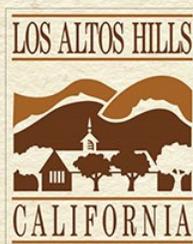




# 2017-18 OPERATING & CAPITAL BUDGET AND FIVE-YEAR CAPITAL PLAN



L O S A L T O S H I L L S ★ C A L I F O R N I A



## ACKNOWLEDGEMENTS

**COVER DESIGN:**

Alexander Atkins

**BUDGET BOOK PREPARATION:**

Pak Lin (Administration Services Director) Karen Huang (Finance Manager)

Frances Reed (Management Analyst)

**Budget Cover Pictures:**

Town Crier Banner			
Document Title Banner			
Oak Tree			
City Council Members	Town Hall	Maintenance Crew	Town Hall - Town Staff

# City Council Adopted Budget

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2017-18 Operating and Capital  
and  
2017-2022 Five-Year Capital Improvement Plan

Town of Los Altos Hills  
26379 Fremont Road  
Los Altos Hills, CA 94022

**RESOLUTION 34-17**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN  
OF LOS ALTOS HILLS ADOPTING THE FISCAL YEAR  
2017-18 APPROPRIATION LIMIT, AND  
2017-18 APPROPRIATIONS AND INTER-FUND TRANSFERS**

**WHEREAS**, the City Council of the Town of Los Altos Hills has received and completed its review of the proposed 2017-18 Operating and Capital Budget; and

**WHEREAS**, the City Council of the Town of Los Altos Hills now desires to adopt the Appropriations Limit, Appropriations and Inter-fund Transfers for fiscal year 2016-17.

**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 2017-18 of \$6,771,228 as set forth in Exhibit 1A: GANN Appropriation Limit Calculation.
2. The City Council does hereby approve and adopt the Town's budget of \$17,967,520 for fiscal year 2017-18 consisting of appropriations and inter-fund transfers as set forth in Exhibit 1B of the Fiscal Year 2017-18 Operating and Capital Budget.
3. The amount of the 2017-18 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 Section 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 GANN Appropriation Limit Calculation section. 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 attended 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 2017-18 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 15<sup>th</sup> day of June 2017 by the following vote:

AYES: Waldeck, Radford, Corrigan, Spreen, Wu  
NOES: None  
ABSTAIN: None  
ABSENT: None

BY:   
Gary Waldeck, Mayor

ATTEST:

  
Deborah Padovan, City Clerk

Town of Los Altos Hills  
 Appropriations Limit Calculation for Fiscal Year 2017-18

Exhibit 1A

**A. Calculation of 2016-17 Appropriations Limit**

Prior Year Appropriation Limit		\$	6,477,791
Annual Change Factors			
Cost of living adjustment factors			
California per capita personal income (CPCPI)	1.0369		
Population adjustment factors			
Town of Los Altos Hills (LAH)	1.0059		
County of Santa Clara (SCC)	1.0081		
Authorized Adjustment Factor			
CPCPI X LAH Population change	1.0453		
<b>2016-17 Appropriation Limit as adjusted</b>			
Prior year limit x Authorized Adjustment Factor		\$	6,771,228

**B. 2016-17 Estimated Tax Proceeds Subject to Appropriations Limit**

<u>Property taxes</u>			
Current secured and unsecured	\$	4,312,000	
In-lieu of vehicle license fees & triple flip		1,045,800	
Supplemental taxes		139,900	
Homeowner's property tax exemption		19,500	
Subtotal all property taxes	\$	5,517,200	
<u>Other Taxes</u>			
General sales tax	\$	75,600	
Property transfer taxes		225,100	
Business tax		211,000	
Public safety sales tax		50,900	
Subtotal all other taxes	\$	562,600	
<b>Total estimated tax proceeds subject to appropriations limit</b>			\$ 6,079,800

**C. 2016-17 Appropriations Subject to Limit**

Appropriations supported by tax proceeds (net of user fees and reimbursements)			
Administration	\$	1,893,447	
Committees and Grants		253,494	
Public Safety		1,369,891	
Planning, Building, Engineering		2,088,191	
Parks & Recreation		526,140	
<b>Total appropriations subject to limit</b>			\$ 6,131,163

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

Appropriations limit as adjusted	\$	6,771,228	
Total appropriations subject to limit		6,131,163	
<b>Appropriations Over (Under) Appropriations Limit</b>			\$ (640,065)
			-9%

**Town of Los Altos Hills  
Town-wide Fund Summary**

**Exhibit 1B**

Fund No	Fund Title	Projected	2017/18 Proposed Budget			Estimated
		Fund Balance @ 7/1/2017	Revenue	Expenditure	Transfers In/Out	Fund Balance @ 6/30/2018
011	General Fund					
3210	Operating Contingency	350,000				350,000
3204	Disaster Contingency	1,250,000				1,250,000
3203	Pension Reserve	570,000			1,000,000	1,570,000
3205	IT Reserve	20,000			5,000	25,000
3206	Private/Public Road	200,000				200,000
3207	Risk Management Reserve	80,000				80,000
	Unassigned Fund Balance	9,543,125	11,695,074	(9,074,866)	(2,915,544)	9,247,789
	<b>Subtotal</b>	<b>12,013,125</b>	<b>11,695,074</b>	<b>(9,074,866)</b>	<b>(1,910,544)</b>	<b>12,722,789</b>
<b>Special Revenue Funds</b>						
012	Storm Drain Operation	-	-	-	-	-
013	Pathways Operation	-	-	-	-	-
016	Parks & Rec in-Lieu	68,590	50,000	-	(117,167)	1,423
017	Street Fund	-	-	-	-	-
021	COPS Fund	(0)	100,000	(433,292)	333,292	(0)
071	Special Donation	21,132	-	-	-	21,132
	<b>Subtotal</b>	<b>89,722</b>	<b>150,000</b>	<b>(433,292)</b>	<b>216,125</b>	<b>22,555</b>
<b>Debt Service Funds</b>						
033	CA Energy Commission Loan	-	-	-	-	-
034	CA Energy Loan 003-09-ECD	-	-	-	-	-
	<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Funds</b>						
041	General CIP	100,751	-	(144,567)	144,567	100,751
042	Pathways CIP	243,380	181,787	(90,000)	-	335,167
043	Westwind Barn CIP	102,707	46,611	(140,000)	-	9,318
045	Drainage CIP	510,363	152,807	-	(60,200)	602,970
046	Street CIP	65,682	289,948	(1,900,000)	1,610,052	65,682
	<b>Subtotal</b>	<b>1,022,883</b>	<b>671,154</b>	<b>(2,274,567)</b>	<b>1,694,419</b>	<b>1,113,888</b>
<b>Sewer Funds</b>						
048	Sewer CIP	-	-	(900,000)	900,000	-
051	Sewer Ops - Exclu Depr.	1,095,731	3,131,303	(2,296,884)	(900,000)	1,030,150
	<b>Subtotal</b>	<b>1,095,731</b>	<b>3,131,303</b>	<b>(3,196,884)</b>	<b>-</b>	<b>1,030,150</b>
<b>Total Town-Wide</b>		<b>14,221,461</b>	<b>15,647,530</b>	<b>(14,979,609)</b>	<b>-</b>	<b>14,889,382</b>

## **2017-18 GANN Annual Appropriation Limit**

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Appropriations Limitation, imposed by Propositions 4 and 111, establishes a formula to restrict the amount of revenues that can be appropriated in any fiscal year. The Limit is based on actual appropriations for base fiscal year 1978-79 and is increased annually using the growth in population and a price adjustment index within the Town during the year.

Revenues that are restricted to the limitation are those which are referred to as “proceeds of taxes,” such as property tax and business license tax.

The Town must adopt an appropriation limit for each fiscal year. Beginning with the fiscal year 1990-1991, the law provides the local agency an option to calculate the adjustment factors by the following:

Price Factor:                Either the percentage change in the California Per Capita Income or the percentage change in the local assessment roll from the preceding year due to the addition of local non-residential construction.

Population Factor:        Either the Town’s own population growth or the population growth of the entire County.

In 1980, the State Legislature added Division 9 to Title I of the Government Code to implement Article XIII B. This legislation required the governing body of each local jurisdiction in California to establish a tax appropriations limit on or before June 30 of each year for the following fiscal year, pursuant to which the Town of Los Altos Hills has been establishing this limit.

Annual changes in the price factor adjustment or population factor do not affect the Town’s compliance with the Gann Tax Appropriations Limit in prior years.

See [Page vi](#) for adopted GANN Appropriation Limit Calculation.

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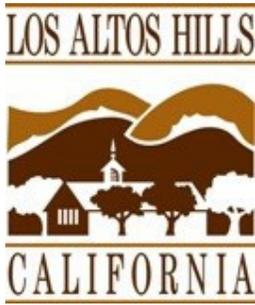
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# Introduction

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# City Manager's Message

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

I am pleased to submit to you the 2017-18 Operating and Capital Budget for the Town of Los Altos Hills. Similar to 2016-17, this budget includes a five-year capital improvement plan for 2017-2022. The budget is the Town's financial and operating plans for the fiscal year and is developed to adhere to the City Council's policies. It reflects the Town's continued commitment to incrementally enhance the quality of life for all Town residents in a manner that's cost effective and fiscally sustainable.

## 2016-17 Overview

Financially, the Town's governmental fund reserves continue to grow as a result of better than expected property tax revenues, more site-development activities, and cost containing efforts by Town Staff. The projected fund reserves at June 30, 2017 total \$13.1 million, an addition of \$0.7 million to governmental fund reserves.

Major accomplishments in 2016-17 include the completion of the Street Rehabilitation Project which addressed 45,087 feet of road surface at \$780,000, \$320,000 below budget. The Town successfully applied \$200,000 of the available budget to repair El Monte Road. The current pavement condition index has risen from 77 to 78. The Town's sewer operation has improved, where 73.5 percent of Town's sewer system has completed video inspection. Thanks to improved sewer maintenance and increased capital spending sanitary sewer overflow (SSO) events have been steadily declining with only one SSO in 2016. The public works emergency response to winter storms in early 2017 was rapid and sustained for over a month thanks to having additional Maintenance Worker approved in the 2016 Budget. Adoption of the cable cost sharing policy has helped bring high-speed internet to three neighborhoods with more on the way for 2017. In addressing the results from the 2015-16 Town Survey, a new traffic officer was added to enforce traffic rules for motorists and bicyclists, new senior outreach programs were added, and ongoing refinement of the permitting process to provide applicants more information upfront.

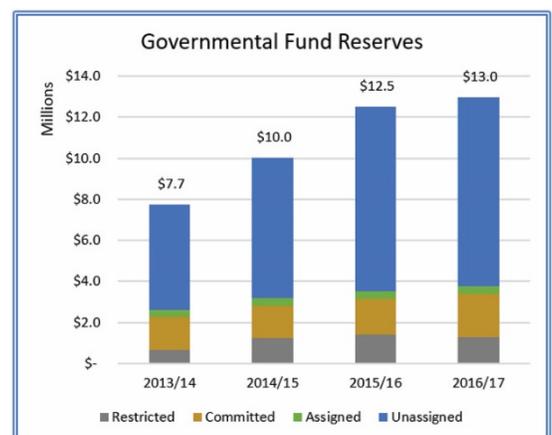


Figure 1. Governmental Fund Reserves

### **Economic Outlook in 2017-18**

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Property tax and site development revenues continue to be the main source of income for the Town, representing 71 percent of total governmental fund revenues. The Town projects property tax revenue to be \$5.6 million in 2017-18, an increase of 6 percent from projected 2016-17 actual. The current median home value in Los Altos Hills is \$4.3 million and roughly half of the homes in Los Altos Hills are recorded by the Santa Clara County Assessor's Office with a valuation that is less than \$1.0 million.

Site development activities are more heavily reliant on market conditions and development activities within Silicon Valley. Generally, Planning Division feels the economic impact immediately, which it may take a year or so for the slow-down to impact Building Division. For 2017-18, the Town senses there is an economic slowdown and reflected this in the Planning revenues (Charges for Services) and increased the Building revenues (License and Permits) by 4 percent, which is consistent with the increase in Planning revenues in 2016-17.

### **2017-18 Goals and Objectives**

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In order to maintain the current service level in Town, the minimum spending level for 2017-18 is \$11.2 million, with \$2.4 in Sewer Fund. Consistent with the 2015 Town Survey and the 2017 Organizational Assessment, the Town seeks area of improvement in customer service and response time, transparency, community outreach, risk mitigation, and emergency preparedness. Effective changes require incremental improvements and the \$676,000 in service enhancement (\$195,000 in Sewer) and \$3.4 million in additional capital improvement requests (\$1.2 million in Sewer) will bring the Town on step further in the quality of our service delivery. If all of the service enhancement requests and capital improvement budget are approved by the City Council, it will bring the Town's 2017-18 budget from the above base budget to approximately \$14.98 million, including \$11.8 million for Governmental Funds and \$3.2 million for Sewer Fund. More details on additional service enhancement requests are available in Budget Overview ([page 18](#)).

Additionally, 2017-18 will be a year of significant technological improvement for the Town, with the completion of Permit System Upgrade in April 2018, purchase and installation of Geographical Information System (GIS) in December 2017, and the installation of outdoor fitness equipment in Purissima Park in August 2017. The permit system upgrade and the GIS purchase and installation will increase productivity and provide transparency to the public. The outdoor fitness equipment will provide fitness alternatives to residents and visitors who frequent the Town network of natural paths.

### **Sewer Operations**

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Sewer Operation is the Town's only business type activity and spending are fully funded by ratepayers. The last rate study was completed in 2014 and the next rate study is scheduled for 2019-20, with potentially a new rate effective July 1, 2020. Because the 2014 rate study was completed prior to the completion of the Sewer Technical memo, the increased capital program in 2016-17 and the additional recommended staff in 2015-16 resulted in a faster drawdown into Sewer Reserve. More discussion of this issue is in Budget Overview ([page 7](#)).

### **Budget Award**

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In closing, I am pleased to announce the Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of Los Altos Hills, California for its annual budget for the fiscal year beginning July 1, 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operating guide, as a financial plan, and as a communications device. This award is valid for a period of one year only.

### **Special Acknowledgement**

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I would like to express my appreciation to all staff for their timely cooperation and thoughtful assistance in the development of this Budget. I want to especially thank the Administrative Services Director Pak Lin for developing an interactive budgeting model this year. Finance Manager Karen Huang and Management Analyst Frances Reed were invaluable to the team effort as they sifted through volumes of financial data and helped prepare the budget narrative and format. I also want to acknowledge the City Council for providing clear and consistent policy direction to the staff and the Finance and Investment Committee for their advisory input and review of the Budget document.

Respectfully Submitted,

/s/ Carl Cahill City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Los Altos Hills  
California**

For the Fiscal Year Beginning

**July 1, 2016**

Executive Director

# Budget Overview

The June 15, 2017 City Council Staff Report for the adoption of the 2017-18 Operating and Capital Budget is included below. During the meeting, the City Council approved the Service Enhancement Request and Capital Improvement Requests as presented in the Staff Report with the following modifications:

- Town-wide Creek Maintenance Permit budget increased from \$52,000 to \$59,000. The difference is related to permit fees which was not originally included in the proposed budget
- Summerhill Pathway Project additional request of \$25,000 was removed per City Council direction.

Additionally, the City Council approved the reduction of \$225,000 from proposed Sewer Operating Budget and \$250,000 from the proposed Sewer Capital Budget. The details of the Sewer Budget reduction is included as a separate Staff Report.

Overall, the Town continues to be financially healthy, projecting to add \$730,000 to the Governmental Fund and maintaining the Sewer Fund reserve balance above the 150-day minimum reserve balance.

Financial Summary	Governmental		Total
	Fund	Sewer Fund	
<b>Revenues</b>	<b>\$ 12,510,000</b>	<b>\$ 3,130,000</b>	<b>\$ 15,640,000</b>
Expenditures			
Operations	(9,510,000)	(2,300,000)	(11,810,000)
Capital	(2,270,000)	(1,150,000)	(3,420,000)
2016-17 Sewer Rehab		250,000	250,000
Budget Release			
<b>Expenditure – Subtotal</b>	<b>(11,780,000)</b>	<b>(3,200,000)</b>	<b>(14,980,000)</b>
<b>Change in Fund Balance</b>	<b>730,000</b>	<b>(70,000)</b>	<b>660,000</b>
Beginning Fund Balance	13,130,000	1,100,000	14,230,000
<b>Ending Fund Balance</b>	<b>\$ 13,870,000</b>	<b>\$ 1,030,000</b>	<b>\$ 14,900,000</b>
% of Operation	118%	45%	
# of Days	431 days	164 days	

TOWN OF LOS ALTOS HILLS  
Staff Report to the City Council

June 15, 2017

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**SUBJECT:** APPROVE RESOLUTION ADOPTING THE FISCAL YEAR 2017-18 APPROPRIATION LIMIT, APPROPRIATIONS AND INTER-FUND TRANSFERS.

**FROM:** Pak Lin, Administrative Services Director

**APPROVED:** Carl Cahill, City Manager

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**RECOMMENDATION:** That the City Council:

Approve resolution adopting the Town's 2017-18 Operating and Capital Budget which includes 2017-18 Appropriations Limit, 2017-18 Appropriations and Inter-fund Transfers.

**DISCUSSION:**

The budget is an annual planning tool that communicates priorities and sets the Town's operating and spending policy for the year. The City Manager is responsible for presenting a budget to the City Council, in accordance with Municipal Code 2-3.219. The financial objective of the budget is to ensure that there are sufficient funds to meet ongoing spending. Special projects, where spending is generally one-time in nature, can utilize reserves. The 2017-18 Operating and Capital Budget is a balanced budget for Governmental Funds. As for Sewer Fund, the proposed budget will drawdown Sewer reserves by \$1,030,000.

*Budget Process*

The budget process began in February with the first department budget retreat. Key priorities were discussed and each department aligned their 2017-18 objectives to these key priorities. The key priorities are preservation of current quality of life, emergency preparedness, promote sense of community, transparency, and risk mitigation. The details of these priorities and department goals are available in *Attachment 2: Departmental Budget*.

After the mid-year financial update, which was presented to the City Council in March, the Budget Team began working on the 2016-17 estimated actual, which is the foundation for the development of 2017-18 base budget. The base budget consists of minimum funding requirement to maintain operating status quo. On May 1, 2017, Staff presented the methodology in estimating the 2016-17 Actual and the development of the 2017-18 base budget to the Finance and Investment Committee (FIC). *Attachment 3* contains the comments from the May FIC meeting, where there were no objections to the projection methodology.

On May 15, 2017, the 2017-18 Operating and Capital Budget and the 2017-2022 Capital Improvement Plan was presented to the City Council during the Budget Study Session jointly with members of the Finance and Investment Committee (FIC). The proposed budget included the base

budget, operating service enhancements, and capital improvement program requests. After incorporating comments from the City Council during the budget study session, the Town’s governmental fund reserve is expected to increase by \$715,000, while the Sewer Fund reserve will be drawn down by \$1,030,000.

Financial Summary (in thousands)	Governmental Funds				Enterprise
	General Fund	Special Revenues Funds	Capital Funds	Total	Sewer Funds
Revenues	\$ 11,695	\$ 150	\$ 671	\$ 12,516	\$ 3,131
Expenditures	(9,068)	(433)	(2,300)	(11,801)	(3,197)
Transfers In/(Out)	(1,911)	216	1,660	0	0
Change in Fund Balance	716	(67)	66	715	(66)
Fund Balance @ 7/1/2017	12,013	90	1,023	13,126	1,096
Fund Balance @ 6/30/2018	\$ 12,729	\$ 23	\$ 1,089	\$ 13,841	\$ 1,030

*Joint Budget Study Session Summary*

During the joint study session, Staff presented the projected financial health of the Town, the 2017-18 base budget, and funding requests for service enhancements and capital improvement program. The 2017-18 base budget included the appropriation of \$8.98 million for governmental funds and \$2.37 million for sewer operations. Similar to prior years, new operating increases total \$676,000 and new capital project requests total \$3.36 million. The City Council reviewed the requests for service enhancements and capital projects in detail, and provided direction on each item. The following items are incorporated into the 2017-18 Proposed Budget:

Requests	Ongoing Operating Cost	One-Time/Capital Request	Total Request
<b>Service Enhancements Requests</b>			
1. Merit Increase	\$ 104,300	\$ 0	\$ 104,300
2. Increase Salary Range by 3.3% CPI	0	0	0
3. Pension Prefunding Study – re-appropriation	0	10,000	10,000
4. Cost Allocation Plan Update – re-appropriation	0	25,000	25,000
5. Financial Reporting Module	12,000	5,000	17,000
6. Planning Consultant Services	86,400	0	86,400
7. Building Division Reorganization: Remove Building Official budget, add Building Inspection budget, add contract building official services, and add training for Building Inspector	88,867	0	88,867
8. Additional Assistant Engineer	91,000	0	91,000
9. Town-wide Creek Maintenance Permit	0	52,000	52,000
10. Sewer Division Reorganization: Remove 1.0 Associate/Senior Engineer and budget as part-time sewer consultant and add one part-time consultant to manage sewer contracts and other administrative services.	200,000	0	200,000
Subtotal – Service Enhancement	\$ 584,392	\$ 92,000	\$ 676,392

Requests	Ongoing Operating Cost	One-Time/Capital Request	Total Request
<i>Capital Improvement Requests</i>			
1. Annual Road Rehabilitation	0	1,900,000	1,900,000
2. Annual Sewer Rehabilitation	0	1,100,000	1,100,000
3. Byrne Preserve Restoration – 2 <sup>nd</sup> of 3 years of funding	0	42,167	42,167
4. Geographical Information System (GIS) Acquisition	0	27,400	27,400
5. Sewer Pump Replacement @ Purissima Pump Station	0	50,000	50,000
6. Purissima Park Playground Canopy	0	35,000	35,000
7. Purissima Park Outdoor Fitness Equipment	0	40,000	40,000
8. Summerhill Pathway Project	0	25,000	25,000
9. Westwind Barn Improvements	0	140,000	140,000
Subtotal – Capital Improvement Request	\$ 0	\$ 3,359,567	\$ 3,359,567
Total Requests	\$ 584,392	\$ 3,451,567	\$ 4,035,959

Additionally, the proposed 2017-18 Budget includes additional \$1.0 million set-aside for pension reserves and \$5,000 for Technology Replacement Reserve.

*Outstanding Items from the Joint Budget Study Session*

There were a number of outstanding items where the City Council wishes for additional information. These items are included in the proposed 2017-18 budget but can be excluded if additional discussion is required.

**1. Town-wide Creek Maintenance:**

During the Joint Budget Study Session, the City Council posed the question of why do we need a 10-year permit for all creek maintenance, rather than obtaining necessary permits per required creek maintenance. Additionally, would obtaining permits for the Matadero Creek landscaping only bring down the consulting cost. According to the Public Works Director/City Engineer, the cost to obtain the 10-year permit for Matadero Creek is \$37,000. For a Town-wide permit, the consulting cost is \$52,000 and the process timeframe is the same.

**2. Annual Road Rehabilitation:**

During the Joint Budget Study Session, the City Council requested for the Town Engineer to review the street conditions and identify additional roads for the 2017 Pavement Program. The City Council set the upper limit for the 2017 Street Rehabilitation Project at \$2.0 million. After the Joint Budget Study Session, the Town Engineer reviewed the current lists of streets and identified nine additional roads that were not included in the 2014 Pavement Management Program (PMP) report but are in a dilapidated state and should be included in the 2017 program. The original 2017 Pavement Program was estimated to cost \$1.3 million. With the addition of the nine roads, the total estimated cost is \$1.9 million.

**3. *Purissima Park Playground Canopy, Purissima Park Outdoor Fitness Equipment, and Westwind Barn Improvements:***

During the Joint Budget Study Session, the City Council commented that the aforementioned projects, as a whole, is a large investment into the Town's parks and recreation facilities. Concerns of frequency of use were voiced. Additionally, there were suggestions of repairing a few paddocks at Westwind Barn rather than all 18 paddocks in 2017-18.

- The *Purissima Park Outdoor Fitness Equipment* project was approved in the May 18, 2017 City Council meeting and the \$40,000 budget is included in this budget.
- For the *Purissima Park Playground Canopy* project, Staff will research other forms of shading for the Purissima Park Playground. The budget for the playground canopy is \$35,000 and will be returned to Parks & Recreation in-lieu Fund if not needed.
- As for *Westwind Barn Improvements*, Staff will work closely with VDE Concessionaire in refining the project budget, including completing paddock repairs in phases. Unspent portion of the budget will be available for future improvements to Westwind Barn.

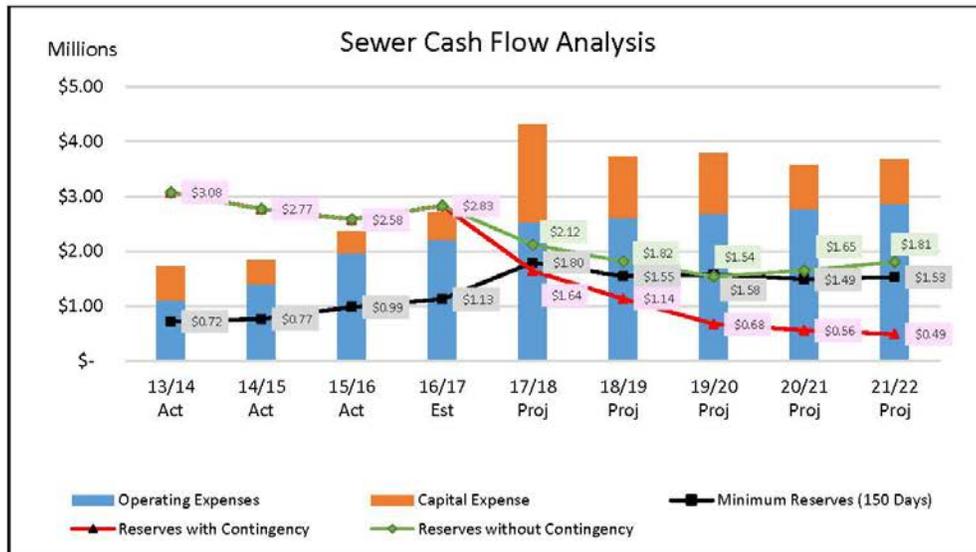
**4. *Summerhill Pathway Project:***

In 2016-17, Pathways Committee requested appropriation of \$30,000 for design to connect the path along Summerhill Avenue. The Public Works Director/City Engineer solicited three quotes and found the design cost to be \$55,000. Project plans and specifications prepared by a licensed professional engineer are necessary to ensure best construction pricing and minimal change orders.

**5. *Sewer Cash Flow Analysis, along with Additional \$200,000 Sewer Consultant and 2017-18 Sewer Rehabilitation program budget of \$1.1 million:***

The City Council directed Staff to meet with the FIC to go over the cash flow analysis and determine how to reasonably increase the available sewer reserve above the \$1.5 million minimum reserve level. Finance Staff populated the cash flow based on information provided by Public Works Director and the 2017-18 Proposed Budget. The Public Works Director felt that it is essential to keep contingencies in the budget to address emergency services and special project requests. These contingencies totals \$225,000 in the 2017-18 sewer operating budget and \$250,000 in the 2016-17 Sewer Rehabilitation Program.

As shown in the chart below, the removal of these contingencies will raise the sewer reserves (green line) above the minimum reserve level (black line). The budget includes contingencies to ensure sewer operation operates effectively, which had included pump repairs, staff turnovers, and other unexpected projects. Without the contingencies, non-emergency sewer operations and services may require City Council approval prior to start of work.



On June 2, 2017, Staff met with FIC Chair Roddy Sloss and Vice Chair Allan Epstein to discuss the cash flow analysis. The main concern of the FIC representatives is the impact of the budget, with contingencies, on sewer rate. Historically, contingencies are not spent unless it is absolutely necessary. However, FIC Vice Chair made a valid point during the June 12, 2017 meeting that the last sewer rate study was developed based on budget rather than cash flow analysis. For this reason, Staff proposes to remove the following contingencies from the 2017-18 Sewer Budget:

- \$40,000 from additional Sewer Professional Services;
- \$100,000 from Sewer Maintenance Contract;
- \$35,000 from Other Contract Services;
- \$50,000 from Allocations Out; and
- \$250,000 from 2016-17 Sewer Rehabilitation Budget.

The new base budget for sewer operation will be \$2.30 million, which includes \$200,000 for the additional professional services, the reallocation of \$155,000 from personnel to professional services, and the removal of the \$40,000 as identified in sewer contingency. Additionally, the Sewer Rehabilitation Program will include \$1.1 million for the 2017-18 Sewer Rehab Program and a reduction of \$250,000 in the 2016-17 Sewer Rehab Program.

*Resolution*

The resolution adopting the budget also includes adoption of:

1. 2017-18 Appropriation Limit (Attachment 1) – The resolution adopts the Town’s Appropriation Limit which is calculated annually in accordance with Article XIII B of the California Constitution to establish the maximum amount of tax revenue that may legally be collected and subsequently appropriated.

2. 2017-18 Appropriations (Attachment 1) – The resolution adopts revenues, expenditures, and inter-fund transfers in aggregate by fund category. The Town maintains an administrative budget (Attachment 2) that further details planned financial activity in 2017-18.

The attached budget document (Attachment 2) is the complete budget document. Descriptions and narratives may be altered after Staff quality control review and consideration of comments from the FIC.

FISCAL IMPACT:

Option 1:

The City Council reviewed the 2017-18 City Manager Proposed Operating and Capital Budget at the joint budget study session with the Finance and Investment Committee on May 15, 2017. In adopting the 2017-18 proposed budget, with the removal of stated sewer contingencies, the proposed resolution appropriate total revenues and transfers in to \$18,635,441, total expenditures and transfers out of \$17,985,520; and additional General Fund designation of \$1,005,000 into various reserve funds. The details for each fund is itemized in Exhibit 1B to the Resolution.

Option 2:

Approving the 2017-18 proposed budget without Outstanding Items stated above will reduce total revenues and transfers in to \$15,609,291, total expenditures and transfers out of \$11,301,111; and additional General Fund designation of \$1,005,000 into various reserve funds.

ATTACHMENTS

1. Resolution to Adopt the 2017-18 Appropriation Limit (Gann Limit) and 2016-17 Appropriations and Inter-Fund Transfers
2. 2017-18 City Manager Proposed Operating and Capital Budget and Five-Year Capital Improvement Plan
  - a. Introduction
  - b. Town-wide Summary
  - c. Department Budget
  - d. Capital Budget
  - e. Financial Summaries
  - f. Supplemental Section
3. Comments from Finance & Investment Committee on 2017-18 Base Budget

TOWN OF LOS ALTOS HILLS  
 Staff Report to the City Council

June 15, 2017

**SUBJECT:** APPROVE RESOLUTION ACCEPTING THE 2017/18 SEWER OPERATION AND CAPITAL PLAN

**FROM:** Pak Lin, Administrative Services Director

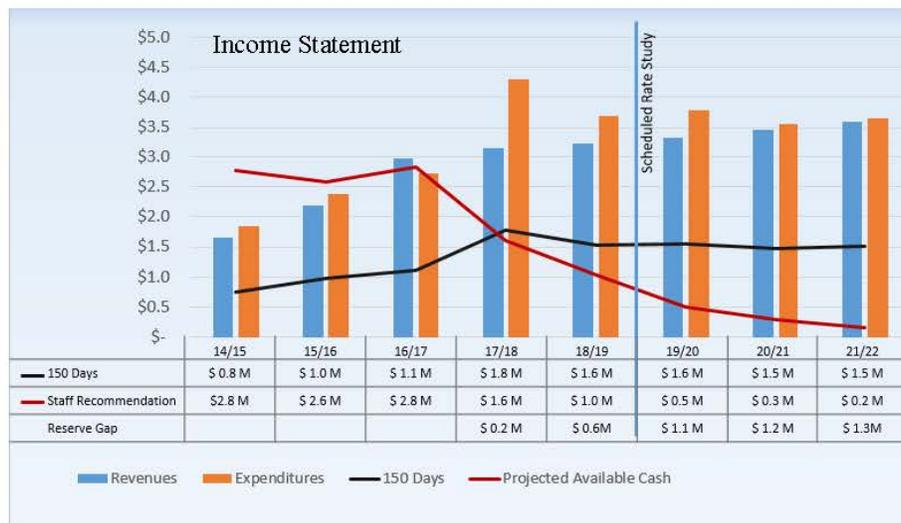
**APPROVED:** Carl Cahill, City Manager

**RECOMMENDATION:** That the City Council:

Approve resolution accepting the 2017-18 Sewer Operation and Capital Plan.

**BACKGROUND:**

The 2017-18 Sewer Operating and Capital Budget presented a projected ending net position of \$555,000 at June 30, 2018. The 2015 Sewer Rate study recommended a minimum reserve balance based on 150 days of cash flow needs, roughly \$1.5 million. The City Council directed Staff to meet with the FIC to go over the cash flow analysis and determine how to reasonable increase available sewer funding above the \$1.5 million minimum reserve level.



DISCUSSION:

The focus of cash flow analysis is to determine when the actual cash is needed. Whereas the main focus of budget is on earmarking the funding to specific functions.

*Methodology in Developing Cash Flow Analysis*

To develop the cash flow analysis, Finance first takes the budget numbers, calculate projections for 2018-19 through 2021-22 based on set escalation, and account for typical timing issues between budget and actual spending. The only spending category that has a timing issue is in capital spending. Sewer Rehabilitation Program generally takes 1.5 years or more to complete, where funding is earmarked in one fiscal year but spent in the following fiscal year.



As seen in the chart above, in 2016/17, the Town budgeted \$1.5 million for sewer capital program (green box with red dots) but the projected spending is in 2017/18. To address the City Council’s concerns, Staff met to discuss options to sewer operations. The Public Works Director felt that it is essential to keep sewer operations, including capital funding level, the same as stated in the budget, which includes contingencies of \$250,000 to \$450,000 to address emergency services and special project requests. Total contingencies included in the 2017-18 Proposed Budget is \$250,000. Additionally, there is a built in \$250,000 contingency in the 2016-17 Sewer Rehabilitation Program.

*Discussion with Members of FIC*

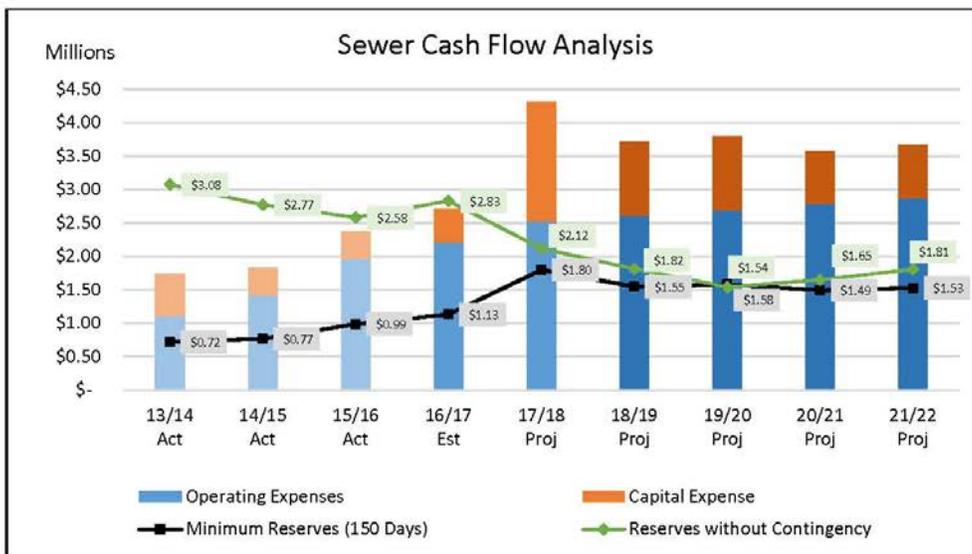
On June 2, 2017, Engineer and Finance Staff met with FIC Chair Roddy Sloss and Vice Chair Allan Epstein to discuss the cash flow analysis. From the meeting, Staff and FIC representatives identified that capital program is not the root of the reserve issue, but rather operations (Attachment 2).

FIC representatives asked Staff to revisit the cash flow analysis and remove contingencies. They acknowledge that contingencies can be included in the budget but not in the cash flow analysis.

Additionally, FIC representatives want Staff to consider operational changes and reach out to VWHouse or WestBay to acquire advice on managing the Town’s sewer operation in a more cost effective manner.

*Revisit of the Cash Flow Analysis*

Staff revisited the budget and identified \$250,000 to \$450,000 contingencies from 2017-18 to 2021-22. With the removal of all contingencies, total reserves will be above the minimum reserve level (see green line in the chart below). This includes removal of \$250,000 from the 2016-17 Sewer Rehabilitation Program, \$100,000 from the annual sewer maintenance contract budget and \$50,000 from Allocations Out, Other Contract Services, and Professional services.



The modified sewer budget, with substantial reduction in contingencies, is sufficient to meet operational and capital needs. Contingency budget provide funding available to address unanticipated sewer needs, including sanitary sewer overflows, special sewer projects, and other unexpected spending increases. If the need arises, Staff will propose budget amendment for City Council consideration.

Based on the last rate study, Staff is anticipating the next rate study to begin in 2019 and have an effective rate increase July 1, 2020.

**FISCAL IMPACT:**

There is no fiscal impact to remove the stated contingencies as the 2017-18 proposed budget incorporated the removal of the following contingencies: \$40,000 from the additional sewer consulting services (051-4800-6206), \$250,000 from the 2016-17 Sewer Rehabilitation Budget (048-6900-6622), \$100,000 from the Sewer Maintenance Contract (051-4800-6140), \$35,000 from Other Contract Services (051-4800-6199 & 051-4800-6201), and \$50,000 from Allocations Out (051-4800-6706).

ATTACHMENTS

1. Resolution to Accepting the 2017/18 Sewer Operation and Capital Plan.
2. Year by Year Comparison Between Cash Flow Analysis and 2015 Sewer Rate Study

# Service Enhancement Request

## 1. MERIT INCREASE

Salary increases are based on meritorious performance. This is a tool for management to encourage Town Staff to continue to maintain and seek improvements in Town operations. The process begins with the completion of performance evaluation by the direct supervisor. The evaluation is submitted to the City Manager for review and to establish the merit increase. Since 2015-16, merit increase has ranged from 4 percent to 7 percent and the total merit increase given did not exceed budget.

Fiscal Year	Budget	Actual	Available Budget
2015-16	\$ 64,000	\$ 57,203	\$ 6,797
2016-17	75,000	65,988	9,012

Consistent with prior years, the 2017-18 budget for merit increase is based on a 4 percent increase. A total of \$104,300 includes related benefit associated with the salary increase and will be an ongoing expenditure for the Town.

Account Description	Ongoing Cost	One-Time Cost	Cost Offset	Increase City Manager Budget
Salaries (011-1200-6005)	\$ 94,300	\$ 0	\$ 0	\$ 94,300
Benefits (011-1200-6005)	10,000	0	0	10,000
<b>Total</b>	<b>\$ 104,300</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 104,300</b>

## 2. INCREASE SALARY RANGE BY CPI

The Town's salary range was last updated in 2015 with a full comprehensive compensation study. Since then, a CPI of 2.6 percent was applied to increase the upper salary range in 2016-17. The inflation was based on the April's CPI Urban Wage Earners for the San Francisco - Oakland - San Jose region. A similar adjustment is proposed for 2017-18 to increase the upper salary range by 3.3 percent based on the latest available CPI Urban Wage Earners for the San Francisco - Oakland - San Jose region, which is February. There is no financial impact to this adjustment. The impact is accounted for in the 2017-18 Merit Increase request, above.

## 3. CITY COUNCIL SALARY INCREASE

According to Municipal Code 2-1.201, the City Council's monthly salary is \$250. Per Government Code §36516, "a city council may enact an ordinance providing that each member of the city council shall receive a salary based on the population of the city..." which is \$300 per month for cities with population less than 35,001. The ordinance adoption is scheduled for consideration in May 2017 to be effective at the next term. The maximum fiscal impact in 2017-18 is \$1,825.

Account Description	Ongoing Cost	One-Time Cost	Cost Offset	Increase City Manager Budget
Salaries (011-1200-6002)	\$ 1,800	\$ 0	\$ 0	\$ 1,800
Benefits (011-1200-60xx)	25	0	0	25
<b>Total</b>	<b>\$ 1,825</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,825</b>

#### 4. PENSION PREFUNDING STUDY

The City Council approved a budget of \$15,000 in 2016-17 for a pension prefunding study conducted by a consultant. In November 2016, the CalPERS Board approved reduction in the discount rate from 7.5 to 7 percent. As a member of the CalPERS pension benefit pool, this will result in an increase in the Town's annual contribution and overall unfunded liability. Due to this change in the discount rate, the pension prefunding study has been postponed to August 2017, when the newest CalPERS valuation report should be published. This report will have the latest pension information to be used in the pension study. Based on quotes provided, the pension study budget of \$15,000 has been reduced to \$10,000 and is appropriated again in 2017-18.

Account Description	Ongoing Cost	One-Time Cost	Cost Offset	Increase Finance Budget
Other Contract Services (011-1400-6199)	\$ 0	\$ 10,000	\$ 0	\$ 10,000
<b>Total</b>	<b>\$ 0</b>	<b>\$ 10,000</b>	<b>\$ 0</b>	<b>\$ 10,000</b>

#### 5. COST ALLOCATION PLAN UPDATE

The City Council approved a \$25,000 budget in 2016-17 for the update of the Town's Internal Service Allocation and Cost Allocation Plan. Due to an increase in special projects, the Administrative Services Department could not allocate staff time to this project. Additionally, the Planning and Building Department identified the need to update the user fee study while evaluating the fee collection process as part of the Building Permit System Upgrade capital project. Since the permitting system update project will be completed in April 2018, the Request for Proposal process will begin in May 2018 to secure a consultant to conduct a comprehensive analysis of the Town's user fee, cost allocation plan, and internal service allocation. The actual project completion will be in 2018-19.

Account Description	Ongoing Cost	One-Time Cost	Cost Offset	Increase Finance Budget
Other Contract Services (011-1400-6199)	\$ 0	\$ 25,000	\$ 0	\$ 25,000
<b>Total</b>	<b>\$ 0</b>	<b>\$ 25,000</b>	<b>\$ 0</b>	<b>\$ 25,000</b>

#### 6. FINANCIAL REPORTING MODULE

The Finance Division spends many hours, annually, organizing the details stored in the Town's financial system, Incode, into user friendly reports. Of recent years, two financial reporting systems are available in the market to provide an interface between the financial system and the end user, whether it be internal staff or the public. The two reporting systems are OpenGov and Socrata. These programs take details from the accounting system and create dynamic reporting tools for Department Heads and the public. An example is the City of Sausalito, who has completed full integration for budgeting and financial reporting. (<https://sausalitoca.opengov.com/>)

The Division has been looking into a more effective interface software to allow faster turnaround time to convert the detailed financial data to user friendly report. Based on initial research, there is a one-time setup and conversion cost of \$5,000 and then an ongoing \$12,000 maintenance cost. This will provide an interface for the financial reports. The budgetary interface may be added when the product is ready.

Account Description	Ongoing Cost	One-Time Cost	Cost Offset	Increase Finance Budget
Salaries (011-1400-6208)	\$ 12,000	\$ 5,000	\$ 0	\$ 17,000
<b>Total</b>	<b>\$ 12,000</b>	<b>\$ 5,000</b>	<b>\$ 0</b>	<b>\$ 17,000</b>

## 7. PLANNING CONSULTANT SERVICES

Since 2013, the Planning Division experienced staffing shortages due to extended leave of absence and frequent turnovers. At the same time, the workload has increased from planning permit submittal and code/ordinance updates. The Town retained a planning consultant to assist with the workload. This position is assigned with complex developmental reviews and long-range planning and building policies, such as the Subdivision Ordinance Update and Green Building Ordinance Update. Establishing an ongoing \$86,400 contingency budget will allow the Planning Division to continue to pursue high quality customer services and to complete special planning policy updates.

Account Description	Ongoing Cost	One-Time Cost	Cost Offset	Increase Planning Budget
Planning Consultant Support (011-3100-6111)	\$ 86,400	\$ 0	\$ 0	\$ 86,400
<b>Total</b>	<b>\$ 86,400</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 86,400</b>

## 8. BUILDING DIVISION REORGANIZATION

The Town's Building Official position has been vacant since January 2015. The services provided by the Building Official, which includes building inspection and senior level administrative services, have been contracted to CSG Consultants (CSG). Based on this arrangement with CSG, the Town found benefits in hiring an entry level inspector, offering in-house training, and continuing to contract out senior level administrative building services to CSG. This allows for upward mobility and makes the position more attractive to individuals who are interested in entering into building code compliance, plan review, and building inspection fields.

Account Description	Ongoing Cost	One-Time Cost	Cost Offset	Increase Building Budget
Remove Building Official Budget Salary & benefit (011-3200-60xx)	\$ (136,693)	\$ 0	\$ 0	\$ (136,693)
Add Building Inspector Budget Salary & benefit (011-3200-60xx)	107,000	0	0	107,000
Add Contract for Senior Level Building Admin services (011-3200-6111)	79,040	0	0	79,040
Add Building Inspector Field Training (011-3200-6311)	39,520	0	0	39,520
<b>Total</b>	<b>\$ 88,779</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 88,779</b>

## 9. ADDITIONAL ASSISTANT ENGINEER

Engineering Division is currently staffed with a full-time Assistant Engineer, two part-time Engineering Consultants/Interns, and a portion of the Public Works Director/City Engineer — a total of 2.85 FTE allocated to manage non-sewer engineering functions. These functions include private development and subdivision review and inspection, encroachment permits, streets pavement management program (PMP), eleven capital improvement projects, annual regulatory reports, and resident inquiries related to pathways, traffic concerns, and code enforcement complaints. The sewer element is treated separately and the service enhancement request is listed under No. 11.

Prior to 2012, the Division had a full-time Engineering Technician who allocated 80 percent of his time to support the Assistant Engineer in capital programs and other non-sewer functions. The remaining 20 percent was dedicated to sewer connection inspections. In April 2012, the Engineering Technician position was eliminated as a result of Municipal Resource Groups' assessment of the Public Works Department. Since 2012, the Division utilized a year-round internship program to address the increase in workload as a result of the increase in the volume of site development submittals and permits issuance, mileage in the Town's pathway and pavement systems, the number of capital improvement projects, and in State and Regional reporting requirements.

**9. ADDITIONAL ASSISTANT ENGINEER**

**(CONT)**

Based on internal assessment of the recent workload, the Division needs an additional full-time Assistant Engineer. The quality of internship and the duration of internship services are neither consistent nor predictable. Furthermore, most of the increased workloads are year-round projects instead of seasonal work. Public Works Department’s functions generally require some experiences and higher education in order to deliver professional results. Staff often has to look after the internship which is time consuming and less productive when using two interns in a year. A full-time in-house Assistant Engineer will fulfill the deficiencies of using multiple interns in both job stability and service quality. The addition of this position will be responsible for site development reviews and inspections, subdivision review, and soil erosion control measure inspections. Other duties include assist in development of capital improvement project, provide administrative support to the Department, and conduct initial research and investigation to public inquiries. This will allow the current Assistant Engineer to dedicate more time on capital improvement projects and public inquiries. In turn, this will allow the Public Works Director/City Engineer to dedicate more time on public outreach and long-range planning. This position will replace the year-round internship program.

Account Description	Ongoing Cost	One-Time Cost	Cost Offset	Increase Engineering Budget
Additional Assistant Engineer (011-3300-60xx)	\$ 115,000	\$ 0	\$ 0	\$ 115,000
Removal year-round internship	(24,000)			(24,000)
<b>Total</b>	<b>\$ 91,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 91,000</b>

**10. TOWN-WIDE CREEK MAINTENANCE PERMIT**

Maintenance work near creeks requires applicable regulatory State and Federal permits. Longer-term maintenance authorizations may be accomplished through programmatic agreements with permitting agencies. The average time to obtain the permits range from 12 to 18 months and the permits are generally valid for 10 years. Due to the complexity of the permitting process, the most effective way to secure all necessary permits is to contract with a permit specialist - at an estimated one-time cost of \$52,000.

Once all applicable regulatory permits are secured, the Town can address the overgrowth of cattails and creek sediment at Matadero Creek, immediately upstream of the box culvert on Page Mill Road near Berry Hill Court. The estimated annual maintenance cost is \$6,000 beginning in 2018-19. In the past, the periodic maintenance of the area has been performed by the Santa Clara Valley Water District (SCVWD) but has recently been identified as the Town's responsibility. SCVWD declined the request to enter into a maintenance agreement with the Town.

Account Description	Ongoing Cost	One-Time Cost	Cost Offset	Increase Drainage Ops Budget
Consulting services for Creek Maint. Permit (011-4500-6209)	\$ 0	\$ 52,000	\$ 0	\$ 52,000
Permit Fee	0	7,000	0	7,000
<b>Total</b>	<b>\$ 0</b>	<b>\$ 59,000</b>	<b>\$ 0</b>	<b>\$ 59,000</b>

## 11. SEWER DIVISION REORGANIZATION

The Public Works Department proposes to reorganize its Sewer Operations division with the following enhancement and changes.

1. Contract out sewer plans review, sewer encroachment permit inspection, monthly sewer CCTV inspection video review, field investigation, and CIP construction contract management. The annual cost for the proposed contracted sewer services is approximately \$200,000.
2. Reallocate the 1.00 full time Senior/Associate Engineer position to professional services. Currently, V.W. Housen & Associates (VWHA) is providing staff augmentation support services for the Town. The Department anticipates continue VWHA's services for 2017-18 and 2018-19. The Department will evaluate the level of staff augmentation needs for 2019-20 and potentially move the budget needs back to personnel and retain a full time Senior/Associate Engineer.
3. Modify Public Works Director/City Engineer and Senior Engineer's personnel allocation and compensation plan as followed.

<b>Current Allocation</b>	<b>Planning</b>	<b>Building</b>	<b>Engineer/ Admin</b>	<b>Storm Drain</b>	<b>Street</b>	<b>Pathway</b>	<b>Sewer</b>	<b>Corp Yard</b>	<b>Total</b>
PW Director/City Engineer	0.15	0.10	0.20	0.05	0.10	0.10	0.20	0.10	1.00
Senior Engineer	0.05	0.05	0.10	0.05	0.10	0.10	0.50	0.05	1.00
<b>Total FTE</b>	<b>0.20</b>	<b>0.15</b>	<b>0.30</b>	<b>0.10</b>	<b>0.20</b>	<b>0.20</b>	<b>0.70</b>	<b>0.15</b>	<b>2.00</b>
Salary & Benefit \$	37,399 \$	27,389 \$	54,777 \$	17,378 \$	34,756 \$	34,756 \$	113,721 \$	27,389 \$	347,565

<b>Proposed Allocation</b>	<b>Planning</b>	<b>Building</b>	<b>Engineer/ Admin</b>	<b>Storm Drain</b>	<b>Street</b>	<b>Pathway</b>	<b>Sewer</b>	<b>Corp Yard</b>	<b>Total</b>
PW Director/City Engineer	0.15	0.10	0.3	0.05	0.10	0.10	0.10	0.10	1.00
Senior Engineer	0.05	0.05	0.10	0.05	0.05	0.05	0.60	0.05	1.00
<b>Total FTE</b>	<b>0.20</b>	<b>0.15</b>	<b>0.40</b>	<b>0.10</b>	<b>0.15</b>	<b>0.15</b>	<b>0.70</b>	<b>0.15</b>	<b>2.00</b>
Salary & Benefit \$	37,399 \$	27,389 \$	74,798 \$	17,378 \$	27,389 \$	27,389 \$	108,434 \$	27,389 \$	347,565
Net Increase/ (Decrease) \$	0 \$	0 \$	20,021 \$	0 \$	(7,367) \$	(7,367) \$	(5,287) \$	0 \$	0

<b>Account Description</b>	<b>Ongoing Cost</b>	<b>One-Time Cost</b>	<b>Cost Offset</b>	<b>Increase Sewer Ops Budget</b>
1. Contract sewer services(051-4800-6206)	\$ 200,000	\$ 0	\$ 0	200,000
2. V.W. Housen (051-4800-6206)	155,000	0	0	155,000
Sewer Engineer (051-4800-6001)	(155,000)	0	0	(155,000)
3. Position Allocation Change (051-4800-60xx)	(5,287)	0	0	(5,287)
<b>Total</b>	<b>\$ 194,713</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>194,713</b>

# Town-wide Overview

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# Town Profile

## TOWN HISTORY



The Town of Los Altos Hills encompasses nine square miles, making it one of the smallest incorporated towns in Santa Clara County. There is an additional 5.2 square miles of unincorporated land adjacent to the Town’s boundaries that are designated within the Town’s “sphere of influence” and may be subject to the Town’s guidelines or annexation.

Incorporated on January 27, 1956, Los Altos Hills had an original population of 2,500; today, a little over 8,300 residents call Los Altos Hills home. Many are drawn to this Town not only because of its proximity to Silicon Valley but also because of the beauty of the area—rolling hills, picturesque valleys, and mild climate, much of the same reasons which drew the first inhabitants. One of the most distinctive features of the Town is the singular dedication to the preservation of a “residential-agricultural” lifestyle, which is manifested in gracious homes, vast open lands rolling hills, spectacular views of the South and East Bay communities, and a uniquely rural atmosphere—a rarity in the one of most densely populated counties in California. Another significant feature of the Town is the absence of commercial activity which the founding fathers foresaw, and present residents have long upheld as necessary to preserve the kind of lifestyle they desire by choosing to live within the Town limits. However, there are permitted uses such as schools, religious, and recreational clubs. Combined with the natural beauty, physical assets and the determination of the residents to maintain their rural lifestyles, the Town remains one of the most beautiful, unspoiled, and desirable residential communities in Northern California.

One of the most unique features of the Town of Los Altos Hills, and of which the town is justifiably proud, is its Pathway System. This system of pathways, which comprise about 85 miles of beautiful trails and off-road paths meanders around and connects most of the community - the Town’s sidewalk. With the cooperation of the residents, through easements and donations, this unique system is designed to allow users to appreciate the natural beauty of the Town at their own leisure, whether by walking, running, bicycling or even on horseback, and in the process get acquainted with other residents. Once a year, the immensely popular Pathways Run is held by the Parks and Recreation Department, and residents of all ages participate.





The first Town Hall was built at no cost to its residents. The land was donated by the Town's first Mayor, Arthur E. Fowle, construction funds were donated by Mr. and Mrs. Dawson, and William Simrell, Jr. provided the architectural services. While it was envisioned to be sufficient space for a very small staff and City Council meetings, the space in Town Hall was quickly outgrown. In 1975, the first major remodeling was carried out, with the addition of a dedicated Council Chambers building on the west side.

In June 2005, the Town Hall had another renovation when it moved into a state-of-the-art building which encompassed the latest in solar technology, energy and eco-efficiency, yet retaining the rural characteristic that so defines this Town, largely due to the active inputs of the Town's residents. A solar monitor indicates at any time, the amount of energy generated by the solar panels. The Town is proud to be on the forefront of energy self-sufficiency and its design and technology is an example that other city halls and public buildings aspire to emulate. Town Hall also hosts periodic exhibits of works by local artists, and many of these works of art adorn the walls of Town Hall and City Council Chambers. The community donor wall at the entrance of the building showplaces the residents' and neighbors' creative tile designs, and is especially popular with the younger residents.

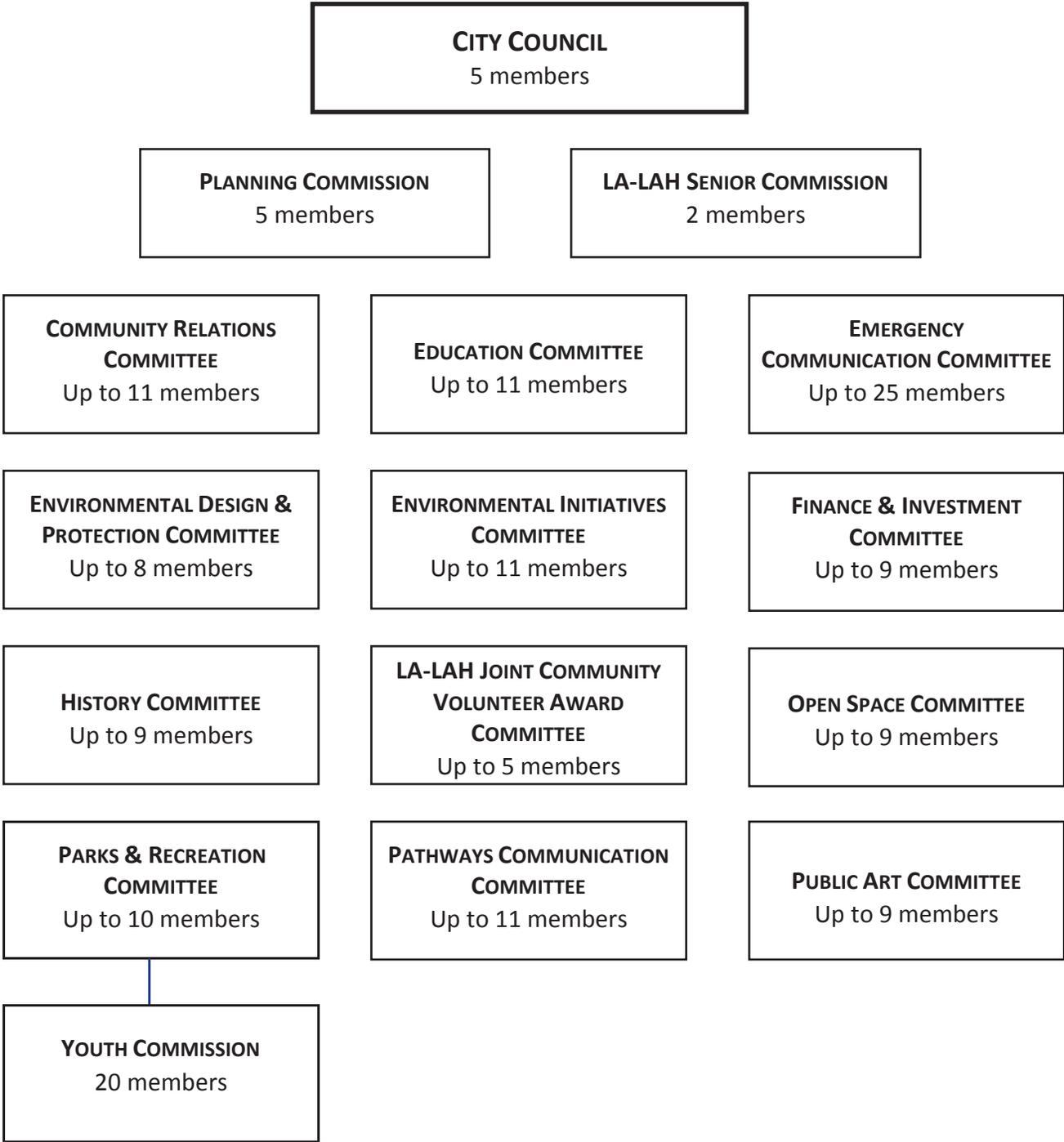
While embracing the latest in technology, similar efforts are also made to preserve the Town's heritage and historical links, including the design of the present Town Hall to showcase the heritage oak tree. Another defining characteristic of the Town's history, the fruit trees, is not forgotten. Twenty five apricots and plum trees are planted in the area behind the solar panels attest to that, along with historical farm equipment on display.

Adjacent to the Town Hall is the Heritage House, a unique building reminiscent of an old school house. Formerly the Eschenbruecher House in Los Altos, it was donated to the Town in 1984. Today it functions as the Emergency Operations Center and a substation for the Santa Clara County Sheriff Office, as well as office space for staff.

In March 2015, the original Town Hall cupola was restored and installed in front of the Council Chamber. It sat on the first Town Hall for 47.5 years before Town Hall was demolished. In November 2014, the Town's History Committee presented to the City Council and suggested that the cupola be restored and installed in a prominent location as a reminder of the Town's past

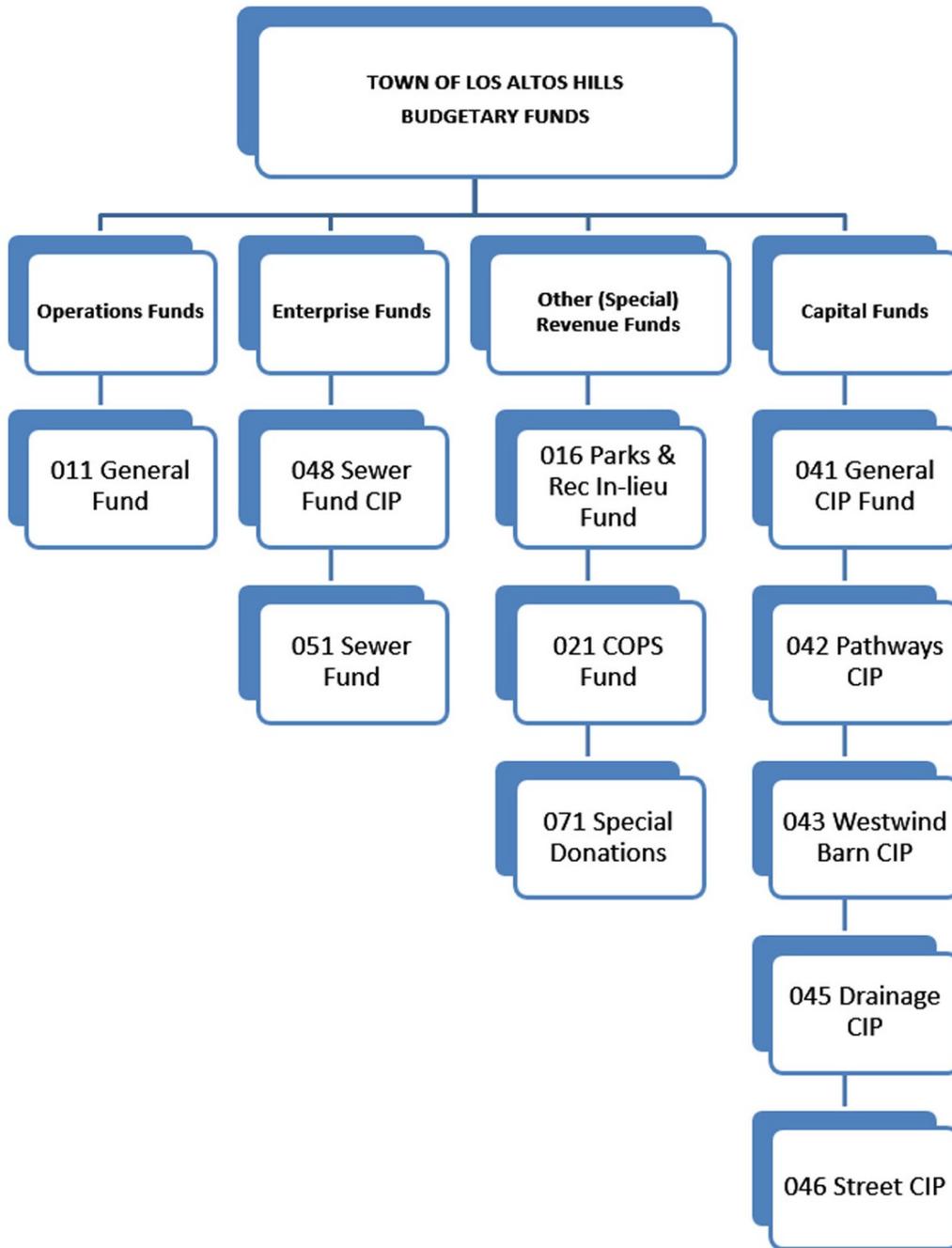


**COMMITTEES AND COMMISSIONS**



# Financial Summary

## FUND STRUCTURE



## FUND DESCRIPTION

FUND	FUND DESCRIPTION
011	<b>General Fund</b> is the primary operating fund of the Town and is used to account for most day-to-day activities. Revenue sources include (but are not limited to) property tax, current fees for services, and business registration.
016	<b>Parks &amp; Recreation in-lieu Fund</b> is used to account for development revenues from parks and recreation in-lieu fees which are designated for park maintenance, improvement, construction, and acquisition
021	<b>Police Grants</b> are used to account for grant activities and services paid for and reimbursed by grant funding. This fund includes grants from the following funding source: Supplemental Law Enforcement Services Account (SLESA) – Under the SLESA program (commonly referred to as the Citizens Option for Public Safety, or COPS grant), cities and counties receive state funds to augment public safety expenditures.
041	<b>General CIP Fund</b> is used to account for general capital projects including building construction, technology purchases and other infrastructure needs The main source of revenue comes from the General Fund.
042	<b>Pathway Funds</b> are used to account for revenues from pathway in-lieu fees, which are designated for pathway maintenance, improvement, and construction. <b>The Pathway maintenance (was consolidated into General Fund (011) since 2016-17.</b>
043	<b>Westwind Barn CIP</b> Fund is used to account for capital projects at Westwind Community Barn financed by Verizon Cell Tower revenue
045	<b>Storm Drain Fund</b> are used to account for revenues from drainage fees, which are designated for storm drain maintenance, improvement, and construction. <b>The Storm Drain maintenance was consolidated into General Fund (011) since 2016-17.</b>
046	<b>Street Funds</b> are used to account for revenue received and expended under the State of California, Street and Highways Code Sections 2106, 2107 and 2107.5 (commonly referred to as Gas Tax). These revenues must be expended for maintenance or construction of streets. <b>The Street maintenance was consolidated into General Fund (011) since 2016-17.</b>
048 051	<b>Sewer (Wastewater) Funds</b> are used to account for town operations that are financed and operated like private business enterprises. The Sewer Fund is used to account for sewage treatment, transmission, major replacements and improvements to the City's sewer system.

## TOWN-WIDE FUND SUMMARY

Fund No	Fund Title	Projected Fund Balance @ 7/1/2017	2017/18 Proposed Budget			Estimated Fund Balance @ 6/30/2018
			Revenue	Expenditure	Transfers In/Out	
011	General Fund					
	Operating Contingency	\$ 350,000	\$ 0	\$ 0	\$ 0	\$ 350,000
	Disaster Contingency	1,250,000				1,250,000
	Pension Reserve	570,000			1,000,000	1,570,000
	IT Reserve	20,000			5,000	25,000
	Private/Public Road	200,000				200,000
	Risk Management Reserve	80,000				80,000
	Unassigned Fund Balance	9,543,125	11,695,074	(9,074,866)	(2,915,544)	9,247,789
	<b>Subtotal</b>	<b>\$ 12,013,125</b>	<b>\$ 11,695,074</b>	<b>\$ (9,074,866)</b>	<b>\$ (1,910,544)</b>	<b>\$ 12,722,789</b>
<b>Special Revenue Funds</b>						
012	Storm Drain Operation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
013	Pathways Operation	0	0	0	0	0
016	Parks & Rec in-Lieu	68,590	50,000	0	(117,167)	1,423
017	Street Fund	0	0	0	0	0
021	COPS Fund	(0)	100,000	(433,292)	333,292	(0)
071	Special Donation	21,132	0	0	0	21,132
	<b>Subtotal</b>	<b>\$ 89,722</b>	<b>\$ 150,000</b>	<b>\$ (433,292)</b>	<b>\$ 216,125</b>	<b>\$ 22,555</b>
<b>Capital Funds</b>						
041	General CIP	\$ 100,751	\$ 0	\$ (144,567)	\$ 144,567	\$ 100,751
042	Pathways CIP	243,380	181,787	(90,000)	0	335,167
043	Westwind Barn CIP	102,707	46,611	(140,000)	0	9,318
045	Drainage CIP	510,363	152,807	0	(60,200)	602,970
046	Street CIP	65,682	289,948	(1,900,000)	1,610,052	65,682
	<b>Subtotal</b>	<b>\$ 1,022,883</b>	<b>\$ 671,154</b>	<b>\$ (2,274,567)</b>	<b>\$ 1,694,419</b>	<b>\$ 1,113,888</b>
<b>Sewer Funds</b>						
048	Sewer CIP	\$ 0	\$ 0	\$ (900,000)	\$ 900,000	\$ 0
051	Sewer Ops - Exclu Depr.	1,095,731	3,131,303	(2,296,884)	(900,000)	1,030,150
	<b>Subtotal</b>	<b>\$ 1,095,731</b>	<b>\$ 3,131,303</b>	<b>\$ (3,196,884)</b>	<b>\$ 0</b>	<b>\$ 1,030,150</b>
<b>Total Town-Wide</b>		<b>\$ 14,221,461</b>	<b>\$ 15,647,530</b>	<b>\$ (14,979,609)</b>	<b>\$ 0</b>	<b>\$ 14,889,382</b>

## TOWN-WIDE FINANCIAL SUMMARY

FINANCIAL SUMMARY	General Fund	Special Revenues & Debt	Capital Projects	Sewer Fund	Total
<b>REVENUES BY CATEGORY</b>					
Property Tax	\$ 5,610,400				\$ 5,610,400
Taxes Other Than Property	562,600				562,600
Franchise Fees	516,200				516,200
Licenses And Permits	1,799,500				1,799,500
Use Of Money And Property	208,127		54,154	8,583	270,863
Intergovernmental	50,700	100,000	257,000		407,700
Charges For Services	1,190,900	50,000	360,000	3,122,720	4,723,620
Miscellaneous	29,400				29,400
Allocations In	1,727,247				1,727,247
<b>TOTAL REVENUES</b>	<b>11,695,074</b>	<b>150,000</b>	<b>671,154</b>	<b>3,131,303</b>	<b>15,647,530</b>
<b>EXPENDITURES BY FUNCTION</b>					
PERSONNEL	(3,160,230)	(30,531)		(157,209)	(3,347,970)
CONTRACTUAL SERVICES	(2,666,040)	(320,900)		(1,516,500)	(4,503,440)
PROFESSIONAL SERVICES	(481,900)			(384,500)	(866,400)
OPERATIONS	(745,820)	(20,300)		(13,500)	(779,620)
ALLOCATIONS OUT	(2,020,876)	(61,561)		(225,175)	(2,307,612)
CAPITAL OUTLAY			(2,274,567)	(900,000)	(3,174,567)
<b>TOTAL EXPENDITURES</b>	<b>(9,074,866)</b>	<b>(433,292)</b>	<b>(2,274,567)</b>	<b>(3,196,884)</b>	<b>(14,979,609)</b>
<b>TRANSFERS IN / (OUT)</b>					
TRANSFERS IN		333,292	1,754,619	900,000	2,987,911
TRANSFERS OUT	(1,910,544)	(117,167)	(60,200)	(900,000)	(2,987,911)
<b>TOTAL TRANSFERS</b>	<b>(1,910,544)</b>	<b>216,125</b>	<b>1,694,419</b>	<b>0</b>	<b>0</b>
<b>CHANGE IN FUND BALANCE</b>	<b>709,665</b>	<b>(67,167)</b>	<b>91,006</b>	<b>(65,582)</b>	<b>667,921</b>
FUND BALANCE, BEGINNING	12,013,125	89,722	1,022,883	1,095,731	14,221,461
<b>FUND BALANCE, ENDING</b>	<b>\$ 12,722,789</b>	<b>\$ 22,555</b>	<b>\$ 1,113,888</b>	<b>\$ 1,030,150</b>	<b>\$ 14,889,382</b>

## TOWN-WIDE FINANCIAL SUMMARY – FIVE-YEAR COMPARISON

Town-wide Expenditure by Department	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Est. Actual	2017-18 Budget	Budget to Est Actual	
						\$ Inc/(Dec)	% Inc (Dec)
<b>Revenues by Category</b>							
Property Tax	\$ 4,153,331	\$ 4,606,184	\$ 4,960,015	\$ 5,292,961	\$ 5,610,400	\$ 317,439	6%
Taxes Other Than Property	524,762	645,835	511,091	563,620	562,600	(1,020)	0%
Franchise Fees	463,599	513,996	474,732	495,996	516,200	20,204	4%
Licenses and Permits	1,006,906	1,485,394	1,334,953	1,722,455	1,799,500	77,045	4%
Use Of Money and Property	269,733	267,884	333,828	238,011	270,863	32,853	14%
Intergovernmental	610,851	397,469	752,715	332,361	407,700	75,339	23%
Charges For Services	3,002,141	3,503,676	3,708,191	4,527,163	4,723,620	196,457	4%
Miscellaneous	498,636	156,527	39,774	45,516	29,400	(16,116)	-35%
Allocations In	990,856	1,156,793	1,458,356	1,590,021	1,727,246	137,225	9%
<b>Total Revenues</b>	<b>11,520,817</b>	<b>12,733,758</b>	<b>13,573,656</b>	<b>14,808,102</b>	<b>15,647,529</b>	<b>839,427</b>	<b>6%</b>
<b>Expenditures by Category</b>							
Personnel	(2,388,365)	(2,552,699)	(2,695,000)	(2,928,808)	(3,347,970)	419,162	14%
Contractual Services	(2,683,801)	(3,131,830)	(3,649,911)	(4,256,163)	(4,503,440)	247,277	6%
Professional Services	(342,922)	(409,164)	(522,556)	(763,183)	(866,400)	103,217	14%
Operations	(791,575)	(526,612)	(765,611)	(696,608)	(779,620)	83,012	12%
Capital outlay	(1,406,456)	(2,188,177)	(1,667,316)	(4,781,031)	(3,174,567)	(1,606,464)	-34%
Allocations Out	(1,733,774)	(1,827,747)	(1,984,811)	(2,258,249)	(2,307,612)	49,363	2%
<b>Total Expenditures</b>	<b>(9,346,894)</b>	<b>(10,636,230)</b>	<b>(11,285,205)</b>	<b>(15,684,043)</b>	<b>(14,979,609)</b>	<b>(704,434)</b>	<b>-4%</b>
<b>Transfers In / (Out)</b>							
Transfers In	437,183	1,541,901	708,383	1,984,368	2,087,911	103,543	5%
Transfers Out	(437,183)	(1,541,901)	(708,383)	(1,984,368)	(2,087,911)	103,543	5%
<b>Total Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Change in Net Position</b>	<b>2,173,922</b>	<b>2,097,529</b>	<b>2,288,450</b>	<b>(875,940)</b>	<b>667,920</b>		
Unrestricted Net Position, Beginning	8,645,838	10,819,760	12,808,951	15,097,402	14,221,461		
Prior Period Adjustment	0	(108,338)	0	0	0		
Net Position, Beginning - restated	8,645,838	10,711,422	12,808,951	15,097,402	14,221,461		
<b>Unrestricted Net Position, Ending</b>	<b>10,819,760</b>	<b>12,808,951</b>	<b>15,097,402</b>	<b>14,221,461</b>	<b>14,889,382</b>		

## DEPARTMENT/FUND RELATIONSHIP

Department Fund	General Government	Public Safety	Planning & Building	Parks & Recreation	Public Works
General Fund	City Council City Manager City Attorney City Clerk Committees & Commissions Community Services Grant General Liability Finance & Admin Services	Police Administration Animal Control	Planning Admin Planning Commission Building Operations	Parks & Rec Admin Programs & Operations Special Events Playing Fields Westwind Barn & Riding Programs	Engineering Storm Drain Streets Pathways
Special Revenues Funds	Special Donation Parks & Rec in- Lieu	COPS Grant Fund			
Capital Funds				Westwind Barn CIP	Drainage CIP Streets CIP Pathways CIP General CIP
Sewer Fund					Sewer & CIP
Internal Service Fund	Town Center				Corp Yard Vehicles

## DEPARTMENT SPENDING – FIVE-YEAR COMPARISON

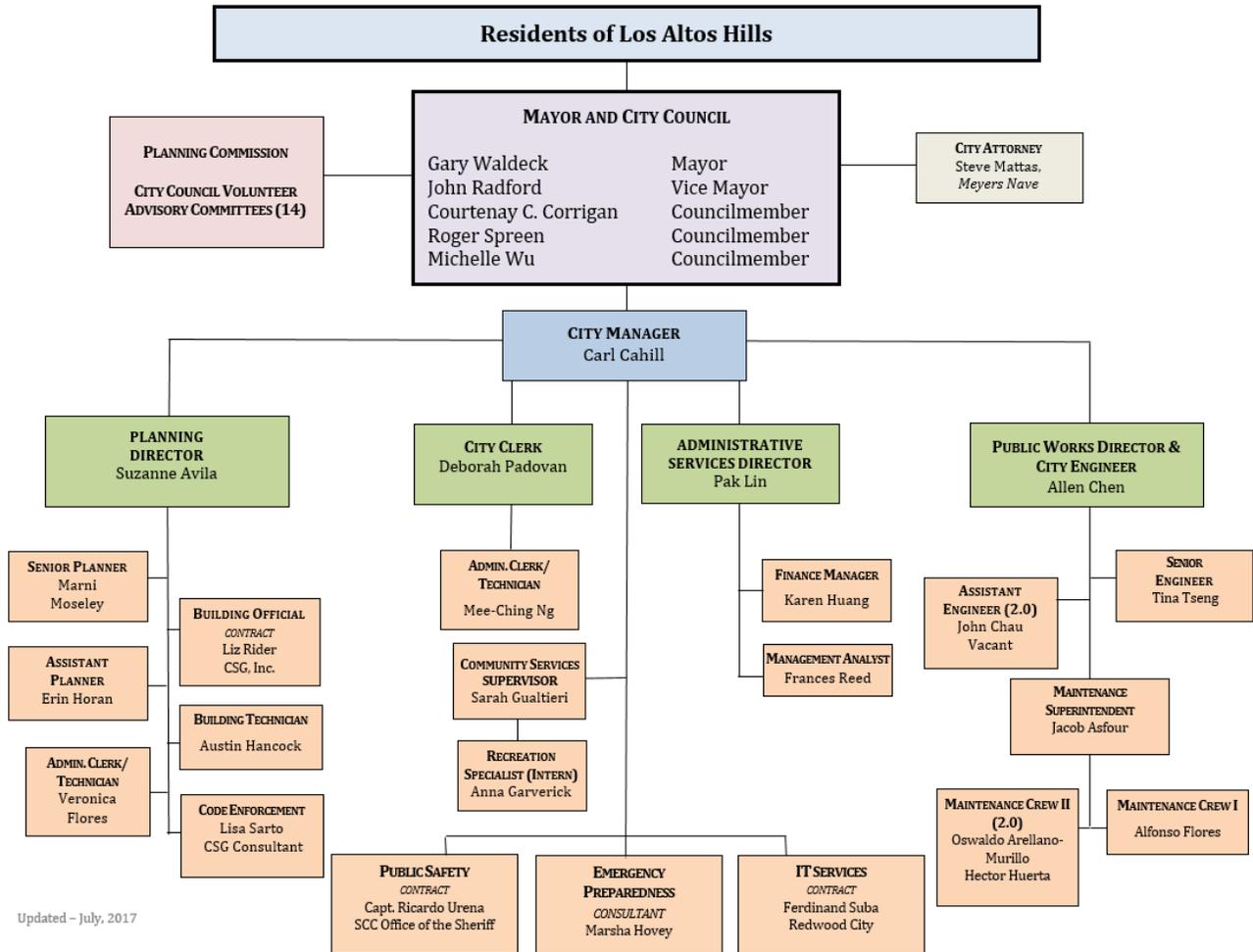
Town-wide Expenditure by Department	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Est. Actual	2017-18 Budget	Budget to Est Actual	
						\$ Inc/(Dec)	% Inc (Dec)
General Administration	\$ 1,181,351	\$ 1,577,359	\$ 1,933,848	\$ 1,981,061	\$ 2,219,941	\$ 238,880	12%
Public Safety	1,209,030	1,205,911	1,417,041	1,811,943	1,803,183	(8,760)	0%
Planning & Building	2,264,573	2,249,915	2,308,533	2,604,521	2,979,148	374,627	14%
Parks & Recreation	762,183	615,855	710,546	705,138	712,440	7,301	1%
Public Works	2,522,882	2,799,012	3,247,866	3,798,349	4,090,330	291,982	8%
Capital Outlay - Sewer	622,465	422,372	408,308	2,235,000	900,000	(1,335,000)	-60%
Capital Outlay - Government	783,991	1,765,806	1,259,009	2,546,031	2,274,567	(271,464)	-11%
Non-Departmental	420		53	2,000		(2,000)	-100%
<b>Total Expenditures</b>	<b>9,346,894</b>	<b>10,636,230</b>	<b>11,285,205</b>	<b>15,684,043</b>	<b>14,979,609</b>	<b>(704,434)</b>	<b>-4%</b>
<b>Internal Service Fund</b>							
Town Center	628,293	477,933	453,854	503,258	628,293	125,035	25%
Corporation Yard	126,939	98,100	129,704	137,933	126,939	(10,993)	-8%
Vehicle Maintenance	78,124	89,081	91,641	182,438	78,124	(104,314)	-57%
<b>Total Internal Service Allocated</b>	<b>833,356</b>	<b>665,114</b>	<b>675,198</b>	<b>823,628</b>	<b>833,356</b>	<b>9,728</b>	<b>1%</b>

## TOWN-WIDE EXPENDITURE SUMMARY

Fund-Dept	Department Name	Personnel	Contract & Professional Services	Operations & Allocations Out	Total Operating Budget	Capital Outlay	Total Operating & Capital Budget
<b>Administration</b>							
011-1100	City Council	\$ 63,625	\$ 11,100	\$ 64,300	\$ 139,025	\$ 0	\$ 139,025
011-1200	City Manager	445,140		70,100	515,240		515,240
011-1500	City Attorney		245,000	0	245,000		245,000
011-1300	City Clerk	182,843	10,500	12,600	205,943		205,943
011-1700	Committees & Commissions	158,294	7,500	57,700	223,494		223,494
011-1600	Community Services Grant			30,000	30,000		30,000
011-1510	General Liability			156,100	156,100		156,100
011-1400	Finance & Admin Services	502,039	155,000	48,100	705,139		705,139
	Subtotal	\$ 1,351,941	\$ 429,100	\$ 438,900	\$ 2,219,941	\$ 0	\$ 2,219,941
<b>Public Safety</b>							
011-2100	Police Administration	\$ 0	\$ 1,186,300	\$ 119,608	\$ 1,305,908	\$ 0	\$ 1,305,908
011-2150	Animal Control		58,100	5,883	63,983		63,983
021-6100	COPS	30,531	320,900	81,861	433,292		433,292
	Subtotal	\$ 30,531	\$ 1,565,300	\$ 207,353	\$ 1,803,184	\$ 0	\$ 1,803,184
<b>Planning &amp; Building</b>							
011-3100, 041	Planning Administration and General CIP	\$ 593,116	\$ 470,900	\$ 536,035	\$ 1,600,051	\$ 27,400	\$ 1,627,451
011-3100	Planning Commission	10,120	1,000	5,520	16,640		16,640
011-3200, 011-3210	Building Operation	378,902	439,540	544,016	1,362,458		1,362,458
	Subtotal	\$ 982,138	\$ 911,440	\$ 1,085,571	\$ 2,979,149	\$ 27,400	\$ 3,006,549
<b>Parks &amp; Recreation</b>							
011-1000	Parks & Recreation Admin	\$ 156,907	\$ 2,500	\$ 125,914	\$ 285,321	\$ 0	\$ 285,321
011-4100	Programs & Operations		57,200	14,937	72,137		72,137
011-4120	Special Events			105,907	105,907		105,907
011-5100	Playing Fields		79,300	45,683	124,983	75,000	199,983
011-5300, 043	Riding Program and Westwind Barn Ops and Capital	16,615	69,200	38,275	124,090	140,000	264,090
	Subtotal	\$ 173,522	\$ 208,200	\$ 330,717	\$ 712,439	\$ 215,000	\$ 927,439
<b>Public Works</b>							
011-3300, 041	Engineering Admin and General CIP	\$ 199,873	\$ 93,500	\$ 171,752	\$ 465,125	\$ 42,167	\$ 507,292
011-4500, 045	Drainage Ops and Capital	105,059	92,000	186,040	383,099		383,099
011-4600, 046	Street Ops and Capital	143,698	118,300	214,634	476,632	1,900,000	2,376,632
011-4740, 042	Pathway Ops and Capital	203,999	51,000	213,591	468,590	90,000	558,590
051, 048	Sewer Ops and Capital	157,209	1,901,000	238,675	2,296,884	900,000	3,196,884
	Subtotal	\$ 809,838	\$ 2,255,800	\$ 1,024,692	\$ 4,090,330	\$ 2,932,167	\$ 7,022,497
	<b>Total Expenditures</b>	<b>\$ 3,347,970</b>	<b>\$ 5,369,840</b>	<b>\$ 3,087,232</b>	<b>\$ 11,805,042</b>	<b>\$ 3,174,567</b>	<b>\$ 14,979,609</b>

# Personnel Summary

## TOWN-WIDE ORGANIZATIONAL CHART



Updated - July, 2017

## 2017-18 COMPENSATION PLAN

ADOPTED JUNE 15, 2017

	Annual Range		Hourly Range	
	Bottom	Top	Bottom	Top
<b>City Manager's Office</b>				
City Manager <sup>†</sup>	\$ 209,234	\$ 209,234	Salary	
City Clerk	\$ 67,656	\$ 125,386	Salary	
Admin Clerk/Technician (0.6 FTE)	\$ 42,516	\$ 72,832	\$ 20.4404	\$ 35.0152
Community Services Supervisor	\$ 55,656	\$ 97,951	\$ 26.7577	\$ 47.0919
Recreation Specialist	\$ 42,036	\$ 56,897	\$ 20.2096	\$ 27.3541
<b>Administrative Services</b>				
Director – Administrative Services	\$ 120,528	\$ 181,595	Salary	
Finance Manager	\$ 78,012	\$ 135,025	Salary	
Management Analyst I	\$ 62,292	\$ 93,230	\$ 29.9481	\$ 44.8223
Admin Clerk/Technician <sup>‡</sup>	\$ 42,516	\$ 72,832	\$ 20.4404	\$ 35.0152
<b>Planning &amp; Building</b>				
Director – Planning	\$ 120,528	\$ 181,595	Salary	
Senior Planner	\$ 89,172	\$ 125,386	Salary	
Associate Planner <sup>‡</sup>	\$ 69,612	\$ 108,119	\$ 33.4673	\$ 51.9803
Assistant Planner	\$ 62,292	\$ 93,230	\$ 29.9481	\$ 44.8223
Building Official <sup>‡</sup>	\$ 85,436	\$ 112,638	Salary	
Senior Building Inspector <sup>‡</sup>	\$ 74,292	\$ 97,951	\$ 35.7173	\$ 47.0919
Building Inspector	\$ 63,148	\$ 83,259	\$ 30.3596	\$ 40.0282
Building Technician	\$ 42,516	\$ 76,518	\$ 24.7320	\$ 36.7851
<b>Public Works</b>				
Director – Public Works / City Engineer	\$ 120,528	\$ 181,595	Salary	
Senior Engineer	\$ 89,172	\$ 125,386	Salary	
Associate Engineer <sup>‡</sup>	\$ 69,612	\$ 108,119	\$ 33.4673	\$ 51.9803
Assistant Engineer	\$ 62,292	\$ 93,230	\$ 29.9481	\$ 44.8223
Maintenance Superintendent	\$ 72,336	\$ 125,386	Salary	
Maintenance Worker III	\$ 52,236	\$ 76,518	\$ 25.1135	\$ 36.7877
Maintenance Worker II	\$ 47,484	\$ 65,983	\$ 22.8288	\$ 31.7225
Maintenance Worker I	\$ 42,036	\$ 56,897	\$ 20.2096	\$ 27.3541

† City Manager's Salary is based on contract approval by City Council

‡ These positions are available for internal promotions or hiring if there's a vacancy in the department but not budgeted to be filled in 2017-18.

# Work Programs & Departmental Budget

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# Department Overview

The Los Altos Hills Departmental Budget is separated into five major categories – General Administration, Public Safety, Planning & Building, Parks & Recreation, and Public Works. Internal Services spending are incorporated in the operating budget of its service departments. To avoid double counting, Internal Service expenditures are not included in the adopted appropriation of \$14,979,609 and transfers of \$2,087,911.

Department/Division	Page	Operating Budget	Capital Budget (page 95)	Internal Services
General Administration City Council (011-1100); City Manager (011-1200); City Attorney (011-1500); City Clerk (011-1300); Committees & Commissions (011-1700); Community Services Grant (011-1600); General Liability (011-1510); Finance & Admin Services (011-1400); Town Center (061-1480); Special Donation (071-xxxx)	42	\$ 2,219,941	\$ 0	\$ 529,866
Public Safety Police Administration (011-2100); Animal Control (011-2150)	63	1,803,183	0	0
Planning & Building Planning Administration (011-3100); Planning Commission (011-3110); Building Administration (011-3200); Permit Review & Inspection (011-3210); General CIP (041)	68	2,979,148	27,400	0
Parks & Recreation Parks & Rec Administration (011-1000); Programs & Operations (011-4110); Special Events (011- 4120); Fields Rental (011-5100); Westwind Barn & Riding Programs (011-5300); General CIP (041); Westwind Barn CIP (043)	75	712,440	215,000	0
Public Works Engineering Administration (011-3300); Storm Drain Ops (011-4500); Streets Ops (011-4600); Pathway Ops (011-4740); Sewer Ops (051-xxxx); Corp Yard (061-4300); Vehicles (061-4400); General CIP (041); Pathway CIP (042); Drainage CIP (045); Street CIP (046); Sewer CIP (048)	82	4,090,330	2,932,167	255,896
<b>Total</b>		<b>\$11,805,042.00</b>	<b>\$3,174,567.00</b>	<b>\$785,762.00</b>

# City and Department Goals Matrix

	General Administration	Public Safety	Planning & Building	Parks & Recreation	Public Works
Preservation of Current Quality of Life	<ul style="list-style-type: none"> <li>City Council approve policies to maintain the semi-rural nature of Los Altos Hills</li> <li>City Manager ensure compliance with City Council directions and adopted policies</li> <li>Monthly committee meetings to review various quality of life issues</li> </ul>	<ul style="list-style-type: none"> <li>County Sheriff aims to meet or be faster than target response time</li> </ul>	<ul style="list-style-type: none"> <li>Department updates Town's General Plan, building codes, and ordinances to maintain the semi-rural characteristic of Los Altos Hills while complying with State and Federal regulations</li> <li>Planning Commissioners review plans with variance to ensure the Town's characteristic is preserved in each approved plan</li> <li>Staff and the Planning Commission review and develop recommendations to Council on changes to regulations to retain the rural character of the Town and quality of life. Current regulations being studied include the Outdoor Lighting Policy and use of metal roofing</li> </ul>	<ul style="list-style-type: none"> <li>Oversee Westwind Barn operations and improvements</li> <li>Open space management and education</li> <li>Fostering a sense of community through parks, activities and events</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the Town's pathway, drainage, roadway, and sewer system</li> <li>Maintain roadway pavement condition at minimum PCI average of 77</li> <li>Repair, replace monitor, and clean sewer pipes to minimize potential sanitary sewer overflow</li> <li>Continue to provide greater efficiency and sustainable infrastructure systems</li> </ul>
Emergency Preparedness	<ul style="list-style-type: none"> <li>Designated Emergency Communication Committee and the Disaster Counsel to meet regularly to review emergency policies and prepare</li> </ul>	<ul style="list-style-type: none"> <li>Contract with County Fire District for fire services and emergency preparedness trainings</li> <li>Contract with Emergency Coordinator to review and update Town on potential threats and to oversee EOC exercises</li> </ul>	<ul style="list-style-type: none"> <li>Currently preparing a Hazards Mitigation Plan that will be maintained and updated as needed</li> <li>Town retains a consultant to assist with emergency preparedness planning and training</li> </ul>	<ul style="list-style-type: none"> <li>Logistics for EOC activation</li> <li>Support PIO</li> <li>Partnering with Santa Clara County Fire and Santa Clara County Sheriff Office</li> </ul>	<ul style="list-style-type: none"> <li>Actively prepare for storm events and preserve environmental quality</li> <li>Winter Storm – clear streets of downed trees and mudslides</li> <li>Training – NIMS Compliant and Essentials of Emergency Management certified</li> <li>First response and investigation of sanitary sewer overflow (SSO)</li> </ul>
Promote Sense of Community	<ul style="list-style-type: none"> <li>City Clerk ensures public outreach, including using different mediums and updating Town website</li> </ul>		<ul style="list-style-type: none"> <li>Department provides support to volunteer committees including Environmental Design &amp; Protection, Environmental Initiatives, Pathways and Open Space Committees</li> <li>Conduct public hearings for new development proposals</li> </ul>	<ul style="list-style-type: none"> <li>Host Town events, such as Movie Night, Leadership Conference, Hoppin' Hounds, Senior Forums, Easter Biscuit Hunt, Easter Egg Hunt, Earth Day Celebration, Pathways Run/Walk, Town Picnic, 4th of July Parade, Family Campout, Hoedown, Vines and Wines, Caroling in the Hills and Barn Lighting</li> </ul>	<ul style="list-style-type: none"> <li>Assist in setup and cleanup of Town events</li> <li>Provide high-quality, cost-effective, responsive services to residents with regard to infrastructure</li> </ul>

	<b>General Administration</b>	<b>Public Safety</b>	<b>Planning &amp; Building</b>	<b>Parks &amp; Recreation</b>	<b>Public Works</b>
<b>Transparency</b>	<ul style="list-style-type: none"> <li>• Finance publishes CAFR and Budget online</li> <li>• City Council reviews and approves annual budget for operation and capital investments</li> <li>• City Clerk manages and archives all Town records and responses to Public Requests</li> </ul>	<ul style="list-style-type: none"> <li>• Provides monthly call log reports</li> </ul>	<ul style="list-style-type: none"> <li>• Notice to surrounding property owners for pending site development applications</li> <li>• Planning Commission Study Sessions for significant projects and code amendments under consideration</li> <li>• Maintain web-pages for projects of interest to the community</li> <li>• Story poles required for new structures</li> <li>• Property records research (Laserfiche)</li> <li>• Working on providing GIS online</li> </ul>	<ul style="list-style-type: none"> <li>• Support as staff liaisons for Parks and Recreation Committee, Community Relations Committee, Senior Commission and Youth Commission</li> <li>• Publishes events and activities through Bi-Annual Activity Guide, Newsletter, Social Media and Town Website</li> </ul>	<ul style="list-style-type: none"> <li>• Provides weekly project updates</li> <li>• Notify public outreach in advance of capital projects and planned utility outage</li> <li>• Seek Committee input in advance of pathway improvement projects</li> </ul>
<b>Risk Mitigation</b>	<ul style="list-style-type: none"> <li>• City Attorney reviews contracts and advises the City Council on legal matters</li> <li>• City Clerk records all legal claims</li> <li>• Finance assesses financial risk with information provided by legal counsel or ABAG</li> </ul>		<ul style="list-style-type: none"> <li>• Building Department enforces building codes to ensure safety in private homes</li> <li>• Geotechnical peer review with new development</li> </ul>	<ul style="list-style-type: none"> <li>• Annual playground Inspections</li> <li>• Ensuring vendors have insurance</li> <li>• Background checks</li> <li>• Mandate reporter training</li> </ul>	<ul style="list-style-type: none"> <li>• Prioritizes projects based on risk factor</li> <li>• Conduct routine maintenance of Town's Maintenance Crew equipment</li> <li>• Perform monthly traffic signal routine maintenance</li> <li>• Annual sewer rehabilitation program</li> <li>• Annual road rehabilitation program</li> <li>• Perform roads and pathways routine maintenance</li> <li>• Capital improvement projects for creeks, roads, traffic, and drainage concerns</li> </ul>

# General Administration

## CITY COUNCIL (011-1100)

### MISSION:

The mission of the Town of Los Altos Hills is to provide high quality public services and facilities in a fiscally sustainable, responsive, and friendly manner and to foster a safe and healthy community in a semi-rural residential setting.

### ORGANIZATION & DESCRIPTION:

The Council is composed of five members who are elected at-large on a non-partisan basis for 4-year staggered terms. The Mayor is appointed annually from among the elected Council members. The City Council is the governing board of the Town. It provides community leadership, enacts laws, adopts resolutions, ordinances and establishes policies for the Town government. The City Council also adopts an annual budget.

The Council meets the third Thursday of each month in formal, public session and occasionally in additional special meetings and study sessions. All City Council meetings are open to the public and are streamed live on the Town’s website at <http://www.losaltoshills.ca.gov>. City Council agendas, reports, packets, minutes and video archives of the meetings are posted on the Town’s website. The Mayor and City Council represent the Town on various local, regional, and State policy committees and commissions. The Council also reviews proposed State of California legislation and provides formal input into the legislative process.

### PROGRAM SUMMARY & MAJOR SERVICES:

- Legislation
- Policy
- Budget

### DEPARTMENT STAFFING:

The Town has five council members, of which two elected to forego their \$250 per month compensation.

### DEPARTMENT GOALS AND ACCOMPLISHMENTS MATRIX:

Town Goal	2016-17 Accomplishment	2017-18 Objectives
Preservation of Current Quality of Life	<ul style="list-style-type: none"> <li>• Addressed short-term rental and provided direction to establishment of regulations</li> <li>• Approved participation in Silicon Valley Clean Energy Authority and to provide Town residents alternative energy source at a lower cost</li> <li>• Provided direction to Pathways Committee on the development of Master Plan Map</li> </ul>	<ul style="list-style-type: none"> <li>• Review and approve short-term rental issues</li> <li>• Review and approve Master Plan Map</li> <li>• Review and approve Substandard Lot Ordinance</li> </ul>
Emergency Preparedness	<ul style="list-style-type: none"> <li>• Approved updates to Municipal Code on Emergency Operations</li> <li>• Approved fingerprinting policy</li> <li>• Completed fingerprinting of all disaster workers – staff and volunteers</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage participation in emergency training</li> </ul>

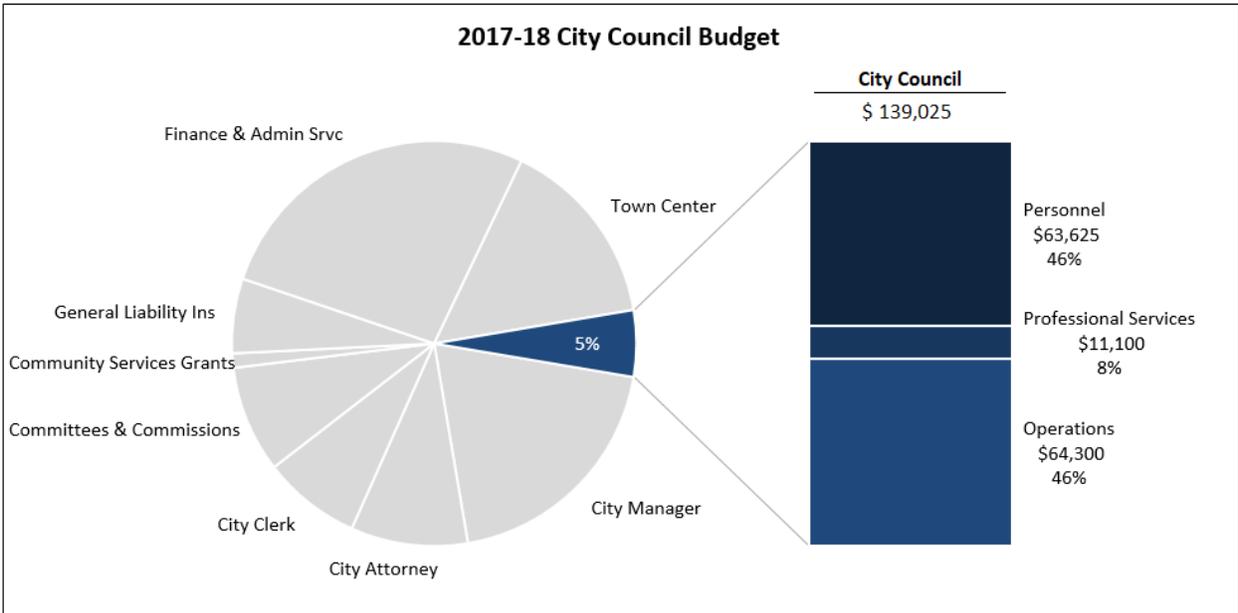
**CITY COUNCIL (011-1100) (CONT)**

Town Goal	2016-17 Accomplishment	2017-18 Objectives
Promote Sense of Community	<ul style="list-style-type: none"> <li>Hosted 2016 Volunteer Dinner and other Town events</li> </ul>	<ul style="list-style-type: none"> <li>Host the 2017 Volunteer Dinner and other Town events</li> <li>Host the 2017 Town Picnic</li> </ul>
Transparency	<ul style="list-style-type: none"> <li>Approved purchase of TRAKiT permitting system</li> <li>Approved 2016-17 Operating and Capital Budget and 2016-2021 Five-Year Capital Improvement Plan</li> </ul>	<ul style="list-style-type: none"> <li>Approve 2017-18 Operating and Capital Budget and 2017-2022 Five-Year Capital Improvement Plan</li> <li>Form sub-committee to review potential technological enhancement to Town's existing processes</li> </ul>
Risk Mitigation	<ul style="list-style-type: none"> <li>Approved 2016 Pavement Rehabilitation Project to ensure safety in using Town roads</li> <li>Approved 2017 Sewer Rehabilitation Project to mitigate risk of Sanitary Sewer Overflow</li> <li>Reviewed and accepted quarterly Sewer Report detailing the status of the current sewer system</li> <li>Approved contract award for the completion of Sewer Master Plan</li> </ul>	<ul style="list-style-type: none"> <li>Review and approve Sewer Master Plan</li> </ul>

**BUDGET SUMMARY:**

The City Council is a General Administration department and budgeted expenditures represent 5 percent of general administration budget and 1 percent of total town-wide expenditure budget. The Department budget reduced by 29 percent, or \$57,613, comparing to 2016-17 Estimated Actual. This decrease is linked to the one-time appropriation of \$25,000 for aircraft noise research and \$43,900 for 2017 Organization Assessment.

As one of the General Administration departments, City Council operations are distributed to service departments based on City Council approved 2014 Cost Allocation Plan.



**CITY COUNCIL (011-1100)**

**(CONT)**

Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual \$	Actual %
<b>Funding Source</b>							
Department Revenues: None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Allocations In	64,863	194,128	158,400	196,638	139,025	(57,613)	-29%
Other Sources /(Uses)							
General Fund Support	-	-	43,900	-	-	-	n/a
<b>Total Revenues</b>	<b>\$ 64,863</b>	<b>\$ 194,128</b>	<b>\$ 202,300</b>	<b>\$ 196,638</b>	<b>\$ 139,025</b>	<b>\$ (57,613)</b>	<b>-29%</b>
<b>Department Expenditure</b>							
Personnel	\$ 37,997	\$ 54,952	\$ 56,100	\$ 55,348	\$ 63,625	\$ 8,277	15%
Professional Services	1,485	33,343	79,900	72,225	11,100	(61,125)	-85%
Operations	25,381	105,832	66,300	69,066	64,300	(4,766)	-7%
<b>Total Expenditures</b>	<b>\$ 64,863</b>	<b>\$ 194,128</b>	<b>\$ 202,300</b>	<b>\$ 196,638</b>	<b>\$ 139,025</b>	<b>\$ (57,613)</b>	<b>-29%</b>

**CITY MANAGER (011-1200)**

**MISSION:**

Provide overall management of the Town, execute Council policy, and insure that residents of Los Altos Hills receive excellent customer service and fair value for their tax dollars.

**ORGANIZATION AND DESCRIPTION:**

The City Manager Office consists of one budget unit. City Manager provides an oversight of all Town Departments and manages contracts for Law Enforcement services with the County of Santa Clara Sheriff’s Office, Animal Services with the City of Palo Alto, Sanitary Sewer maintenance with West Bay Sanitary District and IT Services with the City of Redwood City. The City Manager is responsible for carrying out the policies and directives of the City Council and for the overall management of the Town operations. The City Manager is responsible for preparing and submitting the proposed annual Budget and salary plan to the Council. The City Manager hires and supervises the Executive Management Team that includes the Department Heads of each Town department.

**PROGRAM SUMMARY & MAJOR SERVICES:**

- Direct and organize Town services and departments
- Supervise all public property and assets under jurisdiction of the Council
- Recommend the adoption of policies and ordinances as necessary
- Purchase materials and supplies necessary for the conduct of the public’s business
- Enforce contracts, agreements and permits authorized by the Council
- Oversee public information, customer service and community engagement

- **DEPARTMENT STAFFING:**

- The City Manager’s Office has 1.08 full-time equivalent, which is comprised of a full-time City Manager and 13% of a part-time Administrative Clerk/Technician.

**CITY MANAGER (011-1200)**

**(CONT)**

**DEPARTMENT GOALS AND ACCOMPLISHMENTS MATRIX:**

Town Goal	2016-17 Accomplishment	2017-18 Objectives
Preservation of Current Quality of Life	<ul style="list-style-type: none"> <li>Executed agreement for Town to join Silicon Valley Clean Energy JPA</li> <li>Completed and implemented cable cost sharing policy</li> <li>Recruited for Public Works Director/City Engineer, Assistant Planner, Maintenance Worker I, and Recreation Specialist positions</li> <li>Successfully executed on over \$2.0 million of capital projects</li> </ul>	<ul style="list-style-type: none"> <li>Recruit for Recreation Specialist positions</li> <li>Identify additional workspace for staff</li> <li>Customer service training for staff</li> <li>Recruit and train Town Building Inspector and Building Technician</li> </ul>
Emergency Preparedness	<ul style="list-style-type: none"> <li>Implemented emergency training schedule for in-house staff</li> <li>Implemented Nixle</li> <li>Initiated on-site fingerprinting for staff and volunteers</li> </ul>	<ul style="list-style-type: none"> <li>Enforce mandatory emergency training for in-house staff</li> <li>Draft emergency guide for elected officials</li> <li>Approve updated local Hazard Mitigation Plan</li> </ul>
Promote Sense of Community	<ul style="list-style-type: none"> <li>Directed 22 successful community events</li> <li>Organized Staff Wellness events utilizing community paths</li> </ul>	<ul style="list-style-type: none"> <li>implement resident online access for permit tracking and GIS</li> <li>Hold exciting community events with emphasis on senior, family and youth</li> </ul>
Transparency	<ul style="list-style-type: none"> <li>Completed and presented the 2017-18 Operating and Capital Budget and 2017-2022 Capital Improvement Plan</li> <li>Completed organizational assessment</li> </ul>	<ul style="list-style-type: none"> <li>Prioritize and implement organizational assessment recommendations</li> <li>Complete installation of TRAKiT</li> <li>Hold regular drop-in City Manager office hours</li> </ul>
Risk Mitigation	<ul style="list-style-type: none"> <li>Oversight of liability claims</li> <li>Specified and ordered new dump truck to replace old model with mechanical issues</li> </ul>	<ul style="list-style-type: none"> <li>Complete Sanitary Sewer Master Plan</li> <li>Complete updates to Pavement Management Program</li> </ul>

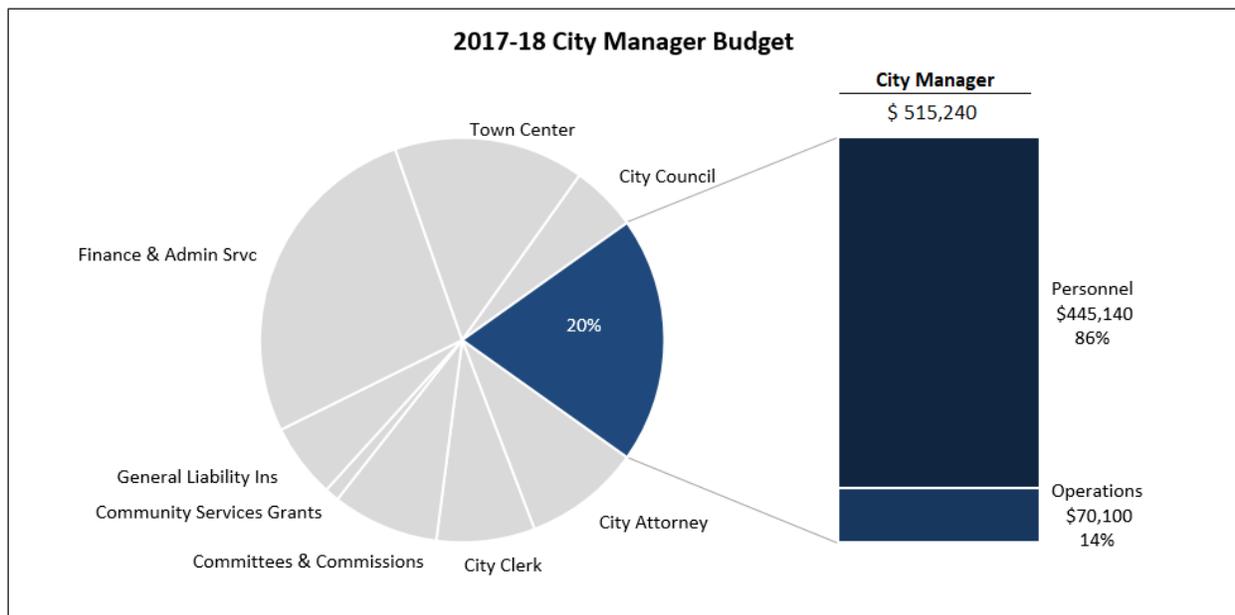
**CITY MANAGER (011-1200)**

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**BUDGET SUMMARY:**

The City Manager is a General Administration department and expenditure budget represents 20 percent of general administration budget and 3 percent of total town-wide expenditure budget. The Department budget increased by 40 percent, or \$147,222, comparing to 2016-17 Estimated Actual. The main attributor of the increase is from the \$104,300 merit increase budget, which is budgeted in the City Manager’s office and distributed based on performance review throughout the year. Additionally, the City Manager’s Budget includes a \$61,000 contingency for special projects from the City Council.

City Manager operational costs, excluding City Manager Contingency, are distributed to service departments based on City Council approved 2014 Cost Allocation Plan.



Four-Year Comparison	2014-15	2015-16	2016-17	2016-17	2017-18	Budget to Est. Actual	
	Actual	Actual	Revised	Est. Actual	Budget	\$	%
<b>Funding Source</b>							
Department Revenues: None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Allocations In	313,522	338,682	416,600	368,018	454,040	86,022	23%
Other Sources /(Uses)							
General Fund Support	3,500	39,352	(2,411)	-	61,200	61,200	n/a
<b>Total Revenues</b>	<b>\$ 317,022</b>	<b>\$ 378,034</b>	<b>\$ 414,189</b>	<b>\$ 368,018</b>	<b>\$ 515,240</b>	<b>\$ 147,222</b>	<b>40%</b>
<b>Department Expenditure</b>							
Personnel	\$ 301,518	\$ 330,180	\$ 344,089	\$ 328,518	\$ 445,140	\$ 116,622	35%
Operations	15,504	47,854	70,100	39,500	70,100	30,600	77%
<b>Total Expenditures</b>	<b>\$ 317,022</b>	<b>\$ 378,034</b>	<b>\$ 414,189</b>	<b>\$ 368,018</b>	<b>\$ 515,240</b>	<b>\$ 147,222</b>	<b>40%</b>

**CITY ATTORNEY (011-1500)**

**MISSION:**

The mission of the City Attorney is to provide the residents of the Town, City Council and staff with high quality, legal advice and counsel.

**ORGANIZATION AND DESCRIPTION:**

The Department is comprised of the City Attorney under contract of the law firm of Meyers|Nave and includes all office costs including paralegal, secretarial, clerical, etc. The City Attorney reports directly to the City Council and is charged with the task of serving as the legal counsel to the City Council, Planning Commission, City Manager and staff on all legal aspects of municipal operations.

**PROGRAM SUMMARY & MAJOR SERVICES:**

Legal services include legal advice and analysis, preparation of legislation including ordinances and resolutions, drafting or review of contracts and agreements, conducting research and supporting the Town in litigation, civil and criminal actions, and code enforcement. The City Attorney attends all regular and special City Council meetings. Other services include meetings 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.

**DEPARTMENT STAFFING:**

Since the Town contracts for City Attorney services with Meyers|Nave, there is no in-house staffing for City Attorney’s budget.

**DEPARTMENT GOALS AND ACCOMPLISHMENTS MATRIX:**

Town Goal	2016-17 Accomplishment	2017-18 Objectives
Risk Mitigation	<ul style="list-style-type: none"> <li>Attended City Council meeting and Committee meetings to address Brown Act and other legal matters</li> <li>Provided legal advice to the City Council, City Manager and staff</li> <li>Defended the Town in several specific legal matters</li> </ul>	<ul style="list-style-type: none"> <li>Continue to provide competent legal advice.</li> <li>Continue to monitor legal developments that affect the Town and report to staff and City Council.</li> <li>Update the municipal code as required in the area of public contracts and zoning.</li> </ul>

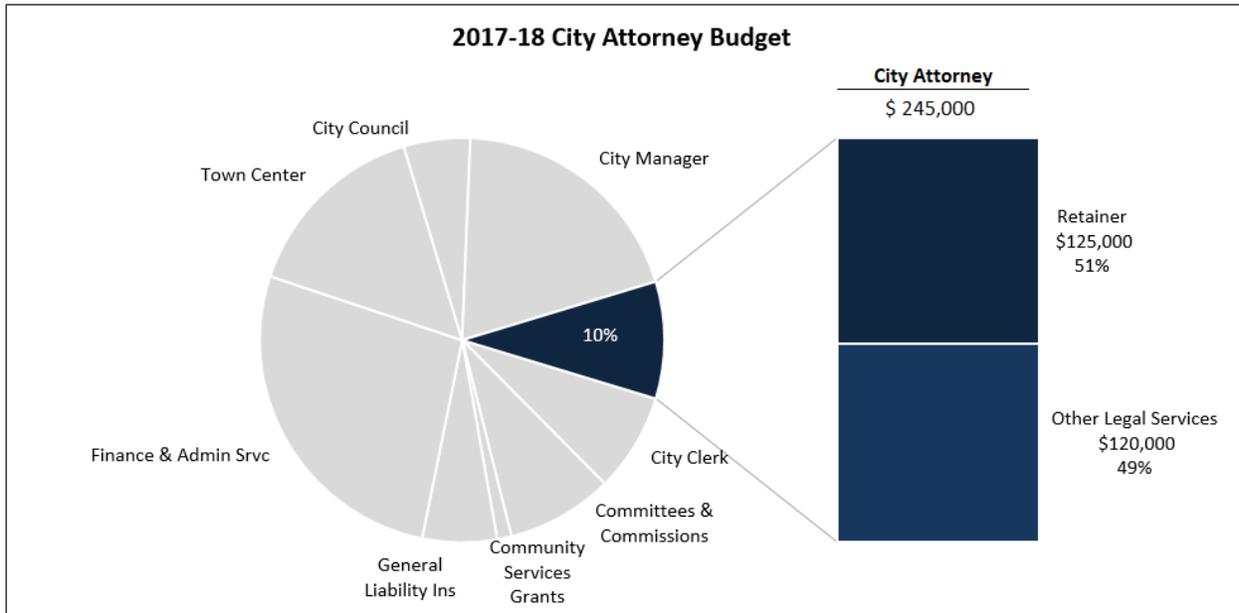
**BUDGET SUMMARY:**

The City Attorney is a General Administration department and expenditure budget represents 10 percent of general administration budget and 2 percent of total town-wide. The Department budget increased by 6 percent, or \$14,000, comparing to 2016-17 Estimated Actual. The increase is based on legal activities since 2015-16.

As one of the General Administration departments, all non-billable City Attorney operations are fully distributed to service departments based on City Council approved 2014 Cost Allocation Plan.

**CITY ATTORNEY (011-1500)**

**(CONT)**



Four-Year Comparison	2014-15	2015-16	2016-17	2016-17	2017-18	Budget to Est. Actual	
	Actual	Actual	Revised	Est. Actual	Budget	\$	%
<b>Funding Source</b>							
Department Revenues							
Charges for services	\$ 29,038	\$ 72,566	\$ 21,400	\$ 56,000	\$ 56,000	\$ -	0%
Allocations In	105,301	169,961	200,000	125,000	114,000	(11,000)	-9%
Other Sources /(Uses)							
General Fund Support	3,000	597	-	50,000	75,000	25,000	50%
<b>Total Revenues</b>	<b>\$ 137,339</b>	<b>\$ 243,124</b>	<b>\$ 221,400</b>	<b>\$ 231,000</b>	<b>\$ 245,000</b>	<b>\$ 14,000</b>	<b>6%</b>
<b>Department Expenditure</b>							
Professional Services	\$ 105,777	\$ 170,558	\$ 125,000	\$ 125,000	\$ 125,000	\$ -	0%
Contractual Services	31,562	72,566	96,400	106,000	120,000	14,000	13%
<b>Total Expenditures</b>	<b>\$ 137,339</b>	<b>\$ 243,124</b>	<b>\$ 221,400</b>	<b>\$ 231,000</b>	<b>\$ 245,000</b>	<b>\$ 14,000</b>	<b>6%</b>

## CITY CLERK (011-1300)

### MISSION:

The mission of the City Clerk program is to provide the residents of the Town, City Council and Staff with access to public records and to ensure all facets of agenda preparation, public meetings and municipal elections are conducted according to state law. The City Clerk is the liaison and public information officer between the public and the City Council. The Clerk also provides logistical support to Town committees. The City Clerk’s most important function is to promote openness in government by serving the people’s needs promptly and efficiently.

### ORGANIZATION AND DESCRIPTION:

The Town of Los Altos Hills City Clerk program consists of one budget unit, staffed by a City Clerk and a part-time Administrative Technician. The basic function of the City Clerk office is to provide administrative support for City Council meetings by preparing agendas, minutes, resolutions and ordinances, coordinate municipal elections, oversee and manage the vital records program, receive Fair Political Practices Commission filings, oversee updating and codification of the Municipal Code and assist the public, maintaining the permanent, non- permanent and historical records and respond to requests for public information in accordance with the Town’s records retention schedule and State Law. Additional duties include completing assignments designated by the City Manager and maintenance Committee minutes and memberships.

### PROGRAM SUMMARY & MAJOR SERVICES:

- **Council and City Manager Support** – Facilitate the Council agenda process for the City Manager and Council in compliance with legal requirements
- **Town Committee Support** – Post agenda, send reminders, maintain attendance records, attend several meetings throughout the year, and assist in coordinating events by various committees
- **Elections Management** – Oversee election contract with County in accordance with State law
- **Permanent Records Management** – Coordinate and monitor Town permanent and non-permanent records and respond to requests for public information in accordance with state law
- **Public Information Officer** – In coordination with the City Manager, issue press releases and utilize Rapid Notify to disseminate information to residents, along with responding to public records requests

### ONGOING PROGRAM SUMMARY:

Goals/Objectives	Measurement			
	Method	2014/15	2015/16	2016/17
1. Council and Committee Support				
a. Council meetings	100%	14/14	19/19	17/17
b. Timely publishing of Council agenda (Friday before meeting)	100%	100%	100%	100%
c. Volunteer dinner				
• Event coordination & under budget		Yes	Yes	Yes
• Mayor presentation assistance		Yes	Yes	Yes
d. Other Support				
				<ul style="list-style-type: none"> <li>• State of Cities Luncheon presentation assistance</li> <li>• Regional events and meeting attendance coordination</li> </ul>
2. Town Committee Support	No of Committee	14 / 100%	14 / 100%	14 / 100%
3. Election/Appointment of City Council	No of positions filled	2	1	3
4. Permanent Records Management				
a. Public records request, including subpoenas		35	20	50
b. Records archived per retention policy	Indexed / Purged	182 / 182	30 / 55	25 / 54
c. Form 700 oversight of all relevant stakeholders		100%	100%	100%
d. Monitored and updated the Town’s website as appropriate, including making Resolutions, Ordinances and City Council Minutes available		1998	1956	Up to Date

**CITY CLERK (011-1300)**

**(CONT)**

Goals/Objectives	Measurement Method	2014/15	2015/16	2016/17
5. Public Information Officer				
a. Communication medium used:		<ul style="list-style-type: none"> <li>Facebook</li> <li>Twitter</li> <li>Nextdoor</li> <li>Rapid Notify</li> <li>Traditional mail</li> </ul>	<ul style="list-style-type: none"> <li>Facebook</li> <li>Twitter</li> <li>Nextdoor</li> <li>Rapid Notify</li> <li>Traditional mail</li> </ul>	<ul style="list-style-type: none"> <li>Facebook</li> <li>Twitter</li> <li>Nextdoor</li> <li>Rapid Notify</li> <li>Traditional mail</li> </ul>
b. Participated in Emergency Preparedness drills and initiated Rapid Notify alerts to CERT members and Town residents as needed		Yes	Yes	Yes

**DEPARTMENT STAFFING:**

The City Clerk manages a part-time Administrative Clerk/Technician and the labor distribution is as followed:

Position	% Distribution	FTE			
		City Manager	City Clerk	Committees	Engineering Admin
City Clerk	1.00	0%	75%	25%	0%
Administrative Clerk/Technician - Part-Time	0.60	13%	50%	24%	13%
<b>Total Full-Time Equivalent (FTE)</b>	<b>1.60</b>	<b>0.08</b>	<b>1.05</b>	<b>0.39</b>	<b>0.08</b>
<b>Percent Distribution</b>	<b>100%</b>	<b>5%</b>	<b>65%</b>	<b>25%</b>	<b>5%</b>

**DEPARTMENT GOALS AND ACCOMPLISHMENTS MATRIX:**

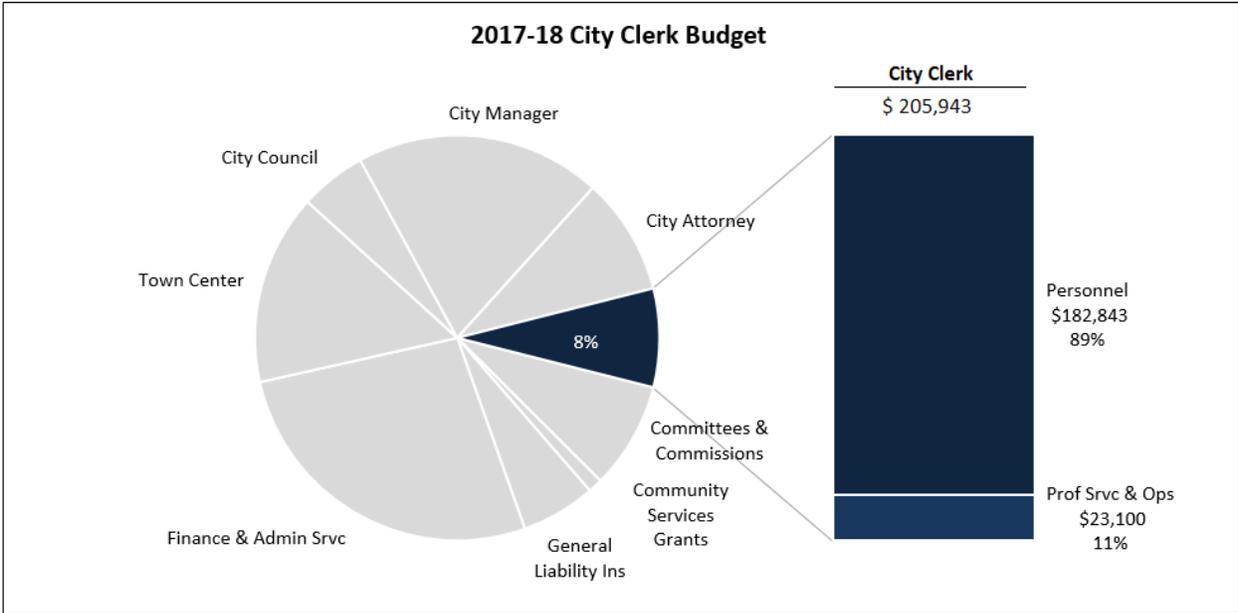
Town Goal	2016-17 Accomplishment	2017-18 Objectives
Preservation of Current Quality of Life	<ul style="list-style-type: none"> <li>Served as an Ex-Officio Board Member of the Los Altos Chamber of Commerce</li> <li>Provided one-on-one attention to Residents with inquiries and complaints</li> </ul>	<ul style="list-style-type: none"> <li>Continue to provide excellent customer service to Town residents, Town vendors, Town third party partners, and all interested parties</li> </ul>
Emergency Preparedness	<ul style="list-style-type: none"> <li>Participated in Emergency Preparedness drill and initiated Rapid Notify alerts to CERT members and Town residents as needed</li> </ul>	<ul style="list-style-type: none"> <li>Continue to participated in Emergency Preparedness drill and initiate Rapid Notify alerts to CERT members and Town residents as needed</li> </ul>
Promote Sense of Community	<ul style="list-style-type: none"> <li>Coordinated the 2016 Volunteer Dinner</li> <li>Prepared draft presentation for the State of the Cities luncheon</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate the 2017 Volunteer Dinner</li> <li>Assist in other Town events, as applicable</li> <li>Prepare draft presentation for the 2018 State of the Cities luncheon</li> </ul>

**CITY CLERK (011-1300) (CONT)**

Town Goal	2016-17 Accomplishment	2017-18 Objectives
<b>Transparency</b>	<ul style="list-style-type: none"> <li>Hired a Camera Operator for City Council Chamber meeting</li> <li>Updated Town-wide website as necessary</li> <li>Administered electronically scanning Town documents utilizing Laserfiche</li> <li>Provided administrative support to City Council meetings, Planning Commission meetings, and managed schedule of Town Committee meetings</li> <li>Posted Town notification on multiple media outlets, including Facebook, Twitter, Nextdoor, and Rapid Notify</li> </ul>	<ul style="list-style-type: none"> <li>Continue to use traditional mail and electronic media outlets to notify Town residents of upcoming events and notices</li> <li>Continue to manage public records requests and provide responses timely</li> <li>Continue to administer electronic scanning of Town documents utilizing Laserfiche</li> <li>Oversee compliance with Town's Retention Policy</li> <li>Overhaul Audio/Visual System in Council Chamber</li> </ul>
<b>Risk Mitigation</b>	<ul style="list-style-type: none"> <li>Sworn in as a Region Director for the California City Clerks Association</li> <li>Worked with Town's insurance administrator to resolve liability claims.</li> </ul>	<ul style="list-style-type: none"> <li>Continue oversight of liability claims and working with the Town's insurance administrator for speedy resolution</li> </ul>

**BUDGET SUMMARY:**

The City Clerk is a General Administration department and expenditure budget represents 8 percent of general administration budget and 1 percent of total town-wide expenditure budget. The Department budget remained relatively flat comparing to 2016-17 Estimated Actual. The City Clerk's Budget in 2016-17 included the cost of biennial election. There is no election in 2017-18, reducing the operations budget by \$18,573. This is offset by the restoration of the 2017-18 Professional Services to the 2016-17 budget, which is for record retention specialist. City Clerk's operational costs are distributed to service departments based on the City Council approved 2014 Cost Allocation Plan.



## CITY CLERK (011-1300)

(CONT)

Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual \$	Actual %
<b>Funding Source</b>							
Department Revenues: None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Allocations In	176,355	173,903	222,000	208,194	205,943	(2,251)	-1%
Other Sources /(Uses)							
General Fund Support	-	-	7,669	-	-	-	n/a
<b>Total Revenues</b>	<b>\$ 176,355</b>	<b>\$ 173,903</b>	<b>\$ 229,669</b>	<b>\$ 208,194</b>	<b>\$ 205,943</b>	<b>\$ (2,251)</b>	<b>-1%</b>
<b>Department Expenditure</b>							
Personnel	\$ 150,748	\$ 164,295	\$ 176,569	\$ 173,390	\$ 182,843	\$ 9,453	5%
Professional Services	10,172	1,427	10,500	3,631	10,500	6,869	189%
Contractual Services	2,799	3,962	-	-	-	-	n/a
Operations	12,636	4,220	42,600	31,173	12,600	(18,573)	-60%
<b>Total Expenditures</b>	<b>\$ 176,355</b>	<b>\$ 173,903</b>	<b>\$ 229,669</b>	<b>\$ 208,194</b>	<b>\$ 205,943</b>	<b>\$ (2,251)</b>	<b>-1%</b>

## COMMITTEES &amp; COMMISSIONS (011-1700)

**MISSION:**

Building community consensus for proposals or projects, reviewing written material, facilitating study of issues, guiding implementation of new or regulating established programs, assessing the alternatives regarding issues of community concern and ultimately forwarding recommendations to the City Council for consideration.

**ORGANIZATION AND DESCRIPTION:**

The City Council has established 15 committees/commissions to review Town programs, projects and community issues. The Town of Los Altos Hills standing committees have been established by resolution with the exception of the Planning Commission and Senior Commission, which were established by ordinance. All standing committees consist of Town residents who are willing to share their expertise and enthusiasm to contribute to the Town's direction and vision to make it a better place to live in.

**PROGRAM SUMMARY & MAJOR SERVICES:**

The Town has the following standing committees/commissions:

- Planning Commission
- Community Relations
- Education
- Emergency Communications
- Environmental Design and Protection
- Environmental Initiatives
- Finance and Investment
- History
- Senior Commission
- Open Space
- Parks & Recreation
- Pathways
- Traffic Safety
- Joint Community Volunteer Service Awards
- Youth Commission

**DEPARTMENT STAFFING:**

The Committees and Commissions do not have a dedicated in-house staff. The City Clerk's Office and Parks & Recreation Department offers most of the support, total FTE is 1.19. Additionally, each committee has Council liaison who provide directions and staff support to complete research and analysis.

**COMMITTEES & COMMISSIONS (011-1700) (CONT)**

**DEPARTMENT GOALS AND ACCOMPLISHMENTS MATRIX:**

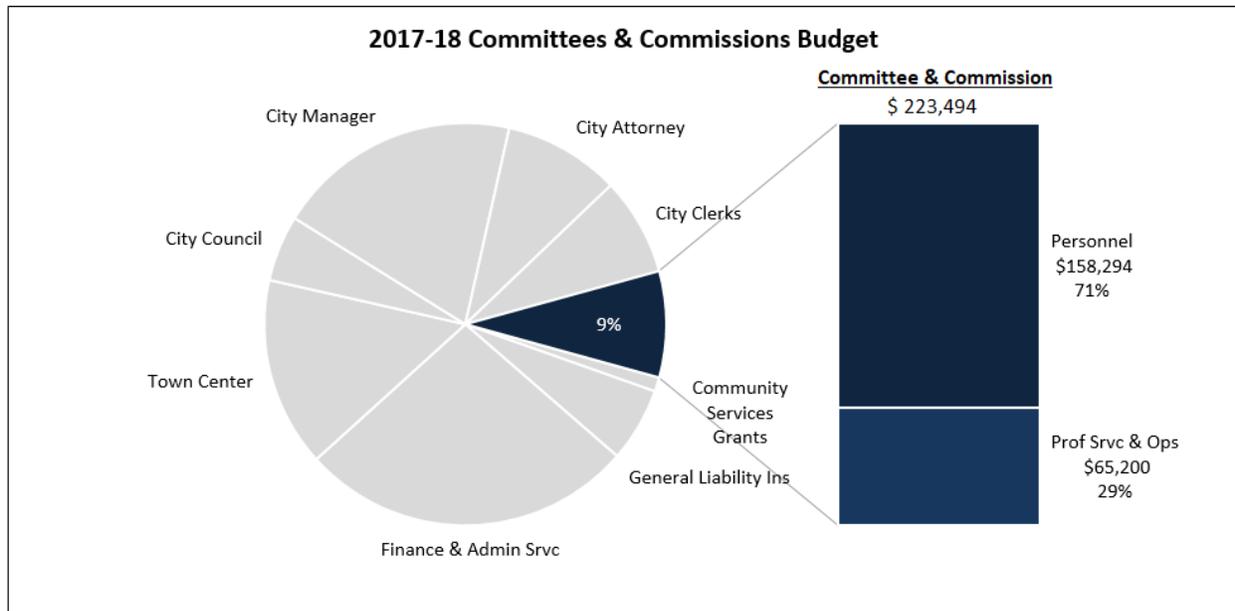
Town Goal	2016-17 Accomplishment	2017-18 Objectives
Preservation of Current Quality of Life	<ul style="list-style-type: none"> <li>• Provided seminars and information on Sudden Oak Death</li> <li>• Acquired three art pieces and installed "Blue" at O'Keefe Park</li> <li>• Completed year-long Open Space Stewardship/ Restoration project with Acterra, with large community volunteer involvement</li> <li>• Attended 24 fast track/site development meetings and participated in 17 field trips</li> </ul>	<p>All standing committees will continue to work as outlined in their individual charters to make recommendations to the City Council for the betterment of the Town.</p>
Emergency Preparedness	<ul style="list-style-type: none"> <li>• Strengthened cooperation and support with LAH CERT group</li> </ul>	
Promote Sense of Community	<ul style="list-style-type: none"> <li>• Organization and execution of the 2017 Town Picnic</li> <li>• Completion of events: Hoedown, Hoppin' Hounds and Pathways Run</li> <li>• Coordinated senior informative meetings and senior walk</li> <li>• Growing of the Parks &amp; Recreation riding programs by increasing classes and participants</li> </ul>	
Transparency	<ul style="list-style-type: none"> <li>• Expanded Activity Guide programming to include preschool, Elementary school, Teen, Adult and Senior programming.</li> <li>• Assisted in 2015-16 CAFR preparation and Midyear 2016-17 Budget update and review</li> <li>• Began analysis of unfunded pension cost and its impact on Town finances</li> <li>• Monitored Town investment</li> </ul>	
Risk Mitigation	<ul style="list-style-type: none"> <li>• Strengthened cooperation and support with LAH CERT group</li> </ul>	

**COMMITTEES & COMMISSIONS (011-1700)**

**(CONT)**

**BUDGET SUMMARY:**

The Committees & Commissions is a General Administration department and expenditures represent 9 percent of general administration budget and 1 percent of total town-wide expenditure budget. The Department budget increased by 12 percent, or \$23,618, comparing to 2016-17 Estimated Actual. Comparing the 2017-18 Budget to 2016-17 Budget, the real change in budget is in personnel cost, as a result of changes in benefit costs, such as pension and medical. Although Committees & Commissions are part of the General Administrative and provides support to the City Council, the City Council approved by resolution to classify Committees & Commissions operating cost to be ineligible for overhead allocation.



Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual \$	Actual %
<b>Funding Source</b>							
Department Revenues: None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Allocations In: None	-	-	-	-	-	-	n/a
Other Sources /(Uses)							
General Fund Support	156,182	188,046	221,710	199,876	223,494	23,618	12%
<b>Total Revenues</b>	<b>\$ 156,182</b>	<b>\$ 188,046</b>	<b>\$ 221,710</b>	<b>\$ 199,876</b>	<b>\$ 223,494</b>	<b>\$ 23,618</b>	<b>12%</b>
<b>Department Expenditure</b>							
Personnel	\$ 98,718	\$ 126,764	\$ 156,510	\$ 146,134	\$ 158,294	\$ 12,160	8%
Professional Services	4,045	10,718	7,500	6,514	7,500	986	15%
Operations	53,418	50,564	57,700	47,228	57,700	10,472	22%
<b>Total Expenditures</b>	<b>\$ 156,182</b>	<b>\$ 188,046</b>	<b>\$ 221,710</b>	<b>\$ 199,876</b>	<b>\$ 223,494</b>	<b>\$ 23,618</b>	<b>12%</b>

## COMMUNITY SERVICES GRANT (011-1600)

### MISSION:

To provide financial incentive to certain community service non-profit organizations

### DESCRIPTION:

Annual budgetary appropriation of grant funding to be awarded to qualified community non-profit organizations.

### PROGRAM SUMMARY & MAJOR SERVICES:

Every year, the City Council receives requests from community service agencies for grant monies to support programs that directly benefit the residents. In October 2015, the City Council identified four non-profit organizations that provides services and programs to all residents. These organizations include Community Health Awareness Council (CHAC), Friends of Deer Hollow Farm, Hidden Villa, and Los Altos Chamber of Commerce.

### DEPARTMENT STAFFING:

There is minimum in-house support, primarily from Finance and City Council.

### 2016-2017 ACCOMPLISHMENTS:

Gave financial support to CHAC, Friends of Deer Hollow Farm, Hidden Villa, and Los Altos Chamber of Commerce.

### 2017-2018 OBJECTIVES:

Continue financial support to CHAC, Friends of Deer Hollow Farm, Hidden Villa, and Los Altos Chamber of Commerce.

### BUDGET SUMMARY:

The Community Services Grant has an approved appropriation of \$30,000. The distribution is based on City Council direction in October 2015.

Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual \$	Actual %
<b>Funding Source</b>							
Department Revenues: None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Allocations In: None	-	-	-	-	-	-	n/a
Other Sources /(Uses)							
General Fund Support	30,000	30,000	30,000	30,000	30,000	-	0%
<b>Total Revenues</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>0%</b>
<b>Department Expenditure</b>							
Community Health Awareness Council	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
Friends of Deer Hollow Farms	5,000	5,000	5,000	5,000	5,000	-	0%
Hidden Villa	10,000	10,000	10,000	10,000	10,000	-	0%
Los Altos Chamber of Commerce	5,000	5,000	5,000	5,000	5,000	-	0%
<b>Total Expenditures</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>0%</b>

## GENERAL LIABILITY INSURANCE (011-1510)

### MISSION:

To develop Town risk management and safety programs, policies, and procedures and insure the Town's assets in order to minimize risk and costs.

### ORGANIZATION AND DESCRIPTION:

The Administrative Services Director is the Town's official Risk Manager, a member of the Association of Bay Area Governments (ABAG) PLAN's Board of Directors and is assisted by the City Clerk in the daily operation of the programs and claims administration. The Town of Los Altos Hills is a member of ABAG PLAN (Pooled Liability Annuity Network), a public agency insurance pool sponsored by ABAG which is comprised of 30 greater bay area municipalities, including the Town's benchmark agencies Woodside, Portola Valley, Atherton, and Hillsborough. As a member, the Town purchases General Liability coverage of \$5 million with an excess coverage of \$10 million and Self Insured Retention or deductible of \$25,000 on liability claims. Claims, and incidents that might develop into claims, are referred to ABAG PLAN for review and disposition. The Town also participates in PLAN's property insurance program to provide property insurance of \$25 million with a \$25,000 deductible per occurrence for all Town owned facilities and capital equipment (vehicle, etc). In addition, the Town carries a Public Officials Bond through the PLAN for key Town officials who are entrusted with Town funds.

### PROGRAM SUMMARY & MAJOR SERVICES:

The program includes managing liability, property and auto claims, insurance programs, as well as developing risk reduction policies and procedures. The budget provides for the premiums as well as any settlements resulting from claims against the Town.

### ONGOING PROGRAM SUMMARY:

GOALS/OBJECTIVES	Measurement Method	2014/15	2015/16	2015/16
1. Claims filed				
a. General liability (G/L)	Open Cases @ May	3	5	4
b. Workers Comp (W/C)	Open Cases	0	0	0
c. OSHA's Form 300A Filing	# of injuries	0	0	0
d. Loss Recovery		n/a	\$ 9,511	\$ 6,670
2. Risk Management & Mitigation				
a. Wellness Grant (W/C)				
• Grant Program		\$10,284	\$10,540	\$10,000
• Participants		95%	100%	100%
b. Risk mitigation (G/L)		\$3,152	\$3,000	\$3,000
c. Risk Management Framework and Operational Best Practices program		Sewer	Vehicle Policy	Playground Safety
d. Mandatory Training				
• OSHA Training		Yes	Yes	Yes
• Harassment Training (biennial)		n/a	Yes	Yes
e. Ethics Training (All Employees, Council, Planning Commission)		Yes	Yes	Yes

### DEPARTMENT STAFFING:

General Liability operations are jointly managed by City Clerk and Finance. City Clerk provides oversight of all new and ongoing claims. Finance manages the financial aspect of the claims as well as participates in board meetings for ABAG PLAN and SHARP groups.

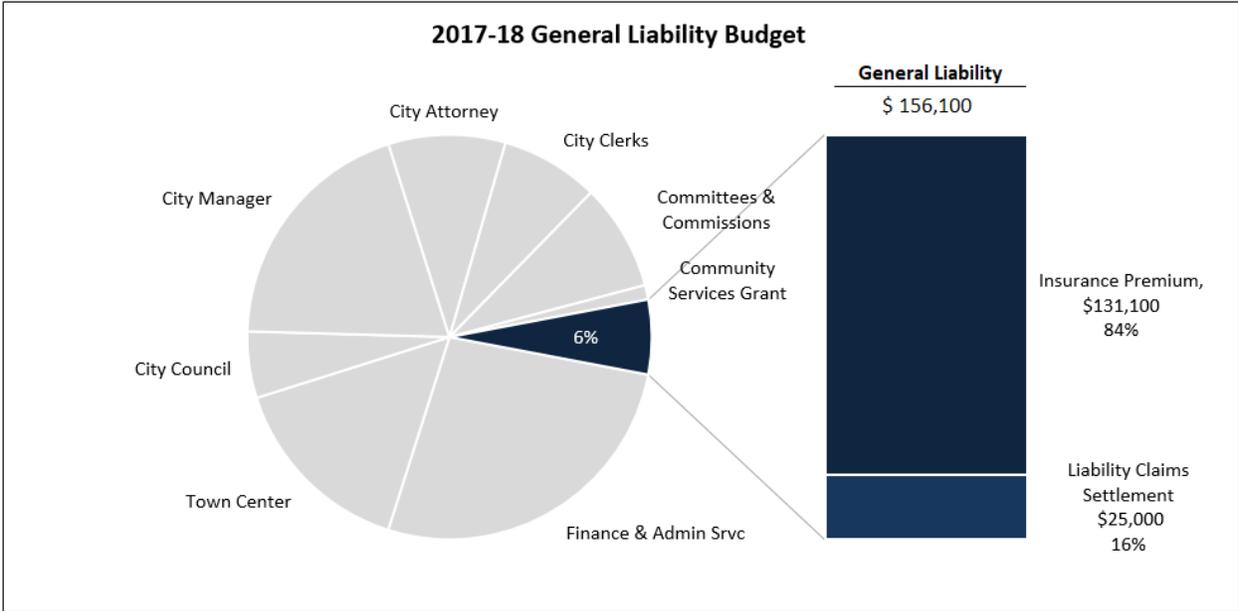
**GENERAL LIABILITY INSURANCE (011-1510) (CONT)**

**DEPARTMENT GOALS AND ACCOMPLISHMENTS MATRIX:**

Town Goal	2016-17 Accomplishment	2017-18 Objectives
Risk Mitigation	<ul style="list-style-type: none"> <li>Expanded 2016/17 Wellness Program to include new Open Space path challenges and monthly challenges</li> <li>Reviewed and rejected two liability claims</li> </ul>	<ul style="list-style-type: none"> <li>Continue to identify and reduce risks to the Town</li> <li>Process and handle liability claims in a timely manner, so claim expenses and legal costs can be minimized</li> <li>Continue to seek recovery of costs third party cause damages to Town property (“subrogation” cases)</li> <li>Implement new Risk Management and Safety policies and procedures</li> <li>Work closely with ABAG PLAN on updating Risk Management Framework and Operational Best Practices</li> </ul>

**BUDGET SUMMARY:**

The General Liability Insurance is a General Administration department and the expenditures represent 6 percent of general administration budget and 1 percent of total town-wide expenditure budget. The Division budget increased by \$11,900 or 8 percent compared to 2016-17 Estimated Actual. This increase is resulted from an increase of \$158,500 in the 5-year average loss claims. General Liability operating cost, net of insurance proceeds and recovers, is fully distributed to service departments based on City Council approved 2014 Cost Allocation Plan.



## GENERAL LIABILITY INSURANCE (011-1510)

(CONT)

Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual \$	Actual %
<b>Funding Source</b>							
Department Revenues							
Insurance Recoveries and Proceeds	\$ 19,366	\$ 10,453	\$ 5,000	\$ 13,165	\$ 5,000	\$ (8,165)	-62%
Allocations In	77,844	109,390	139,200	131,035	151,100	20,065	15%
Other Sources /(Uses)							
General Fund Support	-	-	-	-	-	-	n/a
<b>Total Revenues</b>	<b>\$ 97,210</b>	<b>\$ 119,843</b>	<b>\$ 144,200</b>	<b>\$ 144,200</b>	<b>\$ 156,100</b>	<b>\$ 11,900</b>	<b>8%</b>
<b>Department Expenditure</b>							
Insurance Premium	\$ 82,043	\$ 113,557	\$ 119,200	\$ 119,200	\$ 131,100	\$ 11,900	10%
Liability Claims Settlement	15,167	6,286	25,000	25,000	25,000	-	0%
<b>Total Expenditures</b>	<b>\$ 97,210</b>	<b>\$ 119,843</b>	<b>\$ 144,200</b>	<b>\$ 144,200</b>	<b>\$ 156,100</b>	<b>\$ 11,900</b>	<b>8%</b>

## FINANCE &amp; ADMINISTRATIVE SERVICES (011-1400)

**MISSION:**

Provide overall management of the Town's Administrative Services, execution of the Town's administrative policies, and ensure the Town organization; including officials, management and staff receive high quality effective and efficient administrative support services.

**ORGANIZATION:**

The department is comprised of Administration, Finance, Debt Service, Human Resources, Community Services Grants Administration, and Risk Management (Worker's Compensation & General Liability) functions.

**DESCRIPTION:**

The Administrative Services Department consists of three full-time employees including Administrative Services Director, Finance Manager, and Administrative Clerk/Technician.

The Administrative Services Department goals are to provide oversight and support of the Town's organization including: timely and accurate financial transaction processing and reporting, provide services that effectively protect and maximize the use of Town resources for the good of the community; support workforce best practices and policies consistent with Federal, State and local mandates and regulations; and ensure implementation of safety policies and risk management best practices & procedures to mitigate the Town's risk exposure.

**PROGRAM SUMMARY & MAJOR SERVICES:**

The Town has the following standing committees/commissions:

- Project Management
- Contract Management
- Special Services
- Financial Planning/ Budgeting
- Accountability and Annual Financial Reporting
- Disbursements
- Debt Service Administration
- Banking/cashiering/revenue/investment mgt.
- Benefit Administration
- Employee Relations
- On-line services & Resources
- Risk Management
- Business Registration
- Recruitment
- Payroll
- Annual External Audit Coordination

## FINANCE &amp; ADMINISTRATIVE SERVICES (011-1400)

(CONT)

## ONGOING PROGRAM SUMMARY:

GOALS/OBJECTIVES	Measurement Method	2014/15	2015/16	2016/17
1. Maintain/Improve Operating Efficiency				
a. Timely month-end close	Average number of days	72	32	32
b. Timely year-end close	Prior fiscal year	September	September	September
c. Clean audit opinion	Prior fiscal year	Yes	Yes	Yes
d. GFOA Financial Reporting Award		Yes	Yes	Yes
2. Transparency				
a. Budget adoption by June 30	Following fiscal year	Yes	Yes	Yes
b. GFOA Budget Award		Yes	Yes	Yes
c. Annual Cash & Investment Report 1		--	Yes	Yes
d. Mid-Year Financial Update		Yes	Yes	Yes
3. Workload				
a. Number of full-time equivalent employees and contractors	Actual / Budget	3.0 / 3.0	2.7 / 3.0	3.0 / 3.0
b. Number of receipts processed		6,694	5,352	5,311
c. Number of invoices processed		1,708	2,010	1,917
d. Number of payroll check issued		652	733	746
e. Number of journal entries		188	142	100
4. Recruitment	Hire / Vacancy	4 / 6	4 / 5	7 / 8
5. Risk Management (See General Liability)		--	--	--

<sup>1</sup> The 2014/15 Cash & Investment Report published for the first time on the Town's website in 2015/16. Previously, updates were provided as part of the City Council Staff Report.

## DEPARTMENT STAFFING:

The Finance & Administrative Services Department has a Director, Finance Manager, and Management Analyst. All three positions allocate 100% of their time to Finance & Administrative Services and then distributed to various divisions and departments based on the City Council approved 2014 Cost Allocation Plan.

## FINANCE &amp; ADMINISTRATIVE SERVICES (011-1400)

(CONT)

## DEPARTMENT GOALS AND ACCOMPLISHMENTS MATRIX:

Town Goal	2016-17 Accomplishment	2017-18 Objectives
Preservation of Current Quality of Life	<ul style="list-style-type: none"> <li>Encouraged staff training</li> <li>Added various the 2017-18 Operating and Capital Budget</li> </ul>	<ul style="list-style-type: none"> <li>Begin research on succession planning and implementation of GFOA's Resilient Government 2.0</li> </ul>
Emergency Preparedness	<ul style="list-style-type: none"> <li>Coordinated with Emergency Consultant a training schedule for 2017-18</li> </ul>	<ul style="list-style-type: none"> <li>Implement training program and seek opportunities to host multi-agency training</li> </ul>
Transparency	<ul style="list-style-type: none"> <li>Maintained quality of finance operations while implementing the following improvements to shorten month-end close: (a) process payroll entries as part of the biweekly payroll; (b) enter electronic fund transfer in(s) through the cashiering process; (c) Increase deposit frequency from monthly to weekly; and (d) reviewing actuals to budget more frequently</li> <li>Developed the 2017-18 Operating and Capital Budget and 2017-2022 Five-Year Capital Improvement Program Budget</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain service quality while seeking improvement opportunities, such as completing month-end close 15 days after end of month, reducing the number of recurring journal entries, review Town's employee benefit plans and seek for better service providers, and expand on Town's training program</li> <li>Completed biennial Other Post-Employment Benefit (OPEB) actuarial and submitted certification as required</li> <li>Expand Town's reserve policy</li> <li>Update cost allocation plan for internal service programs and improve recurring overhead allocation</li> <li>Purchase web-based interface to publish Town financial information, similar to OpenGov.</li> </ul>
Risk Mitigation	<ul style="list-style-type: none"> <li>Promoted wellness program</li> <li>Obtained quotes for pension unfunded liability study</li> <li>Completed Pension Compliance Audit</li> <li>Attended ABAG PLAN and SHARP board meetings and ABAG PLAN Actuary Committee meeting</li> </ul>	<ul style="list-style-type: none"> <li>Tighten internal control through partnership with Town's new banking service provider</li> <li>Update Town's Injury and Illness Prevention Program</li> <li>Complete pension unfunded liability study</li> <li>Will attend ABAG PLAN and SHARP board meetings and will act as Vice Chair for ABAG SHARP</li> </ul>

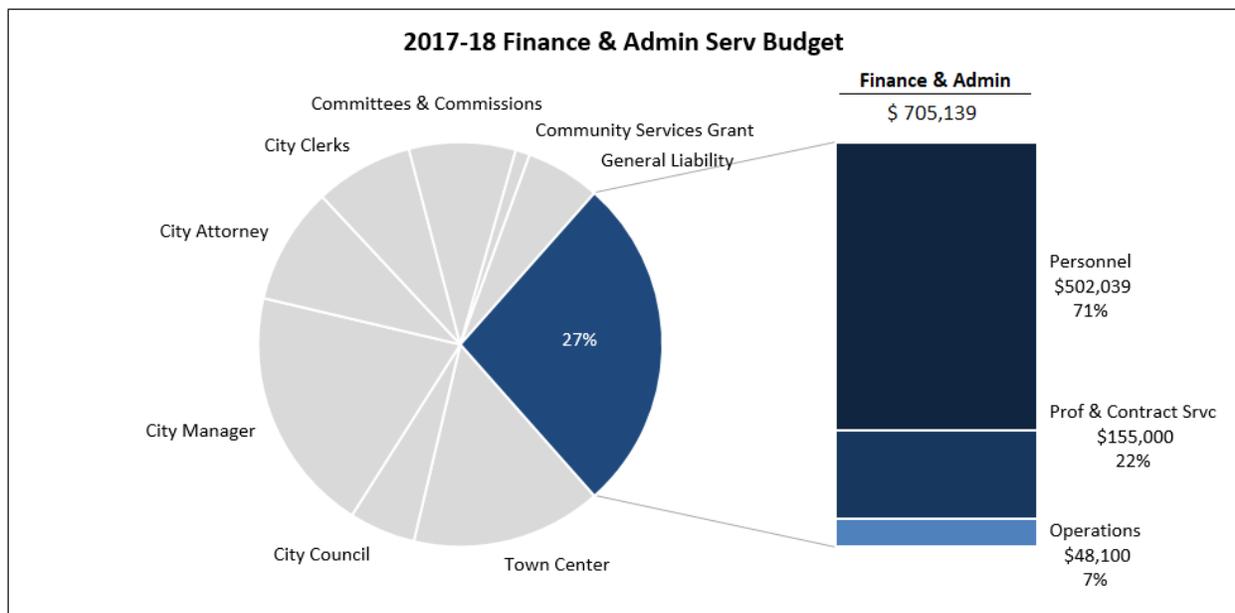
**FINANCE & ADMINISTRATIVE SERVICES (011-1400)**

**(CONT)**

**BUDGET SUMMARY:**

The Finance and Administrative Services Department is a General Administration department and the expenditures represent 27 percent of general administration budget and 6 percent of total town-wide expenditure budget. The Division budget increased by 17 percent, or \$102,005, compared to 2016-17 Estimated Actual. The main increase is in Contractual Services which includes appropriation of \$25,000 for allocation review and \$10,000 for Pension Pre-Funding Option study. The Department also shifted some of contract services budget to personnel to allow the Department to hire part-time seasonal accounts payable and account receivable technicians to process invoices and receipts, without violating internal control procedures.

Finance & Administrative Services operational costs, excluding bank fees and net of department revenues, are distributed to service departments based on City Council approved 2014 Cost Allocation Plan (CAP). Bank fees are excluded per the CAP study.



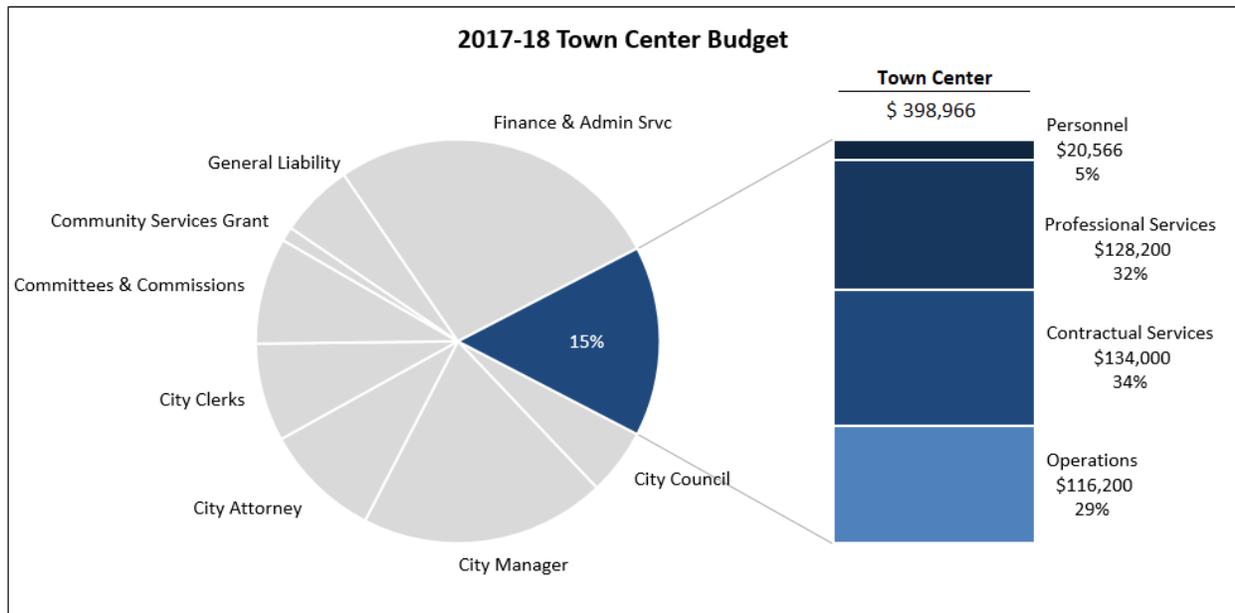
Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual \$	Budget to Est. Actual %
<b>Funding Source</b>							
Department Revenues							
Miscellaneous	\$ 14,700	\$ 10,581	\$ 12,000	\$ 12,000	\$ 12,000	\$ -	0%
Allocations In	529,004	472,292	608,000	561,135	663,139	102,004	18%
Other Sources / (Uses)							
General Fund Support	35,099	41,045	48,698	29,999	30,000	1	0%
<b>Total Revenues</b>	<b>\$ 578,803</b>	<b>\$ 523,918</b>	<b>\$ 668,698</b>	<b>\$ 603,134</b>	<b>\$ 705,139</b>	<b>\$ 102,005</b>	<b>17%</b>
<b>Department Expenditure</b>							
Personnel	\$ 407,495	\$ 381,311	\$ 473,798	\$ 464,417	\$ 502,039	\$ 37,622	8%
Professional Services	47,591	57,135	55,200	50,200	68,000	17,800	35%
Contractual Services	73,962	34,978	92,000	40,600	87,000	46,400	114%
Operations	49,755	50,495	47,700	47,917	48,100	183	0%
<b>Total Expenditures</b>	<b>\$ 578,803</b>	<b>\$ 523,918</b>	<b>\$ 668,698</b>	<b>\$ 603,134</b>	<b>\$ 705,139</b>	<b>\$ 102,005</b>	<b>17%</b>

## TOWN CENTER (061-1480)

### BUDGET SUMMARY:

Town center operation is an internal service fund division and expenditure budget represents 15 percent of departmental budget. Internal Service Fund expenditures are allocated to various departments and accounted for within "Allocations Out". The Division budget increased by 7 percent, or \$26,608, comparing to 2016-17 Estimated Actual. The increase in Contractual Services is a result of engaging a new vendor to comprehensive facility management services, with an increase cost of \$20,000. The 2016-17 budget included a one-time appropriation of \$20,000 for purchasing a new plotter/scanner.

As an internal service division, Town Center operations are fully distributed to service departments based on City Council approved distribution. The distribution remains the same since 2004.



Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual \$	Actual %
<b>Funding Source</b>							
Allocations In							
General Fund (011) Allocation	\$ 341,088	\$ 308,642	\$ 394,630	\$ 355,564	\$ 380,976	\$ 25,411	7%
COPS Grant (011) Allocation	(228)	549	700	633	678	45	7%
Sewer Fund (051) Allocation	6,435	14,024	17,900	16,160	17,315	1,155	7%
<b>Total Revenues</b>	<b>347,295</b>	<b>323,216</b>	<b>413,230</b>	<b>372,358</b>	<b>398,969</b>	<b>\$ 26,611</b>	<b>7%</b>
<b>Department Expenditure</b>							
Personnel	\$ 29,770	\$ 23,489	\$ 22,985	\$ 20,130	\$ 20,566	\$ 436	2%
Professional Services	136,742	114,854	122,500	121,151	128,200	7,049	6%
Contractual Services	94,048	91,462	126,700	95,927	134,000	38,073	40%
Operations	93,235	93,410	141,200	135,150	116,200	(18,950)	-14%
Allocations Out	(6,500)	-	-	-	-	-	n/a
<b>Total Expenditures</b>	<b>\$ 347,295</b>	<b>\$ 323,216</b>	<b>\$ 413,385</b>	<b>\$ 372,358</b>	<b>\$ 398,966</b>	<b>\$ 26,608</b>	<b>7%</b>

# Public Safety

## MISSION:

To work in partnership with Town departments and the community to protect life and property and improve the quality of life of all residents.

## ORGANIZATION:

The Town contracts with the County of Santa Clara Sheriff's Office for law enforcement services including regular patrols, responses to emergency and 911 calls, investigative services and specialized law enforcement services as needed. Animal control services are contracted through the City of Palo Alto.

## PROGRAM SUMMARY & MAJOR SERVICES:

The Santa Clara County Sheriff's Office and Palo Alto Animal Services are dedicated to the preservation of public safety by providing innovative and progressive service in partnership with the Los Altos Hills community, and to protect animals and promote their humane treatment.

## ONGOING PROGRAM SUMMARY:

GOALS/OBJECTIVES	MEASUREMENT			
	METHOD	2014/15	2015/16	2016/17
1. Santa Clara County Sheriff				
a. Average response time				
• Priority 1 calls	Actual / Target	8.00 / 9	6.62 / 9	5.0 / 9
• Priority 2 calls	Actual / Target	12.35/ 14	12.32 / 14	13.39 / 14
• Priority 3 calls	Actual / Target	16.31 / 25	17.26 / 25	20.35 / 25
b. Crime related activities				
• Number of calls		85	89	180
• Category with most calls		Residential Burglary	Identity Theft, Forgery, Fraud	Theft and forgery
c. Traffic related activities				
• Number of calls		808	744	1,010
• Category with most calls		Moving Citation	Comment	Moving Citation
d. Community Outreach/Education		Yes	Yes	Yes
2. Palo Alto Animal Services		566	560	600
3. Emergency Preparedness meeting - To update emergency policy, case studies, etc		12	10	4

## DEPARTMENT STAFFING:

The Town contracts with Santa Clara Sheriff's Office for law enforcement services and City of Palo Alto for animal control services. There is no in-house staff allocated to this department. In 2015-16, the Town requested additional traffic safety services from Santa Clara County Sheriff's Office and utilizing Citizen's Option for Public Safety grant for these services.

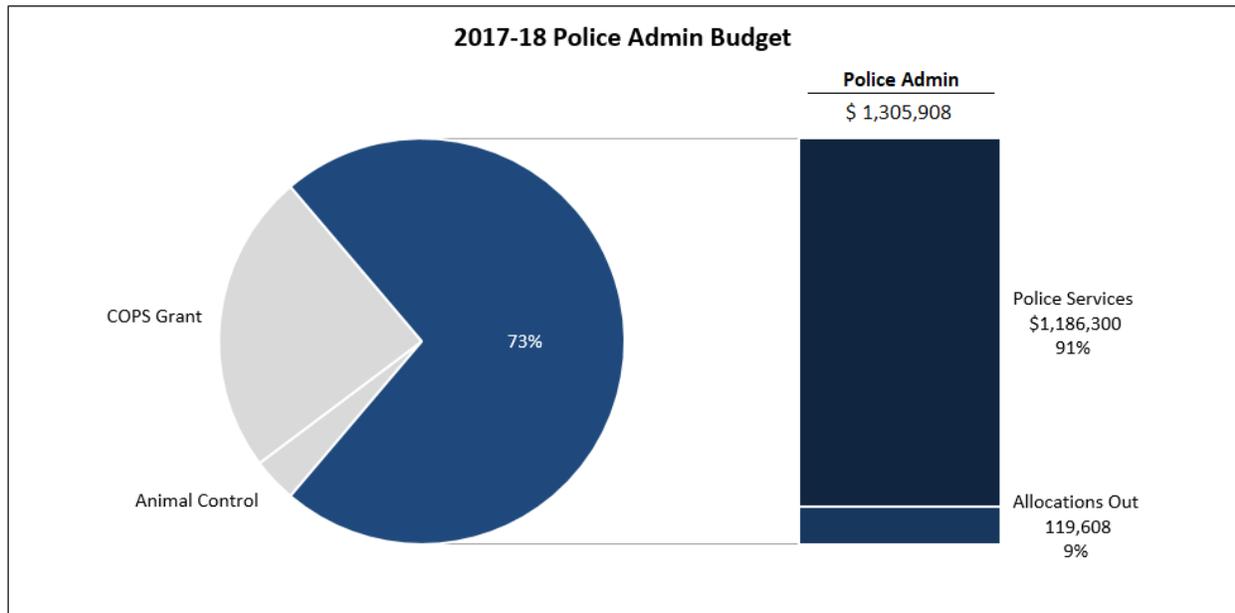
**DEPARTMENT GOALS AND ACCOMPLISHMENTS MATRIX:**

Town Goal	2016-17 Accomplishment	2017-18 Objectives
Preservation of Current Quality of Life	<ul style="list-style-type: none"> <li>• Provided education and outreach to bicyclists with regard to applicable traffic regulations</li> <li>• Conducted a Crime Prevention Forum tailored to the unique Los Altos Hills environment</li> <li>• Maintained low crime rate (defined as “violent crimes” and “property crime”) of the surveyed agencies</li> <li>• Provided supplemental law enforcement services during special events, such as Fourth of July parade</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain or increase current law enforcement service levels</li> <li>• Continue to educate the cycling community with regard to safe cycling practices</li> <li>• Conduct a crime prevention seminar</li> <li>• Continue to utilize COPS funding to provide supplemental law enforcement services</li> <li>• Continue to provide supplemental law enforcement services at Town events</li> </ul>
Emergency Preparedness	<ul style="list-style-type: none"> <li>• Held 4 disaster counsel meeting and coordinated emergency training exercises</li> <li>• Acquired fingerprinting services for all disaster workers - Town Staff and volunteers</li> <li>• Updated emergency operation ordinance</li> <li>• Participated in county emergency meetings in addressing the 2017 winter storms</li> <li>• Implemented first phase of emergency training schedule for all staff</li> </ul>	<ul style="list-style-type: none"> <li>• Host emergency training, including newly required trainings from FEMA and CalOES</li> <li>• Complete evacuation plan</li> <li>• Develop and complete tabletop exercise</li> </ul>
Transparency	<ul style="list-style-type: none"> <li>• Provided monthly report of sheriff services by category, as part of the City Manager's Report</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to provide monthly report on sheriff services</li> </ul>

## POLICE ADMINISTRATION (011-2100)

### BUDGET SUMMARY:

Police Administration represents 73 percent of department budget and 8 percent of total town-wide expenditure budget. The Division budget reduced by 4 percent, or \$52,823, comparing to 2016-17 Estimated Actual. The 2016-17 Allocation was calculated based on the \$200,000 traffic control office budgeted in Police Administration, rather than in COPS Fund. The reduction is resulted in moving the traffic control officer's budget to COPS Fund.

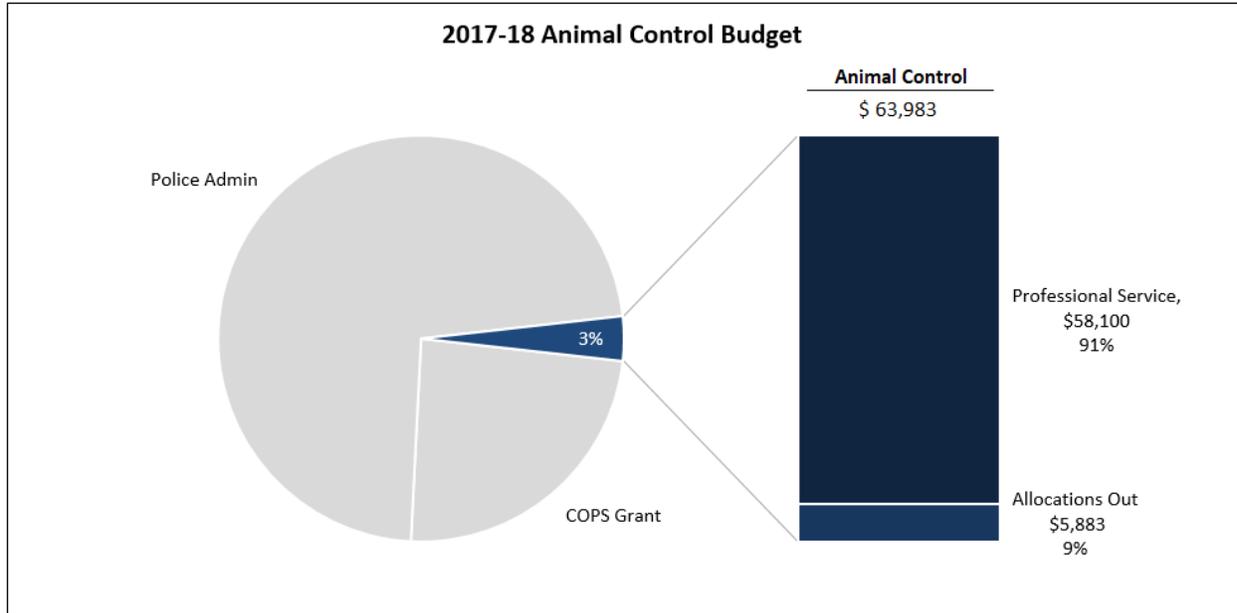


Four-Year Comparison	2014-15	2015-16	2016-17	2016-17	2017-18	Budget to Est. Actual	
	Actual	Actual	Revised	Est. Actual	Budget	\$	%
<b>Funding Source</b>							
Department Revenues: None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Other Sources /(Uses)							
General Fund Support	1,083,284	1,255,098	1,373,700	1,358,731	1,305,908	(52,823)	-4%
<b>Total Revenues</b>	<b>\$ 1,083,284</b>	<b>\$ 1,255,098</b>	<b>\$ 1,373,700</b>	<b>\$ 1,358,731</b>	<b>\$ 1,305,908</b>	<b>\$ (52,823)</b>	<b>-4%</b>
<b>Department Expenditure</b>							
Contractual Services	\$ 974,453	\$ 1,114,267	\$ 1,161,700	\$ 1,165,554	\$ 1,186,300	\$ 20,746	2%
Allocations Out	108,832	140,831	212,000	193,177	119,608	(73,569)	-38%
<b>Total Expenditures</b>	<b>\$ 1,083,284</b>	<b>\$ 1,255,098</b>	<b>\$ 1,373,700</b>	<b>\$ 1,358,731</b>	<b>\$ 1,305,908</b>	<b>\$ (52,823)</b>	<b>-4%</b>

## ANIMAL CONTROL (011-2150)

### BUDGET SUMMARY:

Animal Control represents 3 percent of department budget and less than 1 percent of total town-wide expenditure budget. The Division budget stayed relatively flat comparing to 2016-17 Estimated Actual.

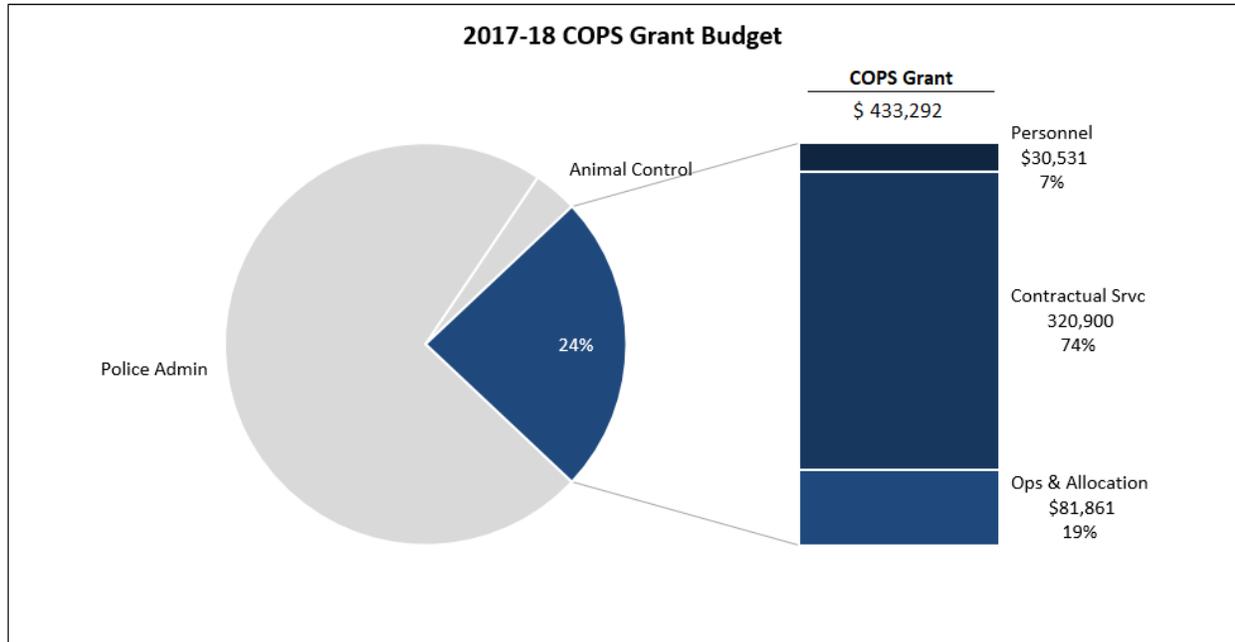


Four-Year Comparison	2014-15	2015-16	2016-17	2016-17	2017-18	Budget to Est. Actual	
	Actual	Actual	Revised	Est. Actual	Budget	\$	%
<b>Funding Source</b>							
Department Revenues: None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Other Sources /(Uses)							
General Fund Support	55,225	57,561	63,400	63,256	63,983	727	1%
<b>Total Revenues</b>	<b>\$ 55,225</b>	<b>\$ 57,561</b>	<b>\$ 63,400</b>	<b>\$ 63,256</b>	<b>\$ 63,983</b>	<b>\$ 727</b>	<b>1%</b>
<b>Department Expenditure</b>							
Contractual Services	\$ 50,600	\$ 51,874	\$ 55,100	\$ 55,319	\$ 58,100	\$ 2,781	5%
Allocations Out	4,625	5,687	8,300	7,937	5,883	(2,054)	-26%
<b>Total Expenditures</b>	<b>\$ 55,225</b>	<b>\$ 57,561</b>	<b>\$ 63,400</b>	<b>\$ 63,256</b>	<b>\$ 63,983</b>	<b>\$ 727</b>	<b>1%</b>

## CITIZENS OPTIONS FOR PUBLIC SAFETY PROGRAM & CODE ENFORCEMENT (021-6100)

### BUDGET SUMMARY:

Citizens Options for Public Safety Program & Code Enforcement (COPS) operation represents 24 percent of department budget and 3 percent of total town-wide expenditure budget. The Division budget increased by 11 percent, or \$43,336, comparing to 2016-17 Estimated Actual. Allocation Out increased by \$25,649 as a result of budgeting the supplemental traffic control officer in COPS Fund, which was not done in 2016-17. The second largest increase is in Contract Services, as a result of increase in traffic control cost and added support from Emergency Consultant in 2017-18.



Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual \$	%
<b>FUNDING SOURCE</b>							
DEPARTMENT REVENUE							
COPS Grant	\$ 98,729	\$ 122,119	\$ 100,000	\$ 104,324	\$ 100,000	\$ (4,324)	-4%
Miscellaneous	-	-	-	-	-	-	n/a
Other Sources /(Uses)							
COPS Grant Reserve			172,398	172,398	-	(172,398)	-100%
General Fund Support			126,656	113,235	333,292	47,660	194%
<b>Total Revenues</b>	<b>\$ 98,729</b>	<b>\$ 122,119</b>	<b>\$ 399,054</b>	<b>\$ 389,956</b>	<b>\$ 433,292</b>	<b>\$ 43,336</b>	<b>11%</b>
<b>DEPARTMENT EXPENDITURE</b>							
Personnel	\$ 16,359	\$ 23,403	\$ 24,854	\$ 33,324	\$ 30,531	\$ (2,793)	-8%
Contractual Services	24,138	38,887	316,000	303,538	320,900	17,362	6%
Operations	11,572	20,981	18,800	17,182	20,300	3,118	18%
Allocations Out	15,333	21,112	39,400	35,912	61,561	25,649	71%
<b>Total Expenditures</b>	<b>\$ 67,402</b>	<b>\$ 104,383</b>	<b>\$ 399,054</b>	<b>\$ 389,956</b>	<b>\$ 433,292</b>	<b>\$ 43,336</b>	<b>11%</b>

# Planning & Building

## MISSION:

The mission of the Community Development Department is to provide professional, courteous, and efficient services to the public, ensure that new development complies with local, state, and federal land use and environmental regulations, and guide the physical development of the Town in a manner that is consistent with the goals and values of the community.

## ORGANIZATION AND DESCRIPTION:

The Department is comprised of Planning, Building and Code Enforcement Divisions. Under the Direction of the Planning Director, the Department consists of six full-time regular employees.

### Planning & Code Enforcement Division

Planning Director (1 FTE)  
Senior Planner (1 FTE)  
Assistant Planner (1 FTE)  
Administrative Clerk/Tech (1 FTE - shared with City Clerk)

### Building Division

Building Official (1 FTE)  
Building/Planning Technician (1 FTE)

## PROGRAM SUMMARY & MAJOR SERVICES:

The Planning Division is responsible for long range planning regarding growth and development of the Town. Long range planning involves the preparation, maintenance and implementation of the Town's General Plan and Municipal Code. The Department is also responsible for the administration of the Town's Zoning and Site Development Codes which involves the review and processing of all site development and zoning applications, use permits, CEQA studies, Environmental Impact Reviews, and code enforcement. The Building Division has the responsibility of providing life-safety, plan checking, inspection and permitting, as well as quality control on building activity within the Town.

### Major Services:

- Site development permit review
- Building permit review and inspections
- Municipal Code updates
- General Plan updates
- Code enforcement
- Town Hall public information/permit counter
- Records retention and file management
- Planning Commission and City Council support on development and land use matters
- Intergovernmental relations: ABAG, LAFCO, SCVWD, BAAQMD, SCCAPO
- Grant applications
- Emergency planning-EOC planning function
- Committee liaison: Environmental Design and Protection, Environmental Initiatives, History, Open Space, Pathways, Traffic Safety, and Water Conservation

## ONGOING PROGRAM SUMMARY:

GOALS/OBJECTIVES	Measurement Method	2014/15	2015/16	2016/17
1. Planning Permit Processed	April thru March	184	170	160
2. Building Permit	April thru March			
a. Permit Issued		640	646	696
b. Total Valuation		\$43,619,000	\$57,817,000	\$ 58,249,346
c. Inspection Completed		1,319	2,315	2,527
3. Code Enforcement (Outstanding Violations)		51	69	80

GOALS/OBJECTIVES	Measurement Method	2014/15	2015/16	2016/17
4. Ordinance / Code Update				
a. Completed		<ul style="list-style-type: none"> <li>Housing Element</li> <li>Building/Fire Code</li> <li>Construction Time Limit</li> </ul>	<ul style="list-style-type: none"> <li>WELO</li> <li>Solar Permit</li> </ul>	<ul style="list-style-type: none"> <li>Antenna Ordinance</li> <li>Development Regulations for Substandard Lots</li> <li>Marijuana Ordinance</li> <li>2016 Building Code Update</li> </ul>
b. In Progress		--	<ul style="list-style-type: none"> <li>Marijuana Ordinance</li> <li>Building Code Update</li> <li>Antenna Ordinance</li> <li>Development Regulations for Substandard Lots</li> </ul>	<ul style="list-style-type: none"> <li>Subdivision Ordinance update</li> <li>Master Path Map update</li> <li>Transition to TRAKiT</li> </ul>

**DEPARTMENT STAFFING:**

The Planning and Building Department has a total of seven staff positions and are distributed to various divisions as follows:

Position	% Distribution					
	FTE	Committee	Planning	Building	Code Enforcement	Town Center
Planning Director	1.00	0%	60%	30%	10%	0%
Senior Planner	1.00	0%	80%	15%	5%	0%
Assistant Planner	1.00	0%	85%	15%	0%	0%
Building Inspector	1.00	0%	0%	100%	0%	0%
Building Technician	1.00	0%	0%	100%	0%	0%
Administrative Clerk/Technician	1.00	20%	50%	15%	0%	15%
Planning Technician - Part-Time	0.20	0%	50%	50%	0%	0%
<b>Total Full-Time Equivalent (FTE)</b>	<b>6.20</b>	<b>0.20</b>	<b>2.85</b>	<b>2.85</b>	<b>0.15</b>	<b>0.15</b>
<b>Percent Distribution</b>	<b>100%</b>	<b>4%</b>	<b>46%</b>	<b>46%</b>	<b>2%</b>	<b>2%</b>

**DEPARTMENT GOALS AND ACCOMPLISHMENTS MATRIX:**

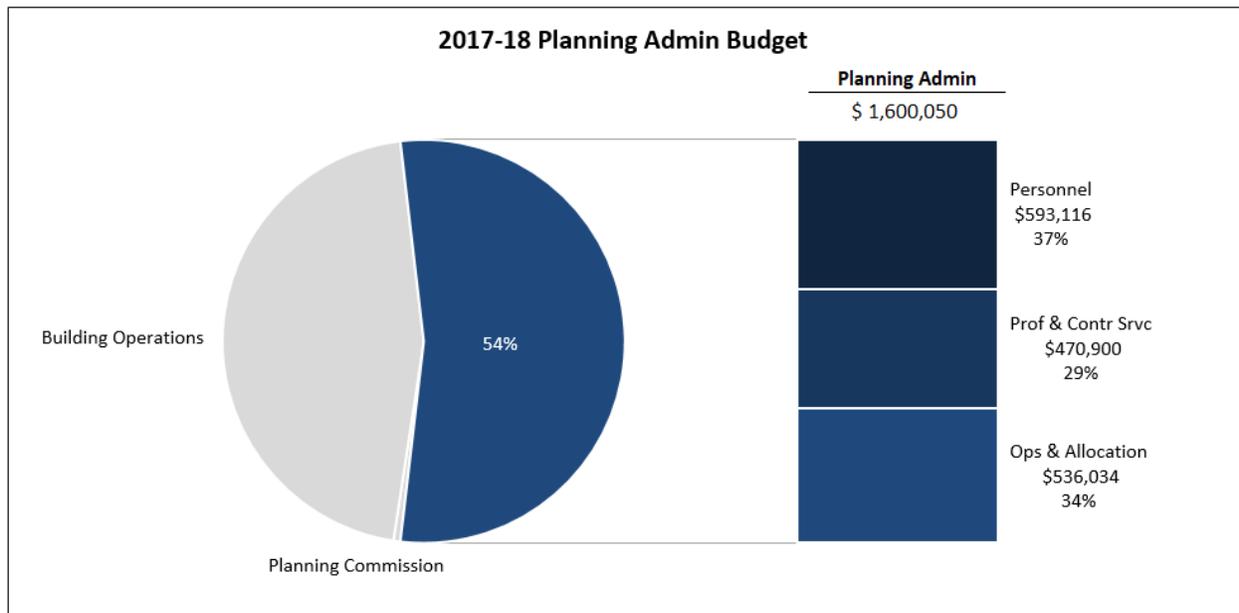
Town Goal	2016-17 Accomplishment	2017-18 Objectives
Preservation of Current Quality of Life	<ul style="list-style-type: none"> <li>Completed the Wildland Urban Interface Map update process</li> <li>Amended the Municipal Code to adopt 2016 building codes</li> <li>Completed review of Town ordinances related to amateur radio antennas</li> <li>Completed review of development regulations for substandard lots</li> <li>Processed a high volume of planning and building permits</li> </ul>	<ul style="list-style-type: none"> <li>Complete Master Path Map update</li> <li>Comprehensive update of the Subdivision Ordinance</li> <li>Mora-Mora Glen Island Annexation</li> <li>Develop and implement State mandated laws and programs, such as preparation/adoption of ordinances to comply with changes in State law, review of CIP projects for CEQA compliance, and review of land development projects</li> </ul>
Emergency Preparedness	<ul style="list-style-type: none"> <li>Trained staff of basic FEMA training course</li> </ul>	<ul style="list-style-type: none"> <li>Prepare and maintain Hazards Mitigation Plan</li> <li>Participate in emergency preparedness planning and training opportunities</li> </ul>
Promote Sense of Community	<ul style="list-style-type: none"> <li>Held public meeting for updating of Master Path Map</li> </ul>	<ul style="list-style-type: none"> <li>Continue to engage residents and neighbors on site development with variance</li> <li>Continue to improve checklist and other forms of communications to inform new residents and interested developers of Town planning and building codes</li> </ul>
Transparency	<ul style="list-style-type: none"> <li>Secured vendor for GIS pathways inventory Project</li> <li>Completed initial research on the acquisition of a GIS System</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of TRAKIT permit tracking system (for use by Planning, Building, Code Compliance &amp; Engineering)</li> <li>Complete GIS pathways inventory</li> </ul>
Risk Mitigation	<ul style="list-style-type: none"> <li>Updated the Town's building code (also a quality of life accomplishment)</li> <li>Engaged a part-time consultant to oversee and manage code compliance issues and complaints</li> </ul>	<ul style="list-style-type: none"> <li>Engaged a part-time consultant to oversee and manage code compliance issues and complaints</li> </ul>

## PLANNING ADMINISTRATION (011-3100)

### BUDGET SUMMARY:

Planning Administration Division represents 54 percent of department budget and 10 percent of total town-wide expenditure budget. The Division budget increased by 20 percent, or \$268,294, comparing to 2016-17 Estimated Actual, and are attributable to increases in Personnel, Contract Services and subsequently Allocation Out. Personnel budget increased by \$76,593 from 2016-17 Estimated Actual is resulted from the additional Assistant Engineer, with 50 percent of its duties allocated for site development review. The increase of \$97,663 in contract services captures a full year of added code enforcement services, where 2016-17 only accounted for half the year, and the addition of planning consultant services contingency of \$86,400. The increase in these two line items resulted in a \$76,593 increase in Allocation Out.

There are signs of slowdown in development and the impact of this on Planning revenues is unknown as this time. For this reason, the 2017- 18 Budget is set at the 2016-17 Estimated Actual.

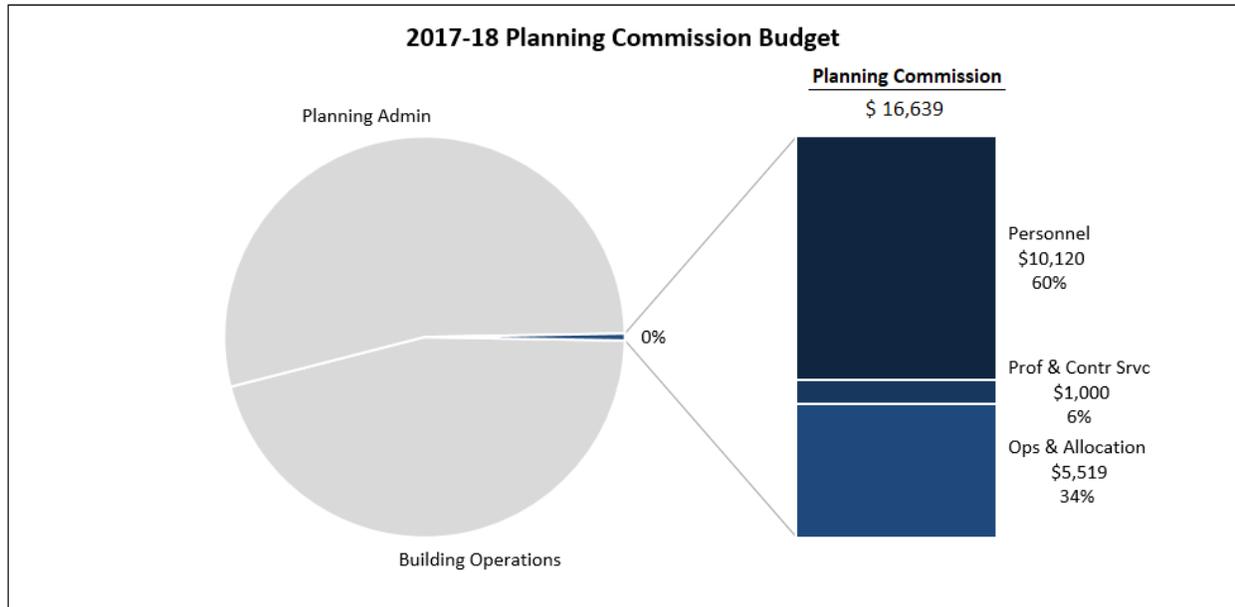


Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual \$	Budget to Est. Actual %
<b>Funding Source</b>							
Department Revenues							
Charges for services	\$ 932,414	\$ 841,005	\$ 864,100	\$ 864,100	\$ 864,100	\$ -	0%
Other Sources /(Uses)							
General Fund Support	197,239	354,840	605,378	467,656	735,950	268,294	57%
<b>Total Revenues</b>	<b>\$ 1,129,653</b>	<b>\$ 1,195,845</b>	<b>\$ 1,469,478</b>	<b>\$ 1,331,756</b>	<b>\$ 1,600,050</b>	<b>\$ 268,294</b>	<b>20%</b>
<b>Department Expenditure</b>							
Personnel	\$ 440,330	\$ 476,923	\$ 564,398	\$ 516,638	\$ 593,116	\$ 76,478	15%
Professional Services	84,580	60,531	118,200	71,409	83,200	11,791	17%
Contractual Services	210,629	218,795	285,000	290,037	387,700	97,663	34%
Operations	9,855	7,191	19,500	13,731	19,500	5,769	42%
Allocations Out	384,258	432,405	482,380	439,941	516,534	76,593	17%
<b>Total Expenditures</b>	<b>\$ 1,129,653</b>	<b>\$ 1,195,845</b>	<b>\$ 1,469,478</b>	<b>\$ 1,331,756</b>	<b>\$ 1,600,050</b>	<b>\$ 268,294</b>	<b>20%</b>
<b>Cost Recovery</b>	<b>93%</b>	<b>80%</b>	<b>66%</b>	<b>73%</b>	<b>61%</b>		

## PLANNING COMMISSION (011-3110)

### BUDGET SUMMARY:

Planning Commission is a five member board who review and approve or reject development plans with variance. The annual compensation for planning commissioners is \$1,200 per person. The commission meets once a month. The changes in the Planning Commission budget is minimal from year to year.



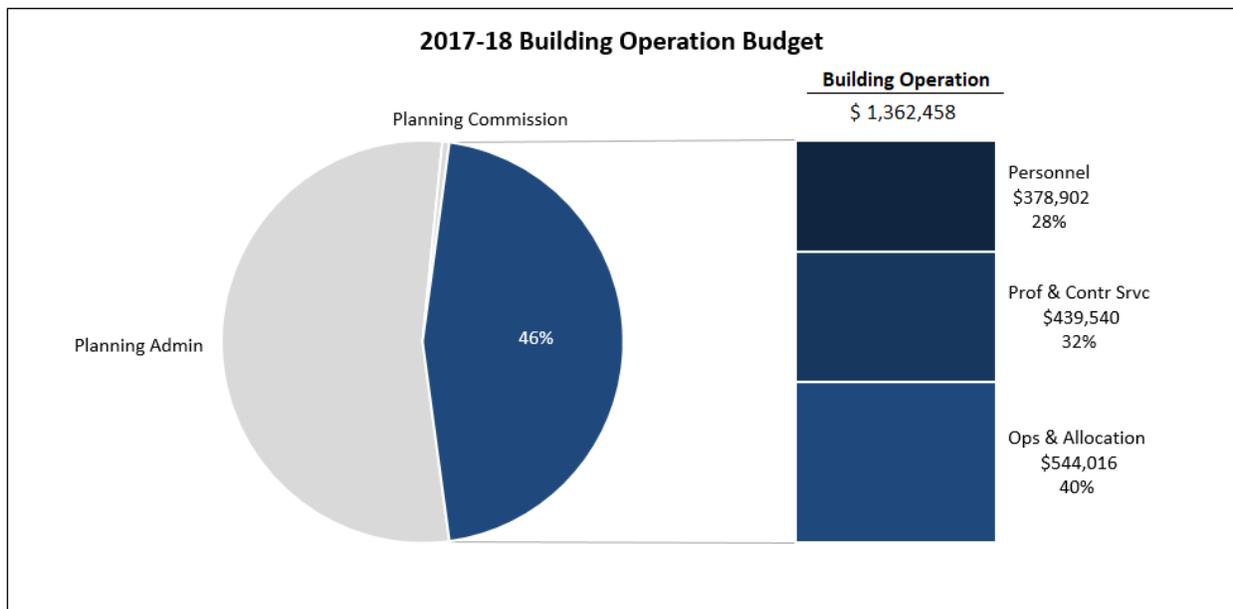
Four-Year Comparison	2014-15	2015-16	2016-17	2016-17	2017-18	Budget to Est. Actual	
	Actual	Actual	Revised	Est. Actual	Budget	\$	%
<b>Funding Source</b>							
Department Revenues							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Other Sources /(Uses)							
General Fund Support	10,677	12,425	14,100	16,005	16,639	634	4%
<b>Total Revenues</b>	<b>\$ 10,677</b>	<b>\$ 12,425</b>	<b>\$ 14,100</b>	<b>\$ 16,005</b>	<b>\$ 16,639</b>	<b>\$ 634</b>	<b>4%</b>
<b>Department Expenditure</b>							
Personnel	\$ 7,864	\$ 6,510	\$ 6,500	\$ 9,328	\$ 10,120	\$ 792	8%
Professional Services	635	1,445	1,000	2,000	1,000	(1,000)	-50%
Operations	975	2,073	3,400	1,777	1,800	23	1%
Allocations Out	1,202	2,398	3,200	2,900	3,719	819	28%
<b>Total Expenditures</b>	<b>\$ 10,677</b>	<b>\$ 12,425</b>	<b>\$ 14,100</b>	<b>\$ 16,005</b>	<b>\$ 16,639</b>	<b>\$ 634</b>	<b>4%</b>

## BUILDING OPERATIONS (011-3200, 011-3210)

### BUDGET SUMMARY:

Building Operations Division represents 46 percent of department budget and 9 percent of total town-wide expenditure budget. The Division expenditure budget increased by 8 percent, or \$105,699, comparing to 2016-17 Estimated Actual. In 2016-17, the Building Official position remained vacant and the function was contracted out. The 2017-18 Budget includes the reclassification of Building Official position budget to Building Inspector, training for the Building Inspector, and consulting services to provide Building Official functions. This resulted in the increase in personnel budget by \$121,061 and increase in operations of \$41,155 and a reduction of Contractual Services by \$91,958.

Regarding funding, a minimum of 15 percent of personnel cost should be supported by General Fund and the rest by License and Permit Fees. As shown below, since the inception of the new building rates, total revenues exceeds total expenditure. Town suspect this is due to timing of when the revenue is received and when the expenditure would occur. See Cost Recovery section for more information.



Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual \$	Actual %
<b>Funding Source</b>							
Department Revenues							
License and Permits	\$ 1,383,307	\$ 1,254,517	\$ 1,427,200	\$ 1,623,335	\$ 1,704,500	\$ 81,165	5%
Other Sources /(Uses)							
General Fund Support	57,435	48,595	59,554	38,676	56,835	18,159	47%
<b>Total Revenues</b>	<b>\$ 1,440,742</b>	<b>\$ 1,303,112</b>	<b>\$ 1,486,754</b>	<b>\$ 1,662,011</b>	<b>\$ 1,761,335</b>	<b>\$ 99,324</b>	<b>6%</b>
<b>Department Expenditure</b>							
Personnel	\$ 382,903	\$ 323,965	\$ 397,028	\$ 257,841	\$ 378,902	\$ 121,061	47%
Professional Services	26,400	8,612	13,000	11,613	12,200	587	5%
Contractual Services	252,581	326,925	283,400	519,298	427,340	(91,958)	-18%
Operations	3,932	5,234	8,300	6,665	47,820	41,155	618%
Allocations Out	443,770	435,527	505,850	461,343	496,196	34,853	8%
<b>Total Expenditures</b>	<b>\$ 1,109,586</b>	<b>\$ 1,100,263</b>	<b>\$ 1,207,578</b>	<b>\$ 1,256,759</b>	<b>\$ 1,362,458</b>	<b>\$ 105,699</b>	<b>8%</b>
<b>Cost Recovery</b>	<b>131%</b>	<b>119%</b>	<b>124%</b>	<b>133%</b>	<b>131%</b>		

## BUILDING OPERATIONS (011-3200, 011-3210)

(CONT)

**COST RECOVERY:**

In 2013-14, the Town approved new building permit fees with the expectation of 90 percent cost recovery. The user fee model allocates planning, building, engineering, and support staff's time to various permitting functions. The goal of cost recovery is to collect sufficient fee revenues to cover the cost of providing services to the permit holder, the revenue should match spending patterns. This is different than ensuring the Town collect enough permit revenues to meet current year's spending needs. This was confirmed by reviewing the model, where total hours allocated by one position exceeds a full-time equivalent of 2,080 hours per year.

Given the purpose of cost recovery is to collect sufficient fee to offset the cost to provide services for the duration of the permit life, it is crucial to understand the permitting process and how and when the fee collected is likely spent. Building permit fees are collected in advance but the payment for the plan review and building inspection takes years prior to actual spending occurs. On average, new developments and major renovations take up 3 years to complete. Building permit process begins with:



An assessment was done to align revenues received in 2014-15 to spending for plan review and other building activities. Based on this assessment, 35 percent of the revenue was spent in 2014-15, 36 percent in 2015-16, 20 percent in 2016-17 and remaining 9 percent is projected in 2017-18, unless a project extension was granted.

Further analysis of the cost recovery will be reviewed as part of the 2017-18 Cost Allocation Plan study, scheduled to begin in April 2018.

# Parks & Recreation

## MISSION:

The department develops, implements and evaluates recreational programs, activities and events for youth, adults and seniors. Coordinates and supervises recreational uses of Purissima Park, Town Riding Arena and Westwind Community Barn.

## DESCRIPTION:

Under the direction of the City Manager, the department is comprised of two full-time employees, Community Services Supervisor and Recreation Specialist who oversees seasonal part-time staff throughout the year, community events, recreation programs, independent contractors, Purissima Park maintenance, janitorial services for Town facilities and works closely with Westwind Barn Concessionaire.

## PROGRAM SUMMARY & MAJOR SERVICES:

The Community Services Supervisor performs a variety of assignments including the development, promotion, and management of Town community events, facilities and recreation programs.

Major services include:

- Town community and recreation events
- Bi-Annual Activity Guides
- Manages vendor contracts for parks and recreation services
- Social media, website and email marketing
- Purissima Park maintenance, schedule and reservations
- Liaison to Community Relations, Parks & Recreation Committees, Youth and Senior Commissions
- Emergency logistics, EOC function

## ONGOING PROGRAM SUMMARY:

GOALS/OBJECTIVES	Measurement Method	2014/15	2015/16	2016/17
1. Recreation program	April thru March			
a. Classes/Camps		100	100	133
b. Number of Participants		468	453	451
2. Special events		12	14	22
a. 60th Gala - New event	# Attendees	n/a	255	n/a
b. Vines & Wines - New event	# Attendees	n/a	227	n/a
c. Halloween Middle School Lock In - new	# Attendees	n/a	n/a	48
d. Chamber Music Concert - new	# Attendees	n/a	n/a	65
3. Field Rental		7	10	10
4. Westwind Barn Operations				
a. Summer Camp Registrations		92	96	115
b. Summer Camp Town's Revenue		\$ 10,292	\$ 10,375	\$ 12,063

**DEPARTMENT STAFFING:**

The Park and Recreation Department has two staff positions distributed as follows:

<b>Position</b>	<b>% Distribution</b>	<b>FTE</b>	<b>Committee</b>	<b>Parks &amp; Recreation</b>	<b>Westwind Barn</b>
Community Services Supervisor		1.00	40%	50%	10%
Recreation Specialist		1.00	20%	80%	0%
Seasonal Part-time Assistant		0.05	0%	100%	0%
<b>Total Full-Time Equivalent (FTE)</b>		<b>2.05</b>	<b>0.60</b>	<b>1.35</b>	<b>0.10</b>
<b>Percent Distribution</b>		<b>100%</b>	<b>29%</b>	<b>66%</b>	<b>5%</b>

**DEPARTMENT GOALS AND ACCOMPLISHMENTS MATRIX:**

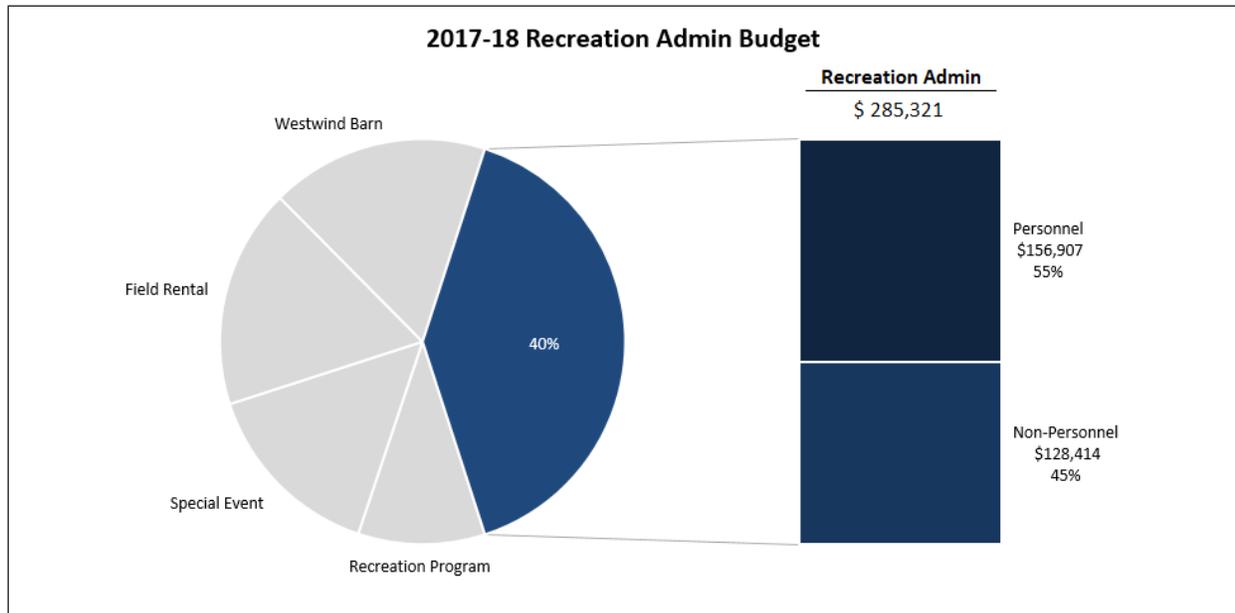
<b>Town Goal</b>	<b>2016-17 Accomplishment</b>	<b>2017-18 Objectives</b>
<b>Preservation of Current Quality of Life</b>	<ul style="list-style-type: none"> <li>Conducted senior focus groups, expanded and facilitated new Senior Programming</li> <li>Hired a Recreation Specialist</li> </ul>	<ul style="list-style-type: none"> <li>Implement and update recreation software for Parks &amp; Rec classes and events</li> <li>Work with the Senior Commission to update Senior Resource Binder</li> <li>Purchase and install outdoor fitness equipment at Purissima Park</li> <li>Propose a shade structure for Purissima Playground</li> <li>Provide operational support to Westwind Community Barn</li> </ul>
<b>Emergency Preparedness</b>	<ul style="list-style-type: none"> <li>Completed NEMS training</li> </ul>	<ul style="list-style-type: none"> <li>Attend emergency training and further expand understanding of Logistic Section</li> </ul>
<b>Promote Sense of Community</b>	<ul style="list-style-type: none"> <li>Held a well-attended first Chamber Music Concert</li> <li>Experienced increased attendance at Youth Commission Events</li> </ul>	<ul style="list-style-type: none"> <li>Continue to expand Senior Programming</li> <li>Hold our first Family Campout event</li> </ul>
<b>Transparency</b>	<ul style="list-style-type: none"> <li>Transitioned Activity Guide to Full Color</li> </ul>	<ul style="list-style-type: none"> <li>Research new recreation registration system to increase usability</li> </ul>
<b>Risk Mitigation</b>	<ul style="list-style-type: none"> <li>Installed distance marker at Town Hall to encourage wellness with Town pathways and Open Space</li> </ul>	<ul style="list-style-type: none"> <li>Continue to provide safe, clean, and attractive parks facilities throughout the community</li> </ul>

## RECREATION ADMINISTRATION (011-1000)

### BUDGET SUMMARY:

The Recreation Administration Division represents 40 percent of department budget and 2 percent of total town-wide expenditure budget. The Division budget increased by 18 percent, or \$43,338 comparing to 2016-17 Estimated Actual. All staff time, supporting special events, recreation programs, field rental coordination, and Westwind Barn operations are recorded in Recreation Administration.

The increase of \$43,338 is primarily due to personnel update in the Cost Allocation Plan, which resulted in the \$33,988 increase to Allocations Out.

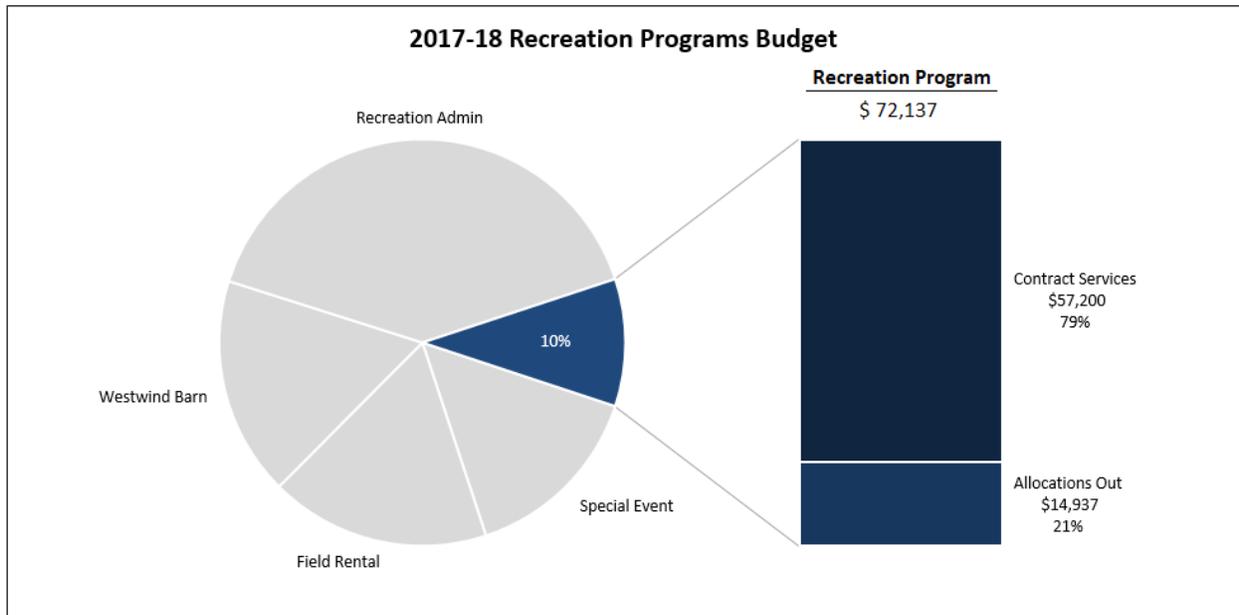


Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual \$	Actual %
<b>Funding Source</b>							
Department Revenues: None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Other Sources /(Uses)							
General Fund Support	165,845	172,422	257,409	241,984	285,321	43,338	18%
<b>Total Revenues</b>	<b>\$ 165,845</b>	<b>\$ 172,422</b>	<b>\$ 257,409</b>	<b>\$ 241,984</b>	<b>\$ 285,321</b>	<b>\$ 43,338</b>	<b>18%</b>
<b>Department Expenditure</b>							
Personnel	\$ 77,365	\$ 88,767	\$ 157,809	\$ 149,892	\$ 156,907	\$ 7,015	5%
Professional Services	2,448	2,779	2,500	1,201	2,500	1,299	108%
Operations	24,593	23,720	23,750	22,764	23,800	1,036	5%
Allocations Out	61,439	57,155	73,350	68,127	102,114	33,988	50%
<b>Total Expenditures</b>	<b>\$ 165,845</b>	<b>\$ 172,422</b>	<b>\$ 257,409</b>	<b>\$ 241,984</b>	<b>\$ 285,321</b>	<b>\$ 43,338</b>	<b>18%</b>

## RECREATION PROGRAMS (011-4110)

### BUDGET SUMMARY:

Recreation Programs budget represents 10 percent of department budget and less than one percent of total town-wide expenditure budget. The Division budget reduced by 15 percent, or \$12,883, comparing to 2016-17 Estimated Actual. The reduction is in Allocation Out resulted from removing the capital program portion of the open space management and education program, which was included in 2016-17 Budget. Prior to 2016-17, there was no capital improvement element to the annual open space maintenance and education program.

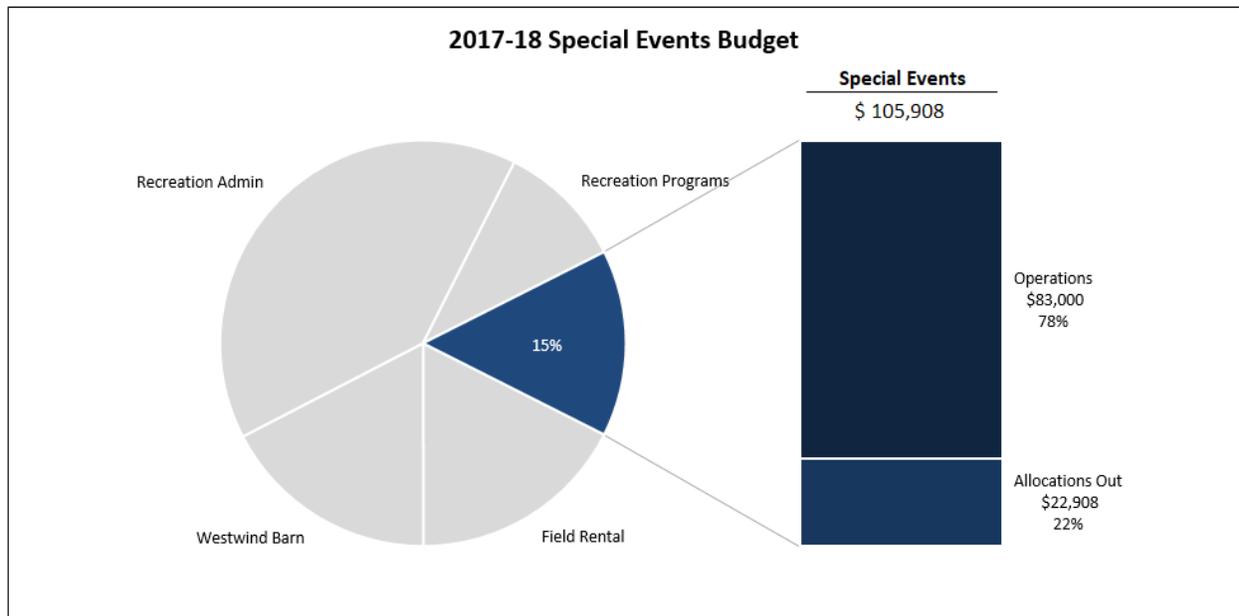


Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual	
						\$	%
<b>Funding Source</b>							
Department Revenues							
Charges for services	\$ 83,832	\$ 43,376	\$ 70,000	\$ 70,000	\$ 70,000	\$ -	0%
Other Sources /(Uses)							
General Fund Support	27,512	74,260	69,782	15,020	2,137	(12,883)	-86%
<b>Total Revenues</b>	<b>\$ 111,344</b>	<b>\$ 117,636</b>	<b>\$ 139,782</b>	<b>\$ 85,020</b>	<b>\$ 72,137</b>	<b>\$ (12,883)</b>	<b>-15%</b>
<b>Department Expenditure</b>							
Contractual Services	\$ 101,482	\$ 95,001	\$ 108,782	\$ 56,782	\$ 57,200	\$ 418	1%
Allocations Out	9,862	22,635	31,000	28,238	14,937	(13,301)	-47%
<b>Total Expenditures</b>	<b>\$ 111,344</b>	<b>\$ 117,636</b>	<b>\$ 139,782</b>	<b>\$ 85,020</b>	<b>\$ 72,137</b>	<b>\$ (12,883)</b>	<b>-15%</b>

## SPECIAL EVENTS (011-4120)

### BUDGET SUMMARY:

Special Events budget represents 15 percent of department budget and 1 percent of total town-wide expenditure budget. Overall, there is minimal change in the department.

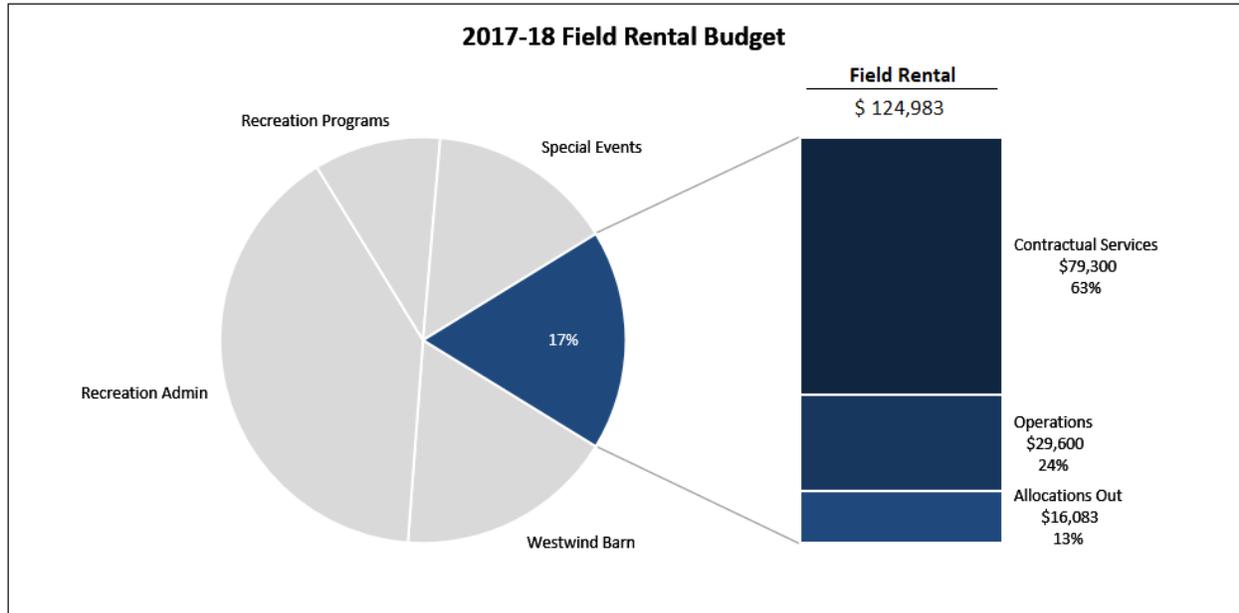


Four-Year Comparison	2014-15	2015-16	2016-17	2016-17	2017-18	Budget to Est. Actual	
	Actual	Actual	Revised	Est. Actual	Budget	\$	%
<b>Funding Source</b>							
Department Revenues							
Charges for services	\$ 20,125	\$ 57,213	\$ 13,000	\$ 13,000	\$ 13,000	\$ -	0%
Other Sources /(Uses)							
General Fund Support	47,847	64,981	97,500	102,693	92,908	(9,785)	-10%
<b>Total Revenues</b>	<b>\$ 67,972</b>	<b>\$ 122,194</b>	<b>\$ 110,500</b>	<b>\$ 115,693</b>	<b>\$ 105,908</b>	<b>\$ (9,785)</b>	<b>-8%</b>
<b>Department Expenditure</b>							
Operations	\$ 56,107	\$ 108,114	\$ 72,000	\$ 80,700	\$ 83,000	\$ 2,300	3%
Allocations Out	11,865	14,081	38,500	34,993	22,908	(12,085)	-35%
<b>Total Expenditures</b>	<b>\$ 67,972</b>	<b>\$ 122,194</b>	<b>\$ 110,500</b>	<b>\$ 115,693</b>	<b>\$ 105,908</b>	<b>\$ (9,785)</b>	<b>-8%</b>

## FIELD RENTAL (011-5100)

### BUDGET SUMMARY:

Field Rental budget represents 17 percent of department budget and 1 percent of total town-wide expenditure budget. Overall, there is minimal change in the department.

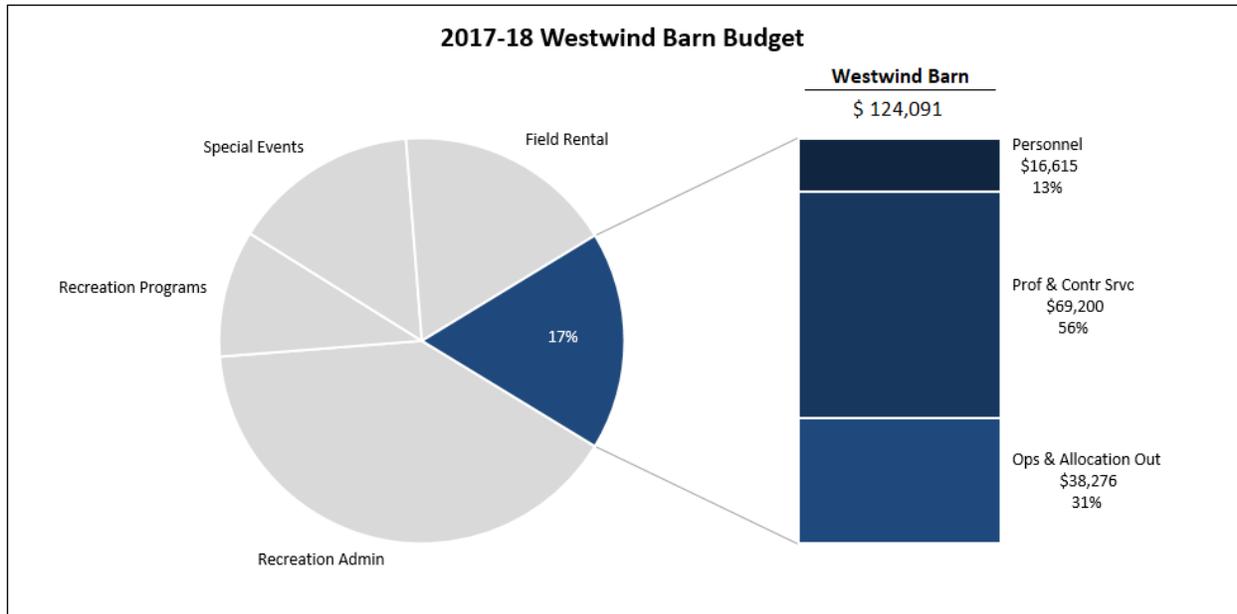


Four-Year Comparison	2014-15	2015-16	2016-17	2016-17	2017-18	Budget to Est. Actual	
	Actual	Actual	Revised	Est. Actual	Budget	\$	%
<b>Funding Source</b>							
Department Revenues							
Charges for services	\$ 46,796	\$ 54,607	\$ 53,000	\$ 53,000	\$ 53,000	\$ -	0%
Other Sources /(Uses)							
General Fund Support	56,764	79,087	81,400	74,785	71,983	(2,802)	-4%
<b>Total Revenues</b>	<b>\$ 103,560</b>	<b>\$ 133,694</b>	<b>\$ 134,400</b>	<b>\$ 127,785</b>	<b>\$ 124,983</b>	<b>\$ (2,802)</b>	<b>-2%</b>
<b>Department Expenditure</b>							
Contractual Services	\$ 71,752	\$ 90,064	\$ 81,800	\$ 76,051	\$ 79,300	\$ 3,249	4%
Operations	20,745	30,003	26,500	27,987	29,600	1,613	6%
Allocations Out	11,063	13,627	26,100	23,747	16,083	(7,664)	-32%
<b>Total Expenditures</b>	<b>\$ 103,560</b>	<b>\$ 133,694</b>	<b>\$ 134,400</b>	<b>\$ 127,785</b>	<b>\$ 124,983</b>	<b>\$ (2,802)</b>	<b>-2%</b>

## WESTWIND BARN (011-5300)

### BUDGET SUMMARY:

Westwind Barn budget represents 17 percent of department budget and 1 percent of total town-wide expenditure budget. There's a minimal change in the budget.



Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual \$	%
<b>Funding Source</b>							
Department Revenues							
Charges for services	\$ 55,659	\$ 99,252	\$ 50,000	\$ 50,250	\$ 50,300	\$ 50	0%
Other Sources /(Uses)							
General Fund Support	111,348	65,348	99,559	84,407	73,791	(10,616)	-13%
<b>Total Revenues</b>	<b>\$ 167,006</b>	<b>\$ 164,600</b>	<b>\$ 149,559</b>	<b>\$ 134,657</b>	<b>\$ 124,091</b>	<b>\$ (10,566)</b>	<b>-8%</b>
<b>Department Expenditure</b>							
Personnel	\$ 12,068	\$ 13,446	\$ 13,359	\$ 15,596	\$ 16,615	\$ 1,019	7%
Professional Services	280	479	5,000	5,000	3,500	(1,500)	-30%
Contractual Services	55,585	79,346	65,500	66,200	65,700	(500)	-1%
Operations	15,892	7,543	25,100	10,888	9,900	(988)	-9%
Allocations Out	83,182	63,786	40,600	36,973	28,376	(8,597)	-23%
<b>Total Expenditures</b>	<b>\$ 167,006</b>	<b>\$ 164,600</b>	<b>\$ 149,559</b>	<b>\$ 134,657</b>	<b>\$ 124,091</b>	<b>\$ (10,566)</b>	<b>-8%</b>

# Public Works

## MISSION:

To effectively manage the Town's public infrastructure for the benefit of all users and to provide support to other Town departments.

## ORGANIZATION:

The Public Works Department is comprised of engineering and maintenance staff providing support to other departments and overseeing the Town's public roads, storm drain system, and sewer system.

## DESCRIPTION:

The Public Works Department is responsible for major capital projects as well as maintaining, inspecting, and reviewing construction and repairs associated with the Town of Los Altos Hills' municipal infrastructure. The department is headed by the Public Works Director/City Engineer.

## PROGRAM SUMMARY & MAJOR SERVICES:

The department provides support for private development projects, code enforcement issues, Town events, investigate resident's issues, manages the Town's capital improvement projects and oversees the Town's infrastructure maintenance.

## ONGOING PROGRAM SUMMARY:

GOALS/OBJECTIVES	Measurement Method	2014/15	2015/16	2016/17
1. Capital project management				
a. In progress				
• Design phase		1	2	8
• Construction phase		1	4	2
b. Completed		4	1	3
2. Public right-of-way maintenance				
a. Pathways	Linear miles (lm)	64	64	65
b. Annual tree survey	# of trees inspected	470	500	481
• Sudden Oak Death spraying in Byrne Preserve	# of trees	100	103	103
c. Streets	lm / PCI	60/77	60/77	60/77
d. Sewer	lm	56	56	56
3. Permit review	Total #	x	243	259

x - statistical information is not readily available. The Department will be monitoring program output moving forward.

**DEPARTMENT STAFFING:**

The Planning and Building Department has a total of seven staff positions and are distributed to various divisions as follows:

% Distribution	FTE	Planning	Building	Engineering	Parks & Recreation	Drainage	Street	Pathway	Sewer	Town Center	Corp Yard	Fleets
	1.00	10%	10%	15%	0%	5%	20%	20%	10%	0%	10%	0%
	1.00	5%	5%	10%	0%	5%	5%	5%	60%	0%	5%	0%
	2.00	52%	10%	38%	0%	0%	0%	0%	0%	0%	0%	0%
	1.00	1%	0%	0%	0%	10%	22%	35%	10%	2%	10%	10%
	2.00	1%	0%	0%	0%	23%	21%	35%	6%	2%	6%	6%
	1.00	0%	0%	0%	25%	15%	30%	30%	0%	0%	0%	0%
	0.40	0%	0%	0%	0%	35%	20%	35%	3%	3%	3%	1%
<b>Total Full-Time Equivalent (FTE)</b>	<b>8.40</b>	<b>1.23</b>	<b>0.35</b>	<b>1.00</b>	<b>0.25</b>	<b>0.94</b>	<b>1.26</b>	<b>1.75</b>	<b>0.93</b>	<b>0.07</b>	<b>0.38</b>	<b>0.24</b>
<b>Percent Distribution</b>	<b>100%</b>	<b>15%</b>	<b>4%</b>	<b>12%</b>	<b>3%</b>	<b>11%</b>	<b>15%</b>	<b>21%</b>	<b>11%</b>	<b>1%</b>	<b>5%</b>	<b>2%</b>

**DEPARTMENT GOALS AND ACCOMPLISHMENTS MATRIX:**

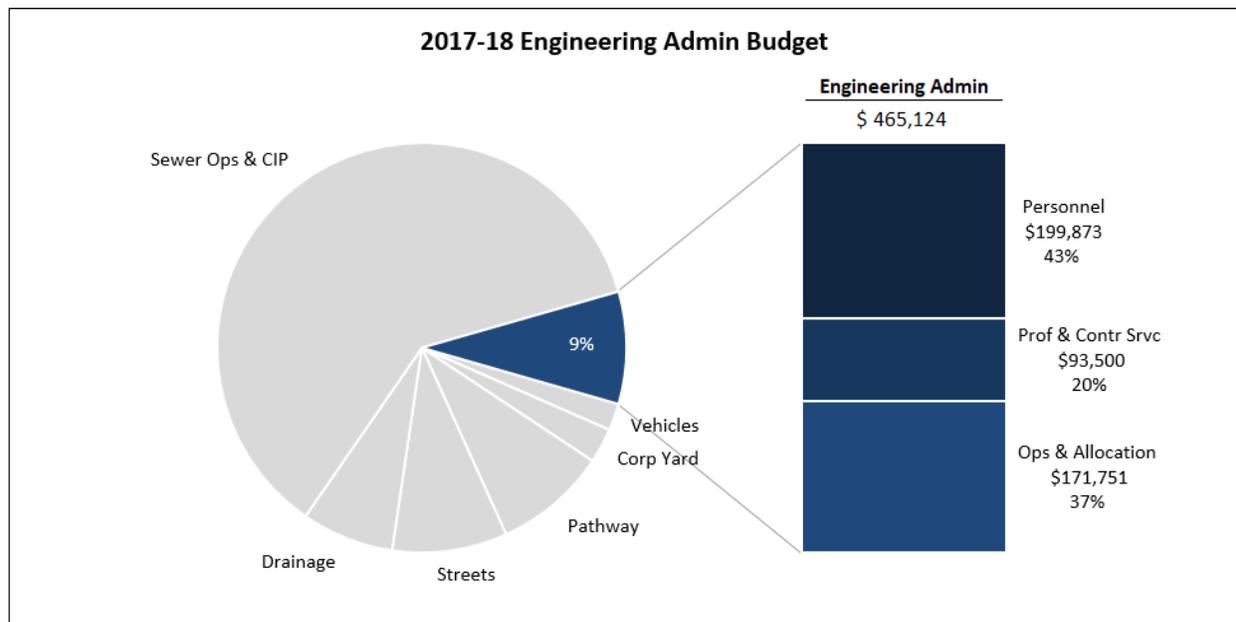
Town Goal	2016-17 Accomplishment	2017-18 Objectives
Preservation of Current Quality of Life	<ul style="list-style-type: none"> <li>Worked collaboratively with Grassroots Ecology (formerly Acterra) and Open Space Committee on Town open space stewardship</li> <li>Completed the construction of the Miranda Road pathway project</li> </ul>	<ul style="list-style-type: none"> <li>Secure all permits and start construction for Page Mill/Matadero Creek erosion project</li> <li>Continue to work with Grassroots Ecology and Open Space Committee on Town open space stewardship</li> <li>Secure all permits and start construction for Magdalena/Bob Stutz Connector project</li> <li>Complete design for Page Mill/Moon Lane Pedestrian Bridge Crossing</li> <li>Complete design for Summerhill Pathway project</li> </ul>
Emergency Preparedness	<ul style="list-style-type: none"> <li>Proactively provided emergency responses for Town residents during 2017 winter storms to ensure safety and preserve quality of life</li> <li>Completed Town-wide tree inspection on highly used roadways and pathways</li> </ul>	<ul style="list-style-type: none"> <li>Complete Town-wide tree inspection on highly used roadways and pathways</li> </ul>
Transparency	<ul style="list-style-type: none"> <li>Revised the Sewer Allocation Schedule for non-residential users</li> <li>Completed the Evaluation of Non-residential Wastewater Discharge Study</li> </ul>	<ul style="list-style-type: none"> <li>Explore variety of tracking systems for all public service requests</li> </ul>

Town Goal	2016-17 Accomplishment	2017-18 Objectives
<b>Risk Mitigation</b>	<ul style="list-style-type: none"> <li>• Completed the Request for Proposal process and executed a professional services contract to begin the Sanitary Sewer Master Plan</li> <li>• Completed design and construction for 2016 Road Rehabilitation project</li> <li>• Completed the cost sharing and maintenance agreement for the Barron Creek Restoration project</li> <li>• Purchased the Town’s new dump truck</li> <li>• Executed a professional services contract for a GIS based inventory and assessment for the Town’s Pathway system and started the data collection process</li> <li>• Executed a Traffic Signal and Electrical Maintenance services agreement</li> <li>• Obtained MTC’s P-Tap 18 grant fund \$18,000</li> <li>• Completed construction for the 2016 Sanitary Sewer Repair and Replacement project</li> <li>• Completed design for the 2017 Sanitary Sewer Repair and Replacement project</li> <li>• Fulfilled the Town’s funding commitment to implement the Page Mill Road/I-280 Interim Bicycle Improvement Project</li> <li>• Completed the geotechnical investigation for the Eastbrook/Magdalenia area</li> </ul>	<ul style="list-style-type: none"> <li>• Complete the update of the Sanitary Sewer Master Plan</li> <li>• Complete construction for the 2017 Sanitary Sewer Repair and Replacement project</li> <li>• Complete design and construction for 2017 Road Rehabilitation project</li> <li>• Continue to work with County and other stakeholders through the construction of the interim bicycle improvement for Page Mill Road near I-280</li> <li>• Continue to work with Caltrans to repave I-280 within Los Altos Hills limits</li> <li>• Complete construction of the Newbridge Drive drainage improvements</li> <li>• Complete MTC’s P-Tap 18 program to generate the Pavement Management Program report</li> </ul>

## ENGINEERING ADMINISTRATION (011-3300)

### BUDGET SUMMARY:

The Engineering Division represents 9 percent of total department budget and 3 percent of total town-wide expenditure budget. The three engineers and one director allocate 1.00 FTE or 2,080 hours a year towards administrative engineering work, which includes capital improvement management, site inspection, contract management, and public inquiry research. The Division's 2016-17 actual spending was estimated at \$326,457, \$16,718 lower than the 2016-17 budget due to staff turnover. The Division's 2017-18 budget was \$138,668 higher than the 2016-17 estimated actual. This is primarily due to the Division's service enhancement request of adding one additional Assistant Engineer.



Four-Year Comparison	2014-15	2015-16	2016-17	2016-17	2017-18	Budget to Est. Actual	
	Actual	Actual	Revised	Est. Actual	Budget	\$	%
<b>Funding Source</b>							
Department Revenue							
Licenses and Permits	\$ 300	\$ -	\$ 400	\$ 400	\$ 400	\$ -	0%
Charges for Services	66,661	38,066	43,400	43,400	43,400	-	0%
Other Source/(Uses):							
General Fund Support	240,668	249,629	309,375	282,657	421,324	138,668	49%
<b>Total Funding Source</b>	<b>\$ 307,629</b>	<b>\$ 287,695</b>	<b>\$ 353,175</b>	<b>\$ 326,457</b>	<b>\$ 465,124</b>	<b>\$ 138,668</b>	<b>42%</b>
<b>Department Spending</b>							
Personnel	\$ 114,844	\$ 138,034	\$ 148,025	\$ 131,771	\$ 199,873	\$ 68,102	52%
Professional Services	5,453	4,427	10,300	9,650	10,300	650	7%
Contractual Services	88,106	33,676	78,800	76,800	83,200	6,400	8%
Operations	4,942	8,825	9,700	9,645	9,700	55	1%
Allocations Out	94,285	102,732	106,350	98,590	162,051	63,461	64%
<b>Total Expenditures</b>	<b>\$ 307,629</b>	<b>\$ 287,695</b>	<b>\$ 353,175</b>	<b>\$ 326,457</b>	<b>\$ 465,124</b>	<b>\$ 138,668</b>	<b>42%</b>

## SEWER (048: CAPITAL, 051: OPERATIONS)

### BUDGET SUMMARY:

The Sewer Fund is the Town's only enterprise fund and represents 61 percent of departmental budget and 24 percent of total town-wide expenditure budget. A total of 0.93 FTE (or 1,939 hours a year) of staff resources was assigned to the Fund to manage sewer contracts, develop sewer capital program and other long-range planning documents, and respond to sewer related service requests and emergencies. The Division 2017-18 budget totaled \$3,196,884, a decrease of \$1,252,352 (or 28 percent) as compared to the 2016-17 Estimated Actual.

The Sewer Fund is fully supported by sewer services charges to residential and non-residential customers, and sewer connection fees assessed on new connections added to the sewer system. In 2015, the City Council approved increasing sewer service charge for the next five years to meet the Town's long-term sewer enterprise funding needs to support operations and capital improvements to the Town's sewer infrastructure. As a result, the 2017-18 sewer service charge rate will be at \$1,460 per unit of service. Based on historical data and the latest sewer charge rate, we are projecting the 2017-18 sewer assessment charge revenues and sewer connection fees will approximate \$2,870,620 and \$252,100, respectively.

Sewer Fund spending budget was reduced by 28 percent, or \$1,252,352, as compared to the 2016-17 Estimated Actual.

Sewer Expense Category	2016-17 Est. Actual	2017-18 Budget	\$ Change	% Change
Operations	\$ 2,214,236	\$ 2,296,884	\$ 82,649	4%
Capital Investment	2,235,000	900,000	(1,335,000)	-60%
<b>Total Spending</b>	<b>\$ 4,449,236</b>	<b>\$ 3,196,884</b>	<b>\$ (1,252,352)</b>	<b>-28%</b>

The 2017-18 Sewer Operating Budget is approximately \$2.3 million, increased by \$82,649 or 4 percent, as compared to the 2016-17 Estimated Actual. The two main drivers for the changes in sewer operations are:

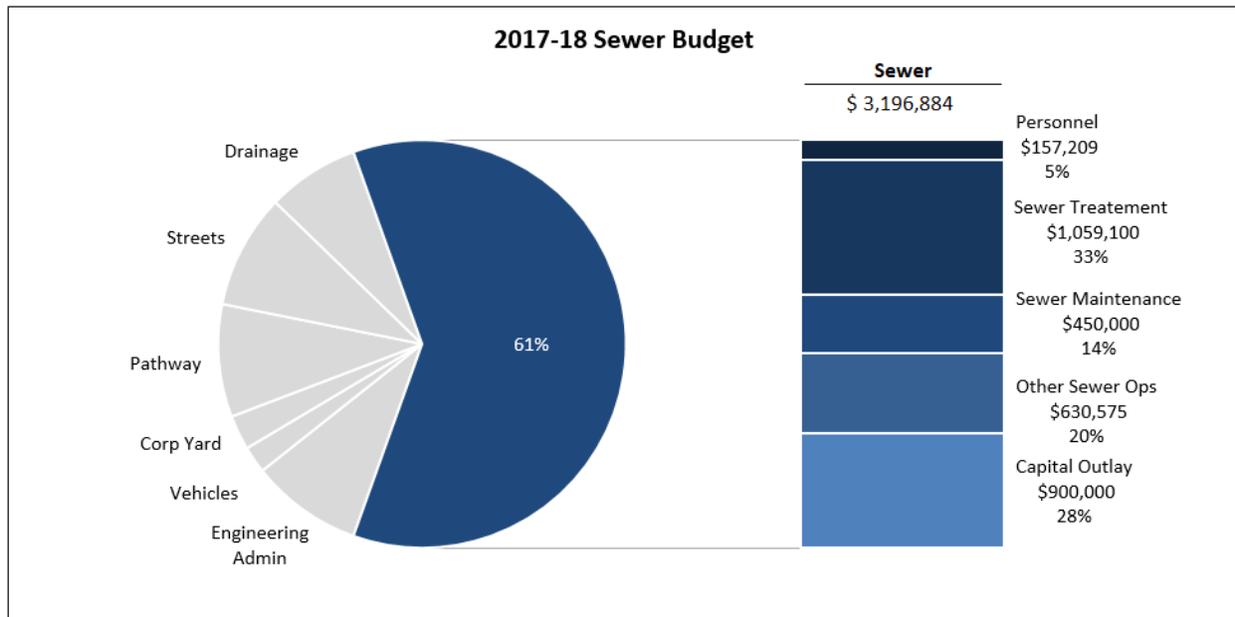
- Increases per proposed service enhancement, where \$355,000 was added to Professional Services for the additional consulting services requested to oversee capital construction management, site inspection, and site development review. (\$200,000) and reallocation of sewer engineer to a sewer consultant in the near term (\$155,000). The 1.0 FTE sewer engineer was added in 2014-15 and has been backfilled by sewer consultants while the sewer system is being assessed and rehabilitated. As stated in the Service Enhancement, the Department will evaluate whether to bring this function in-house in 2019-20.
- The proposed service enhancement is offset by the removal of the following contingencies from the base budget: \$40,000 from additional Sewer Professional Services; \$100,000 from Sewer Maintenance Contract; \$35,000 from Other Contract Services; and \$50,000 from Allocations Out.

For capital improvement projects, the 2016-17 Estimated Actual included (1) \$740,000 for the 2016 Sewer Rehabilitation Project, \$1.3 million for the 2017 Sewer Rehabilitation Project, and \$195,000 for the Sanitary Sewer Master Plan, totaling \$2,235,000. The 2017-18 Sewer Capital Budget totaled \$900,000, including \$850,000\* for sewer rehabilitation program and \$50,000 for pump replacement at Purissima Pump Station.

*\*Note: The 2017-18 capital budget request for the annual sewer rehab program (\$850,000) is consist of \$1.1 million for the 2018 Sewer Rehabilitation Project, net of a budget reduction of \$250,000 for the 2017 Sewer Rehabilitation Project because the final contract price was less than original budget (See pages 104 - 105 for more details).*

**SEWER (048: CAPITAL, 051: OPERATIONS)**

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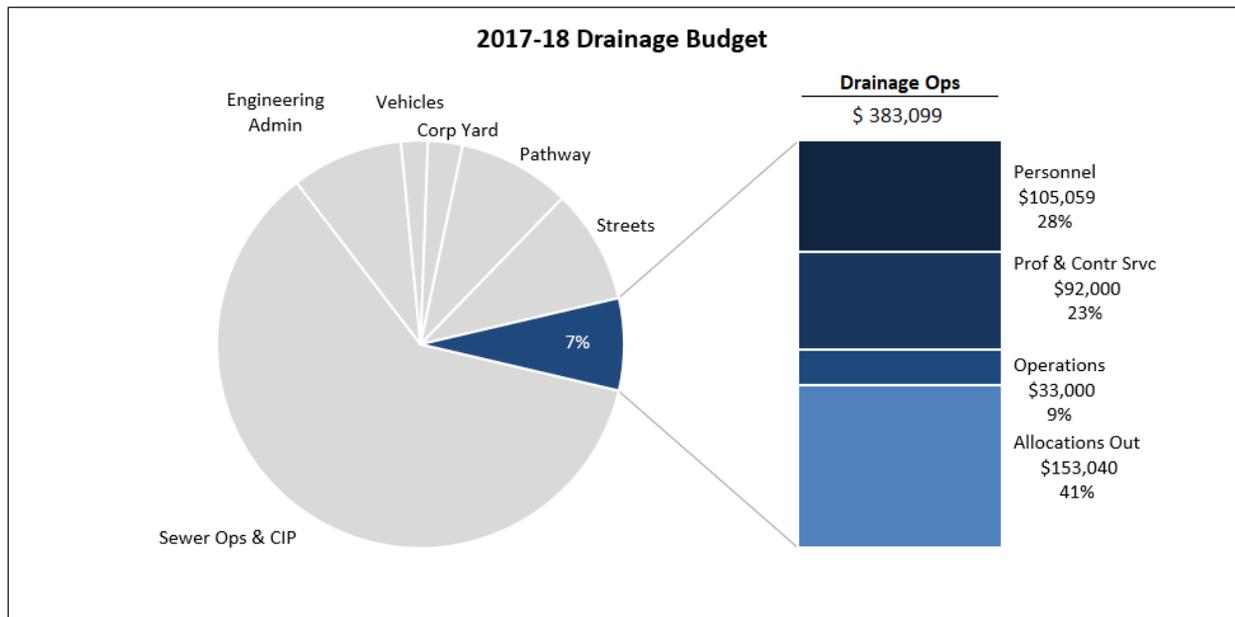


Four-Year Comparison	2014-15	2015-16	2016-17	2016-17	2017-18	Budget to Est. Actual	
	Actual	Actual	Revised	Est. Actual	Budget	\$	%
<b>Funding Source</b>							
Department Revenue:							
Sewer Assessment Charges	\$ 1,392,029	\$ 1,925,636	\$ 2,709,800	\$ 2,709,800	\$ 2,870,620	\$ 160,820	6%
Sewer Connection Fees	234,339	221,010	238,500	238,500	252,100	13,600	6%
Miscellaneous	-	2,832	-	4,940	8,582	(4,940)	-100%
Other Source/(Uses):							
Sewer Fund Reserve	212,490	223,832	1,653,851	1,495,996	65,582	(1,421,832)	-95%
<b>Total Revenues</b>	<b>\$ 1,838,858</b>	<b>\$ 2,373,310</b>	<b>\$ 4,602,151</b>	<b>\$ 4,449,236</b>	<b>\$ 3,196,884</b>	<b>\$ (1,252,352)</b>	<b>-28%</b>
<b>Department Expenses</b>							
Personnel	\$ 143,546	\$ 172,970	\$ 325,506	\$ 188,084	\$ 157,209	\$ (30,875)	-16%
Professional Services	65,220	139,968	69,500	316,030	384,500	68,470	22%
Sewer Treatment Cost	797,927	1,028,818	966,000	1,008,646	1,059,100	50,454	5%
Sewer Maintenance Contract	308,429	365,275	572,600	356,149	450,000	93,851	26%
Other Contract Services	300	39,685	42,400	39,939	7,400	(32,539)	-81%
Operations (Less Depreciation)	13,348	10,239	13,500	11,208	13,500	2,292	20%
Allocations Out	87,716	208,047	317,570	294,179	225,175	(69,004)	-23%
Capital Outlay Spending	422,372	408,308	-	500,000	-	(500,000)	-100%
Capital Outlay Earmarked	-	-	2,295,075	1,735,000	900,000	(835,000)	-48%
<b>Total Expenses</b>	<b>\$ 1,838,858</b>	<b>\$ 2,373,310</b>	<b>\$ 4,602,151</b>	<b>\$ 4,449,236</b>	<b>\$ 3,196,884</b>	<b>\$ (1,252,352)</b>	<b>-28%</b>

## STORM DRAIN OPERATIONS (011-4500, PREVIOUSLY FUND 012)

### BUDGET SUMMARY:

The drainage operation represents 7 percent of departmental budget and 2 percent of total town-wide expenditure budget. A total of 0.93 FTE or 1,955 hours a year to manage drainage repairs and ongoing maintenance. The Division budget increased by 28 percent, or \$83,546, comparing to 2016-17 Estimated Actual. The primary cause of the increase is the one-time service enhancement request of \$59,000 to contract a specialist to work with various State and Federal agencies to obtain a long-term creek maintenance permit to allow the Town to address any landscaping issues near creeks

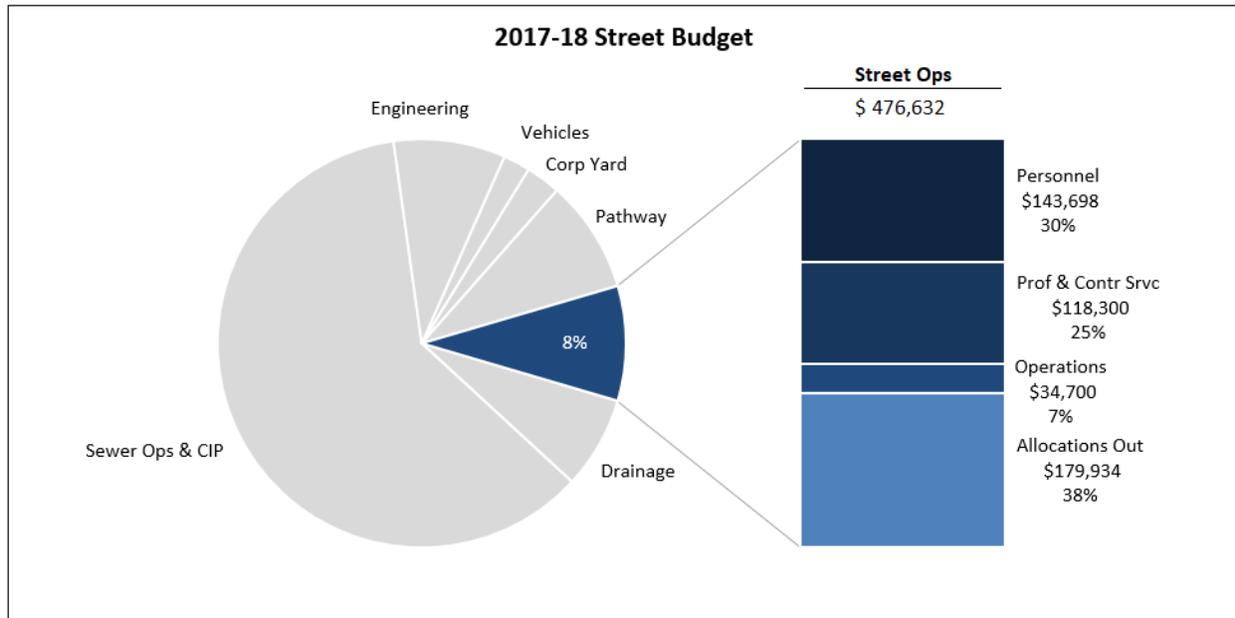


Four-Year Comparison	2014-15	2015-16	2016-17	2016-17	2017-18	Budget to Est. Actual	
	Actual	Actual	Revised	Est. Actual	Budget	\$	%
<b>Funding Source</b>							
Department Revenue: None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Other Source/(Uses):							
General Fund Support	298,036	246,073	306,581	299,553	383,099	83,546	28%
<b>Total Funding Source</b>	<b>\$ 298,036</b>	<b>\$ 246,073</b>	<b>\$ 306,581</b>	<b>\$ 299,553</b>	<b>\$ 383,099</b>	<b>\$ 83,546</b>	<b>28%</b>
<b>Department Expenditure</b>							
Personnel	\$ 83,470	\$ 91,513	\$ 102,471	\$ 103,338	\$ 105,059	\$ 1,721	2%
Professional Services	12,640	-	25,000	25,000	84,000	59,000	236%
Contractual Services	6,498	4,579	8,000	8,000	8,000	-	0%
Operations	28,867	19,630	33,000	33,000	33,000	-	0%
Allocations Out	166,561	130,352	138,110	130,215	153,040	22,825	18%
<b>Total Expenditures</b>	<b>\$ 298,036</b>	<b>\$ 246,073</b>	<b>\$ 306,581</b>	<b>\$ 299,553</b>	<b>\$ 383,099</b>	<b>\$ 83,546</b>	<b>28%</b>

## STREET OPERATIONS (011-4600, PREVIOUSLY FUND 017)

### BUDGET SUMMARY:

The street operation represents 8 percent of departmental budget and 3 percent of total town-wide expenditure budget. A total of 1.26 FTE or 2,921 hours a year to manage ongoing maintenance, which includes crack sealing. The Division budget decreased by less than 1 percent, or \$1,592, comparing to 2016-17 Estimated Actual. The primary cause of the reduction is in Allocations Out, resulted from a reduction in Vehicle Operation (061-4400) expenditure.

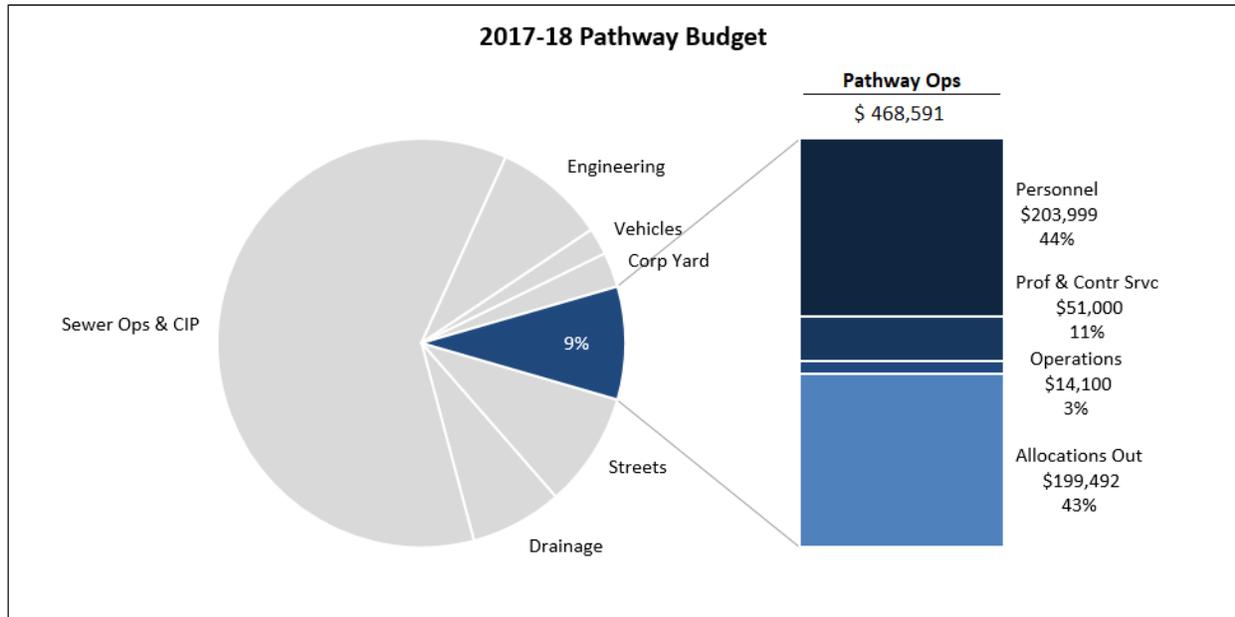


Four-Year Comparison	2014-15	2015-16	2016-17	2016-17	2017-18	Budget to Est. Actual	
	Actual	Actual	Revised	Est. Actual	Budget	\$	%
<b>Funding Source</b>							
Department Revenue							
Miscellaneous	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0%
Other Source/(Uses):							
General Fund Support	347,766	343,568	497,134	474,040	475,632	1,592	0%
<b>Total Revenues</b>	<b>\$ 347,766</b>	<b>\$ 343,568</b>	<b>\$ 498,134</b>	<b>\$ 475,040</b>	<b>\$ 476,632</b>	<b>\$ 1,592</b>	<b>0%</b>
<b>Department Expenditure</b>							
Personnel	\$ 113,627	\$ 122,828	\$ 149,494	\$ 150,476	\$ 143,698	\$ (6,778)	-5%
Professional Services	25,338	18,714	46,300	45,709	46,300	591	1%
Contractual Services	43,680	19,332	64,000	52,835	72,000	19,165	36%
Operations	23,269	23,658	38,500	38,700	34,700	(4,000)	-10%
Allocations Out	141,853	159,036	199,840	187,321	179,934	(7,387)	-4%
<b>Total Expenditures</b>	<b>\$ 347,766</b>	<b>\$ 343,568</b>	<b>\$ 498,134</b>	<b>\$ 475,040</b>	<b>\$ 476,632</b>	<b>\$ 1,592</b>	<b>0%</b>

## PATHWAY OPERATIONS (011-4740, PREVIOUSLY FUND 013)

### BUDGET SUMMARY:

The pathway operation represents 9 percent of department budget and 3 percent of total town-wide expenditure budget. The Division budget decrease by 3 percent, or \$14,472, comparing to 2016-17 Estimated Actual. The primary cause of the reduction is in Allocations Out, resulted from a reduction in Vehicle Operation (061-4400) expenditure.



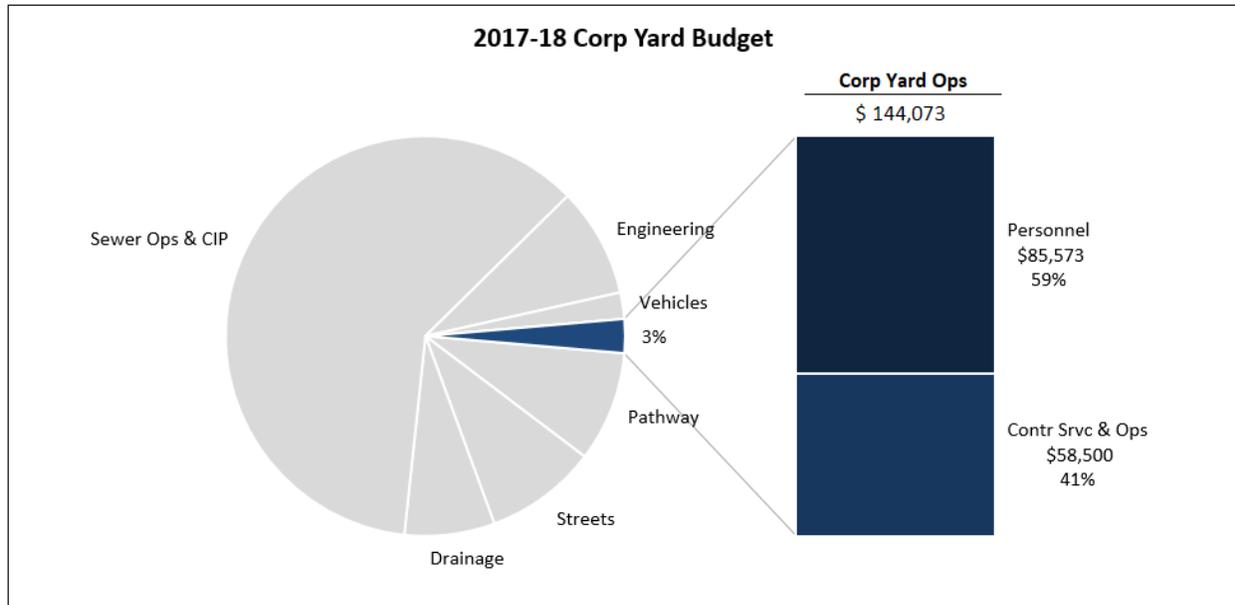
Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual	
						\$	%
<b>Funding Source</b>							
Department Revenue: None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Other Source/(Uses):							
General Fund Support	429,094	405,528	510,394	483,063	468,591	(14,472)	-3%
<b>Total Revenues</b>	<b>\$ 429,094</b>	<b>\$ 405,528</b>	<b>\$ 510,394</b>	<b>\$ 483,063</b>	<b>\$ 468,591</b>	<b>\$ (14,472)</b>	<b>-3%</b>
<b>Department Expenditure</b>							
Personnel	\$ 163,847	\$ 179,138	\$ 207,554	\$ 204,714	\$ 203,999	\$ (715)	0%
Professional Services	17,100	12,420	16,800	18,000	16,800	(1,200)	-7%
Contractual Services	37,349	31,881	41,000	34,415	34,200	(215)	-1%
Operations	9,027	6,688	15,000	11,277	14,100	2,823	25%
Allocations Out	201,772	175,401	230,040	214,657	199,492	(15,165)	-7%
<b>Total Expenditures</b>	<b>\$ 429,094</b>	<b>\$ 405,528</b>	<b>\$ 510,394</b>	<b>\$ 483,063</b>	<b>\$ 468,591</b>	<b>\$ (14,472)</b>	<b>-3%</b>

## CORPORATION YARD OPERATIONS (061-4300)

### BUDGET SUMMARY:

Corp Yard operation is an internal service fund division and expenditure budget represents 3 percent of departmental budget. Internal Service Fund expenditures are allocated to various departments and accounted for within "Allocations Out". The Division budget had minimal change, comparing to 2016-17 Estimated Actual.

As an internal service division, Town Center operations are fully distributed to service departments based on City Council approved distribution. The distribution remains the same since 2004.



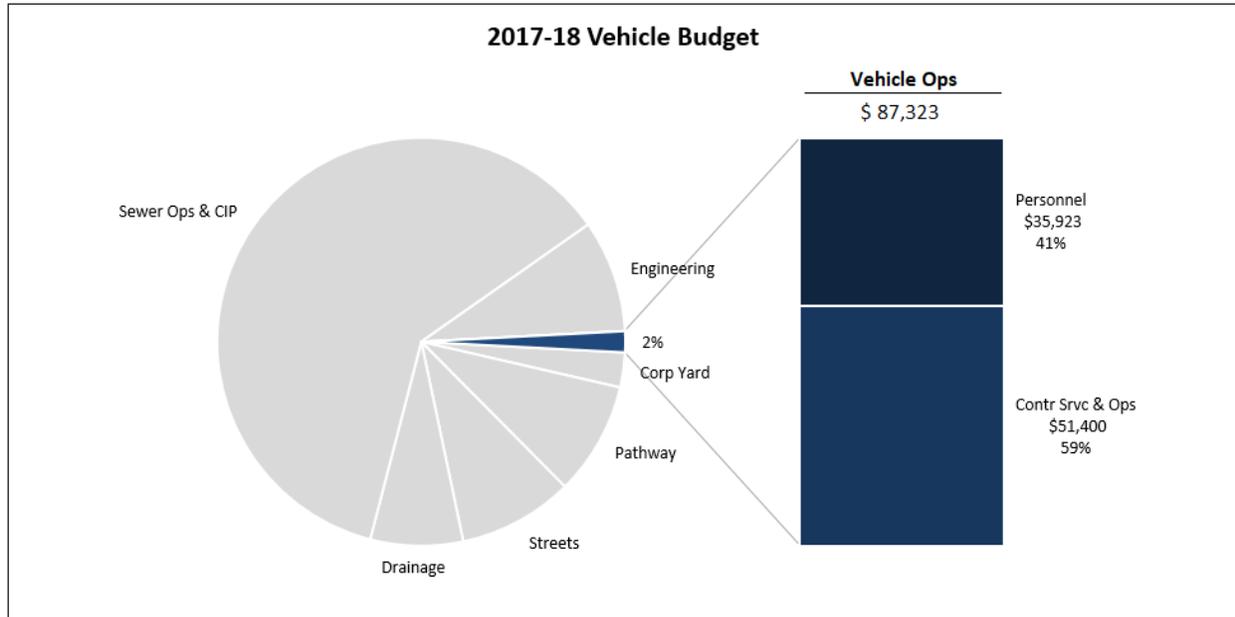
Four-Year Comparison	2014-15	2015-16	2016-17	2016-17	2017-18	Budget to Est. Actual	
	Actual	Actual	Revised	Est. Actual	Budget	\$	%
<b>Funding Source</b>							
Allocations In							
General Fund (011) Allocation	\$ 73,575	\$ 97,278	\$ 102,780	\$ 103,449	\$ 108,055	\$ 4,605	4%
Sewer Fund (051) Allocation	24,525	32,426	34,250	34,483	36,018	1,535	4%
<b>Total Revenues</b>	<b>\$ 98,100</b>	<b>\$ 129,704</b>	<b>\$ 137,030</b>	<b>\$ 137,933</b>	<b>\$ 144,073</b>	<b>\$ 6,140</b>	<b>4%</b>
<b>Department Expenditure</b>							
Personnel	\$ 62,845	\$ 75,378	\$ 79,810	\$ 89,733	\$ 85,573	\$ (4,160)	-5%
Contractual Services	2,270	16,365	2,000	6,962	2,000	(4,962)	-71%
Operations	33,894	37,960	56,500	41,237	56,500	15,263	37%
Allocations Out	(909)	-	-	-	-	-	n/a
<b>Total Expenditures</b>	<b>\$ 98,100</b>	<b>\$ 129,704</b>	<b>\$ 138,310</b>	<b>\$ 137,933</b>	<b>\$ 144,073</b>	<b>\$ 6,140</b>	<b>4%</b>

## VEHICLE OPERATIONS (061-4400)

### BUDGET SUMMARY:

Vehicle operation is an internal service fund division and expenditure budget represents 2 percent of departmental budget. Internal Service Fund expenditures are allocated to various departments and accounted for within "Allocations Out". The Division budget reduced by 45%, or \$70,615, comparing to 2016-17 Estimated Actual, as a result of a one-time dump truck purchase made in 2016-17. There is no vehicle purchase request at this time for 2017-18.

As an internal service division, Town Center operations are fully distributed to service departments based on City Council approved distribution. The distribution remains the same since 2004.



Four-Year Comparison	2014-15 Actual	2015-16 Actual	2016-17 Revised	2016-17 Est. Actual	2017-18 Budget	Budget to Est. Actual	
						\$	%
<b>Funding Source</b>							
Allocations In							
General Fund (011) Allocations	\$ 79,184	\$ 65,429	\$ 140,610	\$ 140,389	\$ 77,620	\$ (62,769)	-45%
Sewer Fund (051) Allocations	9,897	8,178	17,620	17,549	9,703	(7,846)	-45%
<b>Total Revenues</b>	<b>\$ 89,081</b>	<b>\$ 73,607</b>	<b>\$ 158,230</b>	<b>\$ 157,938</b>	<b>\$ 87,323</b>	<b>\$ (70,615)</b>	<b>-45%</b>
<b>Department Expenditure</b>							
Personnel	\$ 29,038	\$ 32,196	\$ 33,992	\$ 35,211	\$ 35,923	\$ 712	2%
Contractual Services	4,207	2,231	5,600	4,675	5,600	925	20%
Operations (Less Depreciation)	56,378	39,180	118,638	118,052	45,800	(72,252)	-61%
Allocations Out	(542)	-	-	-	-	-	n/a
<b>Total Expenditures</b>	<b>\$ 89,081</b>	<b>\$ 73,608</b>	<b>\$ 158,230</b>	<b>\$ 157,938</b>	<b>\$ 87,323</b>	<b>\$ (70,615)</b>	<b>-45%</b>

# Capital Program

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# 2017-18 Capital Investment Request

The Capital Improvement Plan (CIP) is a five-year plan for funding projects to improve on municipal services, strengthen infrastructures, and enhance culture and recreation. It is a one-year budget request plus four- year project plan. As mentioned in Budget Overview ([page 7](#)), the Town’s ongoing capital programs are developed based on completed asset management reports, such as the Pavement Management Plan, Westwind Barn Master Plan, and the Sewer Technical Memo. Currently, the non-recurring projects are developed based on known needs identified by Town Staff and Committee members. Each project objective is discussed in the Project Description section ([page 100](#)) of this budget.

Project Name	Page No.	Fund	Department	2017-18 Budget
<b>Recurring Program</b>				
Annual Road Rehabilitation	100	Street Capital	Public Works	\$ 1,900,000
Annual Sewer Rehabilitation	104	Sewer Capital	Public Works	850,000
Westwind Barn Improvement	122	Westwind Barn Capital	Parks & Recreation	140,000
<b>Non-Recurring Program</b>				
Barron Creek Restoration	105	Drainage Capital	Public Works	0
Byrne Preserve Restoration	106	General Capital	Public Works	42,167
Building Permit System Upgrade	107	General Capital	Planning & Building	0
Cable Service Expansion Program	109	General Capital	City Manager	0
Geographical Information System (GIS) Acquisition	110	General Capital	Planning & Building	27,400
Magdalena/Bob Stutz Connector	111	Pathway Capital	Public Works	0
Matadero Creek Erosion	112	Drainage Capital	Public Works	0
Page Mill/I-280 Safety Bicycle Improvement	113	General Capital	Public Works	0
Page Mill/Moon Lane Pedestrian Bridge Crossing +	114	Pathway Capital	Public Works	90,000
Pathway Inventory GIS	115	Pathway Capital	Planning & Building	0
Pump Replacement @ Purissima Pump Station	116	Sewer Capital	Public Works	50,000
Purissima Park Playground Improvement	117	General Capital	Parks & Recreation	35,000
Purissima Park Outdoor Fitness Equipment	118	General Capital	Parks & Recreation	40,000
Sanitary Sewer Master Plan	119	Sewer Capital	Public Works	0
Summerhill Pathway Project	121	Pathway Capital	Public Works	0
<b>Total</b>				<b>\$ 3,174,567</b>

+ The budget of \$90,000 for Page Mill/Moon Lane Pedestrian Bridge Crossing was approved as part of the 2016-17 Budget process to allocate \$90,000 of Pathway Capital Fund in 2017-18.

# 2016-17 Capital Project Status

Project Name	Status as of March 2017	Project Budget Thru June 2017	Spending Through March 2017	Available Budget at March 2017	Funding Release	Prior Appropriation
<b>Recurring Program</b>						
Annual Road Rehabilitation						
2017 Road Rehab Project	Completed	\$ 1,060,000	\$ 898,593	\$ 201,407	\$ (161,407)	\$ 0
Summerhill Road Repair	In Progress	40,000	0	40,000	0	40,000
Newbridge Drainage Improvement	In Progress			50,000	0	50,000
Annual Sewer Rehabilitation						
2016 Sewer Rehab Project	In Progress	750,000	311,841	438,159	(60,000)	690,000
2017 Sewer Rehab Project †	In Progress	1,350,000	858	1,349,142		1,350,000
Annual Storm Drain Improvement (Consolidated with Annual Road Rehab Program)	Merged	40,000	0	40,000	(40,000)	0
Westwind Barn Improvement						
Drainage/Paddock Repair	Completed	26,186	26,186	0	0	0
Landscaping	In Progress	25,000	0	25,000	0	25,000
Otto Mat Installation for Round Pen	In Progress	10,000	0	10,000	0	10,000
<b>Non-Recurring Project</b>						
Barron Creek Restoration	In Progress	270,000	98,649	171,351	0	270,000
Building Permit System Upgrade	In Progress	164,850	121,185	43,665	0	164,850
Cable Service Expansion Program	In Progress	100,000	21,141	78,859	0	100,000
Council Chamber Carpet Replacement (Completed in June 2017 at \$10,000)	Completed	20,000	0	20,000	(10,000)	0
Dump Truck Replacement	Completed	75,626	75,626	0	0	0
Magdalena/Bob Stutz Connector	In Progress	142,000	22	141,978	0	142,000
Matadero Creek Erosion	In Progress	1,084,290	534,290	550,000	0	1,084,290
Miranda Pathway Project	Completed	211,075	211,075	0	0	0
Newbridge Drainage Improvement (Consolidated with Annual Road Rehab Program)	Merged	62,640	12,640	0	Merged	Merged
Open Space Vegetation Management (Changed name to Byrne Preserve Restoration)	In Progress	40,939	19,320	21,619	0	40,939
Page Mill/I-280 Safety Bicycle Improvement	In Progress	20,000	20,000	0	0	20,000
Page Mill/Moon Lane Pedestrian Bridge Crossing †	In Progress	20,000	0	20,000	0	20,000
Pathway Inventory GIS	In Progress	50,000	0	50,000	(26,350)	23,650
Sanitary Sewer Master Plan	In Progress	195,000	0	195,000	0	195,000
Summerhill Pathway Project	In Progress	30,000	0	30,000	0	30,000
West Loyola/Mora Drive Path Study	Completed	11,715	11,715	0	0	0
<b>Total</b>		<b>\$ 5,799,396</b>	<b>\$ 2,363,141</b>	<b>\$ 3,436,255</b>	<b>\$ (297,832)</b>	<b>\$ 4,255,729</b>

+ The budget of \$90,000 for Page Mill/Moon Lane Pedestrian Bridge Crossing was approved as part of the 2016-17 Budget process to allocate \$90,000 of Pathway Capital Fund in 2017-18.

‡ The Prior Appropriation of \$1,350,000 for the 2017 Sewer Rehabilitation Project was reduced by \$250,000 as part of the sewer contingency reduction approved as part of the 2017-18 budget adoption process. This reduction is reflected in the 2017-18 Sewer Rehab budget request

# Project Funding Summary

The 2017-2022 Five-Year Capital Program funding requests are listed below. The Prior Appropriation represents total spending to date and estimated 2016-17 budget carryover. Capital program funding follows the hierarchy as stated below:

- State and Federal Grants
- Special Funds – restricted (such as in-lieu fees and private donations)
- Capital Reserves
- General Fund

In the event that the Town's funding sources are limited in any given year, the City Council may adopt through resolution to defer, defund or remove a capital project.

Project Name	Prior Appropriation	2017-18 Budget	2018-22 Planned	Total
General Fund (011)	\$ 639,350	\$ 1,577,252	\$ 2,797,512	\$ 5,653,464
Street Capital Reserve & Gas Tax (046)	0	289,948	1,505,488	1,795,436
Westwind Barn Capital & Cell Tower Rental (043)	35,000	140,000	200,000	410,000
Drainage in-Lieu Fee & Capital Reserve (045)	1,089,790	60,200	160,000	2,399,780
Parks & Recreation in-Lieu Fee (016)	40,939	117,167	43,432	242,477
Pathway Construction Fee & Capital Reserve (042)	215,650	90,000	0	521,300
Sewer Fund (048 & 051)	2,235,000	900,000	3,500,000	8,870,000
<b>Total</b>	<b>\$ 4,255,729</b>	<b>\$ 3,174,567</b>	<b>\$ 8,206,432</b>	<b>\$15,636,728</b>

# Five-Year Spending Summary

The 2017-2022 Five-Year Capital Program spending requests are listed below. The Prior Appropriation represents total spending to date and estimated 2016-17 budget carryover. Project cost includes paid design services, permitting fees, construction cost, and inspection. In-house design costs were not included. The projects are grouped by capital fund categories.

Project Name	Page No.	Prior Appropriation	2017-18 Budget	Project Budget Thru 2017-18
<b>General Capital (041)</b>				
Building Permit System Upgrade	107	\$ 164,850	\$ 0	\$ 164,850
Byrnes Preserve Restoration	106	40,939	42,167	83,106
Cable Service Expansion Program	109	100,000	0	100,000
Geographical Information System (GIS) Acquisition	110	0	27,400	27,400
Page Mill/I-280 Safety Bicycle Improvement	113	20,000	0	20,000
Purissima Park Outdoor Fitness Equipment	118	0	40,000	40,000
Purissima Park Playground Improvement	117	0	35,000	35,000
<b>Pathway Capital (042)</b>				
Magdalena/Bob Stutz Connector	111	142,000	0	142,000
Page Mill/Moon Lane Pedestrian Bridge Crossing <sup>†</sup>	114	20,000	90,000	110,000
Pathway Inventory GIS	115	23,650	0	23,650
Summerhill Pathway Project	121	30,000	0	30,000
<b>Westwind Barn Capital (043)</b>				
Westwind Barn Improvement	122	35,000	140,000	175,000
<b>Drainage Capital (045)</b>				
Barron Creek Restoration	105	270,000	0	270,000
Matadero Creek Erosion	112	1,084,290	0	1,084,290
<b>Street Capital (046)</b>				
Annual Road Rehabilitation	100	90,000	1,550,000	1,640,000
Dawnridge Road Rehabilitation	100	0	350,000	350,000
<b>Sewer Capital (049)</b>				
Annual Sewer Rehabilitation Program <sup>†</sup>	104	2,040,000	850,000	2,890,000
Pump Replacement @ Purissima Pump Station	116	0	50,000	50,000
Sanitary Sewer Master Plan	119	195,000	0	195,000
<b>Total</b>		<b>\$ 4,255,729</b>	<b>\$ 3,174,567</b>	<b>\$ 7,430,296</b>

<sup>†</sup> The 2017-18 budget of \$850,000 for the Annual Sewer Rehabilitation Program includes \$1,100,000 for the 2017-18 Rehab project and a reduction of \$250,000 of the 2016-17 Rehab project budget.

Majority of the capital projects are to replace or improve on existing assets or infrastructures. Impact on operation is minimal to none, as a result. Only additional maintenance costs were identified under “Impact on Operation”.

2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total	Impact on Operation
\$ 63,000	\$ 0	\$ 0	\$ 0	\$ 227,850	\$ 20,000
43,432				126,538	
				100,000	
				27,400	14,000
				20,000	
				40,000	350
				35,000	
				142,000	
				110,000	
				23,650	
				30,000	
50,000	50,000	50,000	50,000	375,000	
				270,000	
				1,084,290	
1,100,000	1,100,000	1,100,000	1,100,000	6,040,000	
0	0	0	0	350,000	
1,100,000	800,000	800,000	800,000	6,390,000	
				50,000	
				195,000	
<b>\$ 2,356,432</b>	<b>\$ 1,950,000</b>	<b>\$ 1,950,000</b>	<b>\$ 1,950,000</b>	<b>\$ 15,636,728</b>	<b>\$ 34,350</b>

# Project Description

## ANNUAL ROAD REHABILITATION PROGRAM



Street paving at Almaden Court (public portion)

**PROJECT NUMBER**

Various

**INITIAL FUNDING YEAR**

N/A. Ongoing program

**PLANNED START DATE**

N/A. Ongoing program

**ESTIMATED COMPLETION DATE**

N/A. Ongoing program

**PROJECT DESCRIPTION:**

The annual street resurfacing program is designed to maintain safe and functional Town streets. The project may include 4" AC deep lift patching, 4" full grind and paving, 2" asphalt concrete overlay, removal and reconstruction of concrete valley gutters/ curbs, micro-surfacing, and all associated works. Street resurfacing program includes drainage improvements. The street selections are based on recommendations from Metropolitan Transportation Commission's Pavement Management Program (PMP), field inspections, and staff judgement. Upon completion of the design phase and receipt of bids, the list of streets and type of work required are presented to the City Council for construction award. The goal of the project is to maintain the Town's pavement condition index between 77 and 80. The most recent PMP was last updated in 2014 and it recommends an annual investment of \$800,000 to \$1 million in order to maintain the pavement condition index at 77 and above. The next PMP update will be completed in Spring 2018 for use beginning the 2018-19 pavement rehabilitation program.

The 2017-18 Pavement Rehabilitation Program can be summarized in the following five categories:

1. Summerhill Avenue between El Monte Road and Nicole Lane - bordering the City of Los Altos. Project scope includes 4-inch dig out repairs and 1.5-inch asphalt concrete overlay. The City of Los Altos will administer the construction contract. The cost will be shared – the Town's portion is approximately \$40,000. According to the current PMP, Summerhill Avenue is recommended for repair in 2018. The cost sharing agreement is scheduled for city council consideration in May 2017.
2. Dawnridge Drive, from Magdalena Avenue to the end – This was originally scheduled for 2018-19. Town Engineer assessed and determined the road condition warrants immediate attention and the project has been moved to 2017-18. The estimated cost was \$350,000, which included \$40,000 drainage gutter replacement. The construction contingency and inspection service were also included.

Street	From	To	Street Length (Feet)	Type of Work	Drainage Improvements
Dawnridge Drive	Magdalena Avenue	End	1,908	4" AC Remove and Replace	\$ 40,000
<b>TOTAL</b>			<b>1,908</b>		<b>\$ 40,000</b>

## ANNUAL ROAD REHABILITATION PROGRAM

(CONT)

3. Newbridge Drive from La Paloma Road to both cul-de-sacs – The pavement repair at Newbridge Drive is scheduled for 2017-18, per the 2014 PMP. The drainage improvement CIP was previously postponed from 2016-17 CIP and will be incorporated with the annual rehabilitation project due to cost efficiency. The drainage improvement work will construct new grades for the asphalt to create positive drainage flow.

Street	From	To	Street Length (Feet)	Type of Work	Drainage Improvements
Newbridge Drive	La Paloma Road	Both Ends	780	2" Overlay	\$ 62,000
<b>TOTAL</b>			<b>780</b>		<b>\$ 62,000</b>

4. Eleven additional streets: Town Engineer assessed and determined the road condition warrants immediate attention. Nine of the streets were originally accepted by the Town in 1987 but added to the public infrastructure in 2016, except for Fernhill Drive and Ravensbury Avenue. The estimated cost is \$908,000, which includes construction contingency and inspection services.

Street	From	To	Street Length (Feet)	Type of Work	Drainage Improvements
Albertsworth Lane	Magdalena Road	End	410	4" AC Remove and Replace	\$ 0
Almaden Court	End of 4th Parcel (Southern Side)	End	1,200	4" AC Remove and Replace	\$ 2,000
Atherton Court	Robleda Road	End	605	4" AC Remove and Replace	\$ 0
Carado Court	Magdalena Road	End	360	4" AC Remove and Replace	\$ 0
Fernhill Drive	Camino Hermoso Drive	End	1,280	4" AC Remove and Replace	\$ 0
Olive Tree Lane	Blandor Way	200' W of Olive Tree Court	1,300	4" AC Remove and Replace	\$ 0
Oneonta Drive	Stonebrook Drive	End	843	4" AC Remove and Replace	\$ 0
Ravensbury Avenue	Corner of Ravensbury Avenue	Old Ranch Road	0	Dig-out Repair	\$ 0
Rhoda Drive	Purissima Road	End	850	4" AC Remove and Replace	\$ 0
Tripoli Court	Natoma Road	End	250	4" AC Remove and Replace	\$ 0
Willow Pond Lane	Tepa Way	End	655	4" AC Remove and Replace	\$ 0
<b>TOTAL</b>			<b>7,753</b>		<b>\$ 2,000</b>

5. Per 2014 PMP, the Town has identified the following streets for 2017 Pavement Rehabilitation Project.

Street	From	To	Street Length (Feet)	Type of Work	Drainage Improvements
Alexander Place	Fremont Road	End	1,150	Microsurfacing	\$ 0
Amherst Court	Liddicoat Drive	End	1,100	Microsurfacing	\$ 0
Byrne Park Lane	Westerly property line 27233 Deer Springs Way	1st Bulb	540	4" AC Remove and Replace	\$ 3,200
Colina Drive	Hilltop Drive	End	475	Microsurfacing	\$ 0
Dawson Drive	Magdalena Avenue	End	2,555	Microsurfacing	\$ 0

## ANNUAL ROAD REHABILITATION PROGRAM

(CONT)

Street	From	To	Street Length (Feet)	Type of Work	Drainage Improvements
Estacada Way	Estacada Drive	End	290	Microsurfacing	\$ 0
Harvard Court	Liddicoat Drive	End	295	Microsurfacing	\$ 0
Liddicoat Drive	Arastradero Road	Liddicoat Circle	1,131	Microsurfacing	\$ 3,000
Melody Lane	Black Mountain Road	End	855	Microsurfacing	\$ 0
Middle Fork lane	Three Forks Lane	End	1,018	Microsurfacing	\$ 0
Miranda Court	Miranda Road	End	265	Microsurfacing	\$ 0
Miranda Road	Estacada Drive	End	2,800	Microsurfacing	\$ 0
Old Page Mill Lane	Page Mill Road	End	255	Microsurfacing	\$ 0
Palo Hills Drive	Fremont Road	End	720	Microsurfacing	\$ 0
Paseo Del Roble Drive	Page Mill Road	Page Mill Road	3745	2" Overlay	\$ 0
Stanford Court	Liddicoat Drive	End	540	Microsurfacing	\$ 0
Stonebrook Court	Stonebrook Drive	End	770	Microsurfacing	\$ 0
Templeton Place	Fremont Road	End	298	Microsurfacing	\$ 0
Via Feliz	Page Mill Road	End	1,480	Microsurfacing	\$ 0
Vista Del Valle Court	Taaffe Road	End	360	Microsurfacing	\$ 0
Weston Drive	Fremont Road	End	891	Microsurfacing	\$ 0
Westwind Way	Concepcion Road	La Paloma Road	1,070	Microsurfacing	\$ 0
<b>TOTAL</b>			<b>22,603</b>		<b>\$ 6,200</b>
<b>2017-18 Pavement Rehab Project Total</b>			<b>33,044</b>		<b>\$ 110,200</b>

**PROJECT STATUS:**

Ongoing program. Below is a list of projects for the last three years. The cost varies based on the scope of work, market conditions during bidding, complexity of the project, and cost of material.

Fiscal Year	Project Name	Start Date	Completion Date	Project Cost
2014/15	2014 Pavement Rehab (Phase 1)	Jul 2014	Feb 2015	\$ 865,775
	El Monte Road Rehab	Mar 2015	Nov 2015	\$ 484,970
	2014 Pavement Rehab (Phase 2)	Mar 2015	Jun 2015	\$ 200,598
2015/16	2015 Pavement Rehab	Aug 2015	Dec 2015	\$ 847,679
2016/17	2016 Pavement Rehab	Aug 2016	Nov 2016	\$ 778,593
	Adobe Lane Rehab – Reimbursement	Oct 2016	Oct 2016	\$ 120,000

## ANNUAL ROAD REHABILITATION PROGRAM

(CONT)

## PRIOR APPROPRIATION:

Project Summary	Project Budget	Spending Thru March 2017	Available Budget	Return to General Fund	Prior Appropriation
2016 Pavement Rehab Summerhill Avenue	\$ 1,060,000	\$ 898,593	\$ 161,407	\$ 161,407	Completed
Newbridge Drive Drainage – Design	12,640	12,640	0	0	Completed
Newbridge Drive Drainage – Constr.	50,000	0	50,000	0	50,000
<b>Subtotal</b>	<b>\$ 1,162,640</b>	<b>\$ 911,233</b>	<b>\$ 251,407</b>	<b>\$ 161,407</b>	<b>\$ 90,000</b>

## PROJECT FUNDING/SPENDING ESTIMATE:

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
Street Fund (incl Gas Tax*)	\$ 0	\$ 289,948	\$ 349,291	\$ 366,756	\$ 385,093	\$ 404,348	\$ 1,795,436
Drainage in-Lieu	50,000	60,200	40,000	40,000	40,000	40,000	270,200
General Fund	40,000	1,388,445	710,709	693,244	674,907	655,652	4,324,364
<b>Subtotal</b>	<b>\$ 90,000</b>	<b>\$ 1,900,000</b>	<b>\$ 1,100,000</b>	<b>\$ 1,100,000</b>	<b>\$ 1,100,000</b>	<b>\$ 1,100,000</b>	<b>\$ 6,390,000</b>
<b>Project Spending</b>							
Summerhill Ave – Town’s portion	\$ 40,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,000
Dawnridge Drive	0	350,000	0	0	0	0	350,000
Newbridge Drive – Construction	50,000	12,000	0	0	0	0	62,000
Eleven Additional Streets	0	908,000	0	0	0	0	908,000
Remainder of 2017 PMP Program	0	630,000	1,100,000	1,100,000	1,100,000	1,100,000	5,030,000
<b>Subtotal</b>	<b>\$ 90,000</b>	<b>\$ 1,900,000</b>	<b>\$ 1,100,000</b>	<b>\$ 1,100,000</b>	<b>\$ 1,100,000</b>	<b>\$ 1,100,000</b>	<b>\$ 6,390,000</b>

## RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:

This is part of the pavement management program to keep ongoing maintenance cost at the annually budgeted amount.

\* The 2017-18 Budget and 2018-19 Planned for Gas Tax includes the new California Transportation budget. This is less than originally estimated because the details of the distribution was still being developed. Additionally, there will be a Maintenance of Effort and reporting requirements, pending further information.

## ANNUAL SEWER REHABILITATION PROGRAM



Pipe Reaming in Progress

### PROJECT NUMBER

Various

### INITIAL FUNDING YEAR

N/A. Ongoing program

### PLANNED START DATE

N/A. Ongoing program

### ESTIMATED COMPLETION DATE

N/A. Ongoing program

### PROJECT DESCRIPTION:

The annual sanitary sewer repair and rehabilitation program is to maintain the Town's sanitary sewer system to allow safe transport of wastewater to the Palo Alto Regional Water Quality Control Treatment Plant through the collection systems of the Cities of Palo Alto and Los Altos. The selection of the sewer segments is based on the risk model developed by V.W. Housen and Associates, results of video inspection data, and field noted follow-up from the Town's sewer maintenance and operation contractor, West Bay Sanitary District.

The Regional Water Quality Control Board has focused on reviewing sewer system capital improvement programs and operation/maintenance activities and requiring an increase of annual sewer replacement rate for agencies with aging sewer collection systems. Applying this approach to the Town's sanitary sewer system, the 2015 Sewer System Assessment (Technical Memo) recommends \$1 million for the near-term rehabilitation program. Upon completion of video inspection of the entire sanitary sewer system, the Town will determine the appropriate long-term rehabilitation program.

### PROJECT STATUS:

Ongoing program. Below is a list of projects for the last three years.

Fiscal Year	Project Name	Construction Award Date	Completion Date	Project Cost
2014/15	2015 Sanitary Sewer Repair & Rehab	Mar 2015	Jan 2016	\$591,000
2015/16	2016 Sanitary Sewer Repair & Rehab	May 2016	May 2017 †	\$675,000 ‡
2016/17	2017 Sanitary Sewer Repair & Rehab	Apr 2017	Dec 2017 ‡	\$1,003,300 ‡

† Projected completion date. Contract awarded in May 2016. Staff originally anticipated construction to start in June 2016 and complete in October 2016. However, due to other contract obligations the contractor could not start pre-construction video inspection until August. In addition, the owner and the construction manager for the contractor had a medical condition and required hospital care. The contractor commenced construction at the end of September 2016, completed all base bid items at the end of December 2016, resumed work in March 2017 after series of winter storm to complete the bid alternate items.

‡ Projected Completion Date and Project Cost are based on City Council approved contracts.

### PRIOR APPROPRIATION:

Project Summary	Project Budget	Spending Thru March 2017	Available Budget	Return to Sewer Reserve	Prior Appropriation
2016 Rehab (487912)	\$ 750,075	\$ 311,841	\$ 438,234	\$ 60,075	\$ 690,000
2017 Rehab (487913)	1,350,000	858	1,349,142	0	1,350,000
<b>Subtotal</b>	<b>\$ 2,100,075</b>	<b>\$ 312,699</b>	<b>\$ 1,787,376</b>	<b>\$ 60,075</b>	<b>\$ 2,040,000</b>

## ANNUAL SEWER REHABILITATION PROGRAM

(CONT)

## PROJECT FUNDING/SPENDING ESTIMATE:

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
Sewer Fund	\$ 2,040,000	\$ 850,000	\$ 1,100,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 6,390,000
<b>Subtotal</b>	<b>\$ 2,040,000</b>	<b>\$ 850,000</b>	<b>\$ 1,100,000</b>	<b>\$ 800,000</b>	<b>\$ 800,000</b>	<b>\$ 800,000</b>	<b>\$ 6,390,000</b>
<b>Project Spending</b>							
Annual Sewer Rehabilitation	\$ 0	\$ 1,100,000	\$ 1,100,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 4,600,000
2016 Rehab	690,000	0	0	0	0	0	690,000
2017 Rehab	1,350,000	(250,000)	0	0	0	0	1,100,000
<b>Subtotal</b>	<b>\$ 2,040,000</b>	<b>\$ 850,000</b>	<b>\$ 1,100,000</b>	<b>\$ 800,000</b>	<b>\$ 800,000</b>	<b>\$ 800,000</b>	<b>\$ 6,390,000</b>

## RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:

No additional maintenance and operating cost. This program focuses on addressing system deficiencies to maintain operating cost at the current level.

## BARRON CREEK RESTORATION



Barron Creek Restoration

## PROJECT NUMBER

410208

## INITIAL FUNDING YEAR

July 2015

## PLANNED START DATE

July 2016

## ESTIMATED COMPLETION DATE

October 2017

## PROJECT DESCRIPTION:

Barron Creek drainage channel is located on private property, where the Town has an easement right. Sediments have deposited in the channel raising the original flow line. Dredging is required to restore to the original flow line elevation. The property owner has requested for the restoration to include aesthetic improvements be included and has agreed to improve this channel based on Town's drainage requirements while complying with planning and building code in the aesthetic improvements. The Town will reimburse the property owner up to \$250,000 or 50% of channel improvement, excluding all aesthetic improvement cost.

## PROJECT STATUS:

Completed the cost sharing and maintenance agreement with the property owner in 2015-16. The project consultant is working with Federal Emergency Management Agency on the Letter of Map Revision application and to resolve the upstream culvert issues. The final bill will be submitted to the Town when all work is completed. Total reimbursed to date is \$78,774.

## PRIOR APPROPRIATION:

Project Summary	Project Budget	Spending Thru March 2017	Available Budget	Return to Drainage CIP	Prior Appropriation
Barron Creek Reimb.	\$ 250,000	\$ 78,774	\$ 171,227	\$ 0	\$ 250,000
Incidental Cost	20,000	19,875	125	0	20,000
<b>Subtotal</b>	<b>\$ 270,000</b>	<b>\$ 98,649</b>	<b>\$ 171,351</b>	<b>\$ 0</b>	<b>\$ 270,000</b>

**BARRON CREEK RESTORATION**

**(CONT)**

**PROJECT FUNDING/SPENDING ESTIMATE:**

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
Drainage in-Lieu	\$ 270,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 270,000
<b>Subtotal</b>	<b>\$ 270,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 270,000</b>
<b>Project Spending</b>							
Barron Creek Project	\$ 270,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 270,000
<b>Subtotal</b>	<b>\$ 270,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 270,000</b>

**RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:**

The current operating budget includes maintenance cost for all existing drainage system. There is no additional maintenance cost.

**BYRNE PRESERVE RESTORATION  
(PREVIOUSLY: OPEN SPACE VEGETATION MANAGEMENT)**



*Open Space Maintenance Volunteer*

**PROJECT NUMBER**

TR4169

**INITIAL FUNDING YEAR**

April 2014

**PLANNED START DATE**

April 2014

**ESTIMATED COMPLETION DATE**

June 2019

**PROJECT DESCRIPTION:**

In 2016, Grassroots Ecology (formerly Acterra) was awarded a three-year grant from the Santa Clara Valley Water District (SCVWD) to conduct habitat restoration activities along Moody Creek at Byrne Preserves by removing invasive plants, replanting native vegetation, monitoring the development, and replanting as necessary. Grassroots Ecology is responsible for grant administration and reporting to SCVWD. The total project cost is \$338,788, with \$135,000 from SCVWD grant; \$77,250 from in-kind volunteer contribution; and \$126,538 as Town’s match. Additionally, Grassroots Ecology will continue to provide an annual open space maintenance and community education and outreach.

**PROJECT STATUS:**

Grassroots Ecology Stewardship was awarded a three-year grant \$135,000 grant from SCVWD with a Town’s matching of \$126,538 and volunteer in-kind contribution of \$77,250. Grassroots Ecology also provides education and open space maintenance in Town at \$16,205 for 2017-18, which is built into the base budget.

## BYRNE PRESERVE RESTORATION

(CONT)

With this funding, Grassroots Ecology has held 15 volunteer workdays with a total of 134 participants volunteering 310 hours-to-date of services in 2016-17. Volunteers worked to remove Purple Star Thistle, Yellow Star Thistle, Fuller's Teasel, Italian Thistle, Poison Hemlock, French Broom, and other invasive plants along Moody Creek. Additional hundreds of Willow Stakes, Buckeye Seeds, and Acorns were planted in the Moody Creek riparian zone and native grasses were seeded along the upper creek bank. A 250-ft fence was installed by the Town's Public Works Maintenance Team to protect main vegetation area adjacent to the creek.

### PRIOR APPROPRIATION:

Project Summary	Project Budget	Spending Thru March 2017	Available Budget	Return to Parks & Rec in-Lieu	Prior Appropriation
Byrne Preserve Restor.	\$ 40,939	\$ 19,320	\$ 21,619	\$ 0	\$ 40,939
<b>Subtotal</b>	<b>\$ 40,939</b>	<b>\$ 19,320</b>	<b>\$ 21,619</b>	<b>\$ 0</b>	<b>\$ 40,939</b>

### PROJECT FUNDING/SPENDING ESTIMATE:

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
Parks & Rec in-Lieu	\$ 40,939	\$ 42,167	\$ 43,432	\$ 0	\$ 0	\$ 0	\$ 126,538
<b>Subtotal</b>	<b>\$ 40,939</b>	<b>\$ 42,167</b>	<b>\$ 43,432</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 126,538</b>
<b>Project Spending</b>							
Byrne Preserve Restor.	\$ 40,939	\$ 42,167	\$ 43,432	\$ 0	\$ 0	\$ 0	\$ 126,538
<b>Subtotal</b>	<b>\$ 40,939</b>	<b>\$ 42,167</b>	<b>\$ 43,432</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 126,538</b>

### RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:

The purpose of this program is to remove invasive non-native plants and allow native plants to grown naturally. There is no ongoing maintenance necessary, once the native plants have matured.

## BUILDING PERMIT SYSTEM UPGRADE

### TRAKi: 100% Web-based, Integrated Solution



3D Permit Module

### PROJECT NUMBER

410210

### INITIAL FUNDING YEAR

July 2016

### PLANNED START DATE

September 2016

### ESTIMATED COMPLETION DATE

April 2018

### PROJECT DESCRIPTION:

The Town's permit tracking system is in need of an upgrade. The current system, Filemaker Pro, is insufficient in report generation and possesses a lack of field security allowing for data entry error. The new permit tracking system will allow for greater communication between departments which will provide greater efficiency, accuracy, and time savings to both staff and residents. Proposals were requested in 2015/16 to understand the permit tracking system market and to receive

**BUILDING PERMIT SYSTEM UPGRADE****(CONT)**

preliminary quotes. Based on the Town's need at this time, the most responsive quote was \$164,850, which will include training and data conversion. Optional modules to be added in the future includes (pricing based on 2016 estimates and are subject to change).

Modules	Installation (one-time)	Annual Maintenance
1. Live connection with Town's Financial System		\$ 5,000
2. Digital plan review capability	\$ 26,580	\$ 5,249
3. GIS Capability	\$ 16,020	\$ 2,500
4. Mobile Inspection Module	\$ 40,640	\$ 6,000
5. Citizen Mobile Request App	\$ 22,060	
Total Additional Cost - Not included in budget	\$ 105,300	\$ 18,749

The Town plans to add the mobile inspection modules (iTRAKiT) to the current contract and is considering adding GIS capability in 2018-19. Digital plan review may also be added in the future. The budget will be updated as part of the 2018-23 Capital Program evaluation.

**PROJECT STATUS:**

Acquisition approved by City Council in October 2016. Contract signed in December 2016. Due to a delay in the server acquisition and configuration, the project kickoff was moved to April 2017. Based on project timeline provided by Superior/TRAKiT, the new permit tracking system is scheduled to go live in April 2018.

**PRIOR APPROPRIATION:**

Project Summary	Project Budget	Spending Thru March 2017	Available Budget	Return to General Fund	Prior Appropriation
Purchase & License	\$ 58,000	\$ 38,625	\$ 19,375	\$ 0	\$ 58,000
SQL Server	10,000	10,000	0	0	10,000
Data Conversion	85,600	82,560	3,040	0	85,600
Training	11,250	0	11,250	0	11,250
<b>Total TRAKiT System</b>	<b>\$ 164,850</b>	<b>\$ 131,185</b>	<b>\$ 33,665</b>	<b>\$ 0</b>	<b>\$ 164,850</b>

**PROJECT FUNDING/SPENDING ESTIMATE:**

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
General Fund	\$ 164,850	\$ 0	\$ 63,000	\$ 0	\$ 0	\$ 0	\$ 227,850
<b>Subtotal</b>	<b>\$ 164,850</b>	<b>\$ 0</b>	<b>\$ 63,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 227,850</b>
<b>Project Spending</b>							
TRAKiT System	\$ 164,850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 164,850
iTRAKiT Module <sup>1</sup>	0	0	45,000	0	0	0	45,000
GIS Capability <sup>1</sup>	0	0	18,000	0	0	0	18,000
<b>Subtotal</b>	<b>\$ 164,850</b>	<b>\$ 0</b>	<b>\$ 63,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 227,850</b>

<sup>1</sup> One-time installation costs are based on 2016 pricing. The cost shown under 2018-19 Planned takes the one-time installation cost and applies an annual 5 percent escalation

**RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:**

Annual maintenance cost for licensing is \$20,000, plus 3% CPI. Additional licenses may be required at an initial cost of \$4,500 per license and annual cost of \$900 per license.

## CABLE SERVICE EXPANSION PROGRAM



Cable Services

### PROJECT NUMBER

410209

### INITIAL FUNDING YEAR

July 2016

### PLANNED START DATE

July 2016

### ESTIMATED COMPLETION DATE

N/A. Ongoing program

### PROJECT DESCRIPTION:

The City Council believes that it is in the public's interest to have adequate cable services available to all residents for better access to public safety information, more opportunity for civic engagement, and enhancing education and digital literacy. The purpose of this cost sharing program is to establish a means by which the Town can provide limited financial support for the construction of Comcast cable system equipment within public ways as defined in Section 1.12 of the Franchise Agreement. In August 2016, the City Council approved and adopted Cost Sharing Policy for the Construction of Comcast Cable System Infrastructure Within Public Ways, where the Town will contribute 25% of the cable expansion cost, with a cap of \$15,000.

### PROJECT STATUS:

Residents on Julietta Lane and Christopher Lane participated in this cable expansion program.

### PRIOR APPROPRIATION:

Project Summary	Project Budget	Spending Thru March 2017	Available Budget	Return to Sewer Reserve	Prior Appropriation
2016-17 Expansion	\$ 100,000	\$ 21,141	\$ 78,859	\$ 0	\$ 100,000
<b>Subtotal</b>	<b>\$ 100,000</b>	<b>\$ 21,141</b>	<b>\$ 78,859</b>	<b>\$ 0</b>	<b>\$ 100,000</b>

### PROJECT FUNDING/SPENDING ESTIMATE:

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
General Fund	\$ 100,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000
<b>Subtotal</b>	<b>\$ 100,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 100,000</b>
<b>Project Spending</b>							
Cable Expansion	\$ 100,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000
<b>Subtotal</b>	<b>\$ 100,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 100,000</b>

There is no additional funding request in 2017-18 because the program has \$78,859 as available budget. The 2018-19 Budget will depend on the program demand in 2017-18.

### RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:

This program has no impact on Town operating and maintenance budget.

## GEOGRAPHICAL INFORMATION SYSTEM (GIS) ACQUISITION



**PROJECT NUMBER**

To Be Assigned

**INITIAL FUNDING YEAR**

July 2017

**PLANNED START DATE**

July 2017

**ESTIMATED COMPLETION DATE**

December 2017

**PROJECT DESCRIPTION:**

A Geographic Information System (GIS) is a georeferenced parcel level database that retains and displays data. The Town has completed a Pathway Inventory in a GIS format and will be transitioning to a permit tracking software that is GIS compatible. This system would allow the Town to manage and access data more efficiently and provide property and resource information to the public. The proposed system would include a web-based product that would provide additional transparency for Town residents and the public. The Town would have the option to retain a contract vendor in an ongoing maintenance contract to assist the Town with necessary updates and monthly system maintenance and project assistance. Staff training is also included in the project scope.

**PROJECT STATUS:**

New project. Vendor proposal received in April 2017.

**PRIOR APPROPRIATION:**

None. New project.

**PROJECT FUNDING/SPENDING ESTIMATE:**

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
General Fund	\$ 0	\$ 27,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,400
<b>Subtotal</b>	<b>\$ 0</b>	<b>\$ 27,400</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 27,400</b>
<b>Project Spending</b>							
ARCGIS Desktop	\$ 0	\$ 7,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,000
Web GIS	0	2,500	0	0	0	0	2,500
Configuration	0	3,200	0	0	0	0	3,200
Training	0	1,500	0	0	0	0	1,500
Annual Maint.	0	13,200	0	0	0	0	13,200
<b>Subtotal</b>	<b>\$ 0</b>	<b>\$ 27,400</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 27,400</b>

**RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:**

Quarterly system updates and monthly maintenance and assistance can be provided for an annual cost of \$13,200. This would begin July 2017.

## MAGDALENA/BOB STUTZ CONNECTOR



*Magdalena/Bob Stutz Connector*

### PROJECT NUMBER

467222

### INITIAL FUNDING YEAR

July 2015

### PLANNED START DATE

September 2016

### ESTIMATED COMPLETION DATE

December 2018

### PROJECT DESCRIPTION:

Complete final segment of Bob Stutz Path connecting Magdalena Road to El Monte Road. This pathway connector is estimated to be 600 feet. Bob Stutz Path was completed in August 2014. The path ends near Interstate-280 forcing pedestrians and horses to walk onto I-280 off ramp in order to connect to Magdalena Road. In order to connect the path directly to Magdalena, Public Works Department has been coordinating with Caltrans to obtain an encroachment permit, including filing an environmental document with County Recorder's office.

### PROJECT STATUS:

The design is completed. The project is in review phase by Caltrans. Preliminary cost of \$142,000 is subjected to revision pending Caltrans permit requirements. A maintenance agreement is required by Caltrans to maintain 12 feet Pathway within Caltrans' right-of-way.

### PRIOR APPROPRIATION:

Project Summary	Project Budget	Spending Thru March 2017	Available Budget	Return to Pathway Capital	Prior Appropriation
Construction	\$ 142,000	\$ 22	\$ 141,978	\$ 0	\$ 142,000
<b>Subtotal</b>	<b>\$ 142,000</b>	<b>\$ 22</b>	<b>\$ 141,978</b>	<b>\$ 0</b>	<b>\$ 142,000</b>

### PROJECT FUNDING/SPENDING ESTIMATE:

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
Pathway Construction Fee	\$ 142,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 142,000
<b>Subtotal</b>	<b>\$ 142,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 142,000</b>
<b>Project Spending</b>							
Construction	\$ 142,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 142,000
<b>Subtotal</b>	<b>\$ 142,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 142,000</b>

### RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:

No additional maintenance cost determined at this time. The Public Works Department has an additional maintenance worker in the 2016-17 Budget, which will allow the maintenance crew to maintain all existing and new pathways including the 12 feet section within Caltrans right-of-way.

## MATADERO CREEK EROSION



Matadero Creek Scouring Pool

### PROJECT NUMBER

467209

### INITIAL FUNDING YEAR

July 2012

### PLANNED START DATE

July 2012

### ESTIMATED COMPLETION DATE

July 2019

### PROJECT DESCRIPTION:

Repair erosion along the edge of Page Mill Road between Baleri Ranch Road and Berry Hill Court at Matadero Creek. This section of Page Mill Road is within Caltrans right-of-way. Due to the large overall expense of the erosion repair project, the lengthy permitting process and the risk of the travel lane being washed out, the project was divided into two phases. Phase 1 will stabilize the roadway. Project includes geotechnical investigation, topographic survey, design, construction and inspection work. Phase 2 will repair the creek erosion, which includes environmental study, hydraulic study, permitting process with State and Federal agencies, design, construction and inspection work.

### PROJECT STATUS:

- Phase 1 was completed on December 12, 2012.
- Phase 2 design has been submitted to regulatory agencies for review and permitting. Due to the lengthy permitting process at various permitting agencies, the construction will begin in 2017/18.

### PRIOR APPROPRIATION:

Project Summary	Project Budget	Spending Thru March 2017	Available Budget	Return to General Fund	Prior Appropriation
Phase 1	\$ 338,490	\$ 338,490	\$ 0	\$ 0	\$ 338,490
Phase 2 – Design	195,800	93,383	102,417	0	195,800
Phase 2 - Construction	550,000	0	550,000	0	550,000
<b>Subtotal</b>	<b>\$ 1,084,290</b>	<b>\$ 431,873</b>	<b>\$ 652,417</b>	<b>\$ 0</b>	<b>\$ 1,084,290</b>

### PROJECT FUNDING/SPENDING ESTIMATE:

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
Drainage in-Lieu	\$ 769,790	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 769,790
General Fund	314,500	0	0	0	0	0	314,500
<b>Subtotal</b>	<b>\$ 1,084,290</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,084,290</b>
<b>Project Spending</b>							
Phase 1	\$ 338,490	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 338,490
Phase 2 – Design	195,800	0	0	0	0	0	195,800
Phase 2 – Constr.	550,000	0	0	0	0	0	550,000
<b>Subtotal</b>	<b>\$ 1,084,290</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,084,290</b>

### RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:

Upon completion, maintenance of the creek will be included as part of the ongoing drainage maintenance budget. There is no additional cost.

## PAGE MILL/I-280 SAFETY BICYCLE IMPROVEMENT



Page Mill/I-280 (courtesy of google map)

**PROJECT NUMBER**

467223

**INITIAL FUNDING YEAR**

July 2016

**PLANNED START DATE**

July 2016

**ESTIMATED COMPLETION DATE**

October 2017

**PROJECT DESCRIPTION:**

The Page Mill/I-280 interchange has been a challenge to bicyclists since the designated bike lane requires bicyclists to cross lanes on Page Mill Road. The County is planning safety improvements and has secured a majority of project funding from the Valley Transportation Authority to help fund the safety improvements. The project is estimated to cost \$400,000 and will be managed by the County Roads and Airport department. The County requested a contribution from the Town.

**PROJECT STATUS:**

Area survey and design has been completed. The Town has paid \$20,000 contribution to the County. The project is estimated to complete by October 2017.

**PRIOR APPROPRIATION:**

Project Summary	Project Budget	Spending Thru March 2017	Available Budget	Return to General Fund	Prior Appropriation
Town's portion	\$ 20,000	\$ 20,000	\$ 0	\$ 0	\$ 20,000
<b>Subtotal</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 20,000</b>

**PROJECT FUNDING/SPENDING ESTIMATE:**

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
General Fund	\$ 20,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,000
<b>Subtotal</b>	<b>\$ 20,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 20,000</b>
<b>Project Spending</b>							
Town's portion	\$ 20,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,000
<b>Subtotal</b>	<b>\$ 20,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 20,000</b>

**RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:**

This portion of the road is part of the County's right of way. Maintenance cost is the County's responsibility.

**PAGE MILL/MOON LANE PEDESTRIAN BRIDGE CROSSING**



Page Mill/Moon Lane (courtesy of Google Map)

**PROJECT NUMBER**

To Be Assigned

**INITIAL FUNDING YEAR**

July 2016

**PLANNED START DATE**

October 2016

**ESTIMATED COMPLETION DATE**

July 2018

**PROJECT DESCRIPTION:**

To design a pedestrian bridge to cross the creek east of Page Mill Road between Moon Lane and Paseo Del Roble Dr. This high traffic area is unsuitable for pedestrians and equestrians to cross the creek on road along with motor vehicles. The bridge will connect the on-road path on Moon Lane to Northeast side of Page Mill Road. Construction is planned for 2017-18. Preliminary construction estimate is \$90,000 and will be finalized upon completion of the design phase.

**PROJECT STATUS:**

Design phase to start in June 2017 and tentatively to complete by November 2017. Construction to start in Spring 2018.

**PRIOR APPROPRIATION:**

Project Summary	Project Budget	Spending Thru March 2017	Available Budget	Return to Pathway CIP	Prior Appropriation
Design	\$ 20,000	\$ 0	\$ 20,000	\$ 0	\$ 20,000
Construction <sup>+</sup>	0	0	0	0	0
<b>Subtotal</b>	<b>\$ 20,000</b>	<b>\$ 0</b>	<b>\$ 20,000</b>	<b>\$ 0</b>	<b>\$ 20,000</b>

<sup>+</sup> As part of the 2016-17 budget adoption, City Council approved to earmark \$90,000 of 2017-18 Pathway Fund for the construction of the bridge.

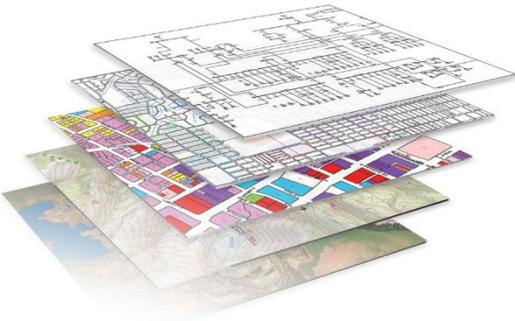
**PROJECT FUNDING/SPENDING ESTIMATE:**

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
Pathway Fund	\$ 20,000	\$ 90,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 110,000
<b>Subtotal</b>	<b>\$ 20,000</b>	<b>\$ 90,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 110,000</b>
<b>Project Spending</b>							
Design	\$ 20,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,000
Construction	0	90,000	0	0	0	0	90,000
<b>Subtotal</b>	<b>\$ 20,000</b>	<b>\$ 90,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 110,000</b>

**RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:**

Ongoing maintenance of the bridge will have minimal impact on existing operation.

**PATHWAY INVENTORY GIS**



GIS Mapping Layer

**PROJECT NUMBER**

To Be Assigned

**INITIAL FUNDING YEAR**

July 2016

**PLANNED START DATE**

July 2016

**ESTIMATED COMPLETION DATE**

July 2017

**PROJECT DESCRIPTION:**

The Town’s current pathway system includes segments that are not connected resulting in gaps and accessibility issues. On May 19, 2016, City Council expressed interest in setting pathway improvement priorities and completing these connectors. This begins with a thorough GIS mapping of the Town’s current pathway system and construction. The design and construction phase will depend on the priorities that result from the completed inventory.

**PROJECT STATUS:**

A contractor has been secured to complete the pathway inventory GIS mapping. The inventory process was completed April 2017. The contractor is currently working on the mapping and display of the data.

**PRIOR APPROPRIATION:**

Project Summary	Project Budget	Spending Thru March 2017	Available Budget	Return to Pathway Fund	Prior Appropriation
GIS Mapping	\$ 50,000	\$ 0	\$ 50,000	\$ 26,350	\$ 23,650
<b>Subtotal</b>	<b>\$ 50,000</b>	<b>\$ 0</b>	<b>\$ 50,000</b>	<b>\$ 26,350</b>	<b>\$ 35,650</b>

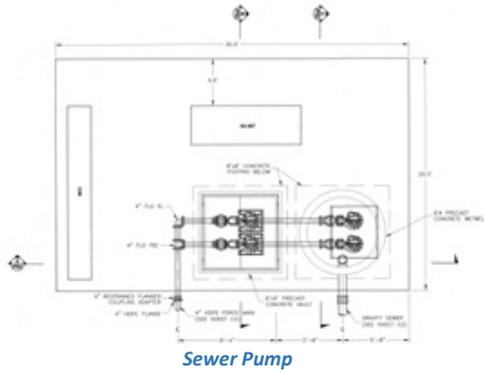
**PROJECT FUNDING/SPENDING ESTIMATE:**

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
Pathway Fund	\$ 23,650	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,650
<b>Subtotal</b>	<b>\$ 23,650</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 23,650</b>
<b>Project Spending</b>							
GIS Mapping	\$ 23,650	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,650
<b>Subtotal</b>	<b>\$ 23,650</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 23,650</b>

**RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:**

There is no ongoing maintenance cost for this project. Updates to the inventory will be on an as needed basis by Staff or through a separate consulting contract.

## PUMP REPLACEMENT @ PURISSIMA PUMP STATION



**PROJECT NUMBER**

To Be Assigned

**INITIAL FUNDING YEAR**

July 2017

**PLANNED START DATE**

Fall 2017

**ESTIMATED COMPLETION DATE**

March 2018

**PROJECT DESCRIPTION:**

Town’s Purissima Pump Station has two submersible pumps. Each of these submersible pumps are connected to a dry-pit pump. Both pumps at the dry-pit has failed once previously and rebuilt subsequently. During a routine maintenance in January 2017, Town’s operation and maintenance contractor, West Bay Sanitary District (WBSD), found that one of the rebuilt pumps failed again. The failed dry-pit pump caused a short in the system and led to malfunction of the overload unit and soft starter at the pump station. To remediate the situation, WBSD removed the failed pump and replaced with a backup, which was also rebuilt few years ago.

Another failure of the pumps is inevitable, as the rebuilt pumps are nearing their service life. To ensure the reliability of the pump station, WBSD recommended for the pumps to be purchased soon, as the lead time for the delivery and installation takes a few months. WBSD will remove the old pumps and install the new ones. The working rebuilt dry-pit pump will be placed in the Town’s Corporation Yard as a backup.

**PROJECT STATUS:**

New project

**PRIOR APPROPRIATION:**

None. New project.

**PROJECT FUNDING/SPENDING ESTIMATE:**

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
Sewer Fund	\$ 0	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,000
<b>Subtotal</b>	<b>\$ 0</b>	<b>\$ 50,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 50,000</b>
<b>Project Spending</b>							
Pump Replacement	\$ 0	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,000
<b>Subtotal</b>	<b>\$ 0</b>	<b>\$ 50,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 50,000</b>

**RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:**

Town and the Town’s operation and maintenance contractor, West Bay Sanitary District, are maintaining a schedule for replacing pumps at Town’s pump stations to maintain public health and safety.

**PURISSIMA PARK PLAYGROUND IMPROVEMENT**



*Purissima Park Playground*

**PROJECT NUMBER**

To Be Assigned

**INITIAL FUNDING YEAR**

July 2017

**PLANNED START DATE**

January 2018

**ESTIMATED COMPLETION DATE**

June 2018

**PROJECT DESCRIPTION:**

The Purissima Park Playground is the only playground in Town and was installed in 2008. With the major storms these past few years we lost a tree that gave this area some shade. The space is in frequent use during little league season and a new playground will provide more play structure for kids. Estimated project cost at \$35,000. Other shading options and improvements to the area will be reviewed. Project scope will be finalized and is currently scheduled for 2017-18.

**PROJECT STATUS:**

Requested one quote. No additional has been done.

**PRIOR APPROPRIATION:**

None. New project.

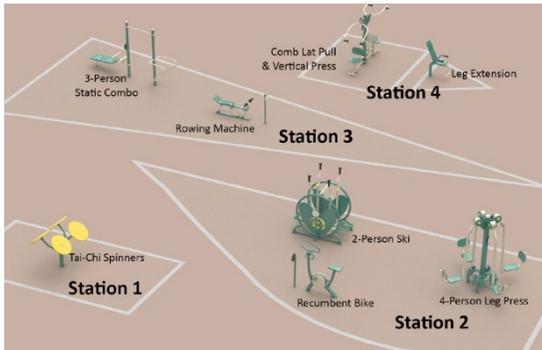
**PROJECT FUNDING/SPENDING ESTIMATE:**

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
Parks & Rec in-Lieu	\$ 0	\$ 35,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,000
<b>Subtotal</b>	<b>\$ 0</b>	<b>\$ 35,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 35,000</b>
<b>Project Spending</b>							
Play Structure Imprv.	\$ 0	\$ 35,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,000
<b>Subtotal</b>	<b>\$ 0</b>	<b>\$ 35,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 35,000</b>

**RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:**

No additional maintenance cost.

## PURISSIMA PARK OUTDOOR FITNESS EQUIPMENT



Outdoor Fitness Equipment

### PROJECT NUMBER

To Be Assigned

### INITIAL FUNDING YEAR

July 2017

### PLANNED START DATE

Summer/Fall 2017

### ESTIMATED COMPLETION DATE

June 2018

### PROJECT DESCRIPTION:

The proposed project includes eight units of equipment in four areas at Purissima Park. The equipment has the ability to service 16 people at one time. The proposed equipment includes the following units: Tai-Chi Spinners, 2-person Ski, Recumbent Bike, 4-person Leg Press, 3-Person Static Combo, Rowing Machine, Leg Extension and Combo Lat Pull & Vertical Press. Estimated project cost for equipment is \$30,000 and the installation cost is \$10,000. Project scope will be finalized in 2017-18.

### PROJECT STATUS:

Project is scheduled to go to the City Council for approval in May 2017.

### PRIOR APPROPRIATION:

None. New project.

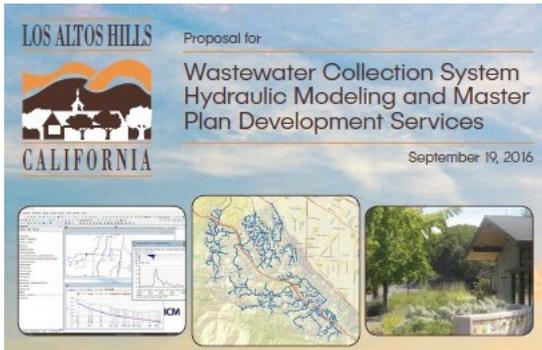
### PROJECT FUNDING/SPENDING ESTIMATE:

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
Parks & Rec in-Lieu	\$ 0	\$ 40,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,000
<b>Subtotal</b>	<b>\$ 0</b>	<b>\$ 40,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 40,000</b>
<b>Project Spending</b>							
Outdoor Fitness Equipment.	\$ 0	\$ 40,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,000
<b>Subtotal</b>	<b>\$ 0</b>	<b>\$ 40,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 40,000</b>

### RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:

The equipment will need to be annually inspected and the cost is estimated to be \$350 per year.

## SANITARY SEWER MASTER PLAN



LAH Sewer Pipeline Presentation

**PROJECT NUMBER**

487915

**INITIAL FUNDING YEAR**

July 2015

**PLANNED START DATE**

January 2017

**ESTIMATED COMPLETION DATE**

November 2017

**PROJECT DESCRIPTION:**

The objective of a Sanitary Sewer Master Plan (SMP) is to identify system capital needs by providing a comprehensive assessment of the Town's sanitary sewer collection system. A SMP is utilized by sewer operators as a systematic means to identify and assess hydraulic system accuracy, model sewer flows, and establish capital improvement program. It serves as a strategic planning guide for upgrading, improving, and maintaining the existing sanitary sewer system and future needs. The SMP will also meet the requirements of the Statewide General Waste Discharge Requirements for Sanitary System, which requires that every collection system agency in the state prepare a Sewer System Management Plan that includes a plan for rehabilitation/replacement of sewers based on their condition.

The Town's SMP was last completed in 2004. The 2004 SMP was based on hydraulic modeling of the Town's collection system that was developed with the 2004 actual and projected flow. Since 2004, the Town's collection system has changed making the 2004 SMP obsolete. An updated SMP will provide a thorough evaluation of the sewer system and define the Town's Capital Improvement Program in near-term and long-term. Additionally, the updated SMP will comprehensively address the Town's sewer system's capacity needs, operational reliability, and replacement plans of aging infrastructure of the sewer system facilities.

In preparation for development of a new hydraulic model and SMP, the Town had completed a wet weather flow monitoring program to capture data to develop an updated hydraulic model. In addition to the new wet weather flow data, Town began accurate manhole elevation data collection for the trunk lines thru the Town's current maintenance contractor (West Bay Sanitary District). This effort is anticipated to complete in May 2017. Manhole data collection for the remaining sewer system will continue as part of the operation and maintenance effort.

Once a new hydraulic model has been developed, the Town's SMP will be updated and a new list of capacity improvement projects will be identified. The updated SMP will provide the basis for strategic planning for upgrading, improving, and expanding the Town's sanitary sewer infrastructure.

**PROJECT STATUS:**

The Sanitary Sewer Master Plan Update was awarded in November 2016. Wet weather flow monitoring program was completed in November 2016. The flow data is in the process of being formatted for submittal. Manhole elevation data collection is currently in progress and expected to be completed by Fall of 2017.

Fiscal Year	Project Name	Contract Award Date	Completion Date	Project Cost
2013/14	Wet Weather Flow Monitoring Program	Jan 2015		\$40,000
2015/16	Manhole Elevation Data collection (Thru West Bay Sanitary District's contract)	n/a	In Progress	\$20,000

**SANITARY SEWER MASTER PLAN**

**(CONT)**

**PRIOR APPROPRIATION:**

<b>Project Summary</b>	<b>Project Budget</b>	<b>Spending Thru March 2017</b>	<b>Available Budget</b>	<b>Return to Sewer Reserve</b>	<b>Prior Appropriation</b>
Master Plan Develop.	\$ 195,000	\$ 9,336	\$ 185,664	\$ 0	\$ 195,000
<b>Subtotal</b>	<b>\$ 195,000</b>	<b>\$ 9,336</b>	<b>\$ 185,664</b>	<b>\$ 0</b>	<b>\$ 195,000</b>

**PROJECT FUNDING/SPENDING ESTIMATE:**

<b>Project Summary</b>	<b>Prior Appropriation</b>	<b>2017-18 Budget</b>	<b>2018-19 Planned</b>	<b>2019-20 Planned</b>	<b>2020-21 Planned</b>	<b>2021-22 Planned</b>	<b>Total Project</b>
<b>Funding Source</b>							
Sewer Fund	\$ 195,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 195,000
<b>Subtotal</b>	<b>\$ 195,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 195,000</b>
<b>Project Spending</b>							
Master Plan Develop.	\$ 195,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 195,000
<b>Subtotal</b>	<b>\$ 195,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 195,000</b>

**RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:**

None. The updated Master Plan will provide the basis for strategic planning for upgrading, improving, and expanding the Town’s sanitary sewer infrastructure.

**SUMMERHILL PATHWAY PROJECT**



Summerhill Ave (courtesy of google map)

**PROJECT NUMBER**

To Be Assigned

**INITIAL FUNDING YEAR**

July 2016

**PLANNED START DATE**

July 2016

**ESTIMATED COMPLETION DATE**

Design: March 2018. Construction: TBD

**PROJECT DESCRIPTION:**

Pathway along Summerhill Avenue is made up of road side paths on public right-of-way and private easements. Private easements are granted as part of the permitting process, resulting in missing segments along the road. Additionally, some segments have designated pathways that toggles from one side of the street to the other, forcing pedestrians to cross a busy street.

On June 16, 2016, the Pathway Committee requested for the City Council to designate \$30,000 for consulting services to review and prepare a pathway design concept. The full scope of the project will be determined as part of the design phase, including confirming jurisdiction along this road.

**PROJECT STATUS:**

Pathway Committee performed site visit of Summerhill Avenue to determine the need for pathway improvement in 2015-16. Design phase to start in June 2017 and tentatively to be completed by December 2017.

**PRIOR APPROPRIATION:**

Project Summary	Project Budget	Spending Thru March 2017	Available Budget	Return to Pathway Capital	Prior Appropriation
Design Phase	\$ 30,000	\$ 0	\$ 30,000	\$ 0	\$ 30,000
<b>Subtotal</b>	<b>\$ 30,000</b>	<b>\$ 0</b>	<b>\$ 30,000</b>	<b>\$ 0</b>	<b>\$ 30,000</b>

**PROJECT FUNDING/SPENDING ESTIMATE:**

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
Pathway Fund	\$ 30,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,000
<b>Subtotal</b>	<b>\$ 30,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 30,000</b>
<b>Project Spending</b>							
Design Phase	\$ 30,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,000
Construction Phase	0	0	Will budget when design is complete. Prelim Est. \$400,000				350,000
<b>Subtotal</b>	<b>\$ 30,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 30,000</b>

**RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:**

Will be determined as part of the design phase.

## WESTWIND BARN IMPROVEMENT PROGRAM



Westwind Barn New Paddock



Drainage Box

**PROJECT NUMBER**

N/A, Ongoing Program

**INITIAL FUNDING YEAR**

N/A. Ongoing program

**PLANNED START DATE**

N/A. Ongoing program

**ESTIMATED COMPLETION DATE**

N/A. Ongoing program

**PROJECT DESCRIPTION:**

The annual Westwind Barn facility improvements program is designed to improve facility deficiencies and to meet the needs of barn users. Each year, the Town concessionaire, Victoria Dye Equestrian (VDE), identified and prioritizes potential improvements.

For 2017-18, VDE identified the following projects:

1. Repair the footing of 18 paddocks. The current material does not promote drainage during a heavy rain. It has been creating pooling and mud, where they are unusable. This project is intended to change the footing infrastructure, to be similar to those used in the 4H paddocks. This will extend the life of the footing and will require less ongoing maintenance. Total estimated project cost is \$120,000. The funding for this project will require \$25,000 of 2017-18 revenue plus the use of Westwind Barn Capital fund. As of June 30, 2016, the ending Westwind Barn capital fund is \$105,143. Since the new paddock footing infrastructure has a life of 5-10 years - depending on the location of the paddock, the Town will set aside \$25,000 of revenues, beginning 2018-19, as Westwind Barn repair reserves.
2. Complete landscaping project. The assessment will begin in 2016-17 and completed in 2017-18. Estimated cost of \$25,000.
3. Repair or replace barn paddock doors and updating Westwind Barn Façade. Estimated cost is \$25,000.

**PROJECT STATUS:**

In 2016-17, drainage at the three paddocks near the Upper Arena was repaired (see photo) preventing severe flooding and paddock damage from the recent storm. As of April 2017, VDE had secured a vendor to install otto mats for the round pen to allow for better drainage and will begin the assessment of landscaping in the front of Westwind Barn.

**PRIOR APPROPRIATION:**

Project Summary	Project Budget	Spending Thru March 2017	Available Budget	Return to Westwind Barn Capital	Prior Appropriation
Paddock Drainage	\$ 26,186	\$ 26,186	\$ 0	\$ 0	Completed
Round Pen Otto Mat	10,000		10,000	0	10,000
Landscaping	25,000		25,000	0	25,000
<b>Subtotal</b>	<b>\$ 61,186</b>	<b>\$ 26,186</b>	<b>\$ 35,000</b>	<b>\$ 0</b>	<b>\$ 35,000</b>

## WESTWIND BARN IMPROVEMENT PROGRAM

(CONT)

## PROJECT FUNDING/SPENDING ESTIMATE:

Project Summary	Prior Appropriation	2017-18 Budget	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	Total Project
<b>Funding Source</b>							
Cell Tower Rental	\$ 35,000	\$ 46,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 281,000
Westwind Barn Capital Fund Reserves	0	94,000	0	0	0	0	94,000
<b>Subtotal</b>	<b>\$ 35,000</b>	<b>\$ 140,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 375,000</b>
<b>Project Spending</b>							
Paddock Footing (18)	\$ 0	\$ 120,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 120,000
Landscaping Project	25,000	0	0	0	0	0	25,000
Barn Façade Update	0	20,000	0	0	0	0	20,000
Round Pen Otto Mat	10,000	0	0	0	0	0	10,000
Ongoing Repair Prog.	0	0	25,000	25,000	25,000	25,000	100,000
WWB Repair Reserve	0	0	25,000	25,000	25,000	25,000	100,000
<b>Subtotal</b>	<b>\$ 35,000</b>	<b>\$ 140,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 375,000</b>

## RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:

This project is part of an ongoing maintenance program. Minor maintenance are the responsibility of VDE. Repairs above \$500 are Town's responsibility.

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# Financial Summaries

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# General Fund

Financial Summary	2013-14	2014-15	2015-16	2016-17	2016-17	2017-18	Budget to Est Actual	
	Actual	Actual	Actual	Revised	Est. Actual	Proposed Budget	\$ Inc/(Dec)	% Inc (Dec)
<b>Revenues by Category</b>								
Property Tax	\$ 4,153,331	\$ 4,606,184	\$ 4,960,015	\$ 5,045,260	\$ 5,292,961	\$ 5,610,400	\$ 317,439	6%
Taxes Other Than Property	524,762	645,835	511,091	530,000	563,620	562,600	(1,020)	0%
Franchise Fees	463,599	513,996	474,732	498,900	495,996	516,200	20,204	4%
Licenses and Permits	1,006,906	1,485,394	1,334,953	1,521,200	1,722,455	1,799,500	77,045	4%
Use Of Money and Property	199,209	208,193	253,099	158,300	179,948	208,127	28,180	16%
Intergovernmental	228,138	191,902	203,841	45,500	48,960	50,700	1,740	4%
Charges for Services	1,106,376	1,323,534	1,241,534	1,143,700	1,195,767	1,190,900	(4,867)	0%
Miscellaneous	465,243	55,974	31,942	29,400	40,576	29,400	(11,176)	-28%
Allocations In	990,856	1,156,793	1,458,356	1,744,200	1,590,021	1,727,247	137,226.44	9%
<b>Total Revenues</b>	<b>9,138,422</b>	<b>10,187,806</b>	<b>10,469,563</b>	<b>10,716,460</b>	<b>11,130,303</b>	<b>11,695,074</b>	<b>564,771</b>	<b>5%</b>
<b>Expenditures by Category</b>								
Personnel	(2,313,381)	(2,392,794)	(2,498,627)	(2,953,704)	(2,707,401)	(3,160,230)	452,829	17%
Contractual Services	(1,861,539)	(2,001,037)	(2,177,246)	(2,421,482)	(2,547,891)	(2,666,040)	118,149	5%
Professional Services	(295,560)	(343,944)	(382,588)	(516,200)	(447,153)	(481,900)	34,747	8%
Operations	(729,039)	(482,108)	(651,538)	(733,350)	(668,218)	(745,820)	77,602	12%
Allocations Out	(1,534,880)	(1,724,697)	(1,755,651)	(2,095,620)	(1,928,158)	(2,020,876)	92,718	5%
<b>Total Expenditures</b>	<b>(6,734,399)</b>	<b>(6,944,581)</b>	<b>(7,465,651)</b>	<b>(8,720,356)</b>	<b>(8,298,820)</b>	<b>(9,074,866)</b>	<b>776,046</b>	<b>9%</b>
<b>Transfers In / (Out)</b>								
Transfers In	168,786	3,000	8,342					n/a
Transfers Out	(268,397)	(1,538,901)	(700,041)	(2,042,801)	(1,943,429)	(1,910,544)	(32,885)	-2%
<b>Total Transfers</b>	<b>(99,611)</b>	<b>(1,535,901)</b>	<b>(691,699)</b>	<b>(2,042,801)</b>	<b>(1,943,429)</b>	<b>(1,910,544)</b>		
<b>Change in Fund Balance</b>	<b>2,304,412</b>	<b>1,707,324</b>	<b>2,312,213</b>	<b>(46,697)</b>	<b>888,054</b>	<b>709,665</b>		
Fund Balance, Beginning	4,801,121	7,105,533	8,812,857	11,125,071	11,125,071	12,013,125		
<b>Fund Balance, Ending</b>	<b>7,105,533</b>	<b>8,812,857</b>	<b>11,125,071</b>	<b>11,078,374</b>	<b>12,013,125</b>	<b>12,722,789</b>		
<b>Fund Type Balance Designation</b>								
Pension Reserve	280,000	350,000	500,000	570,000	570,000	1,570,000		
Technology Equipment Replacem	5,000	10,000	15,000	20,000	20,000	25,000		
Disaster Contingency	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000		
Operating Contingency	350,000	350,000	350,000	350,000	350,000	350,000		
Public/Private Road	100,000			200,000	200,000	200,000		
Risk Management Reserve				80,000	80,000	80,000		
<b>Total Designated Fund Types</b>	<b>1,985,000</b>	<b>1,960,000</b>	<b>2,115,000</b>	<b>2,470,000</b>	<b>2,470,000</b>	<b>3,475,000</b>		
Undesignated Fund Type	5,120,533	6,852,857	9,010,071	8,608,374	9,543,125	9,247,789		
<b>As % Of Expenditures</b>	<b>76%</b>	<b>99%</b>	<b>121%</b>	<b>99%</b>	<b>115%</b>	<b>102%</b>		

# Sewer Fund

Financial Summary	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Est Actual	2017-18 Budget	2018-19 Projection	2019-20 Projection	2020-21 Projection	2021-22 Projection
<b>Revenues by Category</b>									
Sewer Assessment	\$ 1,382,472	\$ 1,392,029	\$ 1,925,636	\$ 2,709,800	\$ 2,870,620	\$ 3,001,739	\$ 3,130,416	\$ 3,264,112	\$ 3,403,013
Connection Fee	175,496	234,339	221,010	238,500	252,100	198,750	198,750	198,750	198,750
Use Of Money and Property	24,719	19,532	32,557	8,869	8,582	5,151	3,818	4,245	4,937
Miscellaneous			2,832	4,940					
<b>Total Revenues</b>	<b>1,582,687</b>	<b>1,645,900</b>	<b>2,182,035</b>	<b>2,962,109</b>	<b>3,131,302</b>	<b>3,205,639</b>	<b>3,332,984</b>	<b>3,467,107</b>	<b>3,606,699</b>
<b>Expenditures by Category</b>									
Personnel	(72,782)	(143,546)	(172,970)	(188,084)	(157,209)	(166,948)	(176,480)	(186,548)	(197,181)
Sewer Treatment Cost	(568,033)	(797,927)	(1,028,818)	(1,008,646)	(1,059,100)	(1,112,055)	(1,167,658)	(1,226,041)	(1,287,343)
Sewer Maintenance Contract	(210,551)	(308,429)	(365,275)	(356,149)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
Other Contract Services	(1,688)	(300)	(39,685)	(39,939)	(7,400)	(7,770)	(8,159)	(8,566)	(8,995)
Professional Services	(47,234)	(65,220)	(139,968)	(316,030)	(384,500)	(384,500)	(384,500)	(384,500)	(384,500)
Operations	(24,219)	(13,348)	(10,239)	(11,208)	(13,500)	(14,503)	(12,560)	(12,402)	(12,835)
Capital Outlay	(622,465)	(422,372)	(408,308)	(2,235,000)	(900,000)	(1,100,000)	(800,000)	(800,000)	(800,000)
Allocations Out	(187,447)	(87,716)	(208,047)	(294,179)	(225,175)	(236,434)	(248,255)	(260,668)	(273,702)
<b>Total Expenditures</b>	<b>(1,734,418)</b>	<b>(1,838,858)</b>	<b>(2,373,310)</b>	<b>(4,449,236)</b>	<b>(3,196,884)</b>	<b>(3,472,210)</b>	<b>(3,247,611)</b>	<b>(3,328,725)</b>	<b>(3,414,554)</b>
<b>Change In Fund Type Balance</b>	<b>(151,731)</b>	<b>(192,958)</b>	<b>(191,275)</b>	<b>(1,487,127)</b>	<b>(65,582)</b>	<b>(266,571)</b>	<b>85,372</b>	<b>138,382</b>	<b>192,145</b>
Unrestricted Net Position, Beginning	3,227,161	3,075,430	2,774,135	2,582,859	1,095,733	1,030,151	763,580	848,952	987,334
Prior Period Adjustment		(108,338)							
Net Position, Beginning - restated	3,227,161	2,967,092	2,774,135	2,582,859	1,095,733	1,030,151	763,580	848,952	987,334
<b>Unrestricted Net Position, Ending</b>	<b>3,075,430</b>	<b>2,774,135</b>	<b>2,582,859</b>	<b>1,095,733</b>	<b>1,030,151</b>	<b>763,580</b>	<b>848,952</b>	<b>987,334</b>	<b>1,179,479</b>

# Special Revenues Fund

Financial Summary	2013-14	2014-15	2015-16	2016-17	2016-17	2017-18	Budget to Est Actual	
	Actual	Actual	Actual	Revised	Est. Actual	Proposed Budget	\$ Inc/(Dec)	% Inc (Dec)
<b>Revenues by Category</b>								
Use Of Money and Property	\$ 400	\$ 584	\$ 1,275	\$ 400	\$ 514	\$ -	\$ (514)	-100%
Intergovernmental	100,000	98,729	122,119	100,000	104,324	100,000	(4,324)	-4%
Charges for Services		109,964		42,000		50,000	50,000	0%
Miscellaneous		28,777	5,000					0%
<b>Total Revenues</b>	<b>100,400</b>	<b>238,054</b>	<b>128,394</b>	<b>142,400</b>	<b>104,838</b>	<b>150,000</b>	<b>45,162</b>	<b>0%</b>
<b>Expenditures by Category</b>								
Parks & Rec in-Lieu (016)	(132,441)					-	-	0%
COPS Fund (021)	(74,502)	(67,402)	(104,383)	(399,054)	(389,956)	(433,292)	43,336	11%
Energy Loan (033)	(15,351)	(15,351)	(50,702)			-	-	0%
Energy Loan (034)	(4,233)	(4,233)	(32,150)			-	-	0%
Special Donations (071)						-	-	0%
<b>Total Expenditures</b>	<b>(226,527)</b>	<b>(86,986)</b>	<b>(187,235)</b>	<b>(399,054)</b>	<b>(389,956)</b>	<b>(433,292)</b>	<b>43,336</b>	<b>0%</b>
<b>Transfers In / (Out)</b>								
Transfers In	19,584	19,584	82,852	285,633	112,720	333,292	220,572	0%
Transfers Out	(168,786)	(3,000)	(8,342)	(40,939)	(40,939)	(117,167)	76,228	0%
<b>Total Transfers</b>	<b>(149,202)</b>	<b>16,584</b>	<b>74,510</b>	<b>244,694</b>	<b>71,781</b>	<b>216,125</b>		
<b>Change in Fund Balance</b>	<b>(275,329)</b>	<b>167,652</b>	<b>15,669</b>	<b>(11,961)</b>	<b>(213,337)</b>	<b>(67,167)</b>		
Fund Balance, Beginning	395,067	119,738	287,390	303,059	303,059	89,722		
<b>Fund Balance, Ending</b>	<b>119,738</b>	<b>287,390</b>	<b>303,059</b>	<b>291,098</b>	<b>89,722</b>	<b>22,555</b>		

# Cost Allocation Worksheet

Fund-Dept	Description	Overhead Allocation	Internal Service Allocation	Total Allocation Transferred
<b>Donor Departments/Divisions</b>				
011-1100	City Council	\$ 139,025	\$ 0	\$ 139,025
011-1200	City Manager	454,040		454,040
011-1300	City Clerk	205,943		205,943
011-1400	Finance & Administrative Services	663,139		663,139
011-1500	City Attorney	114,000		114,000
011-1510	General Liability	151,100		151,100
061-1480	Town Center		398,966	398,966
061-4300	Corporation Yard		144,073	144,073
061-4400	Vehicle and Equipment Maintenance		87,323	87,323
<b>Total Allocations In</b>		<b>\$ 1,727,247</b>	<b>\$ 630,362</b>	<b>\$ 2,357,609</b>
<b>Recipients Departments/Divisions</b>				
011-1000	P&R Administration	\$ 75,336	\$ 26,778	\$ 102,114
011-2100	Public Safety	113,544	6,064	119,608
011-2150	Animal Control	5,524	359	5,883
011-3100	Planning Administration	385,666	130,859	516,535
011-3110	Planning Commission	3,637	80	3,717
011-3200	Building Operations	376,778	119,419	496,197
011-3300	Engineering Administration	133,558	28,494	162,052
011-4110	P&R Program	14,179	758	14,937
011-4120	P&R Special Event	22,628	279	22,907
011-4500	Storm Drain Operation	70,335	82,705	153,040
011-4600	Street Operation	103,788	76,146	179,934
011-4740	Pathway Operation	108,903	90,588	199,491
011-5100	Field Rental	15,644	439	16,083
011-5300	Riding Program & Westwind Barn	24,705	3,670	28,375
021-6100	COPS Program	60,883	678	61,561
051-4800	Sewer Operations	212,139	63,036	275,175 *
<b>Total Allocations Out</b>		<b>\$1,727,247.00</b>	<b>\$630,352.00</b>	<b>\$2,357,609.00</b>

\* The 2017-18 budget for allocation out to sewer operations was reduced by \$50,000 from \$275,175 per the above worksheet to \$225,175. See further discussion on page 12.

## Supplemental Information

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# Investment Policy

(Adopted 01/2017)

## 1.0 Philosophy

It is the policy of the Town of Los Altos Hills to invest public funds in a manner that will provide a reasonable rate of investment return while minimizing exposure to loss of capital and thereby maintaining a consistent source of revenues for the Town. Although a passive investment strategy is required due to staffing limitations, effective cash flow management and cash investment practices can provide adequate fiscal management and control. This policy establishes the parameters for the Town's investment strategies given varying economic and political conditions.

## 2.0 Delegation of Authority

Authority to manage the Town of Los Altos Hills' investment program is derived from the California Government Code Section 53600 et seq. The City Council shall approve all modifications to the investment strategy and the selection or dismissal of an investment advisor. Administration of the Council-approved investment strategy is hereby delegated to the City Manager, who shall be responsible for supervising all treasury activities of the Town's Finance Director and who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include reference to: safekeeping, delivery vs. payment, investment accounting, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegations of authority to persons responsible for investment transactions. No person may engage in any investment transactions except as provided under the terms of this policy and the procedures established by the City Manager or her/his designee. The City Manager or her/his designee shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

## 3.0 Scope

This investment policy applies to all financial assets of the Town of Los Altos Hills. These funds are accounted for in the Town of Los Altos Hills' Comprehensive Annual Financial Report and include:

### 3.1 Funds

General Fund	Enterprise Funds
Special Revenue Funds	Capital Projects Funds
Trust and Agency Funds	

Any new fund, unless specifically exempted

**3.2 The following financial assets are excluded:**

Deferred Compensation Plans – Investments are directed by the individual plan participants.

Debt Service Funds Held by Trustees – Investments are placed in accordance with bond indenture provisions.

Notes and Loans – Investments are authorized by separate agreements approved by City Council.

Retiree and Retiree Medical Plans

Except as noted, the Town of Los Altos Hills will consolidate cash balances from all funds to maximize investment earning. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

**4.0 Prudence**

Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investments, considering the probable safety of their capital as well as the probable income to be derived.

**4.1 Standard of prudence:** The standard of prudence to be used by investment officials shall be the “prudent investor” standard and shall be applied in the context of managing an overall portfolio. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

**5.0 Objective**

The primary objective, in priority order, of the Town of Los Altos Hills’ investment activities shall be:

**5.1 Safety:** Safety of principal is the foremost objective of the investment program. Investments of the Town of Los Altos Hills shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to minimize (1) credit risk, through diversifying the portfolio among the authorized investment types with pre-qualifying financial institutions and broker dealers, and (2) interest rate risk, by structuring portfolio maturities to match cash requirements and investing operating funds in shorter-term securities.

**5.2 Liquidity:** The Town of Los Altos Hills' investment portfolio will remain sufficiently liquid to enable the Town of Los Altos Hills to meet all operating requirements which might be reasonably anticipated. In addition to structuring the portfolio so that securities mature concurrent with cash needs, suitable investments (Section 6.0) consist largely of securities with active secondary or resale markets.

**5.3 Return on Investments:** The Town of Los Altos Hills' investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the Town of Los Altos Hills' investment risk constraints and the cash flow characteristics of the portfolio.

## **6.0 Authorized and Suitable Investments**

Where this section specifies a percentage limitation for a particular security type, that percentage is applicable only on the date of purchase. Credit criteria listed in this section refers to the credit rating at the time the security is purchased. Where credit requirements in this section refer to a minimum credit rating, this minimum is regardless of any category modifiers such as "+" or "-". If an investment's credit rating falls below the minimum rating required at the time of purchase, the City Manager will perform a timely review and decide whether to sell or hold the investment.

The Town of Los Altos Hills is empowered by Government Code Section 53601, and further limited by this investment policy, to invest in the following types of securities:

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
3. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, Commission, agency or authority of the state or any local agency; provided that the obligations are rated in one of the three highest categories by a nationally recognized statistical rating organization (NRSRO) provided that the rating is not on negative credit watch for a possible downgrade to a rating below "A". Purchases of municipal obligations in sections 3 and 4 combined may not exceed 30 percent of the Town's investment portfolio.
4. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state, or by a department, board, agency, or authority of any of these states; provided that the obligations are rated in one of the three highest categories by a NRSRO. Purchases of municipal obligations in sections 3 and 4 combined may not exceed 30 percent of the Town's investment portfolio.

5. Bankers' Acceptances issued by one of the top 18 banks in the United States by market capitalization, with a rating of the highest ranking or highest letter and number rating as provided for by a NRSRO. Purchases of bankers' acceptances may not exceed 180 days. No more than 40% of the Town's investment portfolio may be invested in bankers' acceptances.
6. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California, including U.S. branches of foreign banks licensed to do business in California. All time deposits must be collateralized in accordance with California Government Code section 53561, either at 150% by promissory notes secured by first mortgages and first trust deeds upon improved residential property in California eligible under section (m) or at 110% by eligible marketable securities listed in subsections (a) through (l) and (n) and (o). The Town, at its discretion and by majority vote of the City Council, on a quarterly basis, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance. Purchase of FDIC insured or fully collateralized time certificates of deposit may not exceed 50 percent of the Town's investment portfolio.
7. Negotiable Certificates of Deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank that is one of the top 18 banks in the United States by market capitalization. No more than 30% of the Town's portfolio may be invested in negotiable CDs and eligible CDs must be rated "A" or "A-1" by a NRSRO.
8. State of California's Local Agency Investment Fund: Investment in LAIF may not exceed \$40 million and should be reviewed periodically.
9. Insured savings account or bank money market account. In accordance with California Government Code Section 53635.2 to be eligible to receive local agency deposits a financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation.
10. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally recognized rating services or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

The purchase price of shares shall not exceed 15 percent of the investment portfolio of the Town.

11. California Asset Management Program. (CAMP). Investments in CAMP shall not exceed 20% of the investment portfolio of the Town.
12. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Eligible corporate securities must be issued by companies that are members of the S&P 500 index and that have at least \$2 billion in total assets. Notes eligible for investment under this subdivision shall be rated "A" or better by a nationally recognized rating service and may not be on negative credit watch for a possible downgrade to a rating below "A". Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency's money that may be invested pursuant to this section.

### **7.0 Authorized Financial Dealers and Institutions**

To provide for the optimum yield in the Town's portfolio, the Town's procedures shall be designed to encourage competitive bidding on transactions from an approved list of broker/dealers.

The Town may engage the services of an external investment advisor to assist in the management of the Town's investment portfolio in a manner consistent with this investment policy. If the Town hires an investment adviser to provide investment management services, the adviser is authorized to transact with its direct dealer relationships on behalf of the Town.

Approved investment adviser firms must provide their services to the Town on a fiduciary capacity and be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940. The advisor shall have more than five years' experience in managing public funds, and shall have at minimum \$1 billion under management.

The City Manager, or the Town's investment advisor, shall maintain a list of authorized broker/dealers and financial institutions that are approved for investment purposes. This list will be developed after a comprehensive credit and capitalization analysis indicates the firm is adequately financed to conduct business with public entities. It shall be the policy of the Town to purchase securities only from those authorized institutions or firms.

### **8.0 Safekeeping and Custody**

All security transactions entered into by the Town of Los Altos Hills shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian, in the Town of Los Altos Hills' name and control, designated by the City Manager or her/his designee and evidenced by safekeeping receipts.

## **9.0 Collateralization**

Collateralization will be required on certificates of deposit as specified under Government Code Section 63630 et seq in order to anticipate market changes and provide a level of security for all funds.

The Town of Los Altos Hills chooses to limit collateral to the following:

Collateral will always be held by an independent third party. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the Town of Los Altos Hills and retained.

The right of collateral substitution is granted.

## **10.0 Internal Control**

The Town of Los Altos Hills is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuses. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by the City Manager and staff.

The City Manager or designee shall arrange for an annual audit by an external CPA firm in compliance with the requirements of state law and generally accepted accounting principles as pronounced by the GASB (Government Accounting Standards Board). As a part of the audit investment transactions will be tested. The annual audit will be an integral part, but not the sole part of management's program of monitoring internal controls.

The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting a recordkeeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

## **11.0 Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. These officers and employees involved in the investment process shall disclose to the City Manager any material financial interest in financial institutions that conduct business with this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Town of Los Altos Hills, particularly with regard to the time of purchases and sales. Employees and investment officials shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Town of Los Altos Hills.

## **12.0 Diversification**

The Town of Los Altos Hills will diversify its investments by security type and institution. Limits are provided for in Section 6.0. With the exception of U.S. Treasury and Federal Agency securities and authorized pools such as LAIF, no more than 5% of the Town of Los Altos Hills' total investment portfolio will be invested in a single issuer.

## **13.0 Maximum Maturities**

To the extent possible, the Town of Los Altos Hills will attempt to match its investments with anticipated cash flow requirements. The Town of Los Altos Hills will not directly invest in securities maturing more than five (5) years from the date of purchase unless City Council has provided approval for a specific purpose at least three (3) months before the investment is made.

Debt reserve funds may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

The Town of Los Altos Hills will retain operating reserves as adopted by the City Council. The amount of active deposits and inactive investments with a maturity of one year or less shall always be equal to greater than any draw on these reserves required by the annual operating budget.

Securities may be sold prior to maturity to accommodate the Town's cash flow requirements, to reposition the portfolio to perform well in the current market, or to take advantage of market opportunities to increase the Town's rate of return.

## **14.0 Performance Standards**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

**14.1 Market Yield (Benchmark):** Suitability should be the standard for evaluating the success of the Town's investment portfolio. Given this strategy and the passive investment management utilized by the Town, the basis used to determine whether market yields are adequate shall be a market index.

## **15.0 Reporting**

The City Manager is charged with the responsibility of including a market report on investment activity and returns in the Town of Los Altos Hills' Cash and Investment Report. The Report will be in compliance with California Government Code Section 53646.

## **16.0 Investment Policy Adoption**

The Town of Los Altos Hill's investment policy shall be adopted by the City Council. The policy shall be reviewed annually by the Finance and Investment Committee and any modifications made thereto must be approved by the City Council.

## 17.0 GLOSSARY

### **Bankers' Acceptances**

Short-term credit arrangements that enable businesses to obtain funds to finance commercial transactions. They are time drafts drawn on a bank by an exporter or importer to obtain funds to pay for specific merchandise. By its acceptance, the bank becomes primarily liable for the payment of the draft at maturity. An acceptance is a high-grade negotiable instrument.

### **Benchmark**

A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk the average duration of the portfolio's investments.

### **Broker**

Someone who brings buyers and sellers together and is compensated for her/his service.

### **California Asset Management Program (CAMP)**

CAMP is a joint powers authority which provides investment services to local governments through its investment pool. The pool is AAAM-rated by Standard and Poor's, and provides same-day availability to funds up to 11:00AM Pacific. The pool strives to maintain stable asset value.

### **Certificates of Deposit**

1. **Negotiable Certificates of Deposit** are large-denomination CDs. They are issued at face value and typically pay interest at maturity, if maturing in less than 12 months. CDs that mature beyond this range pay interest semi-annually. Negotiable CDs are issued by U.S. banks (domestic CDs), U.S. branches of foreign banks (Yankee CDs), and thrifts. There is an active secondary market for negotiable domestic and Yankee CDs. However, the negotiable thrift CD secondary market is limited. Yields on CDs exceed those on U.S. treasuries and agencies of similar maturities. This higher yield compensates the investor for accepting the risk of reduced liquidity and the risk that the issuing bank might fail. State law does not require the collateralization of negotiable CDs.
2. **Non-negotiable Certificates of Deposit** are time deposits with financial institutions that earn interest at a specified rate for a specified term. Liquidation of the CD prior to maturity incurs a penalty. There is no secondary market for these instruments; therefore, they are not liquid. They are classified as public deposits, and financial institutions are required to collateralize them. Collateral may be waived for the portion of the deposits that are covered by FDIC insurance.

### **Collateral**

Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

### **Collateralization**

Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security. Also refers to securities pledged by a bank to secure deposits of public moneys.

**Dealer**

Someone who acts as a principal in all transactions, including buying and selling from her/his own account.

**Delivery v. payment**

The preferred method of delivering securities, with an exchange of money for the securities.

**Demand deposits**

A deposit of monies which are payable by the bank upon demand of the depositor.

**Derivative**

Securities that are based on, or derived from, some underlying asset, reference date, or index.

**Diversification**

Dividing investment funds among a variety of securities offering independent returns.

**Federal Depository Insurance Corporation (FDIC)**

A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

**Federal Home Loan Bank (FHLB)**

A federal agency that provides credit and liquidity in the housing market. FHLB issues discount notes and semi-annual pay coupon securities.

**Federal Home Loan Mortgage Corporation (FHLMC)**

A federal agency that provides credit and liquidity in the housing market. FHLMC, also called “Freddie Mac,” issues discount notes, semi-annual pay coupon securities and mortgage-backed securities.

**Federal National Mortgage Association (FNMA)**

A federal agency that provides credit and liquidity in the housing market. FNMA, also called “Fannie Mae,” issues discount notes, semi-annual pay coupon securities and mortgage-backed securities.

**Liquidity**

An asset that can easily and rapidly be converted into cash without significant loss of value.

**Local Agency Investment Fund (LAIF)**

The LAIF was established by the State of California to enable treasurers to place funds in a pool for investments. There is a limitation of \$50 million per agency subject to a maximum of fifteen total transactions per month. The Town uses this fund when market interest rates are declining as well as for short-term investments and liquidity. Town funds in LAIF are limited to \$40 million.

**Maturity**

The date upon which the principal or stated value of an investment becomes due and payable.

**Portfolio**

Combined holding of more than one stock, bond, commodity, cash equivalent or other asset. The purpose of a portfolio is to reduce risk by diversification.

**Safekeeping**

Offers storage and protection of assets provided by an institution serving as an agent.

**U.S. Treasury Bills**

Commonly referred to as T-Bills, these are short-term marketable securities sold as obligations of the U.S. Government. They are offered in three-month, six-month and one year maturities. T-Bills do not accrue interest but are sold at a discount to pay face value at maturity.

**U.S. Treasury Notes**

These are marketable, medium-term interest-bearing securities sold as obligations of the U.S. Government with original maturities of one to ten years. Interest is paid semi-annually.

**U.S. Government Agency Issues**

Issues which are unconditionally backed by the full faith and credit of the United States.

**Yield**

The rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

# Expense and Use of Public Resources

## Policy Statement

The Town of Los Altos Hills takes its stewardship over the use of its limited public resources seriously. Public resources should only be used when there is a substantial benefit to the Town, such as:

- The opportunity to discuss the community's concerns with state and federal officials
- Participating in regional, state and national organizations whose activities affect the Town
- Attending educational seminars designed to improve officials' skill and information levels
- Promoting public service and morale by recognizing such service

This policy provides guidance to elected and appointed officials on the use and expenditure of Town resources, as well as the standards against which those expenditures will be measured. This policy supplements the definition of actual and necessary expenses for purposes of state laws relating to permissible uses of public resources and also supplements the definition of necessary and reasonable expenses for purposes of federal and state income tax laws. This policy also applies to any charges made to a Town credit card or cash advances.

## Authorized Expenses

Town funds, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized Town business. The following types of expenses generally constitute authorized expenses, as long as the other requirements of this policy are met:

- Communicating with representatives of regional, state and national government on Town-adopted policy positions.
- Attending educational seminars designed to improve officials' skill and information levels.
- Participating in regional, state and national organizations whose activities affect the Town's interests.
- Recognizing services to the Town, for example thanking a volunteer, retiring elected official or long-time employee with a gift or celebration of nominal value and cost.
- Refreshments served at a working lunch authorized by a member of the City Council or the City Manager.
- Attending Town events.

All other expenses require approval by the City Council.

Examples of personal expenses that the Town will not reimburse include, but are not limited to:

- The personal portion of any trip.
- Political or charitable contributions or events.
- Family (partner, children, pets) expenses when accompanying official on Town-related business.
- Entertainment expenses, including theater, movies (either in-room or at a theater), sporting events (including gym, massage and/or golf-related events).
- Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline.

- Alcoholic beverages except as specifically authorized in advance by a member of the City Council for Town sponsored public events at public facilities.
- Personal losses incurred while on Town business.

Any questions regarding the propriety of a particular type of expense should be resolved by the City Manager before the expense is incurred.

### **Stipends**

The stipend for City Councilmembers will be \$250 per month. The stipend for Planning Commissioners will be \$100 per month. Such stipends will be in addition to any reimbursement for meals, lodging, travel and expenses consistent with this policy.

### **Cost Control**

To conserve Town resources and keep expenses within community standards for public officials, expenditures should adhere to the following guidelines while travelling on official Town business.

#### **Transportation**

The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route. In the event that a more expensive form or route is used, the cost borne by the Town will be limited to the cost of the most economical, direct, efficient and reasonable transportation form.

Automobile mileage is reimbursable at the Internal Revenue Service rates presently in effect. These rates are designed to compensate the driver for gasoline, insurance, maintenance and other expenses associated with operating the vehicle. The amount does not include bridge and road tolls, which are also reimbursable.

#### **Lodging**

Lodging costs will be reimbursed or paid for when travel on official Town business reasonably requires an overnight stay. If such lodging is in connection with a conference, lodging costs should not exceed the group rate published by the conference sponsor for the meeting in question. For overnight stays in other contexts, lodging costs will be reimbursements or payments will be limited to the per diem rate for lodging published by the Internal Revenue Service.

#### **Meals**

Meal expenses and associated gratuities should be moderate, taking into account community standards and the prevailing restaurant costs of the area.

#### **Telephone/Fax/Cellular Phones**

Officials will be reimbursed for actual telephone and fax expenses incurred on Town business.

#### **Airport Parking**

Long-term parking should be used for travel exceeding 24 hours.

### **Cash Advance Policy**

From time to time, it may be necessary for an official to request a cash advance to cover anticipated expenses while traveling or doing business on the Town's behalf. Such request for an advance should be submitted to the Administrative Services Director seven days prior to the need for the advance and

should include a description of the purpose, anticipated amount and date of the expenditure. Any unused advance must be returned to the Accountant/Office Manager within two business days of the official's return, along with an expense report and receipts documenting how the advance was used in compliance with this expense policy.

### **Credit Card Use Policy**

The ability to pay for the purchase of some goods or services such as conference registrations or lodging with a credit card provides an efficient means of payment. The City Council has approved the application for and use of a corporate credit card, to be administered by the City Manager with a total credit line not to exceed the City Manager's expense authority. Purchases by credit card are subject to the same advance and subsequent approval processes as purchases made by check. The Town's credit card may not be used for personal expenses, even if the official subsequently reimburses the Town.

### **Expense Report Content and Submission Deadline**

Expense reports must document that the expense in question met the requirements of this policy. Officials must submit their expense reports within thirty days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation. Receipts for gratuities and tolls under \$5.00 are not required. Inability to provide such documentation in a timely fashion may result in the expense being borne by the official.

### **Audits of Expense Reports**

All expenses are subject to verification of compliance with this policy.

### **Compliance with Laws**

Town officials should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All agency expenditures are public records subject to disclosure under the Public Records Act.

# Fund Balance and Reserve Policy

(Adopted 05/2016)

## 1.0 Philosophy

The Town of Los Altos Hills' primary financial objective is to maintain the fiscal stability of the organization. Unrestricted fund balance is an important indicator of economic stability. It is essential that the Town maintain sufficient fund balances to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, or natural disaster. Maintaining adequate financial resources will enable the Town to achieve this objective and its mission of serving the citizens of Los Altos Hills.

## 2.0 Delegation of Authority

Responsibility for compliance with the fund balance policy belongs to the Administrative Services Director for the Town of Los Altos Hills, who shall report to the City Manager, City Council and the Finance and Investment Committee an annual plan on the reserve balances. The Administrative Services Director is responsible for ensuring that the reserve policy is implemented in the Town's general ledger, audited financial reports, and budget document.

## 3.0 Scope

This fund balance and reserve policy focuses on the allocation and financial reporting of fund balance classified as Committed, Assigned and Unassigned per the Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Definitions. Nonspendable and Restricted Fund Balance, as defined in GASB 54 are excluded from this policy due to the nature of their restrictions. This policy applies to all fund types of the Town of Los Altos Hills. These funds are accounted for in the Town's Comprehensive Annual Financial Report and include:

### 3.1 Fund Types by Categories

#### Governmental funds

General fund

Special revenue funds

Capital projects funds

Debt service funds

Permanent funds

Any new fund, unless specifically exempted

#### Proprietary funds

Enterprise fund (Sewer)

Internal service funds

## 4.0 Purpose

The purpose of this policy is to establish a target maintenance levels for Town's fund balance or net assets. The allocation of fund balance and net assets are set by the City Council through resolution or ordinance and can only be removed or modified with the same level of authorization. This policy and the procedures prescribed by it supersede all previous policies and regulations regarding the Town's fund balance and reserves.

## 5.0 Definition

### 5.1 Fund Balance Classification in Governmental Funds

Fund Balance is defined as the excess of total assets as compared to total liability in a governmental fund. GASB 54 outlines the requirement to report the fund balance for governmental funds in specific classifications which create a hierarchy primarily based on the extent to which the Town is bound to the constraints on the specific purposes for which funds can be spent. The Fund Balance consists of the following five categories:

**5.1.1 Nonspendable fund balance** (inherently nonspendable) – Assets that cannot be converted to cash (i.e., prepaid items and inventories of supplies), assets that are legally or contractually required to be maintained intact (i.e., trust funds and fiduciary funds), and assets that will not be converted to cash soon enough to affect the current period.

**5.1.2 Restricted fund balance** (externally enforceable limitations on use) – includes amounts that can be spent only for specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants, gas tax and in-lieu fees.

**5.1.3 Committed fund balance** (self-imposed limitations on use set in place prior to the end of the fiscal year) – includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally. Examples include pension reserves and IT equipment replacement reserve.

**5.1.4 Assigned fund balance** (limitation resulting from intended use) – Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This category was reported as “designated unreserved fund balance” prior to GASB 54 implementation. Examples include carryover encumbrances, legal settlement contingency, and capital reserves identified in Capital Improvement Program for future improvements.

**5.1.5 Unassigned fund balance** (residual net resources) – Unassigned amounts are technically available for any purpose. The general fund is the only fund that may report a positive unassigned balance. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

### 5.2 Stabilization Arrangements

Per GASB 54, governments have the option to formally set aside unrestricted fund balance amounts to use for budget or revenue stabilization, working capital needs, and contingencies or emergencies. The authority to set aside such amounts can be established by statute, ordinance, resolution, or charter. These amounts are subject to controls that dictate the circumstances under which they can be spent. The formal action that imposes the parameters for spending should identify and describe the specific circumstances under which a need for stabilization arises. Those circumstances should be such that they would not be expected to occur routinely. Stabilization amounts should be reported in the general fund as restricted or committed if they meet the criteria or restricted or committed fund balance.

A stabilization arrangement would satisfy the criteria to be reported as a separate special revenue fund only if the resources derive from a specific restricted or committed revenue source. The notes to the financial statements disclose the authority for establishing the arrangement, the requirement for additions to the amount, the conditions under which amounts may be spent, and the balance.

## **6.0 Committed fund balance**

The City Council, as the Town's highest level of decision-making authority, shall commit fund balance for specific purposes by formal action, such as by ordinance or resolution, or approval through adoption of this policy with the budget. These committed amounts may not be used for any other purpose unless the City Council removes or changes the specified use through the same level of formal action. City Council action to commit fund balance shall occur within the fiscal reporting period; however the amount can be determined subsequently.

### **6.1 Pension Reserve**

Due to the absence of a Pension Stabilization Trust Fund, the City Council adopted through resolution to commit a portion of General Fund unassigned balance as pension reserves. Additional fund allocation shall be part of the annual budget process and shall not exceed the unfunded pension liability stated on the newest Pension Valuation Report published by California Public Employees' Retirement System (CalPERS). Committed funds may be used to pay the Town's annual pension contribution or prepay the Town's Unfunded Accrued Liability per the CalPERS Valuation Report. City Council approval is required for fund drawdown.

### **6.2 Technology Equipment Replacement Reserves**

Funds committed for equipment replacement reserves for purposes specified below. Funding use and replenishment shall require City Council approval and may be part of the budget process.

### **6.3 Disaster Contingency Reserve**

Disaster contingency reserve is committed for use during emergencies resulting from man-made or natural disaster. The fund is designed to allow the Town to meet obligations during the first few weeks of a disaster, prior to the availability of State and Federal aids.

## **7.0 Assigned fund balance**

### **7.1 Carryover Encumbrance**

Carryover encumbrance is for non-recurring contract agreements for special projects and capital improvements that cross over fiscal years. Special projects include consultant services for surveys, studies, and planning and building plan/ordinance update. Carryover encumbrance will be approved by City Council at the beginning of the new fiscal year for prior year initiated but incomplete projects with unspent contract budget

### **7.2 Operating Contingency**

Operating contingency reserves are part of the stabilization policy allowing the utilization of such funds during economic downturn, special projects that benefit the community as a whole, and when disaster contingency is depleted during the course of a major disaster. Funding level shall be not exceed 20% of operating expenditure budget.

## **8.0 Unassigned fund balance**

These are residual positive net resources of the General Fund in excess of what can properly be classified in one of the four fund balance categories: unspendable, restricted, committed, and assigned. The General Fund is the only fund that may report a positive unassigned balance. Conversely, any governmental fund in a negative (deficit) position could report a negation amount of unassigned fund balance.

## **9.0 Implementation**

The Administrative Services Department will review the reserve level, establish a replenishment plan and present a performance update to the City Manager, Finance and Investment Committee and the City Council as part of the annual budgeting process. It would be Council's expectation that every effort would be made to replenish the reserve as soon as it is financially feasible and practical to do so. In addition, a reserve review will be required when a major change in economic conditions threatens the reserve levels established by this guideline.

## **10.0 Reporting**

The City Manager is charged with the responsibility of providing an annual reserve balance report and a reserve plan for the new fiscal year. The Finance and Investment Committee shall review the annual report and the City Council shall adopted the plan as part of the annual budget.

## **11.0 Fund Balance and Reserve Policy Adoption**

The Town of Los Altos Hills' fund balance and reserve policy shall be adopted by the City Council. The Finance and Investment Committee shall review this policy annually and the City Council must approve any modifications made thereto.

# Gifts and Donations Policy

## POLICY STATEMENT

The purpose of this policy is to:

- Establish a framework and uniform administrative procedures within which donations and gifts (“donations”) to the Town of Los Altos Hills (“Town”) can be accepted, processed and accounted for in a manner consistent with financial reporting needs as well as federal disclosure requirements;
- Cultivate and maintain an environment where residents and businesses are able to contribute to the Town's programs and facilities;

## GENERAL CONCEPTS AND FRAMEWORK

- 7 It is essential that donations be properly reported and reviewed carefully for impact on the Town's resources and for consistency with Town policies and procedures including cash handling and inventory. The Town may accept or decline any donation. If the Town chooses to accept a donation, the donation must comply with the following policy framework:
- 8 The donation must be consistent with the Town's existing goals and policies, including applicable provisions of the Town's General Plan and applicable ordinances, resolutions or policies.
- 9 The donation will not conflict with any provision of the law.
- 10 The donation will be aesthetically acceptable to the Town, pursuant to the selection criteria established in Section IV(A)(a)-(g) of the Town's Art in Public Places Policy
- 11 The donation will not add to the Town's workload unless it provides a net benefit to the Town.
- 12 The donation will not impose future costs such as starting an ongoing program that the Town would be unwilling to fund when the donation was exhausted.
- 13 Any restrictions placed on the donation by the donor are consistent with the Town's goals and policies, as articulated in subsection (1) of this section and are approved by the City Council.
- 14 The donation shall become property of the Town and will be used for public benefit.
- 15 All donations will receive recognition appropriate to the level and nature of the donation as determined by the Town. For those of a capital nature, that may be in the form of signage, marking or naming. Any naming of facilities shall be approved by the City Council. Regardless of the recognition strategy selected, the intent shall be to appropriately honor the donor for their contribution to the community.
- 16 All donations shall be acknowledged by a written letter from the Town to the donor; in compliance with federal tax law. Donations made with restrictions and/or conditions obligating the Town shall be accepted through a written agreement consistent with these guidelines and approved by the City Council. In-kind capital donations will be subject to normal Town review, permitting, inspection, and insurance requirements.

## **APPLICABILITY OF THIS POLICY**

The procedures stated in Section A apply to donations offered or given to the Town, donations actively solicited by the Town, and donations from community groups that support various Town operations (e.g. Recreation activities, preservation of the Los Altos Hills heritage, annual Town Picnic and other special events, etc.).

They do not apply to minor individual contributions which will be quickly consumed in a Town-sponsored event, work contributed by individual volunteers, sponsorship of a Town activity, or donations of advertising, publicity, graphics, etc. in exchange for acknowledgment except that a donor may request a written acknowledgement of any donation for which an acknowledgment could otherwise be given.

### **A. City Requirements for Accepting and Acknowledging Donations**

City Manager or his /her designees are authorized to accept donations tendered by cash or cash equivalents or by electronic funds transfers (e.g., ACH transfer) on behalf of the Town. Implementation of this policy is the responsibility of the City Manager or designee.

The estimated value of a donation is based on the donor's estimate. The Town will not independently assign a value to the donation unless it is cash.

#### Administrative Procedures:

1. Requirements for specific donation amounts:
  - a. \$5,000 or More
    - Council Approval Accepting the donation - Agenda Report
    - Donor Agreement, if applicable
    - Acknowledgement Letter and Written Disclosure of Contribution
  - b. \$5,000 or Less
    - Acknowledgement Letter and Written Disclosure of
    - Donor Agreement, if applicable
2. The donation shall be recorded in a separate designated special revenue fund. The daily cash receipts should also indicate the account number used and the last name of the donor as a reference. Finance department may set-up additional accounts/project codes for large fundraisers or other contributions for specific purposes.
3. For small donations that include restrictions and/or obligations accepted by the Town, the money should be used as soon as reasonably possible toward the specific category indicated by the donor. The purpose of the donations can be notated in the Acknowledgement Letter and Written Disclosure of Contribution.
4. A budget Amendment is required for budget appropriation of any portion of donation funds. Donation Agreement shall be kept by the City Clerk for a period of three years after the date the donation has been used. If the donation imposes ongoing restrictions or affirmative obligations on the Town, the Donation Agreement shall be kept for as long as the restrictions or obligations remain in force.

### Acknowledgment of Donations

1. Within thirty (30) days of receipt of a donation, the Town's ASD Director will send an acknowledgment letter if the donation is worth \$100 or more thanking the donor on behalf of the Town of Los Altos Hills.
  - a. The letter should clearly identify the donation and confirm the placement of the object that has been given to the Town, or the use to which the donation will be devoted.
  - b. Donations to a governmental entity are treated similarly to charitable contributions for purposes of tax deductions. However, the donor will be responsible to the Internal Revenue Service and Franchise Tax Board for substantiating his or her own tax deduction. The Town will not provide any tax services or documentation to donors.
  - c. Except for donations of cash or cash equivalents, where the donor amount is apparent, no dollar amount should be stated in the letter. Instead, the letter should contain the following paragraph: "Your donations may be tax deductible. To determine the amount you may properly deduct for tax purposes, you should consult your tax preparer or tax attorney."
  - d. The ASD Director will sign the letter and forward a copy to the City Manager.
  - e. For a particularly significant donation, the ASD Director in consultation with the City Manager may ask that a letter be prepared for the Mayor's signature.
2. The ASD Director in consultation with the City Manager will determine if the donation warrants a public announcement and in what manner it should be made. The donor will be notified in advance of any announcement, and has the right to request anonymity.

### **ROLES AND RESPONSIBILITIES**

City Manager, Administrative Services Director and City Clerk should review donations, to:

- determine what the estimated costs to the Town will be for any related installation, maintenance, operation, storage or liability that may be incurred by acceptance of the object;
- ensure that the donations are properly documented, catalogued, and/or inventoried in the department and Town records;
- ensure that the object will be satisfactorily maintained.

#### **City Manager**

1. Evaluate every donation and donation against the Town's goals and objectives and any direct and/or indirect cost and make recommendations to accept or deny such donation.
2. Issue Acknowledgement and Written Disclosure of Contribution letters.

**Administrative Services Director**

1. Prepare Council Agenda Reports and receive appropriate Council authorization for donations with value over \$5,000.
2. Prepare Budget Amendments to re-appropriate donation funds and increase line item expenditures.
3. Keep track of specific donations and the service categories that the donations are to be used for. The Acknowledgement and Written Disclosure of Contribution letter may address this purpose.
4. Enter donation revenues into the general ledger agency accounts.
5. Provide reports and technical assistance when requested.

**City Clerk**

1. Process all donations and agreements.
2. Maintain a record of all donations that are accepted, including a description of the donation, the purpose, the restrictions and/or obligations (if any) the donor's name and address, the date the donation was received, and the disposition of the donation and all related documents for a period of three years after the donation has been expended.
3. Respond to public records requests regarding any of these records

# Glossary of Terms

**Accounting System:** The methods and records established to identify, assemble, analyze, classify, record and report a government's transactions and to maintain accountability for the related assets and liabilities.

**Adopted Budget:** The official budget as approved by the City Council at the start of each fiscal year.

**Agency Fund:** A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds.

**Amended Budget:** The official budget as adopted and as amended by the City Council through the course of a fiscal year.

**Annual Budget:** A budget applicable to a single fiscal year.

**Annual Financial Report:** A financial report applicable to a single fiscal year.

**Appropriated Budget:** The expenditure authority created by the appropriation bills or ordinances, which are signed into law, and the related estimated revenues. The appropriated budget would include all reserves, transfers, allocations, supplemental appropriations and other legally authorized legislative and executive changes.

**Appropriation:** A legal authorization granted by a legislative body for a given period to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

**ASD:** abbreviation. Administrative Services Department

**Assessed Valuation:** The estimated value placed upon real and personal property by the County Assessor as the basis for levying property taxes.

**Audit:** Prepared by an independent Certified Public Accountant , the primary objective of an audit is to determine if the City's financial statements present fairly the City's financial position and results of operations in conformity with generally accepted accounting principles.

**Authority:** A government or public agency created to perform a single function or restricted group of related activities.

**Balanced Budget:** A balanced budget exists when total revenues are equal to, or greater than, total expenses.

**Bond Covenant:** A legally enforceable promise made by an issuer of bonds to the bondholders, normally contained in the bond resolution or indenture.

**Budget:** A plan of financial operation embodying an estimate of the proposed expenditures for a given period and the proposed means of financing them.

**CAFR:** abbreviation. Comprehensive Annual Financial Report. This is the Town's financial statement, which includes auditor's opinion and other financial information pertinent in evaluating the Town's financial health

**Capital Budget:** A plan or proposed capital outlays and the means of financing them.

**Capital Improvement Program:** A plan for capital improvements to be implemented each year over a fixed period of years to meet capital needs arising from the assessment of long-term needs. It sets forth each project in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

**Capitalized Expenditures:** Expenditures resulting in the acquisition and/or construction of fixed assets.

**Contracted Services:** Services rendered in support of City operations and activities by external parties. These may be based upon either formal contracts or ad hoc charges.

**Contingency:** A budgetary reserve set-aside for emergencies or unforeseen expenditures not otherwise budgeted.

**Cost Accounting:** The method of accounting that provides for assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

**Cost Allocation Plan:** A comprehensive analysis of the appropriate distribution of overhead costs from the Town's General Government Departments to the various service departments – Public Works, Community Development and Parks & Recreation.

**Cost of Services:** Payments made by customers for publicly provided services that benefit specific individuals and exhibit "public good" characteristics. They include such fees as recreational fees, building permit fees, etc.

**Debt Service Fund:** A fund established for the payment of interest and principal on all debt other than payable exclusively from special assessments.

**Department:** A major organizational group of the City with overall management responsibility for an operation or a group of related operations within a functional area.

**Depreciation:** (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset which is charged as an expense during a particular period.

**Division:** An organizational subgroup of a department.

**Employee Services:** Salaries plus fringe benefits earned by employees of the organization for work performed.

**Encumbrance:** The commitment of appropriated funds to purchase goods that have not yet been received, or services that have yet to be rendered.

**Enterprise Fund:** A fund established to account for operations financed and operated in a manner similar to private business enterprises. In this case, the governing body intends that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Entitlement:** The amount of payment to which a state or local government is entitled pursuant to an allocation formula contained in applicable statutes.

**EOC:** abbreviation. Emergency Operation Center. This can only be activated during an emergency situation by authorized Town personnel.

**ERAF:** abbreviation. **Education Revenue Augmentation Fund.** A shift of property tax revenues from cities, counties, and other local agencies to the State in support of schools.

**Expenditure:** Decreases in net financial resources. Expenditures include current operating expenses, which require the current or future use of net current assets, debt service, and capital outlays.

**FIC:** abbreviation. Finance and Investment Committee.

**Fiscal Year:** A 12-month period (usually July 1st through June 30th) to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations.

**Fixed Assets:** Equipment costing \$5,000 or more, including tax, and not qualifying as a capital improvement project.

**Full-Time Equivalent (FTE):** The conversion of full-time and part-time employee hours to an equivalent of a fulltime position. For example: one person working half-time would count as 0.5 FTE.

**Fund:** A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

**Fund Balance:** The difference between fund assets and fund liabilities of governmental and similar trust funds.

**GASB 34:** The Government Accounting Standards Board (GASB), which defines the criteria that auditors use to judge the adequacy of local and state government financial statements, has changed long-standing practices by requiring that government entities include reporting of their capital assets in their annual balance sheet and income statement. GASB Statement No. 34, adopted in June, 1999, for the first time highlights the costs of acquiring, owning, operating, and maintaining public works infrastructure for government-bond holders and the public at large.

**GASB 45:** GASB Statement No. 45, new accounting standards for Other Post Employment Benefits (OPEB) addresses how state and local governments account for and report post-employment healthcare and other non-pension benefits. The statement generally requires that the state and local governments account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions.

**GASB 68:** GASB Statement No. 68, amends GASB 27 on the accounting and financial reporting of pension liability. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pension by requiring recognition of unfunded liability on the Town-wide Financial Statement. There is no budgetary impact, as this is a balance sheet reporting adjustment.

**General Fund:** The fund used to account for all financial resources, except those required to be accounted for in another fund.

**Generally Accepted Accounting Principles (GAAP):** Uniform minimum standards of/and guidelines for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations.

**Governmental Funds:** Funds general used to account for tax-supported activities. There are five different types of governmental funds – general fund, special revenue funds, debt service funds, capital project funds, and permanent funds.

**Grants:** Contributions of cash or other assets from another governmental agency (usually) to be expended or used for a specified purpose, activity or facility.

**Infrastructure:** All City owned facilities supporting the operation of the governmental unit. It includes: streets, roads, bridges, curbs and gutters, parks, water and sewer lines, storm drains, water pump stations and reservoirs, water wells, sewer lift stations, all government buildings and related facilities.

**Internal Service Fund:** A fund used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis.

**Investment:** Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

**Long Term Debt:** Debt with a maturity of more than one year after the date of the issues.

**Materials & Services:** Expenses which are charged directly as a part of the cost of a service.

**Modified Accrual Basis:** The accrual basis of accounting where revenues are recognized when they become both “measurable” and “available” to finance expenditures of the current period. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting.

**Net Income (Loss):** Proprietary fund excess (deficit) of operating revenues and operating transfers- in over operating expenses, non-operating expenses and operating transfers-out.

**Non-Operating Expenses:** Proprietary fund expenses not directly related to the fund’s primary activities (e.g. interest).

**Non-Operating Revenues:** Proprietary fund revenues incidental to, or by-products of, the fund’s primary activities.

**Operating Expenses:** Proprietary fund expenses related directly to the fund’s primary activities.

**Operating Income:** The excess of proprietary fund operating revenues over operating expenses.

**Operating Revenues:** Proprietary funds revenues directly related to the fund’s primary activities. They consist primarily of user charges for goods and services.

**Operating Transfers:** Legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended, such as transfers from the General Fund to a Special Revenue or Capital Projects Fund.

**Ordinance:** A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, it has the full force and effect of law within the boundaries of the City.

**PCI:** abbreviation. Pavement Condition Index.

**PMP:** abbreviation. Pavement Management Program.

**Preliminary Budget:** A budget in its preliminary preparation stage prior to review and formulation by the City Council. In the preliminary stage, a budget forecasts current costs into the future and new or modified spending proposals for the future.

**Program:** Group activities, operations, or organization units directed to attaining specific purposes or objectives.

**Program Purpose:** A general statement explaining the reason a particular program or division exists.

**Proprietary Fund:** The classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds.

**Reserved Fund Balance:** Those portions of fund balance that have not been appropriated for expenditure or that are legally segregated for a specific future use.

**Resolution:** A special or temporary order of the City Council requiring less formality than an ordinance.

**Retained Earnings:** An equity account reflecting the accumulated earning of an enterprise or internal service fund.

**Revenues:** (1) Increases in net current assets of a governmental fund type from other than expenditure refunds and residual equity transfer. (2) Increases in the net total assets of a proprietary fund type from other than expense refunds, capital contributions and residual equity transfers.

**Risk Management:** All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

**Self-Insurance:** A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

**Service Reimbursements:** Transactions that constitute reimbursements to a department/division for expenditures or expenses initially made from it but that properly apply to another department/division.

**Service Level Measure:** A statement describing an activity conducted or performed by the program/division. A program will usually have many Service Level Measures. Service Level Measures provide quantifiable and qualifiable information as to the level of service to be provided in relation to the level of fund indicated in the budget.

**Special Revenue Fund:** A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Specific Program Objectives:** An “action” statement indicating the new or special activities proposed for a program.

**Taxes:** Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, user charges.

**Transfers:** Payments from one fund to another ideally for work or services provided, or to cover operating expense shortfalls.

**Triple Flip:** Backfill of the confiscated local sales tax reimbursed through a series of revenue swapping procedures to guarantee repayment for the California Economic Recovery Bond.

**Trust Fund:** Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or funds.

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**End of Adopted Budget**