009,014        | 1,137,098          | 1,066,289           | 1,097,853          | 1,130,789          | 1,164,713          | 1,199,654          | 1,235,644          | 1,272,713          |
| Community development                                      | 1,735,965        | 1,686,839        | 1,921,563          | 1,762,951           | 1,988,706          | 2,019,814          | 2,051,473          | 2,083,694          | 2,116,489          | 2,149,869          |
| P&R Program  | 270,794          | 283,797          | 280,026            | 313,472             | 333,787            | 337,814            | 341,896            | 346,034            | 350,228            | 354,480            |
| P&R Facilities   | 249,283          | 414,008          | 364,303            | 398,590             | 392,013            | 461,593            | 471,452            | 481,657            | 492,228            | 503,181            |
| <b>Total Expenditures</b>                                  | <b>4,898,226</b> | <b>5,062,986</b> | <b>5,537,778</b>   | <b>5,262,760</b>    | <b>5,323,725</b>   | <b>5,483,251</b>   | <b>5,588,099</b>   | <b>5,692,392</b>   | <b>5,799,203</b>   | <b>5,908,609</b>   |
| <b>Operating Surplus (Deficit)</b>                         | <b>1,218,227</b> | <b>1,335,815</b> | <b>895,094</b>     | <b>1,351,746</b>    | <b>1,462,215</b>   | <b>1,431,712</b>   | <b>1,458,495</b>   | <b>1,515,247</b>   | <b>1,573,615</b>   | <b>1,633,638</b>   |
| <b>Other Financing Sources (Uses)</b>                      |                  |                  |                    |                     |                    |                    |                    |                    |                    |                    |
| Sale of assets   | 242              | 6,600            |                    |                     |                    |                    |                    |                    |                    |                    |
| Operating transfers in (out)                               | (182,179)        | (288,655)        | (560,000)          | (728,019)           | (692,215)          | (727,801)          | (743,997)          | (757,825)          | (772,043)          | (786,662)          |
| Capital transfers in (out)                                 | (228,000)        | (665,000)        | (1,365,000)        | (665,000)           | (770,000)          | (745,000)          | (745,000)          | (745,000)          | (745,000)          | (745,000)          |
| <b>Total transfers</b>                                     | <b>(409,937)</b> | <b>(947,055)</b> | <b>(1,925,000)</b> | <b>(1,393,019)</b>  | <b>(1,462,215)</b> | <b>(1,472,801)</b> | <b>(1,488,997)</b> | <b>(1,502,825)</b> | <b>(1,517,043)</b> | <b>(1,531,662)</b> |
| <b>Net Change in Fund Balance, before One-time charges</b> | <b>808,290</b>   | <b>388,760</b>   | <b>(1,029,906)</b> | <b>(41,273)</b>     | <b>(0)</b>         | <b>(41,089)</b>    | <b>(30,502)</b>    | <b>12,422</b>      | <b>56,572</b>      | <b>101,976</b>     |

Town of Los Altos Hills  
General Fund Budget Summary

| GENERAL FUNDS (011,014,015)       | Prior Years         |                     | Current Year        |                     | Adopted Budget      | Future Years        |                     |                     |                     |                     |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                   | 2009-10             | 2010-11             | 2011-12 Budget      | 2011-12 Est. Actual | 2012-13             | 2013-14 Projection  | 2014-15 Projection  | 2015-16 Projection  | 2016-17 Projection  | 2017-18 Projection  |
| <b>One-time Charges</b>           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| CalPERS Side Fund Payoff          | (637,320)           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Town Hall Payoff                  | -                   | -                   | -                   | (1,401,108)         | -                   | -                   | -                   | -                   | -                   | -                   |
| Sewer connect incentive           | -                   | -                   | -                   | -                   | (50,000)            | -                   | -                   | -                   | -                   | -                   |
| RIF refunds                       | -                   | -                   | -                   | -                   | (1,250,000)         | -                   | -                   | -                   | -                   | -                   |
| <b>Total One-Time Charges</b>     | <b>(637,320)</b>    | <b>-</b>            | <b>-</b>            | <b>(1,401,108)</b>  | <b>(1,300,000)</b>  | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            |
| <b>Net Change in Fund Balance</b> | <b>170,970</b>      | <b>388,760</b>      | <b>(1,029,906)</b>  | <b>(1,442,381)</b>  | <b>(1,300,000)</b>  | <b>(41,089)</b>     | <b>(30,502)</b>     | <b>12,422</b>       | <b>56,572</b>       | <b>101,976</b>      |
| <b>Beginning Fund Balance</b>     | <b>5,218,148</b>    | <b>\$ 5,389,118</b> | <b>4,004,505</b>    | <b>5,777,882</b>    | <b>4,335,501</b>    | <b>\$ 3,035,501</b> | <b>\$ 2,994,412</b> | <b>2,963,910</b>    | <b>2,976,332</b>    | <b>3,032,904</b>    |
| General Fund (011)                | 5,148,874           | 5,493,384           | 4,004,505           | 5,777,882           | 4,306,337           | 2,851,531           | 2,981,905           | 3,101,890           | 3,283,810           | 3,308,883           |
| P&R Program Fund (014)            | 74,905              | (82,872)            | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| P&R Facilities Fund (015)         | (5,631)             | (21,389)            | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>TOTAL</b>                      | <b>5,218,148</b>    | <b>5,389,122</b>    | <b>4,004,505</b>    | <b>5,777,882</b>    | <b>4,306,337</b>    | <b>2,851,531</b>    | <b>2,981,905</b>    | <b>3,101,890</b>    | <b>3,283,810</b>    | <b>3,308,883</b>    |
| <b>Ending Fund Balance</b>        | <b>\$ 5,389,118</b> | <b>\$ 5,777,878</b> | <b>\$ 2,974,599</b> | <b>\$ 4,335,501</b> | <b>\$ 3,035,501</b> | <b>\$ 2,994,412</b> | <b>\$ 2,963,910</b> | <b>\$ 2,976,332</b> | <b>\$ 3,032,904</b> | <b>\$ 3,134,880</b> |
| General Fund (011)                | 5,493,384           | 5,777,882           | \$ 2,974,598        | \$ 4,306,337        | \$ 3,035,501        | \$ 2,994,412        | \$ 2,963,910        | \$ 2,976,332        | \$ 3,581,524        | \$ 3,824,947        |
| P&R Program Fund (014)            | (82,872)            | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| P&R Facilities Fund (015)         | (21,389)            | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>TOTAL</b>                      | <b>5,389,122</b>    | <b>5,777,882</b>    | <b>2,974,598</b>    | <b>4,306,337</b>    | <b>3,035,501</b>    | <b>2,994,412</b>    | <b>2,963,910</b>    | <b>2,976,332</b>    | <b>3,581,524</b>    | <b>3,824,947</b>    |
| <b>Designations</b>               |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 1 Operating contingency           | (350,000)           | (350,000)           | (350,000)           | (350,000)           | \$ (350,000)        | (350,000)           | (350,000)           | (350,000)           | (350,000)           | (350,000)           |
| 2 Disaster contingency            | (1,250,000)         | (1,250,000)         | (1,250,000)         | (1,250,000)         | (1,250,000)         | (1,250,000)         | (1,250,000)         | (1,250,000)         | (1,250,000)         | (1,250,000)         |
| 3 Pension liability reserve       |                     | (70,000)            | (140,000)           | (140,000)           | (210,000)           | (280,000)           | (350,000)           | (420,000)           | (490,000)           | (560,000)           |
| 4 Sewer Connect Incentive         |                     |                     | (50,000)            | (50,000)            |                     |                     |                     |                     |                     |                     |
| 5 RIF refund allowance            |                     |                     | -                   | (1,250,000)         |                     |                     |                     | -                   |                     |                     |
| <b>Total Designations</b>         | <b>(1,600,000)</b>  | <b>(1,670,000)</b>  | <b>(1,790,000)</b>  | <b>(3,040,000)</b>  | <b>(1,810,000)</b>  | <b>(1,880,000)</b>  | <b>(1,950,000)</b>  | <b>(2,020,000)</b>  | <b>(2,090,000)</b>  | <b>(2,160,000)</b>  |
| <b>Undesignated Fund Balance</b>  | <b>\$ 3,789,118</b> | <b>\$ 4,107,878</b> | <b>1,184,599</b>    | <b>1,295,501</b>    | <b>\$ 1,225,501</b> | <b>\$ 1,114,412</b> | <b>\$ 1,013,910</b> | <b>\$ 956,332</b>   | <b>\$ 942,904</b>   | <b>\$ 974,880</b>   |

| Schedule of Transfers from the General Fund | Prior Years         |                       | Current Year        |                     | Adopted Budget      | Future Years        |                     |                     |                     |                     |
|---|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2009-10             | 2010-11               | 2011-12 Budget      | 2011-12 Est. Actual | 2012-13             | 2013-14 Projection  | 2014-15 Projection  | 2015-16 Projection  | 2016-17 Projection  | 2017-18 Projection  |
| <b>Operating Transfers Out</b>              |                     |                       |                     |                     |                     |                     |                     |                     |                     |                     |
| Drainage                                    | (113,796)           | -                     | \$ 175,000          | \$ 331,325          | \$ 251,932          | \$ 248,125          | \$ 255,108          | \$ 261,195          | \$ 267,449          | \$ 273,875          |
| Pathways                                    | (200,000)           | (360,000)             | 360,000             | 326,565             | 288,621             | 312,854             | 319,912             | 326,111             | 332,477             | 339,013             |
| Streets                                     | -                   | -                     | -                   | 70,129              | 151,662             | 166,822             | 168,977             | 170,519             | 172,117             | 173,773             |
| COPS  | -                   | -                     | 25,000              | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Total operating transfers out               | \$ (313,796)        | \$ (360,000)          | \$ 560,000          | \$ 728,019          | \$ 692,215          | \$ 727,801          | \$ 743,997          | \$ 757,825          | \$ 772,043          | \$ 786,662          |
| <b>Capital Transfers Out</b>                |                     |                       |                     |                     |                     |                     |                     |                     |                     |                     |
| Facilities & Equipment Capital              | \$ (100,000)        | \$ (175,000)          | \$ 125,000          | \$ 15,000           | \$ 15,000           | \$ 115,000          | \$ 115,000          | \$ 115,000          | \$ 115,000          | \$ 115,000          |
| Westwind Barn                               | (28,000)            | (75,000)              | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Drainage                                    | -                   | -                     | -                   | -                   | -                   | 50,000              | 50,000              | 50,000              | 50,000              | 50,000              |
| Pathways                                    | (100,000)           | (90,000)              | 665,000             | -                   | -                   | 25,000              | 25,000              | 25,000              | 25,000              | 25,000              |
| Streets                                     | -                   | (325,000)             | 575,000             | 650,000             | 755,000             | 555,000             | 555,000             | 555,000             | 555,000             | 555,000             |
| Total capital transfers out                 | \$ (228,000)        | \$ (665,000)          | \$ 1,365,000        | \$ 665,000          | \$ 770,000          | \$ 745,000          | \$ 745,000          | \$ 745,000          | \$ 745,000          | \$ 745,000          |
| <b>Total Transfers Out</b>                  | <b>\$ (541,796)</b> | <b>\$ (1,025,000)</b> | <b>\$ 1,925,000</b> | <b>\$ 1,393,019</b> | <b>\$ 1,462,215</b> | <b>\$ 1,472,801</b> | <b>\$ 1,488,997</b> | <b>\$ 1,502,825</b> | <b>\$ 1,517,043</b> | <b>\$ 1,531,662</b> |

Town of Los Altos Hills  
General Capital Fund Budget Summary

| GENERAL CAPITAL (041,043,016)     | Prior Years      |                | Current Year   |                     | Adopted Budget | Future Years       |                    |                    |                    |                    |
|-----------------------------------|------------------|----------------|----------------|---------------------|----------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                   | 2009-10          | 2010-11        | 2011-12 Budget | 2011-12 Est. Actual | 2012-13        | 2013-14 Projection | 2014-15 Projection | 2015-16 Projection | 2016-17 Projection | 2017-18 Projection |
| <b>Revenues</b>                   |                  |                |                |                     |                |                    |                    |                    |                    |                    |
| 016-00 - In-lieu fees             | \$ 27,001        | \$ 10,405      | \$ 36,150      | \$ 36,150           | \$ 40,000      | \$ 40,800          | \$ 41,616          | \$ 42,448          | \$ 43,297          | \$ 44,163          |
| 016-44 - Use of Money & Property  | \$ (1,006)       | \$ -           | \$ -           | \$ -                | \$ -           | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               |
| 043-44 - Use of Money & Property  | 35,364           | 32,454         | 39,823         | 39,157              | 39,585         | 40,179             | 40,781             | 41,393             | 42,014             | 42,644             |
| 043-48 - Miscellaneous            | 282,600          | 11,555         | -              | -                   | -              | -                  | -                  | -                  | -                  | -                  |
| <b>Total Revenues</b>             | \$ 343,959       | \$ 54,414      | \$ 75,973      | \$ 75,307           | \$ 79,585      | \$ 80,979          | \$ 82,397          | \$ 83,841          | \$ 85,311          | \$ 86,808          |
| <b>Expenditures</b>               |                  |                |                |                     |                |                    |                    |                    |                    |                    |
| General Capital Projects/Equip.   | 82,508           | 241,176        | 360,000        | 246,920             | 15,000         | 100,000            | 100,000            | 100,000            | 100,000            | 100,000            |
| Westwind Barn Capital Projects    | 1,531,073        | 153,756        | -              | 39,000              | 39,585         | 40,179             | 40,781             | 41,393             | 42,014             | 42,644             |
| <b>Total Expenditures</b>         | 1,613,582        | 394,932        | 360,000        | 285,920             | 54,585         | 140,179            | 140,781            | 141,393            | 142,014            | 142,644            |
| <b>Transfers</b>                  |                  |                |                |                     |                |                    |                    |                    |                    |                    |
| Operating transfers in (out)      |                  |                | -              | -                   | -              | -                  | -                  | -                  | -                  | -                  |
| Capital transfers in (out)        | 213,475          | 338,369        | 125,000        | 15,000              | 15,000         | 115,000            | 115,000            | 115,000            | 115,000            | 115,000            |
| <b>Total transfers</b>            | 213,475          | 338,369        | 125,000        | 15,000              | 15,000         | 115,000            | 115,000            | 115,000            | 115,000            | 115,000            |
| <b>Net Change in Fund Balance</b> | (1,056,148)      | (2,148)        | (159,027)      | (195,613)           | 40,000         | 55,800             | 56,616             | 57,448             | 58,297             | 59,163             |
| <b>Beginning, unrestricted</b>    | 1,374,135        | 317,987        | 188,094        | 315,839             | 120,226        | \$ 160,226         | 216,026            | 272,642            | 330,090            | 388,388            |
| General CIP (041)                 | 1,048,589        | 289,006        |                | 261,682             | 29,762         | 29,762             | 44,762             | 59,762             | 74,762             | 89,762             |
| Westwind Barn CIP (043)           | 235,340          | 28,780         |                | 54,151              | 54,308         | 54,308             | 54,308             | 54,308             | 54,308             | 54,308             |
| P&R in-lieu fee Fund (016)        | 90,206           | 201            |                | 6                   | 36,156         | 76,156             | 116,956            | 158,572            | 201,020            | 244,318            |
| <b>TOTAL</b>                      | <b>1,374,135</b> | <b>317,987</b> |                | <b>315,839</b>      | <b>120,226</b> | <b>160,226</b>     | <b>216,026</b>     | <b>272,642</b>     | <b>330,090</b>     | <b>388,388</b>     |
| <b>Ending, unrestricted</b>       | \$ 317,987       | \$ 315,839     | \$ 29,067      | \$ 120,226          | \$ 160,226     | \$ 216,026         | \$ 272,642         | \$ 330,090         | \$ 388,388         | \$ 447,551         |
| General CIP (041)                 | 289,006          | 261,682        |                | 29,762              | 29,762         | 44,762             | 59,762             | 74,762             | 89,762             | 104,762            |
| Westwind Barn CIP (043)           | 28,780           | 54,151         |                | 54,308              | 54,308         | 54,308             | 54,308             | 54,308             | 54,308             | 54,308             |
| P&R in-lieu fee Fund (016)        | 201              | 6              |                | 36,156              | 76,156         | 116,956            | 158,572            | 201,020            | 244,318            | 288,481            |
| <b>TOTAL</b>                      | <b>317,987</b>   | <b>315,839</b> |                | <b>120,226</b>      | <b>160,226</b> | <b>216,026</b>     | <b>272,642</b>     | <b>330,090</b>     | <b>388,388</b>     | <b>447,551</b>     |

Town of Los Altos Hills  
Drainage Funds Budget Summary

| DRAINAGE FUNDS (012,045)          | Prior Years       |                   | Current Year      |                     | Adopted Budget    | Future Years       |                    |                    |                    |                    |
|-----------------------------------|-------------------|-------------------|-------------------|---------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                   | 2009-10           | 2010-11           | 2011-12 Budget    | 2011-12 Est. Actual | 2012-13           | 2013-14 Projection | 2014-15 Projection | 2015-16 Projection | 2016-17 Projection | 2017-18 Projection |
| <b>Revenues</b>                   |                   |                   |                   |                     |                   |                    |                    |                    |                    |                    |
| Charges for services              | 98,667            | 131,001           | 96,461            | 97,000              | 98,940            | 100,919            | 102,937            | 104,996            | 107,096            | 109,238            |
| <b>Total Revenues</b>             | 98,667            | 131,001           | 96,461            | 97,000              | 98,940            | 100,919            | 102,937            | 104,996            | 107,096            | 109,238            |
| <b>Expenditures</b>               |                   |                   |                   |                     |                   |                    |                    |                    |                    |                    |
| Operations                        | 304,444           | 297,948           | 286,698           | 226,086             | 239,009           | 243,567            | 249,337            | 255,266            | 261,358            | 267,616            |
| Capital Program                   | -                 | 88,054            | 340,000           | 138,578             | 265,000           | 150,000            | 150,000            | 150,000            | 150,000            | 150,000            |
| <b>Total Expenditures</b>         | 304,444           | 386,002           | 626,698           | 364,664             | 504,009           | 393,567            | 399,337            | 405,266            | 411,358            | 417,616            |
| <b>Transfers</b>                  |                   |                   |                   |                     |                   |                    |                    |                    |                    |                    |
| Operating transfers in (out)      | 180,000           | -                 | 175,000           | 331,325             | 251,932           | 248,125            | 255,108            | 261,195            | 267,449            | 273,875            |
| Capital transfers in (out)        | -                 | -                 | -                 | -                   | -                 | 50,000             | 50,000             | 50,000             | 50,000             | 50,000             |
| <b>Total transfers</b>            | 180,000           | -                 | 175,000           | 331,325             | 251,932           | 298,125            | 305,108            | 311,195            | 317,449            | 323,875            |
| <b>Net Change in Fund Balance</b> | (25,776)          | (255,001)         | (355,237)         | 63,662              | (153,137)         | 5,477              | 8,708              | 10,925             | 13,187             | 15,497             |
| <b>Beginning Fund Balance</b>     | 588,672           | 562,896           | 649,953           | 737,273             | 800,935           | 647,797            | 653,274            | 661,982            | 672,906            | 686,094            |
| Drainage Operations Fund (012)    | 313,570           | 287,794           |                   | 120,847             | 226,086           | 239,009            | 243,567            | 249,337            | 255,266            | 261,358            |
| Drainage CIP Fund (045)           | 704,479           | 704,479           |                   | 616,426             | 574,849           | 408,789            | 409,707            | 412,644            | 417,640            | 424,736            |
| <b>TOTAL</b>                      | <b>1,018,049</b>  | <b>992,273</b>    |                   | <b>737,273</b>      | <b>800,935</b>    | <b>647,798</b>     | <b>653,274</b>     | <b>661,982</b>     | <b>672,906</b>     | <b>686,094</b>     |
| <b>Ending Fund Balance</b>        | <b>\$ 562,896</b> | <b>\$ 307,895</b> | <b>\$ 294,716</b> | <b>\$ 800,935</b>   | <b>\$ 647,797</b> | <b>\$ 653,274</b>  | <b>\$ 661,982</b>  | <b>\$ 672,906</b>  | <b>\$ 686,094</b>  | <b>\$ 701,590</b>  |
| Drainage Operations Fund (012)    | 287,794           | 120,847           |                   | 226,086             | 239,009           | 243,567            | 249,337            | 255,266            | 261,358            | 267,617            |
| Drainage CIP Fund (045)           | 704,479           | 616,425           |                   | 574,849             | 408,789           | 409,707            | 412,644            | 417,640            | 424,736            | 433,974            |
| <b>TOTAL</b>                      | <b>992,273</b>    | <b>737,273</b>    |                   | <b>800,935</b>      | <b>647,798</b>    | <b>653,274</b>     | <b>661,982</b>     | <b>672,906</b>     | <b>686,094</b>     | <b>701,591</b>     |

Town of Los Altos Hills  
Pathway Funds Budget Summary

| PATHWAY FUNDS (013,042)            | Prior Years       |                   | Current Year      |                        | Adopted Budget<br>2012-13 | Future Years          |                       |                       |                       |                       |
|------------------------------------|-------------------|-------------------|-------------------|------------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                    | 2009-10           | 2010-11           | 2011-12<br>Budget | 2011-12 Est.<br>Actual |                           | 2013-14<br>Projection | 2014-15<br>Projection | 2015-16<br>Projection | 2016-17<br>Projection | 2017-18<br>Projection |
| <b>Revenues</b>                    |                   |                   |                   |                        |                           |                       |                       |                       |                       |                       |
| 042-45 Intergovernmental           | \$ 47,612         | \$ 25,000         | \$ -              | \$ -                   | \$ 800,000                | \$ 400,000            | \$ -                  | \$ -                  | \$ -                  | \$ -                  |
| 013-44 Use of money and property   | 6,434             | 3,281             | -                 | -                      | -                         | -                     | -                     | -                     | -                     | -                     |
| 013-46 Charge for Current Services | 154,066           | 177,904           | 135,992           | -                      | -                         | -                     | -                     | -                     | -                     | -                     |
| 042-46 Charge for Current Services | -                 | -                 | -                 | 175,000                | 178,500                   | 182,070               | 185,711               | 189,426               | 193,214               | 197,078               |
| 042-48 Miscellaneous               | 206,153           | 97,573            | 78,473            | 71,743                 | -                         | -                     | -                     | -                     | -                     | -                     |
| <b>Total Revenues</b>              | <b>414,266</b>    | <b>303,758</b>    | <b>214,465</b>    | <b>246,743</b>         | <b>978,500</b>            | <b>582,070</b>        | <b>185,711</b>        | <b>189,426</b>        | <b>193,214</b>        | <b>197,078</b>        |
| <b>Expenditures</b>                |                   |                   |                   |                        |                           |                       |                       |                       |                       |                       |
| Operations                         | 342,407           | 362,531           | 359,387           | 318,243                | 303,432                   | 308,143               | 314,028               | 320,070               | 326,273               | 332,643               |
| Capital Program                    | 181,774           | 280,251           | 890,000           | 165,000                | 1,200,000                 | 600,000               | 205,000               | 205,000               | 205,000               | 205,000               |
| <b>Total Expenditures</b>          | <b>524,181</b>    | <b>642,782</b>    | <b>1,249,387</b>  | <b>483,242</b>         | <b>1,503,432</b>          | <b>908,143</b>        | <b>519,028</b>        | <b>525,070</b>        | <b>531,273</b>        | <b>537,643</b>        |
| <b>Transfers</b>                   |                   |                   |                   |                        |                           |                       |                       |                       |                       |                       |
| Operating transfers in (out)       | 200,000           | 360,000           | 360,000           | 326,565                | 288,621                   | 312,854               | 319,912               | 326,111               | 332,477               | 339,013               |
| Capital transfers in (out)         | 100,000           | 90,000            | 665,000           | -                      | -                         | 25,000                | 25,000                | 25,000                | 25,000                | 25,000                |
| <b>Total transfers</b>             | <b>300,000</b>    | <b>450,000</b>    | <b>1,025,000</b>  | <b>326,565</b>         | <b>288,621</b>            | <b>337,854</b>        | <b>344,912</b>        | <b>351,111</b>        | <b>357,477</b>        | <b>364,013</b>        |
| <b>Net Change in Fund Balance</b>  | <b>190,084</b>    | <b>110,976</b>    | <b>(9,922)</b>    | <b>90,065</b>          | <b>(236,311)</b>          | <b>11,781</b>         | <b>11,596</b>         | <b>15,467</b>         | <b>19,418</b>         | <b>23,448</b>         |
| <b>Beginning Fund Balance</b>      | <b>298,961</b>    | <b>474,046</b>    | <b>364,501</b>    | <b>585,023</b>         | <b>675,088</b>            | <b>438,778</b>        | <b>450,559</b>        | <b>462,155</b>        | <b>477,622</b>        | <b>497,040</b>        |
| Pathways Operations Fund (013)     | 128,172           | 131,266           |                   | 309,920                | 318,242                   | 303,432               | 308,143               | 314,027               | 320,069               | 326,273               |
| Pathways CIP Fund (042)            | 170,789           | 342,780           |                   | 275,102                | 356,845                   | 135,345               | 142,415               | 148,126               | 157,552               | 170,766               |
| <b>TOTAL</b>                       | <b>298,961</b>    | <b>474,046</b>    |                   | <b>585,022</b>         | <b>675,087</b>            | <b>438,777</b>        | <b>450,558</b>        | <b>462,154</b>        | <b>477,621</b>        | <b>497,039</b>        |
| <b>Ending Fund Balance</b>         | <b>\$ 474,046</b> | <b>\$ 585,022</b> | <b>\$ 354,579</b> | <b>\$ 675,088</b>      | <b>\$ 438,778</b>         | <b>\$ 450,559</b>     | <b>\$ 462,155</b>     | <b>\$ 477,622</b>     | <b>\$ 497,040</b>     | <b>\$ 520,489</b>     |
| Pathways Operations Fund (013)     | 131,266           | 309,920           |                   | 318,242                | 303,432                   | 308,143               | 314,027               | 320,069               | 326,273               | 332,643               |
| Pathways CIP Fund (042)            | 342,780           | 275,102           |                   | 356,845                | 135,345                   | 142,415               | 148,126               | 157,552               | 170,766               | 187,845               |
| <b>TOTAL</b>                       | <b>474,046</b>    | <b>585,022</b>    |                   | <b>\$ 675,087</b>      | <b>\$ 438,777</b>         | <b>\$ 450,558</b>     | <b>\$ 462,154</b>     | <b>\$ 477,621</b>     | <b>\$ 497,039</b>     | <b>\$ 520,488</b>     |

Town of Los Altos Hills  
Street Funds Budget Summary

| STREETS FUNDS (017,018,046)       | Prior Years      |                  | Current Year      |                     | Adopted Budget    | Future Years       |                    |                    |                    |                    |
|-----------------------------------|------------------|------------------|-------------------|---------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                   | 2009-10          | 2010-11          | 2011-12 Budget    | 2011-12 Est. Actual | 2012-13           | 2013-14 Projection | 2014-15 Projection | 2015-16 Projection | 2016-17 Projection | 2017-18 Projection |
| <b>Revenues</b>                   |                  |                  |                   |                     |                   |                    |                    |                    |                    |                    |
| 017-43 - Permits & Licenses       | \$ 106,624       | \$ 40,680        | \$ 59,461         | \$ 42,000           | \$ 40,000         | \$ 40,600          | \$ 41,209          | \$ 41,827          | \$ 42,455          | \$ 43,091          |
| 017-44 - Use of Money & Property  | 6,528            | 459              | 5,000             | 250                 | 250               | 250                | 250                | 250                | 250                | 250                |
| 017-45 - Intergovernmental        | 247,981          | 217,586          | 246,838           | 143,202             | 146,026           | 148,907            | 151,845            | 154,842            | 157,898            | 161,016            |
| 046-45 - Intergovernmental        | -                | -                | -                 | 95,350              | 98,148            | 100,111            | 102,113            | 104,155            | 106,239            | 108,363            |
| 017-46 - Charge for Services      | 231,069          | 30,003           | 50,000            | 500                 | 500               | 500                | 500                | 500                | 500                | 500                |
| 018-46 - Charge for Services      | 272,772          | 417,637          | 317,304           | -                   | -                 | -                  | -                  | -                  | -                  | -                  |
| 046-46 - Charge for Services      | 323,300          | 53,100           | -                 | 56,000              | 57,120            | 58,262             | 59,428             | 60,616             | 61,829             | 63,065             |
| <b>Total Revenues</b>             | <b>1,188,274</b> | <b>759,465</b>   | <b>678,603</b>    | <b>337,302</b>      | <b>342,044</b>    | <b>348,630</b>     | <b>355,345</b>     | <b>362,190</b>     | <b>369,170</b>     | <b>376,286</b>     |
| <b>Expenditures</b>               |                  |                  |                   |                     |                   |                    |                    |                    |                    |                    |
| Operations                        | 321,165          | 458,330          | 362,402           | 359,178             | 348,808           | 352,943            | 357,862            | 362,900            | 368,060            | 373,345            |
| Capital Program                   | 1,150,614        | 1,558,315        | 900,000           | 880,313             | 890,000           | 700,000            | 700,000            | 700,000            | 700,000            | 700,000            |
| <b>Total Expenditures</b>         | <b>1,471,780</b> | <b>2,016,645</b> | <b>1,262,402</b>  | <b>1,239,491</b>    | <b>1,238,808</b>  | <b>1,052,943</b>   | <b>1,057,862</b>   | <b>1,062,900</b>   | <b>1,068,060</b>   | <b>1,073,345</b>   |
| <b>Transfers</b>                  |                  |                  |                   |                     |                   |                    |                    |                    |                    |                    |
| Operating transfers in (out)      | -                | (81,811)         | -                 | 70,129              | 151,662           | 166,822            | 168,977            | 170,519            | 172,117            | 173,773            |
| Capital transfers in (out)        | -                | 1,193,102        | 575,000           | 650,000             | 755,000           | 555,000            | 555,000            | 555,000            | 555,000            | 555,000            |
| <b>Total transfers</b>            | <b>-</b>         | <b>1,111,291</b> | <b>575,000</b>    | <b>720,129</b>      | <b>906,662</b>    | <b>721,822</b>     | <b>723,977</b>     | <b>725,519</b>     | <b>727,117</b>     | <b>728,773</b>     |
| <b>Net Change in Fund Balance</b> | <b>(283,505)</b> | <b>(145,889)</b> | <b>(8,799)</b>    | <b>(182,059)</b>    | <b>9,898</b>      | <b>17,509</b>      | <b>21,460</b>      | <b>24,810</b>      | <b>28,227</b>      | <b>31,714</b>      |
| <b>Beginning, unrestricted</b>    | <b>1,782,523</b> | <b>1,499,018</b> | <b>538,161</b>    | <b>566,837</b>      | <b>384,778</b>    | <b>394,676</b>     | <b>412,185</b>     | <b>433,645</b>     | <b>458,454</b>     | <b>486,681</b>     |
| Street Operations Fund (017)      | 442,751          | 713,788          |                   | 462,375             | 359,279           | 348,909            | 353,044            | 357,963            | 363,001            | 368,161            |
| Roadway Impact Fee (018)          | 95,951           | 368,723          |                   | 69                  | 69                | 69                 | 69                 | 69                 | 69                 | 69                 |
| Street CIP Fund (046)             | 1,243,821        | 416,507          |                   | 104,393             | 25,430            | 45,698             | 59,071             | 75,612             | 95,384             | 118,451            |
| <b>TOTAL</b>                      | <b>1,782,523</b> | <b>1,499,018</b> |                   | <b>566,837</b>      | <b>384,778</b>    | <b>394,676</b>     | <b>412,185</b>     | <b>433,644</b>     | <b>458,454</b>     | <b>486,681</b>     |
| <b>Ending, unrestricted</b>       | <b>1,499,018</b> | <b>1,353,129</b> | <b>\$ 529,362</b> | <b>\$ 384,778</b>   | <b>\$ 394,676</b> | <b>\$ 412,185</b>  | <b>\$ 433,645</b>  | <b>\$ 458,454</b>  | <b>\$ 486,681</b>  | <b>\$ 518,395</b>  |
| Street Operations Fund (017)      | 713,788          | 462,375          |                   | 359,279             | 348,909           | 353,044            | 357,963            | 363,001            | 368,161            | 373,446            |
| Roadway Impact Fee (018)          | 368,723          | 70               |                   | 69                  | 69                | 69                 | 69                 | 69                 | 69                 | 69                 |
| Street CIP Fund (046)             | 416,507          | 104,394          |                   | 25,430              | 45,698            | 59,071             | 75,612             | 95,384             | 118,451            | 144,879            |
| <b>TOTAL</b>                      | <b>1,499,018</b> | <b>566,839</b>   |                   | <b>\$ 384,778</b>   | <b>\$ 394,676</b> | <b>\$ 412,185</b>  | <b>\$ 433,644</b>  | <b>\$ 458,454</b>  | <b>\$ 486,681</b>  | <b>\$ 518,395</b>  |

Town of Los Altos Hills  
Public Safety Grant Funds Budget Summary

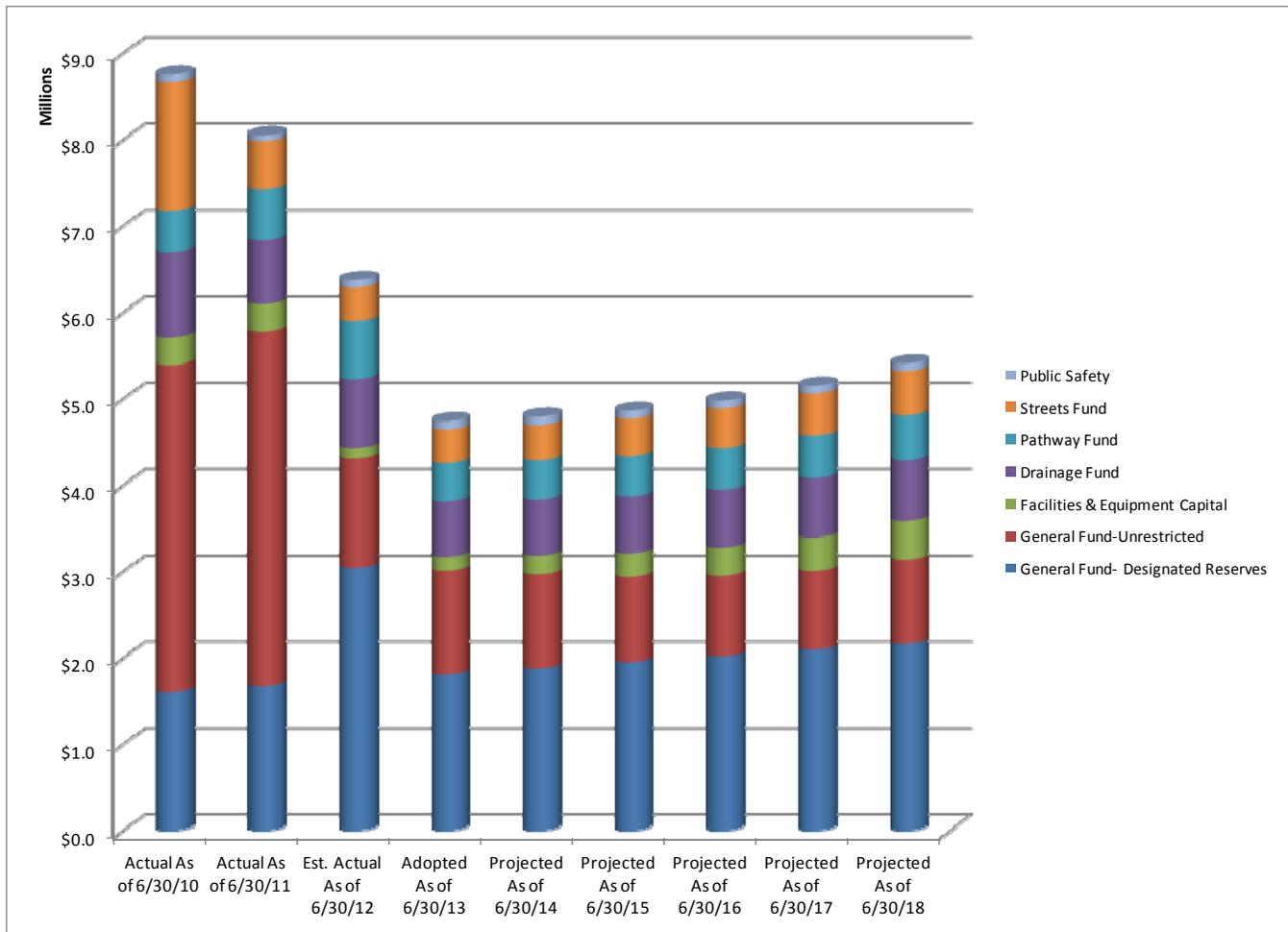
| PUB.SAFETY/COPS (021)                    | Prior Years      |                  | Current Year    |                     | Adopted Budget   | Future Years       |                    |                    |                    |                    |
|--|------------------|------------------|-----------------|---------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 2009-10          | 2010-11          | 2011-12 Budget  | 2011-12 Est. Actual | 2012-13          | 2013-14 Projection | 2014-15 Projection | 2015-16 Projection | 2016-17 Projection | 2017-18 Projection |
| <b>Revenues</b>                          |                  |                  |                 |                     |                  |                    |                    |                    |                    |                    |
| COPS Grant                               | \$ 100,371       | \$ 100,000       | \$ -            | \$ 100,000          | \$ 100,000       | \$ 100,000         | \$ 100,000         | \$ 100,000         | \$ 100,000         | \$ 100,000         |
| Use of Money & Property                  | 333              | 457              | -               | 100                 | 100              | 100                | 100                | 100                | 100                | 100                |
| Charges for services                     | -                | 1,005            | -               | -                   | -                | -                  | -                  | -                  | -                  | -                  |
| <b>Total Revenues</b>                    | <b>100,704</b>   | <b>101,462</b>   | <b>-</b>        | <b>100,100</b>      | <b>100,100</b>   | <b>100,100</b>     | <b>100,100</b>     | <b>100,100</b>     | <b>100,100</b>     | <b>100,100</b>     |
| <b>Expenditures</b>                      |                  |                  |                 |                     |                  |                    |                    |                    |                    |                    |
| Operations                               | 107,358          | 111,222          | 97,118          | 80,851              | 96,273           | 97,596             | 99,362             | 101,180            | 103,053            | 104,982            |
| <b>Total Expenditures</b>                | <b>107,358</b>   | <b>111,222</b>   | <b>97,118</b>   | <b>80,851</b>       | <b>96,273</b>    | <b>97,596</b>      | <b>99,362</b>      | <b>101,180</b>     | <b>103,053</b>     | <b>104,982</b>     |
| <b>Transfers</b>                         |                  |                  |                 |                     |                  |                    |                    |                    |                    |                    |
| Operating transfers in (out)             | -                | -                | 25,000          | -                   | -                | -                  | -                  | -                  | -                  | -                  |
| Capital transfers in (out)               | -                | -                | -               | -                   | -                | -                  | -                  | -                  | -                  | -                  |
| <b>Total transfers</b>                   | <b>-</b>         | <b>-</b>         | <b>25,000</b>   | <b>-</b>            | <b>-</b>         | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Change in Unrestricted Net Assets</b> | <b>(6,654)</b>   | <b>(9,760)</b>   | <b>(72,118)</b> | <b>19,249</b>       | <b>3,827</b>     | <b>2,504</b>       | <b>738</b>         | <b>(1,080)</b>     | <b>(2,953)</b>     | <b>(4,882)</b>     |
| <b>Beginning unrestricted net assets</b> | <b>83,940</b>    | <b>77,286</b>    | <b>78,998</b>   | <b>67,526</b>       | <b>86,775</b>    | <b>90,602</b>      | <b>93,106</b>      | <b>93,844</b>      | <b>92,764</b>      | <b>89,811</b>      |
| COPS (021)                               | 78,618           | 71,923           |                 | 67,526              | 86,775           | 90,602             | 93,105             | 93,844             | 92,764             | 89,811             |
| CLEEP (022)                              | 5,322            | 5,363            |                 |                     |                  |                    |                    |                    |                    |                    |
| <b>TOTAL</b>                             | <b>83,940</b>    | <b>77,286</b>    |                 |                     |                  |                    |                    |                    |                    |                    |
| <b>Ending unrestricted net assets</b>    | <b>\$ 77,286</b> | <b>\$ 67,526</b> | <b>\$ 6,880</b> | <b>\$ 86,775</b>    | <b>\$ 90,602</b> | <b>\$ 93,106</b>   | <b>\$ 93,844</b>   | <b>\$ 92,764</b>   | <b>\$ 89,811</b>   | <b>\$ 84,929</b>   |
| COPS (021)                               | 71,923           | 67,526           |                 | 86,775              | 90,602           | 93,105             | 93,844             | 92,764             | 89,811             | 84,928             |
| CLEEP (022)                              | 5,363            | (0)              |                 |                     |                  |                    |                    |                    |                    |                    |
| <b>TOTAL</b>                             | <b>77,286</b>    | <b>67,526</b>    |                 | <b>86,775</b>       | <b>90,602</b>    | <b>93,105</b>      | <b>93,844</b>      | <b>92,764</b>      | <b>89,811</b>      | <b>84,928</b>      |

Town of Los Altos Hills  
Sewer Funds Budget Summary

| SEWER FUNDS (051,048)                             | Prior Years      |                    | Current Year      |                        | Adopted Budget<br>2012-13 | Future Years          |                       |                       |                       |                       |
|---|------------------|--------------------|-------------------|------------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2009-10          | 2010-11            | 2011-12<br>Budget | 2011-12 Est.<br>Actual |                           | 2013-14<br>Projection | 2014-15<br>Projection | 2015-16<br>Projection | 2016-17<br>Projection | 2017-18<br>Projection |
| <b>Revenues</b>                                   |                  |                    |                   |                        |                           |                       |                       |                       |                       |                       |
| Charges for services                              | 1,297,215        | 1,382,814          | \$ 1,450,368      | \$ 1,364,188           | \$ 1,361,523              | 1,368,853             | 1,926,656             | \$ 1,936,918          | \$ 1,947,180          | \$ 1,957,442          |
| Interest Income                                   | 102,876          | 29,585             | 24,876            | 23,565                 | 27,508                    | 28,508                | 29,508                | 30,508                | 30,508                | 30,508                |
| Contribution from (refunds to)<br>property owners | 129,450          | (1,784,444)        | -                 | -                      | -                         | -                     | -                     | -                     | -                     | -                     |
| Connection Fees                                   | 142,955          | 298,113            | 159,000           | 153,567                | 159,000                   | 79,500                | 111,300               | 111,300               | 111,300               | 111,300               |
| Other income                                      | 38,465           | 2,321              | -                 | 1,375                  | -                         | -                     | -                     | -                     | -                     | -                     |
| General Services                                  | -                | 20,995             | -                 | -                      | -                         | -                     | -                     | -                     | -                     | -                     |
| <b>Total Revenues</b>                             | <b>1,710,961</b> | <b>(50,617)</b>    | <b>1,634,244</b>  | <b>1,542,695</b>       | <b>1,548,031</b>          | <b>1,476,861</b>      | <b>2,067,464</b>      | <b>2,078,726</b>      | <b>2,088,988</b>      | <b>2,099,250</b>      |
| <b>Expenses</b>                                   |                  |                    |                   |                        |                           |                       |                       |                       |                       |                       |
| Salaries and benefits                             | 82,967           | 77,977             | 81,624            | 74,324                 | 67,782                    | 69,815                | 71,909                | 74,067                | 76,289                | 78,577                |
| Contract services                                 | 657,117          | 758,354            | 749,824           | 859,706                | 1,078,309                 | 1,141,047             | 1,207,795             | 1,278,822             | 1,354,416             | 1,434,885             |
| Operating expenses                                | 109,822          | 84,268             | 153,811           | 203,228                | 140,205                   | 141,519               | 142,858               | 144,225               | 145,620               | 147,043               |
| Total Operating Expense                           | 849,907          | 920,599            | 985,259           | 1,137,258              | 1,286,296                 | 1,352,381             | 1,422,563             | 1,497,114             | 1,576,325             | 1,660,506             |
| <b>Income / (Loss)</b>                            | <b>861,054</b>   | <b>(971,216)</b>   | <b>648,985</b>    | <b>405,437</b>         | <b>261,735</b>            | <b>124,480</b>        | <b>644,901</b>        | <b>581,612</b>        | <b>512,663</b>        | <b>438,744</b>        |
| <b>Capital</b>                                    |                  |                    |                   |                        |                           |                       |                       |                       |                       |                       |
| Annual capital program                            | 1,692,384        | 448,159            | 640,000           | 235,840                | 440,000                   | 453,200               | 466,796               | 480,800               | 495,224               | 510,081               |
| <b>Transfers</b>                                  |                  |                    |                   |                        |                           |                       |                       |                       |                       |                       |
| Operating transfers in (out)                      | (120,602)        | (71,345)           | -                 | -                      | -                         | -                     | -                     | -                     | -                     | -                     |
| Capital transfers in (out)                        | -                | -                  | -                 | -                      | -                         | -                     | -                     | -                     | -                     | -                     |
| <b>Total transfers</b>                            | <b>(120,602)</b> | <b>(71,345)</b>    | <b>-</b>          | <b>-</b>               | <b>-</b>                  | <b>-</b>              | <b>-</b>              | <b>-</b>              | <b>-</b>              | <b>-</b>              |
| <b>Net Change</b>                                 | <b>(951,932)</b> | <b>(1,490,720)</b> | <b>8,985</b>      | <b>169,597</b>         | <b>(178,265)</b>          | <b>(328,720)</b>      | <b>178,105</b>        | <b>100,812</b>        | <b>17,439</b>         | <b>(71,337)</b>       |
| <b>Working Capital Beginning Balance</b>          |                  |                    |                   | <b>2,861,783</b>       | <b>3,031,380</b>          | <b>2,853,115</b>      | <b>2,524,395</b>      | <b>2,702,500</b>      | <b>2,803,312</b>      | <b>2,820,751</b>      |
| <b>Working Capital Ending Balance</b>             |                  |                    |                   | <b>3,031,380</b>       | <b>2,853,115</b>          | <b>2,524,395</b>      | <b>2,702,500</b>      | <b>2,803,312</b>      | <b>2,820,751</b>      | <b>2,749,414</b>      |

## FUND BALANCES

The Town's undesignated governmental fund balances accumulate as the result of revenue exceeding capital and operating expenditures in any given year. Over the past several years, the Town has utilized current year surplus and prior year undesignated fund balances to improve the Town's capital assets including: roadways, pathways, and Town facilities including Purissima Park and Westwind Community Barn. The following demonstrates the drawdown of undesignated fund balances over the past several years and should be viewed in conjunction with the next section on capital investments. The Sewer Fund has been excluded from this presentation because it is an enterprise fund and receives no support for general tax dollars, user fees, or State/Federal grant funds.



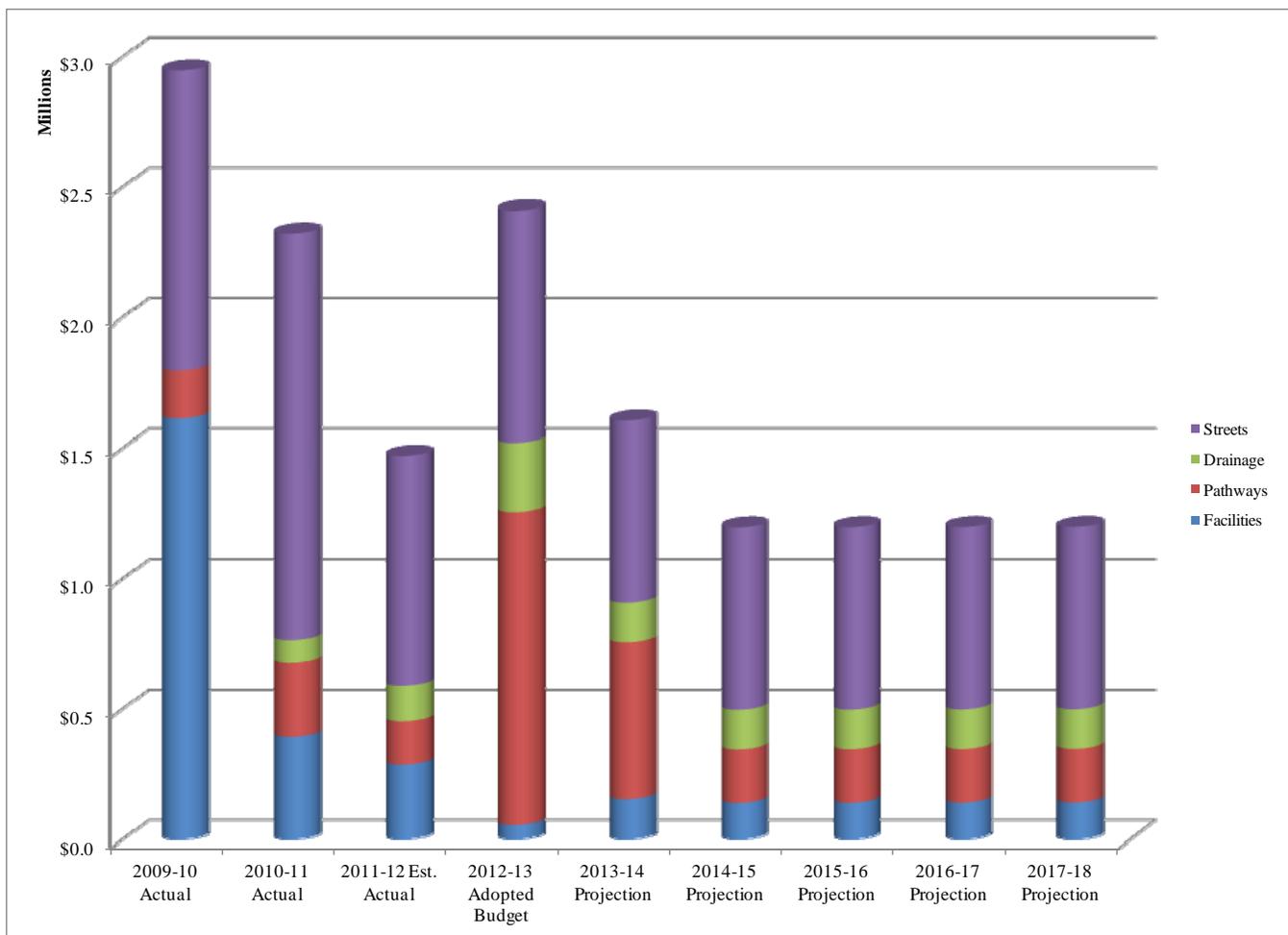
|                                   | Actual As of 6/30/10 | Actual As of 6/30/11 | Est. Actual As of 6/30/12 | Adopted As of 6/30/13 | Projected As of 6/30/14 | Projected As of 6/30/15 | Projected As of 6/30/16 | Projected As of 6/30/17 | Projected As of 6/30/18 |
|-----------------------------------|----------------------|----------------------|---------------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| General Fund- Designated Reserves | \$ 1,600,000         | \$ 1,670,000         | \$ 3,040,000              | \$ 1,810,000          | \$ 1,880,000            | \$ 1,950,000            | \$ 2,020,000            | \$ 2,090,000            | \$ 2,160,000            |
| General Fund-Unrestricted         | 3,789,118            | 4,107,878            | 1,266,337                 | 1,196,337             | 1,085,248               | 984,746                 | 927,168                 | 913,740                 | 974,880                 |
| Facilities & Equipment Capital    | 317,987              | 315,839              | 120,226                   | 160,226               | 216,026                 | 272,642                 | 330,090                 | 388,388                 | 447,551                 |
| Drainage Fund                     | 992,273              | 737,273              | 800,935                   | 647,797               | 653,274                 | 661,982                 | 672,906                 | 686,094                 | 701,590                 |
| Pathway Fund                      | 474,046              | 585,022              | 675,088                   | 438,778               | 450,559                 | 462,155                 | 477,622                 | 497,040                 | 520,489                 |
| Streets Fund                      | 1,499,018            | 566,839              | 384,778                   | 394,676               | 412,185                 | 433,645                 | 458,454                 | 486,681                 | 518,395                 |
| Public Safety                     | 77,286               | 67,526               | 86,775                    | 90,602                | 93,106                  | 93,844                  | 92,764                  | 89,811                  | 84,929                  |
| <b>Total All Funds</b>            | <b>\$ 8,749,728</b>  | <b>\$ 8,050,376</b>  | <b>\$ 6,374,139</b>       | <b>\$ 4,738,416</b>   | <b>\$ 4,790,398</b>     | <b>\$ 4,859,013</b>     | <b>\$ 4,979,005</b>     | <b>\$ 5,151,753</b>     | <b>\$ 5,407,834</b>     |

Note: As of June 30, 2013, the General Fund Designated Reserves include the following City Council designated reserve funds: \$1,250,000 Emergency & Disaster Contingency, \$350,000 Operating Contingency Reserve, and \$210,000 Pension Contingency Reserve.

## CAPITAL EXPENDITURES

In 2012-13, the Town has appropriated \$900,000 in street capital expenditures. \$500,000 of the available resources will be utilized towards preventative repairs to Elena Road. The remaining \$400,000 will be utilized for the annual program, which is a significant decline from historical street capital spending. The decline in available resources for street capital investment is due to the loss of the Roadway Impact Fee which occurred in 2011-12. In order to mitigate this loss while maintaining infrastructure, staff has identified a balanced approach to capital expenditures over the next five years.

Construction of the bike path on Fremont Road will commence in early 2012-13 which is reflected in the \$1.2 million appropriation for Pathways capital. The Town has received authorization for grant funds from the Valley Transportation Authority (VTA) in the amount of \$800,000 to offset the cost of the project. The Town has also submitted a grant application to extend the bike path on Fremont Road to the California Transportation Commission (CTC), which is planned to commence in 2013-14.



|                      | 2009-10 Actual      | 2010-11 Actual      | 2011-12 Est. Actual | 2012-13 Adopted Budget | 2013-14 Projection  | 2014-15 Projection  | 2015-16 Projection  | 2016-17 Projection  | 2017-18 Projection  |
|----------------------|---------------------|---------------------|---------------------|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Facilities           | \$ 1,613,582        | \$ 394,932          | \$ 285,920          | \$54,585               | \$155,179           | \$140,781           | \$141,393           | \$142,014           | \$142,644           |
| Pathways             | 181,774             | 280,251             | 165,000             | 1,200,000              | 600,000             | 205,000             | 205,000             | 205,000             | 205,000             |
| Drainage             | -                   | 88,054              | 138,578             | 265,000                | 150,000             | 150,000             | 150,000             | 150,000             | 150,000             |
| Streets              | 1,150,614           | 1,558,315           | 880,313             | 890,000                | 700,000             | 700,000             | 700,000             | 700,000             | 700,000             |
| <b>Total Capital</b> | <b>\$ 2,945,970</b> | <b>\$ 2,321,552</b> | <b>\$ 1,469,810</b> | <b>\$ 2,409,585</b>    | <b>\$ 1,605,179</b> | <b>\$ 1,195,781</b> | <b>\$ 1,196,393</b> | <b>\$ 1,197,014</b> | <b>\$ 1,197,644</b> |

## FACILITIES & EQUIPMENT CAPITAL FUNDS

### REVENUES

| Revenue Category                      | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|---------------------------------------|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| 016-00 - In-lieu fees                 | 27,001            | 10,405            | 36,150                    | 36,150                      | 40,000                    |
| 016-44 - Use of Money & Property      | (1,006)           | -                 | -                         | -                           | -                         |
| 043-44 - Use of Money & Property      | 35,364            | 32,454            | 39,823                    | 39,157                      | 39,585                    |
| 043-48 - Miscellaneous                | 282,600           | 11,555            | -                         | -                           | -                         |
| <b>Total General Capital Revenues</b> | <b>343,959</b>    | <b>54,414</b>     | <b>75,973</b>             | <b>75,307</b>               | <b>79,585</b>             |

### EXPENDITURES

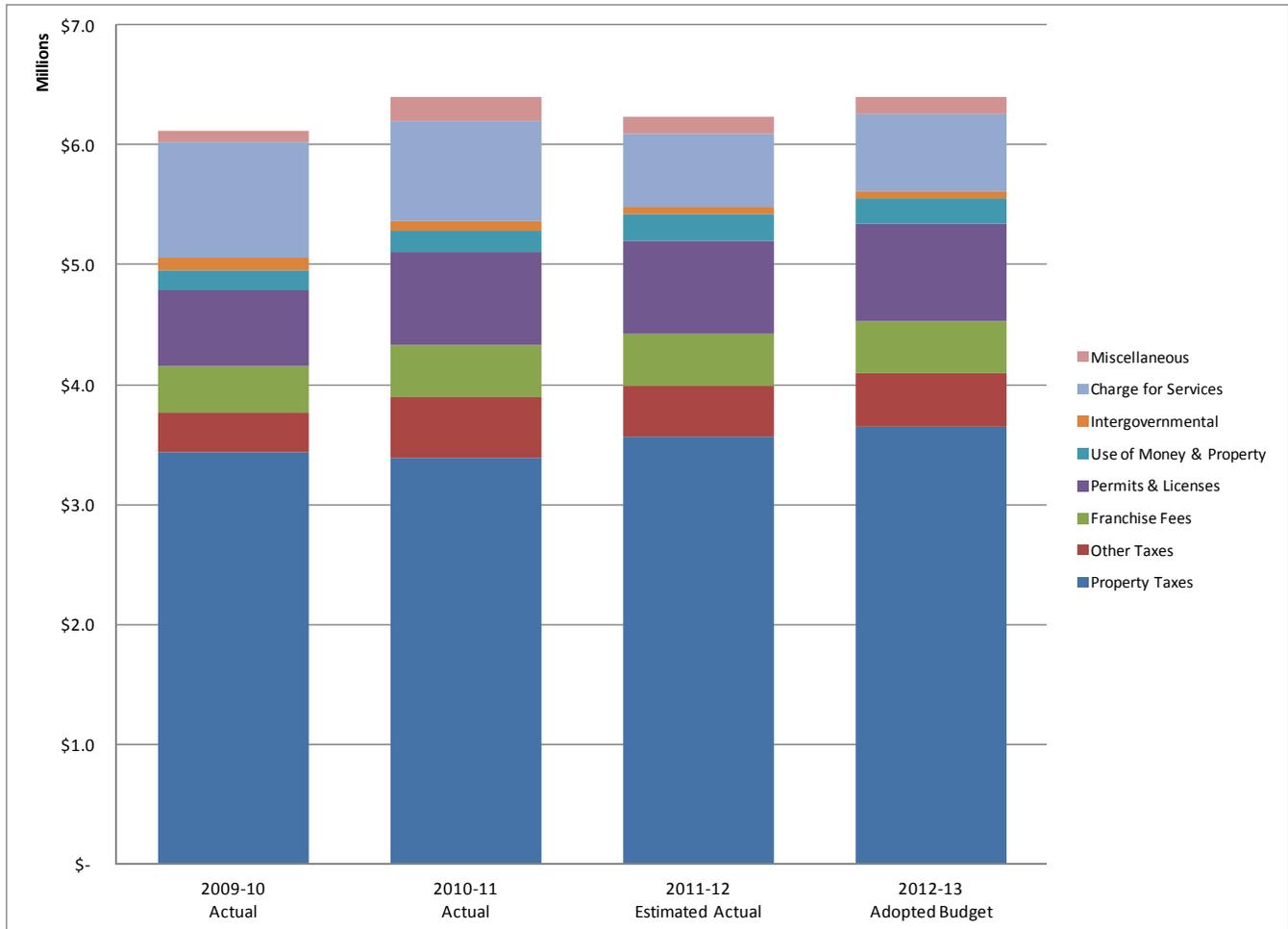
| Capital Fund                              | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|---|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| General Capital Improvement Projects      | 82,508            | 241,176           | 360,000                   | 246,920                     | 15,000                    |
| Westwind Barn Capital Projects            | 1,531,073         | 153,756           | -                         | 39,000                      | 39,585                    |
| <b>Total General Capital Expenditures</b> | <b>1,613,581</b>  | <b>394,932</b>    | <b>360,000</b>            | <b>285,920</b>              | <b>54,585</b>             |

# General Fund

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## GENERAL FUND REVENUES

The budget includes a slight increase of approximately \$171,000 or 2.6% over total 2011-12 estimated actual revenue. The largest component of this increase, \$90,111 is projected in property taxes where an overall increase of 2.5% based largely on a recommendation from the Town's property tax consultant. While positive news in property taxes are lifting the 2012-13 budget, the Town continues to experience lower interest earnings due to the conservative nature of investment in securities authorized by the Town's investment policy.



| Revenue Type            | 2009-10 Actual      | 2010-11 Actual      | 2011-12 Estimated Actual | 2012-13 Adopted Budget |
|-------------------------|---------------------|---------------------|--------------------------|------------------------|
| Property Taxes          | \$ 3,438,168        | \$ 3,393,604        | \$ 3,561,682             | \$ 3,651,792           |
| Other Taxes             | 332,190             | 503,766             | 426,472                  | 441,000                |
| Franchise Fees          | 387,804             | 428,332             | 433,334                  | 442,060                |
| Permits & Licenses      | 625,609             | 780,014             | 783,114                  | 806,608                |
| Use of Money & Property | 164,473             | 174,253             | 223,179                  | 215,800                |
| Intergovernmental       | 109,537             | 83,446              | 53,302                   | 49,200                 |
| Charge for Services     | 967,782             | 837,409             | 615,074                  | 650,766                |
| Miscellaneous           | 90,898              | 197,977             | 136,605                  | 138,400                |
| <b>Total Revenues</b>   | <b>\$ 6,116,461</b> | <b>\$ 6,398,801</b> | <b>\$ 6,232,762</b>      | <b>\$ 6,395,626</b>    |

### ***Property taxes***

Property taxes generate 54% of the Town's total general fund revenues and provide funding for the Town services where cost recovery user fees are not viable. These services include law enforcement, Town administration, and streets, pathways, and storm drainage operations and capital improvements. Over the past decade the Town's property tax revenues have grown significantly allowing for expansion of Town services to include Parks and Recreation programs and facilities.

HdL, the Town's property tax revenue consultant, has recommended a 2.5% increase in property taxes for 2012-13. The projection also includes an allowance for property tax appeals in situations where Prop 13 assessed values are higher than the current market price. Assessment appeals most typically apply to properties that were purchased around the height of a real estate market. The projection also includes an allowance for properties changing hands which, in many cases, results in a net increase in Prop 13 assessed valuations.

### ***Other taxes***

Other Taxes generate 6% of the Town's total general fund revenues and are the result of taxes that are imposed primarily as the result of a business transaction. These transactions include the transfer of real property and business licenses for private business operating or selling within the Town's boundaries. The real estate market in Los Altos Hills has been strong resulting in higher than budgeted transfer taxes in 2011-12. The budget assumes continued strength in Los Altos Hills' real estate market and subsequently property transfer taxes in 2012-13. Additionally, the Town's business license tax revenues are recovering following a two year decline due to the regional economic contraction.

### ***Use of Money & Property***

Use of Money Property provides for the investment income on Town investments and long-term lease fees charged to outside parties for the use of Town lands. While long-term lease fees are increasing based on changes to the Consumer Price Index, investment income continues to be far lower those achieved in the pre-2009 fiscal crisis bond market. The Town's current investment strategy emphasizes security of principal which results in primarily purchasing short-term US treasuries. With such a strategy, the Town's investment advisor forecasts portfolio yields of approximately 0.60% in 2012-13.

### ***Permits & Licenses and Charges for Services***

These revenue categories reflect fees collected to offset the Town's cost of doing business and will be discussed in the next section.

## GENERAL FUND COST RECOVERY

### *Planning & Building*

The Planning & Building Department is responsible for preparing and implementing zoning and subdivision ordinances, site plan reviews, and building safety plan and inspection services. The department also provides code enforcement and various land use permits. Town staff will be evaluating its fee structure for cost recovery effectiveness this fiscal year and determine the need for a fee study.

In addition to planning application fees, the charges for services amount includes billable services charged directly to deposits held by the Town for land development projects. The deposits are an estimate of services required to take the project through the Town's planning process and are posted by project applicants. The 2011-12 Estimated Actual and 2012-13 Budget columns reflect assumptions that the Town's billable services will maintain historical trends.

|  | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--|-------------------|-------------------|-----------------------------|---------------------------|
|--|-------------------|-------------------|-----------------------------|---------------------------|

### Revenues

|                       |                  |                  |                  |                  |
|-----------------------|------------------|------------------|------------------|------------------|
| Fees                  | 818,468          | 883,988          | 985,198          | 1,014,754        |
| In-house charge backs | 217,128          | 297,039          | 296,000          | 324,880          |
| Pass through billing  | 153,061          | 50,211           | -                | -                |
| <b>Total Revenues</b> | <b>1,188,657</b> | <b>1,231,239</b> | <b>1,281,198</b> | <b>1,339,634</b> |

### Expenditures

|                           |                  |                  |                  |                  |
|---------------------------|------------------|------------------|------------------|------------------|
| Personnel                 | 1,224,625        | 965,049          | 1,013,405        | 1,210,431        |
| Contract Services         | 208,494          | 194,656          | 171,955          | 190,000          |
| Operations                | 242,972          | 246,589          | 316,538          | 358,605          |
| <b>Total Expenditures</b> | <b>1,676,090</b> | <b>1,406,294</b> | <b>1,501,898</b> | <b>1,759,037</b> |
| <b>Surplus / Deficit</b>  | <b>(487,434)</b> | <b>(175,055)</b> | <b>(220,700)</b> | <b>(419,403)</b> |
| <b>Cost recovery %</b>    | <b>71%</b>       | <b>88%</b>       | <b>85%</b>       | <b>76%</b>       |

**Parks & Recreation**

The Town’s Parks & Recreation Department provide services to the community that include recreation programs, Town-wide events, and operation of Purissima Park and Westwind Community Barn. Like most other public agencies, Parks and Recreation requires overhead support that typically cannot be recovered through user fees. Where possible, however, the Town strives to recover its operating costs incurred to provide recreation programs and park facilities.

Programs & Administration: The following chart summarizes the cost recovery ratio for each of the major program budgetary functions tracked in Parks & Recreation Programs Department.

**P&R Administration**

|  | <b>2009-10<br/>Actual</b> | <b>2010-11<br/>Actual</b> | <b>2011-12<br/>Estimated Actual</b> | <b>2012-13<br/>Adopted Budget</b> |
|--|---------------------------|---------------------------|-------------------------------------|-----------------------------------|
|--|---------------------------|---------------------------|-------------------------------------|-----------------------------------|

**Revenues**

|                       |                |                |                |                |
|-----------------------|----------------|----------------|----------------|----------------|
| Program revenue       | \$ 109,801     | \$ 97,053      | \$ 118,296     | \$ 121,000     |
| Event revenue         | 20,461         | 28,456         | 26,000         | 26,000         |
| Donations             | 840            | -              | -              | -              |
| <b>Total Revenues</b> | <b>131,103</b> | <b>125,509</b> | <b>144,296</b> | <b>147,000</b> |

**Expenditures**

|                                 |                  |                  |                  |                  |
|---------------------------------|------------------|------------------|------------------|------------------|
| Personnel                       | 147,898          | 92,029           | 65,078           | 81,536           |
| Contract Personnel              | 88,133           | 96,111           | 107,074          | 108,300          |
| Operations                      | 85,643           | 95,658           | 141,320          | 143,951          |
| <b>Total Expenditures</b>       | <b>321,674</b>   | <b>283,797</b>   | <b>313,472</b>   | <b>333,787</b>   |
| <b>Annual Surplus/(Deficit)</b> | <b>(190,571)</b> | <b>(158,288)</b> | <b>(169,176)</b> | <b>(186,787)</b> |
| <b>Cost Recovery Ratio</b>      | <b>41%</b>       | <b>44%</b>       | <b>46%</b>       | <b>44%</b>       |

**Parks & Recreation Cost Recovery (continued)**

Facilities: The following chart summarizes the cost recovery ratio for each of the major budgetary functions tracked in Parks & Recreation Facilities Department. Important to note is that opportunities to fully recover the costs associated with maintaining and operating Parks and Recreation facilities is limited due to broad public uses of Town’s facilities.

Purissima Park offers Little League Baseball fields and a riding ring both used by organized groups and the general public. Located at Westwind Community Barn, the Westwind-Boarding facility listed below is open to the public for year-round boarding of privately owned horses. Direct costs incurred by the boarding operations are largely paid for through the collection of monthly boarding fees and fees for related services. The Westwind-Facility listed below tracks the general maintenance and operation expenses necessary to keep Westwind Community Barn a hub for activities and programs include the Westwind Riding Institute’s Therapeutic Riding Program, the Pacific Ridge Pony Club, the Town’s Year-Round Riding Programs, and numerous other Town events and programs.

**P&R Facilities**

|  | <b>2009-10<br/>Actual</b> | <b>2010-11<br/>Actual</b> | <b>2011-12<br/>Estimated Actual</b> | <b>2012-13<br/>Adopted Budget</b> |
|--|---------------------------|---------------------------|-------------------------------------|-----------------------------------|
|--|---------------------------|---------------------------|-------------------------------------|-----------------------------------|

**Revenues**

|                       |                |                |                |                |
|-----------------------|----------------|----------------|----------------|----------------|
| Purissima Field       | \$ 22,110      | \$ 31,761      | \$ 32,000      | \$ 32,000      |
| Riding Ring           | -              | -              | 1,250          | -              |
| Westwind Barn         | 182,724        | 187,328        | 237,198        | 244,314        |
| <b>Total Revenues</b> | <b>204,834</b> | <b>219,089</b> | <b>270,448</b> | <b>276,314</b> |

**Expenditures**

|                           |                |                |                |                |
|---------------------------|----------------|----------------|----------------|----------------|
| Purissima Field           | 67,481         | 65,866         | 68,787         | 72,487         |
| Riding Ring               | 2,915          | 188            | 4,036          | 5,000          |
| Westwind Barn             | 229,223        | 347,955        | 354,593        | 314,026        |
| <b>Total Expenditures</b> | <b>299,619</b> | <b>414,008</b> | <b>427,415</b> | <b>391,513</b> |

**Annual Surplus/(Deficit)**

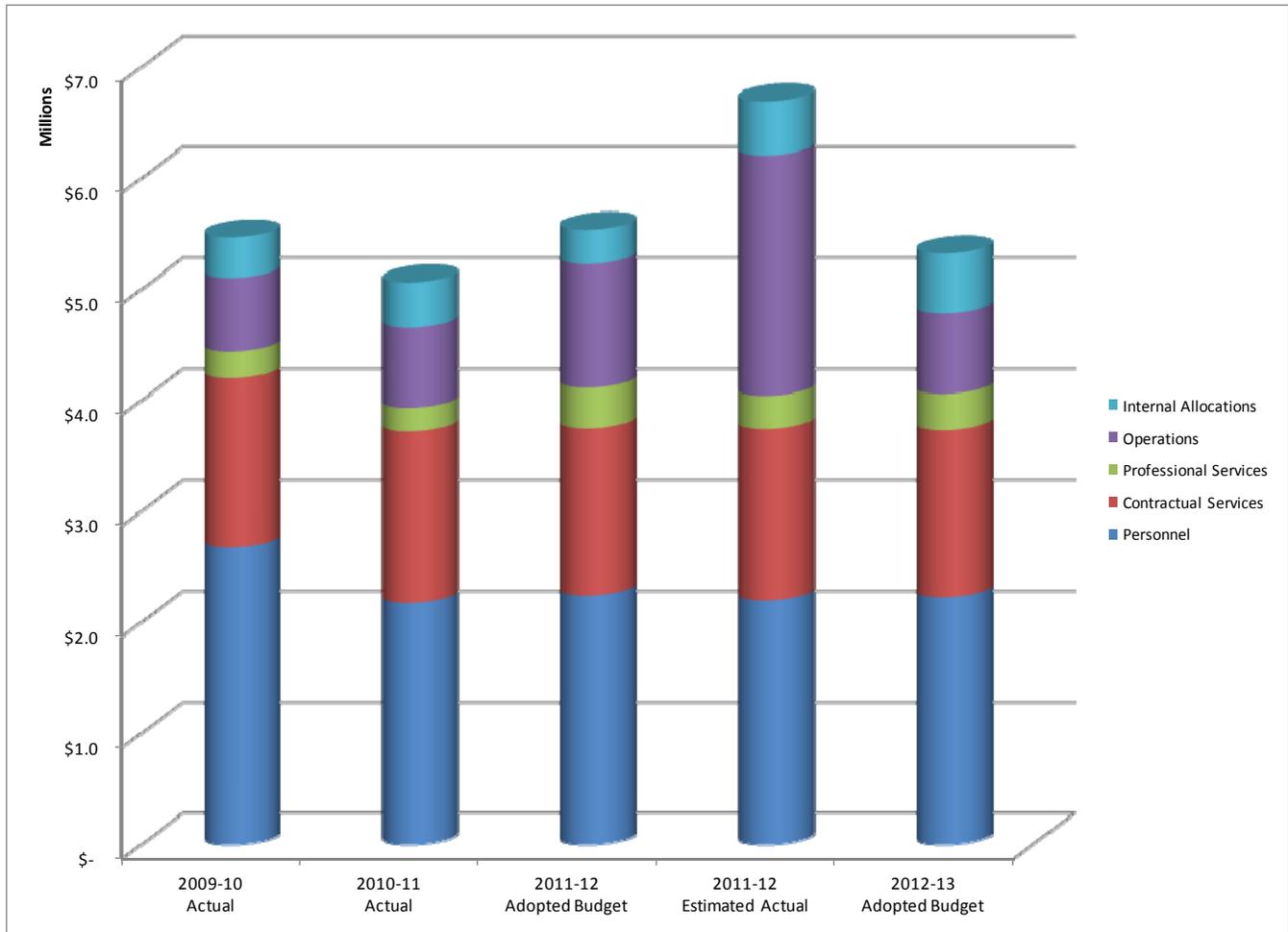
|                                |                 |                  |                  |                  |
|--------------------------------|-----------------|------------------|------------------|------------------|
| Purissima Field                | (45,371)        | (34,105)         | (36,787)         | (40,487)         |
| Riding Ring                    | (2,915)         | (188)            | (2,786)          | (5,000)          |
| Westwind Barn                  | (46,498)        | (160,626)        | (117,395)        | (69,713)         |
| <b>Total Surplus/(Deficit)</b> | <b>(94,784)</b> | <b>(194,919)</b> | <b>(156,967)</b> | <b>(115,199)</b> |

**Cost Recovery Ratios**

|                              |            |            |            |            |
|------------------------------|------------|------------|------------|------------|
| Purissima Field              | 33%        | 48%        | 47%        | 44%        |
| Riding Ring                  | 0%         | 0%         | 31%        | 0%         |
| Westwind Barn                | 80%        | 54%        | 67%        | 78%        |
| <b>Overall Cost Recovery</b> | <b>68%</b> | <b>53%</b> | <b>63%</b> | <b>71%</b> |

### GENERAL FUND EXPENDITURES

Overall, expenditures have been categorized into personnel, contract services, professional services, supplies and operations, and internal services. This section discusses major changes in expenditures programmed in the General Fund operating departments including. Departmental budgets following this section provides for more detail by service delivery area.



| Expenditure Category      | 2009-10 Actual   | 2010-11 Actual   | 2011-12 Adopted Budget | 2011-12 Estimated Actual | 2012-13 Adopted Budget |
|---------------------------|------------------|------------------|------------------------|--------------------------|------------------------|
| Personnel                 | 2,675,941        | 2,176,820        | 2,243,136              | 2,198,953                | 2,228,063              |
| Contractual Services      | 1,524,142        | 1,543,589        | 1,502,516              | 1,541,286                | 1,502,253              |
| Professional Services     | 241,666          | 212,630          | 368,628                | 301,162                  | 328,580                |
| Operations                | 660,643          | 717,520          | 1,113,255              | 2,164,319                | 722,276                |
| Internal Allocations      | 366,949          | 412,427          | 310,243                | 487,312                  | 542,552                |
| <b>Total Expenditures</b> | <b>5,469,342</b> | <b>5,062,986</b> | <b>5,537,778</b>       | <b>6,693,032</b>         | <b>5,323,725</b>       |

## ***Personnel***

The Town maintains a workforce of 21 full time employees. The overall personnel budget includes an increase of \$29,000 or 1.3% over 2011-12 estimated actual. This increase is attributed primarily to a \$75,000 allowance for salary increases less savings from staff turnover and modifications to fringe benefits detailed below. The personnel budget includes the following factors:

- **Salaries** – The Town will continue to provide for salary increases within the City Council approved salary range and based solely on merit. The total allowance for salary increases in 2012-13 is \$39,000. Pursuant to City Council direction, across-the-board cost of living adjustments and step increases have been permanently eliminated.
- **Pensions** - The employer’s share of the CalPERS pension for 2012-13 will be 10.518% of payroll, an increase of 0.177 percentage points from prior year for those employee on the “2% a@ 55” pension benefit. The Town implemented the pension benefit for new hires at the “2% @ 60” formula in 2011-12 which will be increase 0.114 percentage points from prior year. The budget continues to include a \$70,000 contribution to the Town’s in-house Pension Contingency Reserve Fund to protect against unbudgeted increases in the employer’s required contribution to CalPERS.
- **Health insurance** - The budget retains the current employee and city council medical program with a forecasted increase of 9.0% in premiums. Employees have access to a cafeteria plan through which they may select from a variety of HMO and PPO plans purchased by the CalPERS medical pool. Effective January 1, 2012 the Town capped its cafeteria plan contribution at the Kaiser Premium rate.
- **Retiree medical** – The current amortized cost of retiree medical plus the cost of current, pay-as-you-go benefits for existing retirees, \$207,000, is included in the personnel costs for all departments. The Town conducted an actuarial update of the retiree medical liability as of June 30, 2011. The Town began making additional contributions of approximately \$100,000 to the California Employers’ Retiree Benefit Trust (CERBT) to address the unfunded liability for Other Post-Employment Benefits (OPEB).

## ***Contract & Professional Services***

Contract services in the General Fund are primarily for law enforcement services provided by the Santa Clara County Sheriff’s Office and animal control through the City of Palo Alto. The budget includes \$35,000 in funding for additional law enforcement service hours.

Professional services in the General Fund are primarily for specialized functions that are easily scalable through partnering with the private sector. These services include legal, planning, building plan check, and engineering services.

## ***Operations & Internal Allocations***

Operations and Internal Allocations in the General Fund provide for the expenditures required to operate the various Town functions. This includes overhead costs for buildings and facilities, office and technology supplies and equipment. The budget includes a contingency appropriation of \$30,000 for Town committees to request for supplemental special projects.

# City Council

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The City Council governs the Town of Los Altos Hills by enacting and enforcing ordinances and regulations that concern municipal affairs, subject only to limitations and restrictions of the State Constitution.

The City Council’s budget is projected to increase with additional participation in the medical benefits program first made available to council members in 2006-07. Included in operations are supplies and noticing for special meeting and events as requested by the City Council, and the Town’s various memberships and dues including the League of California Cities, the Peninsula Division of the League of California Cities, the Association of Bay Area Governments, Local Agency Formation Commission, the Santa Clara County Cities Association, Silicon Valley Leadership Group, and the Homeless Survey.

Significant Operating Changes or Capital Requests: **The City Council’s goals will affect department staffing and other resource needs.**

## EXPENDITURE BUDGET

| Expenditure Category                   | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                              | 58,629            | 64,957            | 43,800                    | 44,639                      | 70,885                    |
| Professional Services                  | 2,953             | 7,830             | 5,250                     | 9,258                       | 9,980                     |
| Operations                             | 53,416            | 48,472            | 58,000                    | 56,969                      | 71,500                    |
| <b>Total City Council Expenditures</b> | <b>114,998</b>    | <b>121,258</b>    | <b>107,050</b>            | <b>110,865</b>              | <b>152,365</b>            |

# City Manager

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The City Manager is responsible for the implementation of City Council goals and the smooth functioning of the Town while providing its residents with the services and amenities they desire. Major elements include appointment and supervision of all Town staff other than the City Attorney, goal setting, policy suggestions and implementation, personnel management, fiscal responsibility and budget.

Significant Operating Changes or Capital Requests: **The 2012-13 budget below includes a contingency appropriation of \$60,000 that will be used by the City Manager additional professional services as needed.**

## PERSONNEL ALLOCATION

| Classification   | City Manager | Planning    | Building    | Total FTE   |
|------------------|--------------|-------------|-------------|-------------|
| City Manager     | 0.90         | 0.05        | 0.05        | 1.00        |
| <b>Total FTE</b> | <b>0.90</b>  | <b>0.05</b> | <b>0.05</b> | <b>1.00</b> |

## EXPENDITURE BUDGET

| Expenditure Category                   | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                              | 359,842           | 286,434           | 262,043                   | 323,173                     | 269,972                   |
| Operations                             | 1,854             | 1,896             | 1,300                     | 5,111                       | 3,407                     |
| Internal Allocations                   | 26,530            | 27,232            | 20,089                    | 30,539                      | 34,367                    |
| Other                                  | -                 | -                 | 85,000                    | -                           | 60,000                    |
| <b>Total City Manager Expenditures</b> | <b>388,225</b>    | <b>315,562</b>    | <b>368,432</b>            | <b>358,823</b>              | <b>367,746</b>            |

# City Clerk

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The City Clerk is the liaison and public information officer between the public and the City Council. The City Clerk is the records manager for the Town. The City Clerk prepares City Council agendas, minutes, and other legislative history. Elections and Campaign and Economic Interest Reporting as required by State law are administered through this office. The Clerk also provides logistical support to Town Committees.

Significant Operating Changes or Capital Requests: **None.**

## PERSONNEL ALLOCATION

| Classification   | City Clerk  | Committees  | Planning    | Building    | Total FTE   |
|------------------|-------------|-------------|-------------|-------------|-------------|
| City Clerk       | 0.75        | 0.02        | 0.13        | 0.10        | 1.00        |
| <b>Total FTE</b> | <b>0.75</b> | <b>0.02</b> | <b>0.13</b> | <b>0.10</b> | <b>1.00</b> |

## EXPENDITURE BUDGET

| Expenditure Category                 | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--------------------------------------|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                            | 230,721           | 181,774           | 186,238                   | 149,239                     | 114,513                   |
| Professional Services                | 2,390             | 26,861            | 38,700                    | 9,000                       | 10,000                    |
| Operations                           | 6,121             | 16,544            | 37,000                    | 1,387                       | 28,550                    |
| Internal Allocations                 | 26,530            | 27,232            | 20,089                    | 25,449                      | 28,640                    |
| <b>Total City Clerk Expenditures</b> | <b>265,761</b>    | <b>252,410</b>    | <b>282,027</b>            | <b>185,075</b>              | <b>181,702</b>            |

# Finance & Administrative Services

The Finance & Administrative Services Department is responsible for administrative services of the Town – financial accounting and reporting, personnel, information systems coordination, and risk and office management. With respect to financial duties, the department collects revenues, invests funds, coordinates the preparation of the Town budget, processes payroll, compiles and issues financial reports, and pays Town bills in accordance with adopted fiscal policies and internal controls. Personnel duties include recruitment, examination and selection of employees; maintenance of employee personnel records; and administration of employee benefits. The Department manages service contracts for the Town’s information technology support and building facility support requirements. The authorized classifications for this department are the Administrative Services Director, Finance Manager and Office Specialist.

Significant Operating Changes or Capital Requests: **The basis for allocation of personnel costs has been modified to reflect current demand on staff resources. This results in lower personnel costs for Finance & Administrative Services.**

## PERSONNEL ALLOCATION

| Classification                    | Finance & Admin | Planning    | Building    | P&R Admin   | Town Center | Total FTE   |
|-----------------------------------|-----------------|-------------|-------------|-------------|-------------|-------------|
| Finance & Admin Services Director | 0.75            | 0.10        | 0.10        |             | 0.05        | <b>1.00</b> |
| Finance Manager                   | 0.30            | 0.15        | 0.20        | 0.05        | 0.30        | <b>1.00</b> |
| Office Specialist                 | 0.30            | 0.15        | 0.25        |             | 0.30        | <b>1.00</b> |
| <b>Total FTE</b>                  | <b>1.35</b>     | <b>0.40</b> | <b>0.55</b> | <b>0.05</b> | <b>0.65</b> | <b>3.00</b> |

## EXPENDITURE BUDGET

| Expenditure Category              | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|-----------------------------------|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                         | 333,614           | 247,771           | 296,112                   | 285,792                     | 209,221                   |
| Contractual Services              | 62,416            | 54,811            | 48,181                    | 36,284                      | 30,000                    |
| Professional Services             | 64,583            | 49,475            | 55,781                    | 55,000                      | 57,750                    |
| Operations                        | 25,481            | 39,640            | 43,000                    | 39,488                      | 41,800                    |
| Internal Allocations              | 34,489            | 35,401            | 26,116                    | 45,809                      | 51,551                    |
| <b>Total Finance Expenditures</b> | <b>520,582</b>    | <b>427,098</b>    | <b>469,190</b>            | <b>462,373</b>              | <b>390,323</b>            |

# City Attorney

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The City Attorney reports directly to the City Council and is charged with the task of advising the City Council, City Manager and other Town officials on all legal aspects of municipal operations. The City Attorney represents the Town in civil and criminal actions; prosecutes violations of Town ordinances; and drafts or reviews required legal documents, including contracts, ordinances, and resolutions. The City Attorney attends all regular and special City Council meetings. Attorney-client relationship is furnished for members of the Town Council and appointed officials in all city-related matters. Other services of the City Attorney include meeting with the City Manager and other city officials on an on-call basis and keeping the City Council, City Manager and staff advised of current laws affecting decisions and programs of the Town.

Significant Operating Changes or Capital Requests: **None**

## EXPENDITURE BUDGET

| Expenditure Category                    | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|---|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Professional Services                   | 117,317           | 118,630           | 145,149                   | 145,662                     | 125,000                   |
| <b>Total City Attorney Expenditures</b> | <b>117,317</b>    | <b>118,630</b>    | <b>145,149</b>            | <b>145,662</b>              | <b>125,000</b>            |

# Liability Insurance

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The City Clerk, in coordination with the senior management team, coordinates all liability claims incurred by the Town through a consortium (ABAG-PLAN) of bay area cities, including the Town's benchmark agencies Los Altos, Woodside, Portola Valley, Atherton, and Hillsborough. This budget provides for the premiums as well as any settlements resulting from claims against the Town.

Significant Operating Changes or Capital Requests: **None**

## EXPENDITURE BUDGET

| Expenditure Category                | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|-------------------------------------|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Operations                          | 63,804            | 87,276            | 74,000                    | 75,345                      | 97,590                    |
| <b>Total Insurance Expenditures</b> | <b>63,804</b>     | <b>87,276</b>     | <b>74,000</b>             | <b>75,345</b>               | <b>97,590</b>             |

# Community Service Agency Grants

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Various community agencies which service residents of the Town and surrounding area petition the City Council for contributions in support of their activities.

Significant Operating Changes or Capital Requests: **None**

**EXPENDITURE BUDGET**

| Expenditure Category                        | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|---|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Operations                                  | 83,000            | 65,600            | 65,600                    | 65,600                      | 65,600                    |
| <b>Total Community Service Expenditures</b> | <b>83,000</b>     | <b>65,600</b>     | <b>65,600</b>             | <b>65,600</b>               | <b>65,600</b>             |

# Town Committees

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The City Council has established standing committees to assist the Council with a variety of issues. The Committees render advice and make recommendations to the City Council, Planning Commission, City Manager and other Town bodies designated by the City Council on all aspects of their particular sphere of interest. To maintain proper internal control of the disbursement of Town funds, the Town budget provided only a minimal amount of discretionary funds for each committee. For equipment purchases, consulting services, and other large ticket items, the 2012-13 budget contains a place holder of \$30,000.

Significant Operating Changes or Capital Requests: **None.**

## EXPENDITURE BUDGET

| Expenditure Category                 | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--------------------------------------|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                            | 23,075            | 32,004            | 39,909                    | 40,687                      | 42,756                    |
| Professional Services                | 802               | 2,407             | 5,000                     | 1,064                       | 2,600                     |
| Operations                           | 47,910            | 31,534            | 65,000                    | 60,415                      | 66,100                    |
| <b>Total Committees Expenditures</b> | <b>71,787</b>     | <b>65,944</b>     | <b>109,909</b>            | <b>102,166</b>              | <b>111,456</b>            |

# Public Safety

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The Town contracts with the Santa Clara County Sheriff’s Office for police protection and with the City of Palo Alto for animal control. The Sheriff is responsible for the protection of lives and property of the residents of the Town with the main objective of providing for a safe and healthy community environment. This is accomplished through the active enforcement of local and state laws, apprehending violators, and by the use of effective law enforcement procedures, programs and techniques. The City of Palo Alto administers an animal control program servicing the cities of Palo Alto, Los Altos, and the Town. As a result of the departure of the City of Mountain View and its shared service revenue, the City of Palo Alto is will be making significant structural reductions to its animal services division. Due to the uncertainty with Palo Alto Animal Services, the town may take measures to insure that animal control services continue to be provided for its constituents at a reasonable cost.

Significant Operating Changes or Capital Requests: **The 2012-13 budget below includes an additional \$35,000 to purchase supplemental law enforcement services.**

## EXPENDITURE BUDGET

| Expenditure Category                    | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|---|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Public Safety                           | 925,860           | 939,725           | 1,075,000                 | 997,000                     | 1,025,100                 |
| Animal Control                          | 59,141            | 69,289            | 62,098                    | 69,289                      | 72,753                    |
| <b>Total Public Safety Expenditures</b> | <b>985,001</b>    | <b>1,009,014</b>  | <b>1,137,098</b>          | <b>1,066,289</b>            | <b>1,097,853</b>          |

# Planning Department

The Planning Department is responsible for preparing and implementing the General Plan, zoning and subdivision ordinances, processing applications, conditional use permits, site plan reviews, home occupation permit, administrative permits and other applications. The Department supports the activities of the Planning Commission.

Significant Operating Changes or Capital Requests: **None.**

## PERSONNEL ALLOCATION

| Classification                   | Planning    | Building    | P&R Admin   | Barn Boarding | Town Center | Total FTE   |
|----------------------------------|-------------|-------------|-------------|---------------|-------------|-------------|
| Planning Director                | 0.50        | 0.40        | 0.05        | 0.05          |             | 1.00        |
| Associate Planner                | 0.75        | 0.25        |             |               |             | 1.00        |
| Assistant Planner                | 0.80        | 0.20        |             |               |             | 1.00        |
| Community Development Specialist | 0.65        | 0.10        |             |               | 0.25        | 1.00        |
| <b>Total FTE</b>                 | <b>2.70</b> | <b>0.95</b> | <b>0.05</b> | <b>0.05</b>   | <b>0.25</b> | <b>4.00</b> |

## EXPENDITURE BUDGET

### Planning

| Expenditure Category               | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|------------------------------------|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                          | 787,147           | 616,353           | 643,230                   | 629,551                     | 635,393                   |
| Contractual Services               | 94,621            | 34,630            | -                         | 19,411                      | -                         |
| Professional Services              | 42,804            | 20,282            | 119,000                   | 34,753                      | 76,000                    |
| Operations                         | 11,325            | 7,331             | 10,000                    | 5,006                       | 8,150                     |
| Internal Allocations               | 135,397           | 140,108           | 108,872                   | 162,008                     | 181,845                   |
| <b>Total Planning Expenditures</b> | <b>1,071,294</b>  | <b>818,705</b>    | <b>881,102</b>            | <b>850,728</b>              | <b>901,388</b>            |

### Planning Commission

| Expenditure Category                          | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|---|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                                     | 6,541             | 10,560            | 6,000                     | 6,708                       | 6,708                     |
| Professional Services                         | 1,404             | 330               | -                         | -                           | -                         |
| Operations                                    | 342               | 1,214             | 2,500                     | 3,411                       | 3,900                     |
| <b>Total Planning Commission Expenditures</b> | <b>8,287</b>      | <b>12,105</b>     | <b>8,500</b>              | <b>10,119</b>               | <b>10,608</b>             |

# Building Department

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The Building Department has the responsibility of providing life-safety building and plan checking inspection and permitting, as well as quality control on building activity within the Town. The Department manages the Town's code compliance programs to maintain quality of life for Town residents.

Significant Operating Changes or Capital Requests: **The basis for allocation of personnel costs has been modified to reflect current demand on staff resources. This results in higher personnel costs for the Building Department. Refer to the appendix for the complete staffing matrix.**

## PERSONNEL ALLOCATION

| Classification      | Building    | Total FTE   |
|---------------------|-------------|-------------|
| Building Official   | 1.00        | 1.00        |
| Building Technician | 1.00        | 1.00        |
| <b>Total FTE</b>    | <b>2.00</b> | <b>2.00</b> |

## EXPENDITURE BUDGET

| Expenditure Category               | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|------------------------------------|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                          | 430,937           | 338,136           | 380,280                   | 377,146                     | 568,331                   |
| Contractual Services               | 62,575            | 124,325           | 100,000                   | 109,314                     | 105,000                   |
| Professional Services              | 7,089             | 15,088            | 12,256                    | 8,478                       | 9,000                     |
| Operations                         | 6,938             | 5,483             | 3,644                     | 3,107                       | 4,250                     |
| Internal Allocations               | 88,970            | 92,453            | 73,715                    | 143,005                     | 160,461                   |
| <b>Total Building Expenditures</b> | <b>596,509</b>    | <b>575,484</b>    | <b>569,895</b>            | <b>641,050</b>              | <b>847,041</b>            |

# Public Works Department

## ENGINEERING

The Engineering Division provides administrative management of the Town’s public work operations including the Capital Improvement Program. The Division develops and implements the Town’s capital projects and engineering support for inspection services for all projects within the Town.

Significant Operating Changes or Capital Requests: **None**

## PERSONNEL ALLOCATION

| Classification              | Planning    | Building    | Engineering | Storm Drain | Streets     | Pathways    | Sewer       | Corp Yard   | Total FTE   |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Works Director       | 0.15        | 0.10        | 0.25        | 0.05        | 0.10        | 0.10        | 0.15        | 0.10        | 1.00        |
| Associate / Senior Engineer | 0.25        | 0.05        | 0.20        | 0.05        | 0.10        | 0.10        | 0.20        | 0.05        | 1.00        |
| Assistant Engineer          | 0.70        | 0.05        | 0.25        |             |             |             |             |             | 1.00        |
| <b>Total FTE</b>            | <b>1.10</b> | <b>0.20</b> | <b>0.70</b> | <b>0.10</b> | <b>0.20</b> | <b>0.20</b> | <b>0.35</b> | <b>0.15</b> | <b>3.00</b> |

## EXPENDITURE BUDGET

| Expenditure Category                  | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|---------------------------------------|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                             | 198,445           | 150,154           | 158,600                   | 165,957                     | 118,827                   |
| Contractual Services                  | 76,580            | 63,064            | 21,737                    | 21,258                      | 20,500                    |
| Professional Services                 | 36,933            | 27,724            | 10,992                    | 35,077                      | 35,250                    |
| Operations                            | 3,856             | 4,065             | 240,447                   | 9,430                       | 22,555                    |
| Internal Allocations                  | 33,809            | 35,539            | 30,291                    | 29,332                      | 32,537                    |
| <b>Total Engineering Expenditures</b> | <b>349,623</b>    | <b>280,545</b>    | <b>462,067</b>            | <b>261,053</b>              | <b>229,669</b>            |

## MAINTENANCE

The Public Works Maintenance Division supports the Town’s efforts to preserve its streets, pathways, storm drains, vehicles and sewer infrastructure. In 2011-12, The Town completed a major renovation of the Corporation Yard.

Significant Operating Changes or Capital Requests: **None**

### PERSONNEL ALLOCATION

| Classification             | Planning    | Storm Drain | Streets     | Pathways    | Sewer       | Town Center | Corp Yard   | Fleet       | Total FTE   |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Maintenance Superintendent | 0.01        | 0.35        | 0.19        | 0.35        | 0.02        | 0.02        | 0.02        | 0.04        | 1.00        |
| Maintenance Worker II      | 0.01        | 0.35        | 0.19        | 0.35        | 0.02        | 0.02        | 0.02        | 0.04        | 1.00        |
| Maintenance Worker I       | 0.01        | 0.35        | 0.19        | 0.35        | 0.02        | 0.02        | 0.02        | 0.04        | 1.00        |
| <b>Total FTE</b>           | <b>0.03</b> | <b>1.05</b> | <b>0.57</b> | <b>1.05</b> | <b>0.06</b> | <b>0.06</b> | <b>0.06</b> | <b>0.12</b> | <b>3.00</b> |

# Parks & Recreation Programs

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The department develops, implements, and evaluates recreational programs and activities for children and adults and coordinates and supervises recreational uses of the Playing Fields, Town Riding Ring and Westwind Barn.

Significant Operating Changes or Capital Requests: **None**

PERSONNEL ALLOCATION

| Classification                | Committees  | P&R Admin   | Total FTE   |
|-------------------------------|-------------|-------------|-------------|
| Community Service Coordinator | 0.40        | 0.60        | <b>0.40</b> |
| <b>Total FTE</b>              | <b>0.40</b> | <b>0.60</b> | <b>0.40</b> |

## EXPENDITURE BUDGET

### P&R Admin

| Expenditure Category                    | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|---|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                               | 147,898           | 92,029            | 78,955                    | 65,078                      | 81,536                    |
| Contractual Services                    | -                 | 450               | 1,000                     | -                           | -                         |
| Professional Services                   | 685               | 350               | 1,000                     | 2,500                       | 2,500                     |
| Operations                              | 22,375            | 19,260            | 26,000                    | 27,489                      | 27,800                    |
| Internal Allocations                    | 21,224            | 21,785            | 16,071                    | 51,170                      | 53,151                    |
| <b>Total P&amp;R Admin Expenditures</b> | <b>192,182</b>    | <b>133,874</b>    | <b>123,026</b>            | <b>146,237</b>              | <b>164,987</b>            |

### Equestrian Programs

| Expenditure Category                 | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--------------------------------------|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Contractual Services                 | 64,183            | 66,604            | 75,000                    | 78,991                      | 80,000                    |
| Operations                           | 831               | 534               | 1,000                     | 500                         | 1,000                     |
| <b>Total Equestrian Expenditures</b> | <b>65,014</b>     | <b>67,138</b>     | <b>76,000</b>             | <b>79,491</b>               | <b>81,000</b>             |

### P&R Fee Programs

| Expenditure Category                           | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Contractual Services                           | 23,490            | 23,705            | 25,000                    | 27,783                      | 28,000                    |
| Operations                                     | (80)              | -                 | 1,000                     | -                           | -                         |
| Rents & Leases                                 | -                 | -                 | -                         | 500                         | 500                       |
| <b>Total P&amp;R Fee Programs Expenditures</b> | <b>23,410</b>     | <b>23,705</b>     | <b>26,000</b>             | <b>28,283</b>               | <b>28,500</b>             |

### P&R Events

| Expenditure Category                     | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Contractual Services                     | 459               | 5,352             | -                         | 300                         | 300                       |
| Operations                               | 41,152            | 53,729            | 55,000                    | 59,500                      | 59,500                    |
| <b>Total P&amp;R Events Expenditures</b> | <b>41,612</b>     | <b>59,081</b>     | <b>55,000</b>             | <b>59,800</b>               | <b>59,800</b>             |

# Parks & Recreation Facilities

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The department manages the Town’s primary recreational facilities including: Purissima Park and Westwind Community Barn.

The Town’s baseball fields at Purissima Park are available for department organized adult and youth programs and for activities sponsored by the Los Altos Little League. The Town has a cost-sharing agreement with the Los Altos Little League to offset field maintenance costs. Also at Purissima Park is the Town’s riding ring which is available for adult and youth programs organized by the Parks and Recreation Department and for activities sponsored by the Los Altos Hills Horsemen’s Association (LAHHA).

Westwind Community Barn serves as the Town’s primary equestrian facility and hosts a series of community events and programs through the year. The site serves as the instructional venue for adult and youth programs organized by the department. Westwind Community Barn also hosts non-profit organizations such as the therapeutic riding program offered by 4-H/Westwind Riding Institute and the Pacific Ridge Pony Club. To help keep the site a vibrant facility, private boarding is available onsite.

**Significant Operating Changes or Capital Requests: The 2012-13 budget below defers the recruitment of the Parks & Recreation Facility Aide position. The budget for contractual services at Westwind Barn has been increased to reflect current needs, however, staff will be reviewing current operations to insure maximum efficiency. Rents at Westwind Barn were last increased in December 2010. Staff will be evaluating options for increasing revenue.**

## PERSONNEL ALLOCATION

| Classification                   | Barn Boarding | Barn Facility | Total FTE   |
|----------------------------------|---------------|---------------|-------------|
| Barn Manager                     | 1.00          |               | 1.00        |
| Park & Recreation Facility Aide* | 0.50          | 0.50          | 1.00        |
| <b>Total FTE</b>                 | <b>1.50</b>   | <b>0.50</b>   | <b>2.00</b> |

*\*Recruitment deferred*

## EXPENDITURE BUDGET

### Playing Fields

| Expenditure Category                             | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel  | 21,787            | 9,849             | 4,136                     | -                           | -                         |
| Contractual Services                             | 29,277            | 35,972            | 35,000                    | 44,003                      | 45,500                    |
| Operations                                       | 16,417            | 20,046            | 26,573                    | 24,784                      | 26,987                    |
| <b>Total P&amp;R Playing Fields Expenditures</b> | <b>67,481</b>     | <b>65,866</b>     | <b>65,709</b>             | <b>68,787</b>               | <b>72,487</b>             |

### Town Riding Ring

| Expenditure Category                       | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Contractual Services                       | 699               | -                 | -                         | -                           | -                         |
| Professional Services                      | -                 | 188               | -                         | 281                         | -                         |
| Operations                                 | 2,216             | -                 | 5,000                     | 3,755                       | 5,000                     |
| <b>Total Town Riding Ring Expenditures</b> | <b>2,915</b>      | <b>188</b>        | <b>5,000</b>              | <b>4,036</b>                | <b>5,000</b>              |

### P&R Westwind Boarding Operations

| Expenditure Category                        | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|---|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                                   | 77,878            | 86,718            | 114,670                   | 81,820                      | 109,923                   |
| Contractual Services                        | 79,964            | 81,914            | 34,500                    | 126,028                     | 81,600                    |
| Professional Services                       | 180               | 339               | 500                       | 90                          | 500                       |
| Operations                                  | 45,264            | 65,394            | 58,760                    | 83,512                      | 85,204                    |
| <b>Total Westwind Barn Ops Expenditures</b> | <b>203,286</b>    | <b>234,366</b>    | <b>208,430</b>            | <b>291,451</b>              | <b>277,227</b>            |

### P&R Westwind Barn Facility

| Expenditure Category                             | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel  | 6,260             | 60,083            | 29,164                    | -                           | -                         |
| Contractual Services                             | 12,602            | 8,818             | 25,000                    | 11,625                      | 13,500                    |
| Operations                                       | 7,075             | 12,010            | 16,000                    | 21,620                      | 22,300                    |
| Rents & Leases                                   | -                 | -                 | -                         | 733                         | 1,000                     |
| Internal Allocations                             | -                 | 32,678            | 15,000                    | -                           | -                         |
| <b>Total Westwind Barn Facility Expenditures</b> | <b>25,937</b>     | <b>113,589</b>    | <b>85,164</b>             | <b>33,978</b>               | <b>36,800</b>             |

# Special Revenue and Enterprise Funds

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# Storm Drains

The Town maintains a program of controlling storm water to prevent erosion and control water flow into sewer systems. These maintenance efforts are supported, in part, by storm drain fees collected in connection with development applications.

Drainage fees, in accordance with Municipal Code Section 3-3.403, may be used solely for the construction, or reimbursement of construction, of local drainage facilities within the Town, or to reimburse the Town for the cost of engineering and administrative services related to the Master Plan for Storm Water Drainage and the design and construction of the facilities. Drainage fees are calculated at \$.60 per square foot of development within the public right-of-way or easements and, for development area added, \$.85 per square foot for impermeable structures and \$.60 per square foot for semi-permeable structures.

Significant Operating Changes or Capital Requests: **The budget includes \$140,000 for the annual storm drain improvement program and \$125,000 for the O’Keefe Drainage Project.**

## REVENUES BUDGET

| Revenue Category                  | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|-----------------------------------|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Charges for services              | 98,667            | 131,001           | 96,461                    | 97,000                      | 98,940                    |
| <b>Total Storm Drain Revenues</b> | <b>98,667</b>     | <b>131,001</b>    | <b>96,461</b>             | <b>97,000</b>               | <b>98,940</b>             |

## EXPENDITURES BUDGET

| Expenditure Category                             | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel  | 183,123           | 126,914           | 128,243                   | 126,676                     | 131,795                   |
| Contractual Services                             | 20,168            | 3,395             | 38,138                    | 2,500                       | 5,000                     |
| Professional Services                            | 1,900             | 25,788            | 23,409                    | 8,000                       | 8,000                     |
| Operations                                       | 31,190            | 40,484            | 29,459                    | 28,750                      | 29,750                    |
| Rents & Leases                                   | -                 | 1,843             | 2,000                     | 1,000                       | 1,000                     |
| Internal Allocations                             | 68,063            | 99,524            | 65,449                    | 59,160                      | 63,464                    |
| <b>Total Storm Drain Operations Expenditures</b> | <b>304,443</b>    | <b>297,948</b>    | <b>286,698</b>            | <b>226,086</b>              | <b>239,009</b>            |

### Storm Drain Capital

|                                       |                |                |                |                |                |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Capital Program                       | -              | 88,054         | 340,000        | 138,578        | 265,000        |
| <b>Total Storm Drain Expenditures</b> | <b>304,443</b> | <b>386,002</b> | <b>626,698</b> | <b>364,664</b> | <b>504,009</b> |

# Pathways and Open Space

The Town's pathway system was designed to provide safe and convenient non-vehicular travel throughout the community which unites neighborhoods through a series of connecting paths. The Pathways and Open Space budget is used to account for routine maintenance and capital improvements of the Town's pathway system.

Pathway revenue originates primarily from the Pathways In-Lieu Fee which, in accordance with Municipal Code Section 10-2.608, assesses a fee for a site development permit on a lot where no path is needed. Funds received from this fee may be used exclusively for the maintenance, repair, construction and acquisition of property for the Town's pathway system. The pathway in-lieu fee is calculated at \$47 per lineal foot of the average width of the property or \$5,220, whichever is greater, for each lot without a path.

Significant Operating Changes or Capital Requests: **The capital budget includes \$1,100,000 for the Fremont Bike Lane project as well as \$800,000 in grant funds from the Valley Transportation Authority. An additional \$100,000 has been earmarked for general pathway improvement projects.**

## REVENUES BUDGET

| Revenue Category               | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--------------------------------|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Use of Money & Property        | 6,434             | 3,281             | -                         | -                           | -                         |
| Charges for services           | 154,066           | 177,904           | 135,992                   | 175,000                     | 178,500                   |
| Miscellaneous                  | 206,153           | 97,573            | 78,473                    | 71,473                      | -                         |
| <b>Total Pathways Revenues</b> | <b>366,653</b>    | <b>278,758</b>    | <b>214,465</b>            | <b>246,473</b>              | <b>178,500</b>            |

## EXPENDITURES BUDGET

### Pathways Operations

| Expenditure Category                          | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|---|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                                     | 208,977           | 146,615           | 148,973                   | 145,940                     | 150,103                   |
| Contractual Services                          | 32,871            | 53,871            | 80,430                    | 39,000                      | 26,000                    |
| Professional Services                         | 24,389            | 6,345             | 8,764                     | 19,000                      | 19,000                    |
| Operations                                    | 3,625             | 43,171            | 46,262                    | 34,400                      | 24,400                    |
| Internal Allocations                          | 72,545            | 112,529           | 74,958                    | 79,902                      | 83,928                    |
| <b>Total Pathways Operations Expenditures</b> | <b>342,407</b>    | <b>362,531</b>    | <b>359,387</b>            | <b>318,243</b>              | <b>303,432</b>            |

### Pathways Capital

|                                    |                |                |                  |                |                  |
|------------------------------------|----------------|----------------|------------------|----------------|------------------|
| Capital Program                    | 181,774        | 280,251        | 890,000          | 165,000        | 1,200,000        |
| <b>Total Pathways Expenditures</b> | <b>524,181</b> | <b>642,782</b> | <b>1,249,387</b> | <b>483,243</b> | <b>1,503,432</b> |

# Streets

The Street Division activities include maintenance and repair of Town streets and right-of-ways, and the installation, repair and maintenance of street signs and markings. The Division maintains approximately 57 miles of paved roadway.

Revenue sources for street programs are from State of California Gas Taxes and developer fees.

Significant Operating Changes or Capital Requests: **The 2012-13 capital improvement program includes \$500,000 for preventative repairs to Elena Road and \$390,000 for the annual program.**

## REVENUES BUDGET

| Revenue Category                 | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|----------------------------------|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| 017-43 - Permits & Licenses      | 106,624           | 40,680            | 59,461                    | 42,000                      | 40,000                    |
| 017-44 - Use of Money & Property | 6,528             | 459               | 5,000                     | 250                         | 250                       |
| 017-45 - Intergovernmental       | 247,981           | 217,586           | 246,838                   | 143,202                     | 146,026                   |
| 046-45 - Intergovernmental       | -                 | -                 | -                         | 95,350                      | 98,148                    |
| 017-46 - Charge for Services     | 231,069           | 30,003            | 50,000                    | 500                         | 500                       |
| 018-46 - Charge for Services     | 272,772           | 417,637           | 317,304                   | -                           | -                         |
| 046-46 - Charge for Services     | 323,300           | 53,100            | -                         | 56,000                      | 57,120                    |
| <b>Total Streets Revenues</b>    | <b>1,188,274</b>  | <b>759,465</b>    | <b>678,603</b>            | <b>337,302</b>              | <b>342,044</b>            |

## EXPENDITURES BUDGET

### Street Operations

| Expenditure Category                         | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                                    | 114,959           | 81,810            | 83,194                    | 81,444                      | 98,224                    |
| Contractual Services                         | 52,162            | 184,402           | 150,000                   | 111,500                     | 99,000                    |
| Professional Services                        | 26,836            | 45,411            | 27,000                    | 30,000                      | 25,000                    |
| Operations                                   | 37,023            | 55,419            | 37,000                    | 43,500                      | 33,500                    |
| Internal Allocations                         | 90,186            | 91,288            | 65,208                    | 92,733                      | 93,084                    |
| <b>Total Streets Operations Expenditures</b> | <b>321,166</b>    | <b>458,330</b>    | <b>362,402</b>            | <b>359,178</b>              | <b>348,808</b>            |

### Streets Capital

|                                    |                  |                  |                  |                  |                  |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Capital Program                    | 1,150,614        | 1,558,315        | 900,000          | 880,313          | 890,000          |
| <b>Total Pathways Expenditures</b> | <b>1,471,780</b> | <b>2,016,645</b> | <b>1,262,402</b> | <b>1,239,491</b> | <b>1,238,808</b> |

# Public Safety Grant Funds

The Public Safety Grant Funds, a \$100,000 grant from the State of California titled COPS, is special funding source that has funding for a Public Safety Officer who is charged with both code enforcement and emergency preparedness duties. In addition, the funding has been used for emergency communications supplies and equipment.

Significant Operating Changes or Capital Requests: **None**

## PERSONNEL SUMMARY

| Classification        | Planning    | Building    | COPS        | Total FTE   |
|-----------------------|-------------|-------------|-------------|-------------|
| Public Safety Officer | 0.20        | 0.20        | 0.60        | 1.00        |
| <b>Total FTE</b>      | <b>0.20</b> | <b>0.20</b> | <b>0.60</b> | <b>1.00</b> |

## REVENUES BUDGET

| Revenue Category           | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|----------------------------|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Use of Money & Property    | 333               | 457               | -                         | 100                         | 100                       |
| Intergovernmental          | 100,371           | 100,000           | -                         | 100,000                     | 100,000                   |
| Charges for services       | -                 | 1,005             | -                         | -                           | -                         |
| <b>Total COPS Revenues</b> | <b>100,704</b>    | <b>101,462</b>    | <b>-</b>                  | <b>100,100</b>              | <b>100,100</b>            |

## EXPENDITURES BUDGET

| Expenditure Category           | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--------------------------------|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                      | 74,318            | 50,566            | 45,118                    | 53,199                      | 57,523                    |
| Contractual Services           | 22,335            | 19,281            | 28,000                    | 19,850                      | 20,000                    |
| Professional Services          | 810               | 33,186            | -                         | -                           | -                         |
| Operations                     | 9,893             | 8,190             | 24,000                    | 7,802                       | 18,750                    |
| <b>Total COPS Expenditures</b> | <b>107,357</b>    | <b>111,222</b>    | <b>97,118</b>             | <b>80,851</b>               | <b>96,273</b>             |

# Sewer Fund

The Town contracts with the Regional Water Quality Control Plant (RQCP) in Palo Alto and the City of Los Altos for sewer treatment and conveyance. The bulk of routine maintenance and capital improvements are provided through contract agreements. Sewer operations are funded by a sewer service charge of \$733 assessed to properties that are connected to the system. The annual charge has not increased since 2007-08.

The Town's sewer operations provide sanitary sewer service to approximately half of the parcels in the Town's boundaries. When a property connects to the Town's sewer main, a connection fee is charges to pay for necessary future sewer system capital improvements and capacity. All new connections also result in an increase to sewer assessment revenues.

**Significant Operating Changes or Capital Requests: The sewer budget reflects significant increases in the cost of contractual services that the Town receives from the City of Los Altos and City of Palo Alto. Working with members of the FIC, Town staff will work with our service providers to better understand the basis of these increases and their implication for future years.**

## REVENUES BUDGET

| Revenue Category                               | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Charges for services                           | 1,297,215         | 1,382,814         | \$ 1,450,368              | \$ 1,364,188                | \$ 1,361,523              |
| Interest Income                                | 102,876           | 29,585            | 24,876                    | 23,565                      | 27,508                    |
| Contribution from (refunds to) property owners | 129,450           | (1,784,444)       | -                         | -                           | -                         |
| Connection Fees                                | 142,955           | 298,113           | 159,000                   | 153,567                     | 159,000                   |
| Other income                                   | 38,465            | 2,321             | -                         | 1,375                       | -                         |
| General Services                               | -                 | 20,995            | -                         | -                           | -                         |
| <b>Total Sewer Revenues</b>                    | <b>1,710,961</b>  | <b>(50,617)</b>   | <b>1,634,244</b>          | <b>1,542,695</b>            | <b>1,548,031</b>          |

## EXPENSES BUDGET

| Expense Category                       | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Adopted Budget | 2011-12<br>Estimated Actual | 2012-13<br>Adopted Budget |
|--|-------------------|-------------------|---------------------------|-----------------------------|---------------------------|
| Personnel                              | 82,967            | 77,977            | 81,624                    | 74,324                      | 67,782                    |
| Contractual Services                   | 657,117           | 758,354           | 749,824                   | 859,706                     | 1,078,309                 |
| Operations                             | 109,822           | 84,268            | 153,811                   | 203,228                     | 140,205                   |
| <b>Total Sewer Operations Expenses</b> | <b>849,907</b>    | <b>920,599</b>    | <b>985,259</b>            | <b>1,137,258</b>            | <b>1,286,296</b>          |

### Sewer Capital

|                             |                  |                  |                  |                  |                  |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| Capital Program             | 1,692,384        | 448,159          | 640,000          | 235,840          | 440,000          |
| <b>Total Sewer Expenses</b> | <b>2,542,291</b> | <b>1,368,758</b> | <b>1,625,259</b> | <b>1,373,098</b> | <b>1,726,296</b> |

# Appendix

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**Los Altos Hills  
Personnel Allocations  
2012-13**

**DEPARTMENT**

| <b>Position Allocation</b>     | <b>City Manager</b> | <b>City Clerk</b> | <b>Admin Services</b> | <b>Committees</b> | <b>Planning</b> | <b>Building</b> | <b>Engineer Admin</b> | <b>Storm Drain</b> | <b>P &amp; R Admin</b> | <b>Barn Boarding</b> | <b>Barn Facility</b> | <b>Streets</b> | <b>Pathways</b> | <b>COPS</b> | <b>Sewer</b> | <b>Town Center</b> | <b>Corp Yard</b> | <b>Fleet</b> | <b>TOTAL</b> |
|--------------------------------|---------------------|-------------------|-----------------------|-------------------|-----------------|-----------------|-----------------------|--------------------|------------------------|----------------------|----------------------|----------------|-----------------|-------------|--------------|--------------------|------------------|--------------|--------------|
| <b>City Manager</b>            | 0.90                |                   |                       |                   | 0.05            | 0.05            |                       |                    |                        |                      |                      |                |                 |             |              |                    |                  |              | <b>1.00</b>  |
| City Clerk                     |                     | 0.75              |                       | 0.02              | 0.13            | 0.10            |                       |                    |                        |                      |                      |                |                 |             |              |                    |                  |              | <b>1.00</b>  |
| Public Safety Officer          |                     |                   |                       |                   | 0.20            | 0.20            |                       |                    |                        |                      |                      |                |                 | 0.60        |              |                    |                  |              | <b>1.00</b>  |
| <b>Admin Services Director</b> |                     |                   | 0.75                  |                   | 0.10            | 0.10            |                       |                    |                        |                      |                      |                |                 |             |              | 0.05               |                  |              | <b>1.00</b>  |
| Finance Manager                |                     |                   | 0.30                  |                   | 0.15            | 0.20            |                       |                    | 0.05                   |                      |                      |                |                 |             |              | 0.30               |                  |              | <b>1.00</b>  |
| Office Specialist              |                     |                   | 0.30                  |                   | 0.15            | 0.25            |                       |                    |                        |                      |                      |                |                 |             |              | 0.30               |                  |              | <b>1.00</b>  |
| <b>PW Dir/City Engineer</b>    |                     |                   |                       |                   | 0.15            | 0.10            | 0.25                  | 0.05               |                        |                      |                      | 0.10           | 0.10            |             | 0.15         |                    | 0.10             |              | <b>1.00</b>  |
| Assistant Engineer             |                     |                   |                       |                   | 0.70            | 0.05            | 0.25                  |                    |                        |                      |                      |                |                 |             |              |                    |                  |              | <b>1.00</b>  |
| Associate/Senior Engineer      |                     |                   |                       |                   | 0.25            | 0.05            | 0.20                  | 0.05               |                        |                      |                      | 0.10           | 0.10            |             | 0.20         |                    | 0.05             |              | <b>1.00</b>  |
| Maint Superintendent           |                     |                   |                       |                   | 0.01            |                 |                       | 0.35               |                        |                      |                      | 0.19           | 0.35            |             | 0.02         | 0.02               | 0.02             | 0.04         | <b>1.00</b>  |
| Maint Wrk II                   |                     |                   |                       |                   | 0.01            |                 |                       | 0.35               |                        |                      |                      | 0.19           | 0.35            |             | 0.02         | 0.02               | 0.02             | 0.04         | <b>1.00</b>  |
| Maint Wrk I                    |                     |                   |                       |                   | 0.01            |                 |                       | 0.35               |                        |                      |                      | 0.19           | 0.35            |             | 0.02         | 0.02               | 0.02             | 0.04         | <b>1.00</b>  |
| <b>Planning Director</b>       |                     |                   |                       |                   | 0.50            | 0.40            |                       |                    | 0.05                   | 0.05                 |                      |                |                 |             |              |                    |                  |              | <b>1.00</b>  |
| Associate Planner              |                     |                   |                       |                   | 0.75            | 0.25            |                       |                    |                        |                      |                      |                |                 |             |              |                    |                  |              | <b>1.00</b>  |
| Assistant Planner              |                     |                   |                       |                   | 0.80            | 0.20            |                       |                    |                        |                      |                      |                |                 |             |              |                    |                  |              | <b>1.00</b>  |
| ComDevel Specialist            |                     |                   |                       |                   | 0.65            | 0.10            |                       |                    |                        |                      |                      |                |                 |             |              | 0.25               |                  |              | <b>1.00</b>  |
| Building Official              |                     |                   |                       |                   |                 | 1.00            |                       |                    |                        |                      |                      |                |                 |             |              |                    |                  |              | <b>1.00</b>  |
| Bulding Tech                   |                     |                   |                       |                   | 0.00            | 1.00            |                       |                    |                        |                      |                      |                |                 |             |              |                    |                  |              | <b>1.00</b>  |
| Community Serv Coord.          |                     |                   |                       | 0.40              |                 |                 |                       |                    | 0.60                   |                      |                      |                |                 |             |              |                    |                  |              | <b>1.00</b>  |
| Barn Manager                   |                     |                   |                       |                   |                 |                 |                       |                    |                        | 1.00                 |                      |                |                 |             |              |                    |                  |              | <b>1.00</b>  |
| Parks & Rec Facility Aide      |                     |                   |                       |                   |                 |                 |                       |                    |                        | 0.50                 | 0.50                 |                |                 |             |              |                    |                  |              | <b>1.00</b>  |
| <b>TOTAL FTE</b>               | <b>0.90</b>         | <b>0.75</b>       | <b>1.35</b>           | <b>0.42</b>       | <b>4.61</b>     | <b>4.05</b>     | <b>0.70</b>           | <b>1.15</b>        | <b>0.70</b>            | <b>1.55</b>          | <b>0.50</b>          | <b>0.77</b>    | <b>1.25</b>     | <b>0.60</b> | <b>0.41</b>  | <b>0.96</b>        | <b>0.21</b>      | <b>0.12</b>  | <b>21.00</b> |