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OPERATING & CAPITAL BUDGET

City Council Adopted Budget

2019-20 Operating Budget
and
Capital Improvement Plan

BUDGET PREPARATON

DAVE SHERWOOD: ADMINISTRATIVE SERVICES DIRECTOR
TRAN NGUYEN: FINANCIAL SERVICES MANAGER

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

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Introduction



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 2019-20 Operating and Capital Budget for the Town of Los Altos Hills. Similar to 2018-19, this budget includes a capital improvement plan. 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.

2019-20 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, 2019 total \$12.9 million, an addition of \$0.9 million to governmental fund reserves. Major accomplishments in 2018-19 include the completion of the Street Rehabilitation Project which addressed 4.3 miles of road surface at \$755,770 which was \$344,230 below budget. The current overall pavement condition index has risen from 77 to 78. The Town's sewer operation has improved, where video inspection of 73.5 percent of Town's sewer system has been completed.

FY19-20 Economic Outlook

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 \$6.6 million in 2019-20, an increase of 3.5 percent from projected 2018-19 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 as having a valuation of 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. Revenues were down slightly compared year over year.

FY19-20 Goals and Objectives

For 2019-20, the total proposed Budget is \$17.1 million with \$2.1 million in the Sewer Fund and this figure is inclusive of the service enhancement requests and capital improvement budget. Goals and objectives are covered in each Department's Budget Section.

Although the bulk of the Operating Budget is intended to maintain current service levels, several key service enhancements were proposed. These enhancements include the addition of a management analyst position, the replacement of the Town's 25-year old emergency generator, replacement of a 15-year old Town inspection vehicle and the installation of a tractor-port cover for the Town's maintenance and construction vehicles.

Sewer Operations

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.

Special Acknowledgements

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 Dave Sherwood and the finance team for their 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

RESOLUTION 39-19

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN
OF LOS ALTOS HILLS ADOPTING THE FISCAL YEAR
2019-20 APPROPRIATIONS LIMIT AND
THE FISCAL YEAR 2019-20 BUDGET**

WHEREAS, the City Council of the Town of Los Altos Hills has received and completed its review of the proposed fiscal year 2019-20 Operating and Capital Budget; and

WHEREAS, the City Council of the Town of Los Altos Hills now desires to adopt the Appropriations Limit and budget for fiscal year 2019-20.

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

- I. The Gann Appropriations Limit as shown in Attachment 1A is hereby approved; and
- II. The Operating and Capital Budget as shown in the attached budget document is hereby approved; and
 - A. The amount of the 2019-20 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.
 - B. The budget is adopted and shall be controlled at the Fund level by department for the operating budget and at the project level for capital improvement projects.
 - C. The City Manager is hereby authorized to move budgeted dollars between departments (for the operating budget) and between projects (for the capital improvement budget) during the fiscal year if those transfers are from the same funding source and the overall cumulative appropriation is not increased.
 - D. The Administrative Services Director is hereby authorized to carry forward unspent appropriations to the 2019-20 fiscal year if such funds are necessary to complete budgeted projects.
 - E. The Administrative Services Director is hereby authorized to make corrections to the budget as reflected in the attached budget document for errors or inconsistencies, without increasing overall appropriations from the same funding source.
 - F. The City Manager is hereby authorized to solicit bids on the open market for projects budgeted herein.
 - G. The Administrative Services Director shall periodically report to the City Council the amount and classification of revenue received and expenditures made.
 - H. 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 2019-20 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 20th day of June 2019 by the following vote:

AYES: Sreen, Wu, Corrigan, Tankha, Tyson

NOES: None

ABSTAIN: None

ABSENT: None

BY


Roger Sreen, Mayor

ATTEST:



Deborah Padovan, City Clerk

Town of Los Altos Hills, Gann Limit Calculation for 2019-20 Population Changes

<u>For</u> <u>Fiscal Year</u>	<u>Jan 1</u>	<u>City</u> <u>Population</u>	<u>Countywide</u> <u>Population</u>
2018-19	2018	8,720	1,946,697
2019-20	2019	8,785	1,953,180

Cost of Living Adjustment Factors

<u>Factors for</u> <u>Fiscal Year</u>	<u>Percentage</u> <u>Change in</u> <u>Per Capita</u> <u>Personal</u> <u>Income</u>	<u>published</u>
2019-20	3.85%	May 1, 2019
2020-21		May 1, 2020

Source: Calif Dept of Finance

Appropriations Limit

	<u>Amount</u>
a) Prior Year Appropriations Limit:	7,145,665
b) Adjustment Factors	
1) Population Change	1.007
Population in city or county?	City
2) Cost of Living	1.039
State CPI or % New non-residential?	CPI
3) Combined adjustment factor	1.046
c) Adjusted Limit	7,476,088
d) Alterations	
e) Appropriations Limit - Current Year	7,476,088

Appropriations Subject to Limitation

	<u>Amount</u>
a) Proceeds of Taxes	7,218,287
b) Exclusions	993,018
c) Appropriations Subject to Limitation	6,225,269
d) Appropriations Limit (current year)	7,476,088
e) Under (Over) Limit	1,250,819

2019-20 GANN Annual Appropriation Limit

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.

TOWN OF LOS ALTOS HILLS
Staff Report to the City Council

June 20, 2019

SUBJECT: RESOLUTION TO ADOPT THE PATHWAY CAPITAL
IMPROVEMENT PROGRAM (CIP) LIST FOR FISCAL YEAR 2019/20

FROM: Nichol Bowersox, Public Works Director/City Engineer *NB*

APPROVED: Carl Cahill, City Manager *C.C.*

RECOMMENDATION: That the City Council:

Adopt the attached resolution approving the pathway Capital Improvement Program (CIP) list for fiscal year 2019/20.

BACKGROUND:

The Town's pathways system serves four basic and important functions:

- Circulation throughout the community
- Safe access and emergency routes
- Outdoor recreation/fitness
- Preservation of the open character of the Town

The pathways system is designed to complement the Town's roadway system and to enhance nonmotorized circulation by providing connections between neighborhoods and access to local or nearby destinations. The Pathways Element is an optional element of the General Plan. However, it is closely related to several mandatory elements including the Circulation & Scenic Roadways Element, the Safety Element, and the Open Space & Recreation Element.

Each year staff develops and presents to the City Council for adoption a list of Pathway CIP projects and budget costs. The CIP is developed from numerous sources, including a review of on-going projects, requests from Council and the community, studies and reports prepared by Pathway committee members that include evaluations and prioritizations. The needs are balanced with available funding to develop and/or construct the projects.

Projects that were included in last year's (FY 2018/19) CIP that will not be completed by the end of the fiscal year will be carried over into the FY 2019/20 CIP. The unexpended funds that were allocated in a previous year stay with the project and in all of the projects that will be carried over, no additional funding is required. New projects will have funding allocated in the first year of activity.

DISCUSSION:

The CIP Summary List (Attachment 2) includes all active CIP projects and their proposed FY 2019/20 funding allocations. An active project is a project anticipated to have expenditures in the coming fiscal year.

Staff presented the proposed Pathway CIP list for City Council and FIC discussion at the May 31, 2019 Joint City Council/FIC Budget Study Session. Based on the meeting discussion and feedback received, staff recommended that additional information on the Pathway CIP list be presented at the June 20, 2019 City Council Meeting. Public noticing will also be done as part of this process.

New Projects

The following projects were identified as new projects for FY 2019/20:

Natoma (Poor Claire's) (Attachment 3)	(Design and Construction) Grading and construction of 4' retaining wall to connect existing pathway to intersection of Natoma/Elena; add crosswalk; 182' of path; 100' of 4' retaining wall; remove 1 tree	\$80,000
Altamont Plunge (Attachment 4)	(Design and Construction) Connects Altamont to Vinedo Lane; construct 117' of path; 64' of 2' retaining wall; 80' of 3' retaining wall; relocate 2 mailboxes; clear 80sf of bushes	\$65,000
Westwind Barn to Central Drive (Attachment 5)	(Design and Construction) Connect Central Drive to Byrne Preserve; 128' of path; 159' of 2-3' retaining wall; 21' of 4' retaining wall	\$80,000
La Paloma to Robleda (Attachment 6)	(Environmental Study and Design) 1108' of path, 274' of 2' high retaining wall; 166' of 3' retaining wall; 16' of drain pipe; 213 feet of fence/guardrail relocation; relocate 2 trail sign posts and post to open fence; 2216 sf of brush clearance; (also possible tree removal after survey)	\$50,000

Carry-over Projects

Three carry-over projects are included in the proposed FY 2019/20 CIP. No additional funding is being requested for the projects listed below:

Fremont/Estacada (Attachment 7)	(Design and Construction) Construct missing off-road path at the intersection of Fremont Road and Estacada	\$10,000
Redwood Grove (Attachment 8)	(Design and Construction) Restore pathway connection at Redwood Grove	\$28,000
Summerhill Pathway Project (Attachment 9)	(Environmental Study and Design) Construct pathway connection along Summerhill between El Monte and Magdalena	\$80,000

FISCAL IMPACT:

Staff is recommending a FY 2019/20 pathway CIP budget allocation of \$393,000 of which \$118,000 would be carry-over.

RECOMMENDATIONS:

Staff recommends that the City Council adopt the attached resolution to adopt the pathway CIP list for FY 2019/20

ATTACHMENTS

1. Resolution
2. CIP Summary List for FY 2019/20
3. Natoma (Poor Claire's)
4. Altamont Plunge
5. Westwind Barn to Central Drive
6. La Paloma to Robleda
7. Fremont/Estacada
8. Redwood Grove
9. Summerhill Pathway Project
10. Public Comment Received Between May 31-June 13

RESOLUTION 38-19

**A RESOLUTION OF THE CITY COUNCIL OF THE
TOWN OF LOS ALTOS HILLS ADOPTING THE PATHWAY CAPITAL
IMPROVEMENT PROGRAM (CIP) LIST FOR FY 2019/20**

WHEREAS, the Town of Los Altos Hills staff develops and presents to the City Council for adoption a list of Pathway CIP projects and budget costs on an annual basis; and

WHEREAS, the Public Works Director recommends that the City Council approve the proposed list of projects for the FY 2019/20 Pathway CIP; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the Town of Los Altos Hills that:

1. The pathway CIP list described in the City Council Agenda Summary for this Resolution are hereby approved.
2. Appropriated \$393,000 for the proposed list of projects for the FY 2019/20 Pathway CIP.

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 20th day of June 2019 by the following vote:

AYES: Spreen, Wu, Tankha, Tyson

NOES: Corrigan

ABSTAIN: None

ABSENT: None

BY: 

Roger Spreen, Mayor

ATTEST:



Deborah Padovan, City Clerk

Priority	PROJECT	PROJECT DESCRIPTION	Next Steps	EST. COST	City Engineers Comment
High	Natoma (Poor Claire's)	Grading and construction of 4' retaining wall to connect existing pathway to intersection of Natoma/Elena; add crosswalk; 182' of path; 100' of 4' retaining wall; remove 1 tree	Begin ASAP using CIP & Maintenance funds	\$80,000	Design and Construction Recommended for FY 19/20
High	Altamont Plunge	Connects Altamont to Vinedo Lane; construct 117' of path; 64' of 2' retaining wall; 80' of 3' retaining wall; relocate 2 mailbox; clear 80sf of bushes	Begin ASAP using CIP & Maintenance funds	\$65,000	Design and Construction Recommended for FY 19/20
High	Westwind Barn to Central Drive	Connect Central Drive to Byrne Preserve; 128' of path; 159' of 2-3' retaining wall; 21' of 4' retaining wall	Begin ASAP using CIP & Maintenance funds	\$80,000	Design and Construction Recommended for FY 19/20
High	La Paloma to Robleda	1108' of path, 274' of 2' high retaining wall; 166' of 3' retaining wall; 16' of drain pipe; 213 feet of fence/guardrail relocation; relocate 3 mailbox; 2216 sf of brush clearance; (also possible tree removal after survey)	Conduct survey and environmental assessment. Possible design to be completed by FY 19/20	\$50,000	Environmental Study and Design Recommended for FY 19/20
High (Ongoing)	Fremont/Estacada	Construct missing off-road path at the intersection of Fremont Road and Estacada	Crew will construct pathway in Summer 2019	\$10,000	Use CIP funding. Start immediately.
High (Ongoing)	Redwood Grove	Restore pathway connection at Redwood Grove	Coordinate the pathway reconstruction with the City of Los Altos	\$28,000	PW will coordinate with City of Los Altos
High (Ongoing)	Summerhill Pathway Project	Construct pathway connection along Summerhill between El Monte and Magdalena	Conduct survey and environmental assessment. Possible design to be completed by FY 19/20	\$80,000	Environmental Study and Design Recommended for FY 19/20
				\$393,000	
TBD	Matadero Creek - Lupine	Roadside path along E side of Page Mill Road; 1600 ft of IIB pathway; two bridges to cross creek	Next in priority for funding.	\$450,000	Future CIP
TBD	Foothill College to Stonebrook	625' of pathway and 2-3' retaining wall along S side of El Monte Road to connect Stonebrook to El Monte/Perimeter Road intersection	Conduct roadway safety evaluation and identify all potential utility impacts	\$190,000	Prepare engineering evaluation of proposed pathway. Estimated cost includes design and construction.
TBD	Magdalena- Dawnridge	Construct path on W side of Magdalena Rd. between Dawnridge & Princess Ellena Ct; 400' of IIB; 400' of 3' high retaining wall; remove 5 trees; relocate 4 street signs	Identify all permits and easements required	\$150,000	Prepare engineering evaluation of proposed pathway. Estimated cost includes design and construction but excludes permits and easement documents.

TBD	Page Mill Road to Foothill Park	488' of IIB path; 141' of 2-3' retaining wall; 161' of fence relocation; 800sf of brush clearance	Coordinate with City of Palo Alto and the County of Santa Clara	\$150,000	Prepare engineering evaluation of proposed pathway. Will require extensive coordination with the City of Palo Alto and the County of Santa Clara.
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Proposed Budget Changes

SERVICE ENHANCEMENT REQUESTS

Staff presented and the City Council reviewed a detailed list of proposed requests for service enhancements and new capital projects. After discussion of this list, Council gave direction that the following items should be included with the budget:

General Fund

Replacement of Capital Assets – Generator and Electric Vehicle	\$115,000
Replacement of Agenda Management System	40,000
Increase in Grassroots Ecology Spending (above \$60,000 in FY19)	20,000
Tractor Port/Cover	80,000
Matching funds needed for Prop 68 Parks grant	50,000
Addition of Management Analyst	131,000
Merit Increase (4% Pool) for Employees	106,000

Other

Westwind Barn – Round Pen	24,000
Pathways Construction	393,000
Cost Subsidy for North County Library Authority	20,000

The proposed 2019-20 budget includes a projected fund balance of approximately \$13.5 million in the General Fund. The joint study session also included discussion of the various amounts previously designated as reserves against fund balance at the Council's January 2019 meeting, based upon recommendation from the FIC.

Town-wide Overview

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 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 comprises 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 remodelling 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.

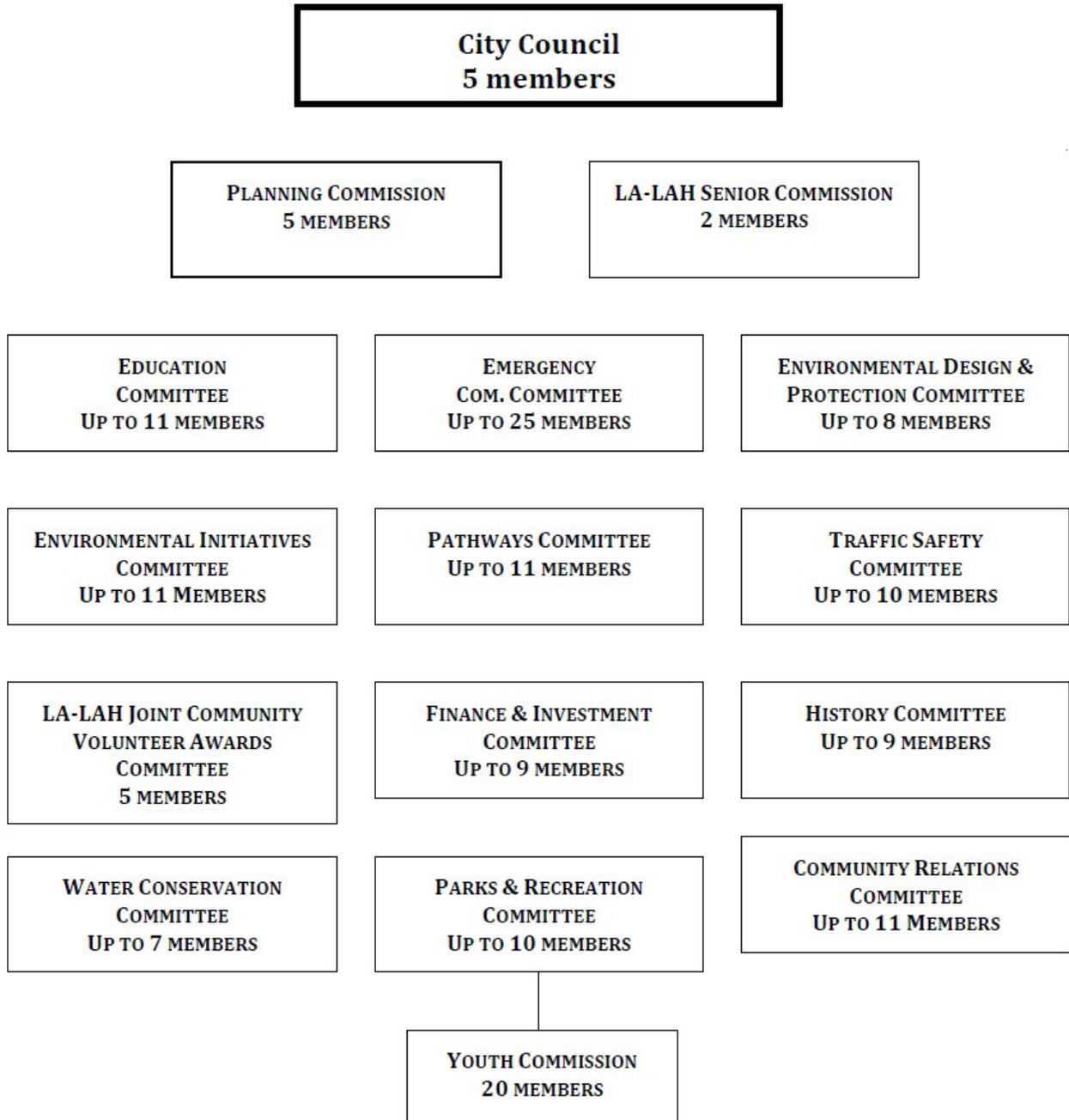
While embracing the latest in technology, similar efforts are also made to preserve the Town’s heritage and historical links, including the design of the present Town Hall to showcase the heritage oak tree. Another defining characteristic of the Town’s history, the fruit trees, is not forgotten. Twenty 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



Residents of Los Altos Hills

MAYOR AND CITY COUNCIL

Roger Spreen Michelle Wu Courtenay C. Corrigan Kavita Tankha George Tyson	Mayor Vice Mayor Councilmember Councilmember Councilmember
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CITY ATTORNEY
Steve Mattas,
Meyers Nave

CITY MANAGER
Carl Cahill

PLANNING DIRECTOR (INTERM)
Steve Padovan

CITY CLERK
Deborah Padovan

ADMINISTRATIVE SERVICES DIRECTOR
Dave Sherwood

PUBLIC WORKS DIRECTOR & CITY ENGINEER
Nichol Bowersox

PRINCIPAL PLANNER
Steve Padovan

ASSISTANT PLANNER
Jeremey Loh
Dylan Parker

BUILDING INSPECTOR
Robert Johnson

BUILDING TECHNICIAN
Veronica Flores

ADMIN. CLERK/TECHNICIAN
Mee-Ching Ng

COMMUNITY SERVICES SUPERVISOR
Sarah Robustelli

RECREATION SPECIALIST
Chris Knopf

FINANCE MANAGER
Tran Nguyen

ACCOUNTANT
Rebecca Ritcher

ADMINISTRATIVE TECHNICIAN
vacant

ASSISTANT ENGINEER
John Chau

SENIOR ENGINEER
Kahoe Kong

MAINTENANCE SUPERINTENDENT
Jacob Asfour

MAINTENANCE CREW II
Oswaldo Arellano-Murillo
Hector Huerta

MAINTENANCE CREW I
Alfonso Flores

PUBLIC SAFETY
CONTRACT
Capt. Ricardo Urena
SCC Office of the Sheriff

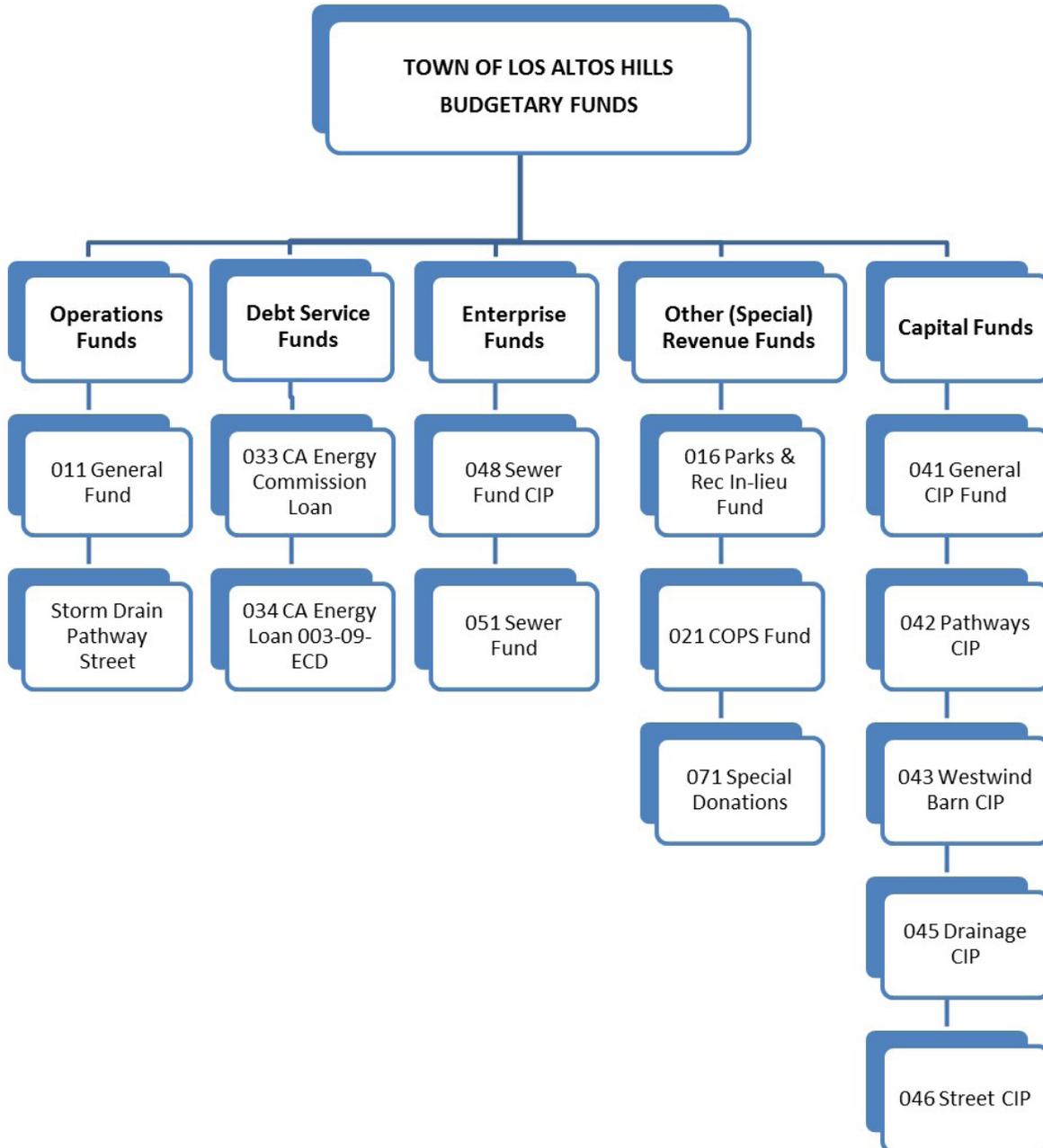
EMERGENCY PREPAREDNESS
CONSULTANT
Marsha Hovey

IT SERVICES
CONTRACT
Ferdinand Suba
Redwood City

Financial Summaries

Financial Summary

FUND STRUCTURE



TOWN-WIDE FUND SUMMARY

Fund No	Fund Title	2018/19 Estimated Actual			Projected Fund Balance @ 6/30/2019	% Change in Fund Balance	2019/20 Budget			Projected Fund Balance @ 6/30/2020	% Change in Fund Balance
		Revenue	Expenditures	Transfers In/Out			Revenue	Expenditures	Transfers In/Out		
General Fund											
011	General Fund										
	Operating Contingency			\$ 1,721,500	\$ 2,071,500				\$ 2,071,500		
	Disaster Contingency				1,250,000				1,250,000		
	Internal Pension Reserve			1,005,000	2,575,000				2,575,000		
	Tech. Replacement Reserve			25,000	50,000				50,000		
	Facilities Replacement Reserve			1,902,700	1,902,700				1,902,700		
	Vehicle/Equipment Relacement Reserve			594,000	594,000				594,000		
	Private/Public Road			(200,000)	-				-		
	Risk Management Reserve			(80,000)	-				-		
	Unassigned Fund Balance	11,532,783	(9,051,671)	(6,218,691)	4,516,715		11,931,280	(10,190,959)	(1,158,775)	5,098,260	
011	Subtotal	\$ 11,532,783	\$ (9,051,671)	\$ (1,250,491)	\$ 12,959,915	10.5%	\$ 11,931,280	\$ (10,190,959)	(1,158,775)	\$ 13,541,460	4.5%
Special Revenue Funds											
016	Parks & Recreation in-Lieu	-	-	(45,000)	30,793	-59.4%	42,000	-	-	72,793	136.4%
021	COPS Fund	100,000	(240,728)	55,542	-	-100.0%	100,000	(265,757)	165,757	-	0.0%
071	Special Donation	-	-	-	31,307	0.0%	-	-	-	31,307	0.0%
	Subtotal	\$ 100,000	\$ (240,728)	\$ 10,542	\$ 62,100	-67.7%	\$ 142,000	\$ (265,757)	\$ 165,757	\$ 104,100	67.6%
Capital Funds											
041	General Capital	-	(290,939)	290,939	145,582	0.0%	200,000	(538,600)	193,018	(0)	-100.0%
042	Pathway Capital	206,670	(137,901)	-	778,408	9.7%	205,510	(393,000)	-	590,918	-24.1%
043	Westwind Barn Capital	54,474	(10,500)	-	189,318	30.3%	54,924	(69,000)	-	175,241	-7.4%
045	Drainage Capital	117,870	-	-	789,923	17.5%	171,870	(630,000)	-	331,793	-58.0%
046	Street Capital	510,990	(1,460,000)	949,010	368,573	0.0%	472,224	(1,400,000)	800,000	240,797	-34.7%
	Subtotal	\$ 890,004	\$ (1,899,340)	\$ 1,239,949	\$ 2,271,804	11.3%	\$ 1,104,528	\$ (3,030,600)	\$ 993,018	\$ 1,338,749	-41.1%
Sewer Fund											
048, 051	Sewer Fund (Unrestricted)	3,218,943	(2,574,953)	(800,000)	2,491,340	-5.9%	3,283,121	(2,539,347)	(1,100,000)	2,135,114	-14.3%
	Subtotal	\$ 3,218,943	\$ (2,574,953)	\$ (800,000)	\$ 2,491,340	-5.9%	\$ 3,283,121	\$ (2,539,347)	\$ (1,100,000)	\$ 2,135,114	-14.3%
	All Funds	\$ 15,741,730	\$ (13,766,692)	\$ (800,000)	\$ 17,785,158	7.1%	\$ 16,460,928	\$ (16,026,663)	\$ (1,100,000)	\$ 17,119,424	-3.7%

TOWN-WIDE FINANCIAL SUMMARY

FINANCIAL SUMMARY	General Fund		Special Revenue Funds		General Capital Funds		Sewer Fund		Total	
	2018-19		2018-19		2018-19		2018-19		2018-19	
	Estimated Actual	2019-20 Budget	Estimated Actual	2019-20 Budget	Estimated Actual	2019-20 Budget	Estimated Actual	2019-20 Budget	Estimated Actual	2019-20 Budget
REVENUE BY TYPE										
Property Tax	\$ 6,401,904	\$ 6,627,066							\$ 6,401,904	\$ 6,627,066
Taxes Other Than Property	440,200	440,200							440,200	440,200
Franchise Fees	537,931	312,931							537,931	312,931
Licenses And Permits	1,107,855	1,150,026							1,107,855	1,150,026
Use Of Money And Property	430,258	410,032			101,014	98,994	70,400	56,690	601,672	565,716
Intergovernmental	52,300	52,300	100,000	100,000	376,190	623,834			528,490	776,134
Charges For Services	791,000	912,552		42,000	412,800	381,700	3,145,323	3,223,211	4,349,123	4,559,463
Miscellaneous	44,247	20,901					3,220	3,220	47,467	24,121
Allocations In	1,727,088	2,005,271							1,727,088	2,005,271
TOTAL REVENUE	11,532,783	11,931,280	100,000	142,000	890,004	1,104,528	3,218,943	3,283,121	15,741,730	16,460,928
EXPENDITURES BY FUNCTION										
General Administration	(2,085,996)	(2,541,455)							(2,085,996)	(2,541,455)
Public Safety	(1,737,843)	(1,856,781)	(240,728)	(265,757)					(1,978,571)	(2,122,538)
Planning & Building	(2,686,149)	(3,042,571)							(2,686,149)	(3,042,571)
Parks & Recreation	(729,300)	(778,071)							(729,300)	(778,071)
Public Works	(1,612,384)	(1,972,081)					(2,574,953)	(2,539,347)	(4,187,337)	(4,511,428)
Capital Outlay - Sewer							(800,000)	(1,100,000)	(800,000)	(1,100,000)
Capital Outlay - Governmental					(1,899,340)	(3,030,600)			(1,899,340)	(3,030,600)
TOTAL EXPENDITURES	(9,051,671)	(10,190,959)	(240,728)	(265,757)	(1,899,340)	(3,030,600)	(3,374,953)	(3,639,347)	(14,566,692)	(17,126,663)
TRANSFERS IN / (OUT)										
TRANSFERS IN			55,542	165,757	1,239,949	993,018	800,000	1,100,000	2,095,491	2,258,775
TRANSFERS OUT	(1,250,491)	(1,158,775)	(45,000)				(800,000)	(1,100,000)	(2,095,491)	(2,258,775)
TOTAL TRANSFERS	(1,250,491)	(1,158,775)	10,542	165,757	1,239,949	993,018	-	-	(1,239,949)	-
CHANGE IN FUND BALANCE	1,230,621	581,546	(130,186)	42,000	230,613	(933,054)	(156,010)	(356,226)	1,175,038	(665,734)
FUND BALANCE, BEGINNING	11,729,294	12,959,915	192,287	62,100	2,041,191	2,271,804	2,647,350	2,491,340	16,610,121	17,785,159
FUND BALANCE, ENDING	\$ 12,959,915	\$ 13,541,461	\$ 62,100	\$ 104,100	\$ 2,271,804	\$ 1,338,749	\$ 2,491,340	\$ 2,135,114	\$ 17,785,159	\$ 17,119,425

GENERAL FUND REVENUE AND EXPENDITURES BY CATEGORY

011	2015-16	2016-17	2017-18	(A)	(B)	(B)/(A)-1	(C)	(C)/(A)-1	
Financial Summary	Actual	Actual	Final Budget	2017-18 Actual	2018-19 Budget	2018-19 Est. Act.	Percent Change	2019-20 Budget	Percent Change
Revenue by Category									
Property Tax	\$ 4,960,015	\$ 5,302,028	\$ 5,610,400	\$ 5,721,225	\$ 5,944,886	\$ 6,401,904	7.7%	\$ 6,627,066	11.5%
Taxes Other Than Property	511,091	610,337	562,600	667,037	638,776	440,200	-31.1%	440,200	-31.1%
Franchise Fees	474,732	573,336	516,200	579,333	532,240	537,931	1.1%	312,931	-41.2%
Licenses And Permits	1,334,953	1,544,996	1,799,500	1,246,623	1,276,232	1,107,855	-13.2%	1,150,026	-9.9%
Use Of Money And Property	253,699	171,227	208,427	196,920	80,570	430,258	434.0%	410,032	408.9%
Intergovernmental	203,841	60,357	50,700	41,460	57,230	52,300	-8.6%	52,300	-8.6%
Charges For Services	1,240,934	1,069,543	1,190,600	1,113,081	1,037,665	791,000	-23.8%	912,552	-12.1%
Miscellaneous	31,942	21,246	29,400	56,902	38,900	44,247	13.7%	20,901	-46.3%
Allocations In	1,458,356	1,459,279	1,727,247	1,632,812	1,784,369	1,727,088	-3.2%	2,005,271	12.4%
Total Revenue	10,469,563	10,812,349	11,695,074	11,255,393	11,390,868	11,532,783	-1.4%	11,931,280	4.7%
Expenditures by Category									
Personnel	(2,498,627)	(2,637,400)	(4,775,035)	(4,401,673)	(3,347,631)	(3,263,608)	-2.5%	(3,661,022)	9.4%
Contractual Services	(2,177,246)	(2,458,185)	(2,666,040)	(2,504,205)	(2,647,879)	(2,737,063)	3.4%	(2,959,049)	11.8%
Professional Services	(362,213)	(400,235)	(466,300)	(372,666)	(499,207)	(333,038)	-33.3%	(457,916)	-8.3%
Operations	(671,914)	(546,587)	(761,420)	(582,634)	(827,532)	(717,892)	-13.2%	(856,787)	3.5%
Allocations Out	(1,755,651)	(1,804,275)	(2,020,876)	(2,084,729)	(2,075,449)	(2,000,070)	-3.6%	(2,256,184)	8.7%
Total Expenditures	(7,465,651)	(7,846,681)	(10,689,671)	(9,945,906)	(9,397,697)	(9,051,671)	-15.3%	(10,190,959)	8.4%
Transfers In / (Out)									
Transfers Out	(700,041)	(1,300,829)	(2,243,836)	(2,038,067)	(1,930,316)	(1,250,491)	-35.2%	(1,158,775)	-40.0%
Total Transfers	(691,699)	(235,690)	(2,243,836)	(2,038,067)	(1,930,316)	(1,250,491)	-35.2%	(1,158,775)	-40.0%
Change in Fund Balance	2,312,213	2,729,978	(1,238,433)	(728,580)	62,855	1,230,621	1857.9%	581,546	825.2%
Fund Balance									
Beginning	7,415,683	9,727,896	12,457,874	12,457,874	11,729,294	11,729,294	0.0%	12,959,915	10.5%
Ending	\$ 9,727,896	\$ 12,457,874	\$ 11,219,441	\$ 11,729,294	\$ 11,792,149	\$ 12,959,915	9.9%	\$ 13,541,461	14.8%

DEPARTMENT SPENDING (EXCLUSIVE OF CAPITAL OUTLAY) - FIVE-YEAR COMPARISON

Town-wide Expenditures by Department	2015-16	2016-17	2017-18	2018-19	2018-19	2019-20	Budget to
	Actual	Actual	Actual	Budget	Est. Actual	Budget	% Change
General Administration	\$ 1,850,996	\$ 1,839,645	\$ 1,981,324	\$ 2,279,216	\$ 2,085,996	\$ 2,541,455	11.5%
Public Safety	1,417,041	1,773,694	1,781,254	2,114,431	1,978,571	2,122,538	0.4%
Planning & Building	2,308,533	2,439,656	2,540,126	2,892,590	2,686,149	3,042,571	5.2%
Parks & Recreation	710,546	691,163	723,162	757,133	729,300	778,071	2.8%
Public Works	3,247,866	3,695,574	3,612,461	4,188,498	4,187,337	4,511,428	7.7%
Non-Departmental	53	-	1,659,745	200,000	200,000	-	-100.0%
Total Expenditures	\$ 9,535,036	\$ 10,439,732	\$ 12,298,072	\$ 12,431,868	\$ 11,867,352	\$ 12,996,063	4.5%
					\$ (430,720)	\$ 564,195	
					-1%	5%	
Internal Service Fund							
Town Center	\$ 323,216	\$ 372,138	\$ 395,956	\$ 443,450	\$ 396,079	\$ 427,285	-3.6%
Corporation Yard	129,704	130,793	144,914	125,111	139,430	114,431	-8.5%
Vehicle Maintenance	74,564	138,490	89,119	74,384	78,847	83,300	12.0%
Total Internal Service Allocated	\$ 527,483	\$ 641,420	\$ 629,989	\$ 642,945	\$ 614,355	\$ 625,016	-2.8%
					\$ (15,634)	\$ (17,929)	
					-6%	-3%	

SEWER FUND

Financial Summary	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget	Budget to Budget % Change
Revenue by Category							
Sewer Assessment Charges	\$ 1,925,636	\$ 2,759,287	\$ 2,917,428	\$ 2,956,739	\$ 3,014,393	\$ 3,092,281	4.6%
Sewer Connection Fees	221,010	185,369	130,930	185,369	130,930	130,930	-29.4%
Use Of Money And Property	32,557	4,134	6,642	11,190	70,400	56,690	406.6%
Miscellaneous	2,832	2,470	3,220	2,470	3,220	3,220	30.4%
Total Revenues	2,182,035	2,951,259	3,058,220	3,155,767	3,218,943	3,283,121	4.0%
Expenditures by Category							
Personnel	(172,970)	(168,700)	(26,241)	(164,820)	(187,977)	(235,868)	43.1%
Sewer Treatment Cost	(1,028,818)	(1,024,901)	(890,814)	(1,118,393)	(1,420,751)	(1,276,049)	14.1%
Sewer Maintenance Contract	(365,275)	(417,474)	(314,042)	(472,500)	(472,500)	(486,675)	3.0%
Contractual Services	(39,685)	(9,198)	(17,528)	(53,953)	(31,921)	(29,487)	-45.3%
Professional Services	(139,963)	(278,535)	(410,764)	(289,035)	(175,000)	(195,605)	-32.3%
Operations	(10,244)	(14,146)	(15,138)	(12,900)	(13,229)	(12,969)	0.5%
Allocations Out	(208,047)	(273,292)	(271,226)	(277,351)	(273,575)	(302,693)	9.1%
Total Expenditures	(1,965,003)	(2,186,246)	(1,945,754)	(2,388,951)	(2,574,953)	(2,539,347)	6.3%
Net Operations	217,032	765,013	1,112,466	766,816	643,990	743,774	-3.0%
Other Adjustments							
Capital Outlay	(408,308)	(740,123)	(1,041,716)	(1,100,000)	(800,000)	(1,100,000)	0.0%
Net Change to Cash Reserves	(191,275)	24,891	70,750	(333,184)	(156,010)	(356,226)	6.9%
Unrestricted Net Position							
Beginning	2,774,133	2,582,858	2,576,600	2,647,350	2,647,350	2,491,340	
Ending	\$ 2,582,858	\$ 2,607,749	\$ 2,647,350	\$ 2,314,166	\$ 2,491,340	\$ 2,135,114	

Work Programs & Department Budget

City and Department Goals Matrix

The Towns' ongoing goals and mission is to preserve current quality of life, promote a sense of community, prepare for the financial and natural emergencies, mitigate risk, and remain transparent. Additionally, the City Council identified nine priorities for the coming years. They are maintaining public safety, improve employee value proposition, manage pathway system, manage road conditions, improve effectiveness and transparency of advisory committees, conduct facilities and space need assessment, strength community engagement, increase code enforcement, and research annexation of sewer operation. The 2018-19 and 2019-20 departmental goals are focused on these priorities.

	General Administration	Public Safety	Planning & Building	Parks & Recreation	Public Works
Preservation of Current Quality of Life	<ul style="list-style-type: none"> City Council approve policies to maintain the semi-rural nature of Los Altos Hills City Manager ensure compliance with City Council directions and adopted policies Monthly committee meetings to review various quality of life issues 	<ul style="list-style-type: none"> County Sheriff aims to meet or be faster than target response time 	<ul style="list-style-type: none"> 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 Planning Commissioners review plans with variance to ensure the Town's characteristic is preserved in each approved plans 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 	<ul style="list-style-type: none"> Oversee Westwind Barn operations and improvements Open space management and education Fostering a sense of community through parks, activities and events 	<ul style="list-style-type: none"> Maintain the Town's pathway, drainage, roadway, and sewer system Maintain roadway pavement condition at minimum PCI average of 77 Repair, replace monitor, and clean sewer pipes to minimize potential sanitary sewer overflow Continue to provide greater efficiency and sustainable infrastructure systems
Promote Sense of Community	<ul style="list-style-type: none"> City Clerk ensures public outreach, including using different mediums and updating Town website 		<ul style="list-style-type: none"> Department provides support to volunteer committees including Environmental Design & Protection, Environmental Initiatives, Pathways and Open Space Committees Conduct public hearings for new development proposals 	<ul style="list-style-type: none"> Host Town events, such as Movie Night, Leadership Conference, Hoppin' Hounds, Senior Forums, Earth Day Celebration, Pathways Run/Walk, Town Picnic, 4th of July Parade, Family Campout, Hoedown, Touch a Truck, Shred Event, Caroling in the Hills and Barn Lighting 	<ul style="list-style-type: none"> Assist in setup and cleanup of Town events Provide high-quality, cost-effective, responsive services to residents with regard to infrastructure

	General Administration	Public Safety	Planning & Building	Parks & Recreation	Public Works
Emergency Preparedness	<ul style="list-style-type: none"> Designated Emergency Communication Committee and the Disaster Counsel to meet regularly to review emergency policies and prepare 	<ul style="list-style-type: none"> Contract with County Fire District for fire services and emergency preparedness trainings Contract with Emergency Coordinator to review and update Town on potential threats and to oversee EOC exercises 	<ul style="list-style-type: none"> Currently preparing a Hazards Mitigation Plan that will be maintained and updated as needed Town retains a consultant to assist with emergency preparedness planning and training 	<ul style="list-style-type: none"> Logistics for EOC activation Support PIO Partnering with Santa Clara County Fire and Santa Clara County Sheriff Office 	<ul style="list-style-type: none"> Actively prepare for storm events and preserve environmental quality Winter Storm – clear streets of downed trees and mudslides Training – NIMS Compliant and Essentials of Emergency Management certified First response and investigation of sanitary sewer overflow (SSO)
Risk Mitigation	<ul style="list-style-type: none"> City Attorney reviews contracts and advises the City Council on legal matters City Clerk records all legal claims Finance assesses financial risk with information provided by legal counsel or ABAG 		<ul style="list-style-type: none"> Building Department enforces building codes to ensure safety in private homes Geotechnical peer review with new development 	<ul style="list-style-type: none"> Annual playground and outdoor fitness equipment Inspections Ensuring vendors have insurance Background checks Mandate reporter training 	<ul style="list-style-type: none"> Prioritizes projects based on risk factor Conduct routine maintenance of Town's Maintenance Crew equipment Perform monthly traffic signal routine maintenance Annual sewer rehabilitation program Annual road rehabilitation program Perform roads and pathways routine maintenance Capital improvement projects for creeks, roads, traffic, and drainage concerns
Transparency	<ul style="list-style-type: none"> Finance publishes CAFR and Budget online City Council reviews and approves annual budget for operation and capital investments City Clerk manages and archives all Town records and responses to Public Requests 	<ul style="list-style-type: none"> Provides monthly call log reports 	<ul style="list-style-type: none"> Notice to surrounding property owners for pending site development applications Planning Commission Study Sessions for significant projects and code amendments under consideration Maintain web-pages for projects of interest to the community Story poles required for new structures Property records research (Laserfiche) Working on providing GIS online 	<ul style="list-style-type: none"> Support as staff liaisons for Parks and Recreation Committee, Community Relations Committee, Senior Commission and Youth Commission Publishes events and activities through Bi-Annual Activity Guide, Newsletter, Social Media and Town Website 	<ul style="list-style-type: none"> Provides weekly project updates Notify public outreach in advance of capital projects and planned utility outage Seek Committee input in advance of pathway improvement projects

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 ADOPTED 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 City Council members.

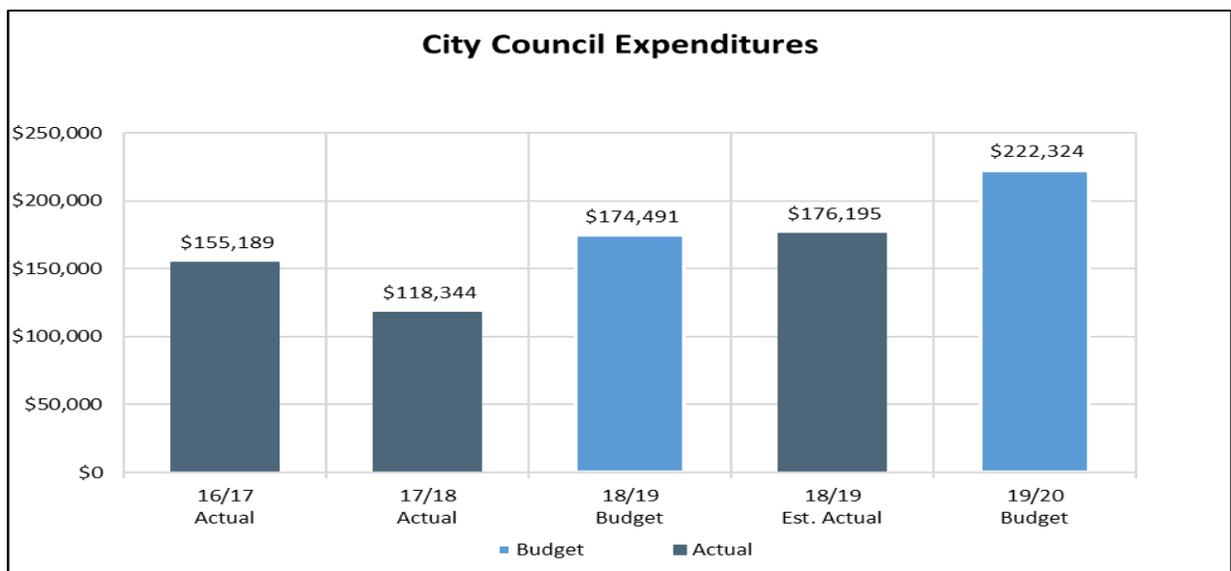
DEPARTMENT GOALS AND ACCOMPLISHMENTS:

Town Goal	2018-19 Accomplishments	2019-20 Goals
Preservation of Current Quality of Life	<ul style="list-style-type: none"> • Joined the Select Committee on South Bay Arrivals (Aircraft noise) • Made significant progress on updating the Master Path Map – resolved four connections. • Constructed two new pathways in-house, the Bob Stutz Connector Path and the Gardner Bullis Path 	<ul style="list-style-type: none"> • Complete Master Path Map • Focus on Goals set at the April 26, 2019 City Council Workshop • Increase environmental stewardship of Town Open Space and volunteerism • Approve a Prop 68 eligible Parks and Recreation Grant Project
Emergency Preparedness and public safety	<ul style="list-style-type: none"> • Adopted a Town Evacuation Plan • Adopted the Town’s Emergency Operations Plan • Received “Elected Officials Guide to Emergency Readiness, Response and Recovery” 	<ul style="list-style-type: none"> • Encourage community participation in emergency training • Prepare Residents for potential PG&E power shut-offs during extreme weather events

Town Goal	2018-19 Accomplishments	2019-20 Goals
Promote Sense of Community	<ul style="list-style-type: none"> Hosted 2018 Volunteer Dinner and other Town Events Authorized eight new community building events 	<ul style="list-style-type: none"> Host the 2019 Volunteer Dinner and other Town Events Support additional or different community events catering to different community events catering to diverse needs and interests
Transparency	<ul style="list-style-type: none"> Enabled TRAKIT permitting system for online Building Permits Approved 2018-19 Operating and Capital Budget Implemented an online short-term rental registration system and complaint reporting Improved number of qualified bidders responding to Capital Projects 	<ul style="list-style-type: none"> Approve 2019-20 Operating and Capital Budget and Capital Improvement Plan Replace Agenda Management System Review and approve updated Cost Allocation Plan and Fee Schedule Review and approve updated Path Impact Fee Review and approve updated Building Codes
Risk Mitigation	<ul style="list-style-type: none"> Approved 2018 Pavement Rehabilitation Project to ensure safety in using Town roads and improved CPI Approved 2018 Sewer Rehabilitation Project to mitigate risk of Sanitary Sewer Overflow 	<ul style="list-style-type: none"> Approve 2019/20 Pavement Rehabilitation Project Approve 2019/20 Sewer Rehabilitation Project to mitigate risk of Sanitary Sewer Overflow

BUDGET SUMMARY:

The actual expenditure for City Council in 2016-17 included a one-time cost of \$49,000 for an Organizational Assessment. The budget for 2018-19 included election expenses project at \$30,000. The budget for personnel costs is influenced by the number of Council members who elect to utilize the Town’s medical coverage.



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue: None	\$ -	\$ -	\$ -	\$ -	\$ -
Allocations In	155,189	112,172	173,115	160,132	222,324
Other Source/(Uses):					
General Fund Support	-	6,172	1,377	16,063	-
Total Funding Source	\$ 155,189	\$ 118,344	\$ 174,491	\$ 176,195	\$ 222,324
Department Spending					
Personnel	\$ 56,062	\$ 60,233	\$ 57,191	\$ 67,530	\$ 130,241
Professional Services	51,091	13,519	9,000	9,000	13,000
Operations	48,036	44,593	108,300	99,665	79,083
Total Expenditures	\$ 155,189	\$ 118,344	\$ 174,491	\$ 176,195	\$ 222,324
	\$ Increase/(Decrease) From Est. Actual				\$ 46,129
	% Increase/(Decrease) From Est. Actual				26%

CITY MANAGER (011-1200)

MISSION:

Provide overall management of the Town pursuant to Title 2, Chapter 3, Article 2 of the Municipal Code, 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 ADOPTED 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 1.53 full-time equivalent, which is comprised of a full-time City Manager, 40% of a Management Analyst and 13% of a part-time Administrative Clerk/Technician.

DEPARTMENT GOALS AND ACCOMPLISHMENTS:

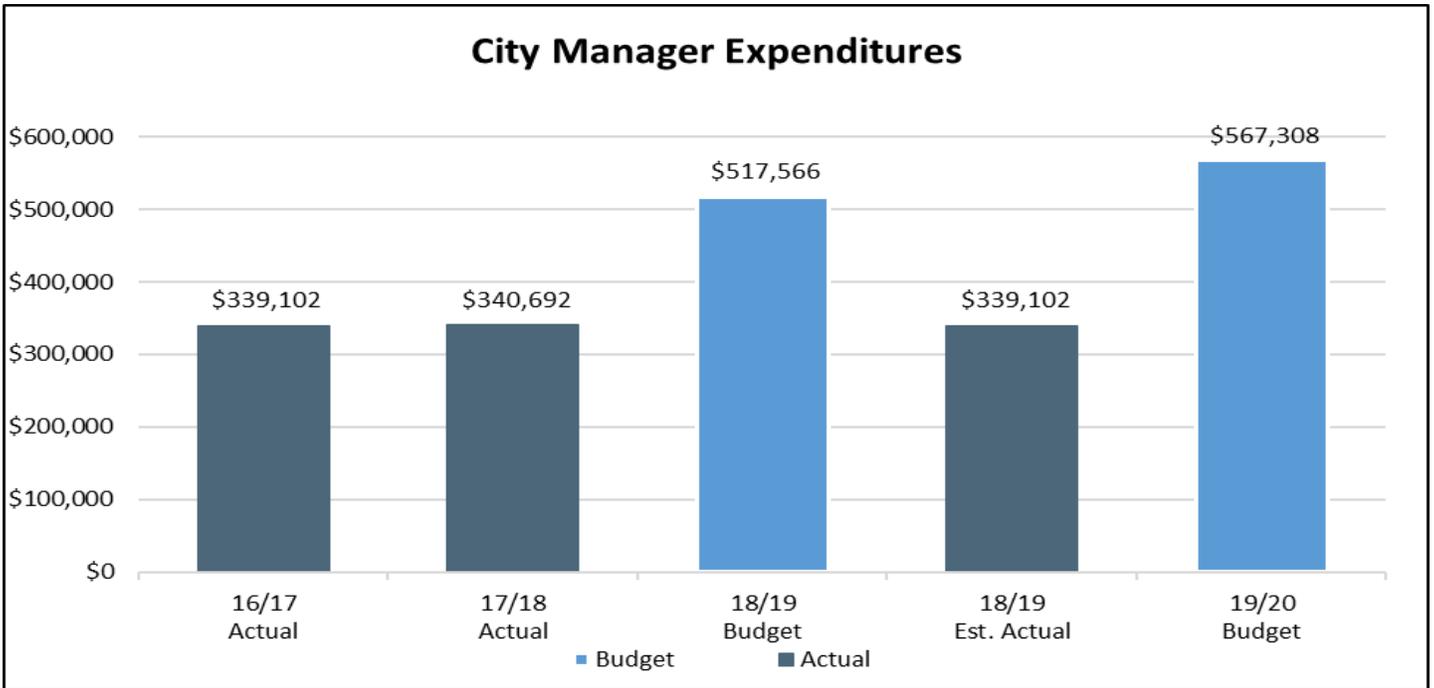
Town Goal	2018-19 Accomplishment	2019-20 Goals
Preservation of Current Quality of Life	<ul style="list-style-type: none"> • Increased Code Enforcement Hours by 33% • Recruited for various positions in all Town Departments. • Completed updated Solid Waste Franchise Agr. 	<ul style="list-style-type: none"> • Recruit for Administrative Services Director and Planning Director and other positions • Complete Employee Value Proposition Enhancement Program measure • Develop program to offset financial impact of SB 1383 on greenwaste collection.
Emergency Preparedness and public safety	<ul style="list-style-type: none"> • Organized a Crime Prevention Program • Held a meeting of the Town's Disaster Council and conducted a wildfire evacuation desktop simulation • Increased law enforcement services hours by an additional .5 FTE • Completed Emergency Operation Plan • Completed Animal Service Agreement renewal 	<ul style="list-style-type: none"> • Continue December mandatory disaster service worker training for in-house staff • Spec and purchase emergency power generation system • Develop a program to incentivize Neighborhood Watch Programs
Promote Sense of Community	<ul style="list-style-type: none"> • Oversee community review process for Town Hall addition • Support development of new mini community building programs like touch-a-truck • Provide free notary service to Town residents 	<ul style="list-style-type: none"> • Oversee Planning entitlement process for Town Hall addition • Focus on joint programming and events with the City of Los Altos, Chamber of Commerce, Fire and Sheriff's Departments and GreenWaste • More free programming – mini-events

Transparency	<ul style="list-style-type: none"> Completed and presented the 2019-20 Operating and Capital Budget and Capital Improvement Plan 	<ul style="list-style-type: none"> Oversee preparation of updated Cost Allocation Plan and Fee Schedule Oversee preparation of updated Path Impact Fee Oversee adoption process of updated CA Building Codes and local amendments related to GHG reduction and fire resistance
Risk Mitigation	<ul style="list-style-type: none"> Completed training for field staff in responding to hazardous conditions and possible medical emergencies 	<ul style="list-style-type: none"> Review policies and procedures related to injury and illness prevention

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 69 percent, or \$230,725, comparing to 2018-19 Estimated Actual.

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	2016-17	2017-18	2018-19	2018-19	2019-20
	Actual	Actual	Budget	Est. Actual	Budget
Funding Source					
Department Revenue: None	\$ -	\$ -	\$ -	\$ -	\$ -
Allocations In	336,345	310,686	450,734	336,583	505,496
Other Source/(Uses):					
General Fund Support	2,757	30,006	66,832	-	61,812
Total Funding Source	\$ 339,102	\$ 340,692	\$ 517,566	\$ 336,583	\$ 567,308
Department Spending					
Personnel	\$ 328,156	\$ 311,577	\$ 315,398	\$ 301,551	\$ 371,735
Salary and CalPERS Contingency	-	-	131,468	-	\$ 124,166
Operations	10,947	29,115	70,700	35,032	71,407
Total Expenditures	\$ 339,102	\$ 340,692	\$ 517,566	\$ 336,583	\$ 567,308
				\$ Increase/(Decrease) From Est. Actual	
				\$ 230,725	
				% Increase/(Decrease) From Est. Actual	
				69%	

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.

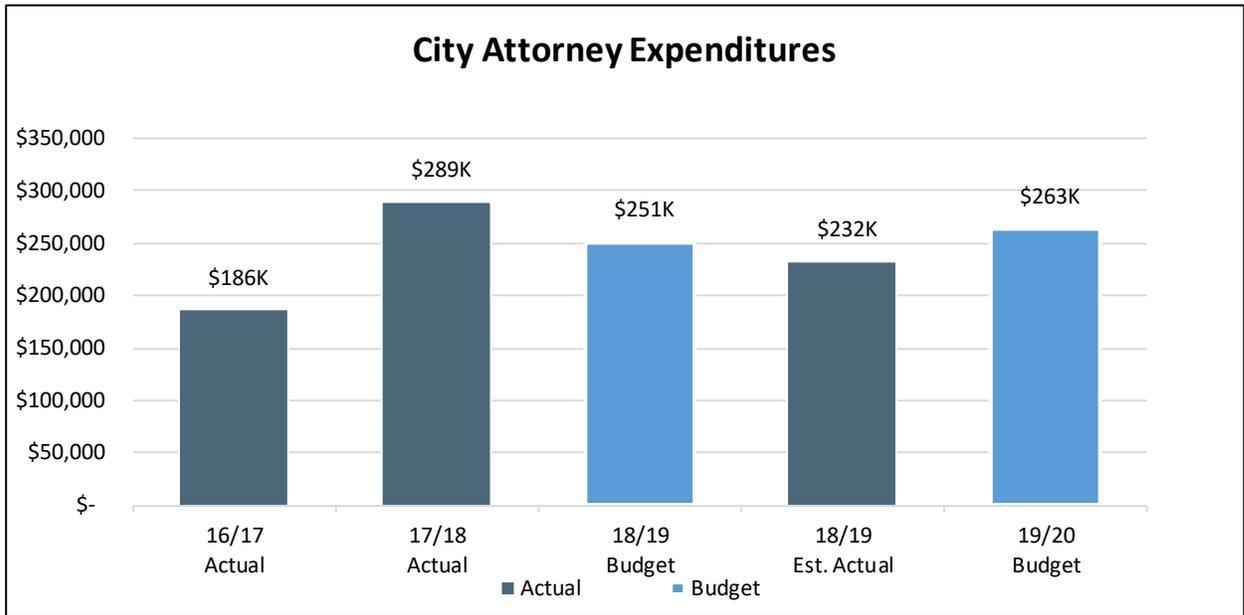
DEPARTMENT GOALS AND ACCOMPLISHMENTS:

Town Goal	2018-19 Accomplishment	2019-20 Goals
Risk Mitigation	<ul style="list-style-type: none">Attended City Council meeting and Committee meetings to address Brown Act and other legal mattersProvided legal advice to the City Council, City Manager and staffDefended the Town in several specific legal matters	<ul style="list-style-type: none">Continue to provide competent legal advice.Continue to monitor legal developments that affect the Town and report to staff and City Council.Update the municipal code as required in the area of public contracts and zoning.

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 14 percent, or \$31,389, comparing to 2018-19 Estimated Actual. The increase is based on legal activities since 2016-17.

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.



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue: None					
Charges for services	\$ 32,591	\$ 137,248	\$ 54,700	\$ 52,000	\$ 52,000
Allocations In	120,690	289,402	121,432	180,000	134,139
Other Source/(Uses):					
General Fund Support	33,189	(137,248)	75,000	-	77,250
Total Funding Source	\$ 186,469	\$ 289,402	\$ 251,132	\$ 232,000	\$ 263,389
Department Spending					
Professional Services	\$ 120,690	\$ 129,445	\$ 130,232	\$ 180,000	\$ 134,139
Contractual Services	65,779	159,957	120,900	52,000	129,250
Total Expenditures	\$ 186,469	\$ 289,402	\$ 251,132	\$ 232,000	\$ 263,389
				\$ Increase/(Decrease) From Est. Actual	\$ 31,389
				% Increase/(Decrease) From Est. Actual	14%

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	2016/17	2017/18	2018/19
1) Council and Committee Support				
a) Council meetings	100%	17/17	14	19
b) Timely publishing of Council agenda (Friday before meeting)	100%	100%	100%	100%
c) Volunteer dinner			Yes	Yes
• Event coordination & under budget		Yes	Yes	Yes
• Mayor presentation assistance		Yes		Yes
d) Other Support				
2) Town Committee Support	No of Committee	14 / 100%	14/100%	14/100%
3) Election/Appointment of City Council	No of positions filled	3	0	2
4) Permanent Records Management				
a) Public records request, including subpoenas		50	65	67
b) Records (boxes) archived per retention policy	Indexed / Purged	25 / 54	3	45
c) Form 700 oversight of all relevant stakeholders		100%	100%	100%

Goals/Objectives	Measurement Method	2016/17	2017/18	2018/19
d) Monitored and updated the Town's website as appropriate, including making Resolutions, Ordinances and City Council Minutes available		Up to Date	100%	100%
5) Public Information Officer				
a) Communication medium used:		<ul style="list-style-type: none"> • Facebook • Twitter • Nextdoor • Rapid Notify • Traditional mail 	<ul style="list-style-type: none"> • Facebook • Twitter • Nextdoor • Rapid Notify • Traditional mail 	<ul style="list-style-type: none"> • Facebook • Twitter • Nextdoor • Nixle • Traditional mail
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:

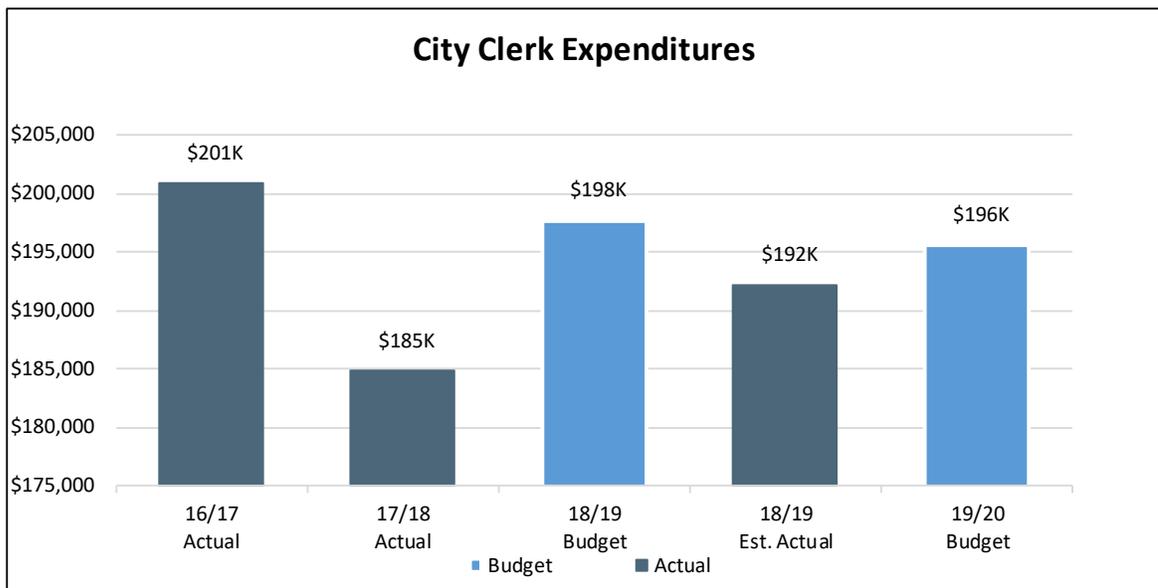
Position	% Distribution	FTE	City Clerk			
			City Manager	City Clerk	Committees	Engineering Admin
City Clerk		1.00	0%	75%	25%	0%
Administrative Clerk/Technician - Part-Time		0.60	13%	50%	24%	13%
Total Full-Time Equivalent (FTE)		1.60	0.08	1.05	0.39	0.08
Percent Distribution		100%	5%	65%	25%	5%

DEPARTMENT GOALS AND ACCOMPLISHMENTS:

Town Goal	2018-19 Accomplishments	2019-20 Goals
Preservation of Current Quality of	<ul style="list-style-type: none"> • Continue to provide excellent customer service to Town residents, Town vendors, Town third party partners, and all interested parties 	<ul style="list-style-type: none"> • Continue to provide excellent customer service to Town residents, Town vendors, Town third party partners, and all interested parties
Promote Sense of Community	<ul style="list-style-type: none"> • Coordinate the 2019 Volunteer Dinner in a new venue • Assist in other Town events, as applicable • Disseminate information via social media regarding Town Events, Council Meetings and Wildlife Issues 	<ul style="list-style-type: none"> • Coordinate the 2018 Volunteer Dinner • Assist in other Town events, as applicable • Prepare draft presentation for the 2018 State of the Cities luncheon • Prepare Presentation for Council Reorganization
Emergency Preparedness	<ul style="list-style-type: none"> • Continue to participated in Emergency Preparedness drill and initiate Nixle alerts to CERT members and Town residents as needed 	<ul style="list-style-type: none"> • Continue to participated in Emergency Preparedness drill and initiate Nixle (emergency) alerts to CERT members and Town residents as needed • Attend Public Information Officer Meetings Regularly

Town Goal	2018-19 Accomplishments	2019-20 Goals
Risk Mitigation	<ul style="list-style-type: none"> Continue oversight of liability claims and working with the Town’s insurance administrator for speedy resolution 	<ul style="list-style-type: none"> Continue oversight of liability claims and working with the Town’s insurance administrator for speedy resolution
Transparency	<ul style="list-style-type: none"> Switch Council Meeting Platforms for Streaming and Agenda Management Continue to use traditional mail and electronic media outlets to notify Town residents of upcoming events and notices Continue to manage public records requests and provide responses timely Continue to administer electronic scanning of Town documents utilizing Laserfiche Oversee compliance with Town's Retention Policy Continue to Monitor Audio/Visual System in Council Chamber 	<ul style="list-style-type: none"> Continue to use traditional mail and electronic media outlets to notify Town residents of upcoming events and notices Continue to manage public records requests and provide responses timely Continue to administer electronic scanning of Town documents utilizing Laserfiche Oversee compliance with Town's Retention Policy Updated Audio/Visual System in Council Chamber
Preservation of Current Quality of Life		<ul style="list-style-type: none"> Continue to provide excellent customer service to Town residents, Town vendors, Town third party partners, and all interested parties Coordinate the 2019 Volunteer Dinner at new location Assist in other Town events, as applicable Prepare draft presentation for the 2018 State of the Cities luncheon Prepare Presentation for Council Reorganization
Emergency Preparedness		<ul style="list-style-type: none"> Continue to participated in Emergency Preparedness drill and initiate Rapid Notify alerts to CERT members and Town residents as needed Attend Public Information Officer Meetings Regularly
Risk Mitigation		<ul style="list-style-type: none"> Continue oversight of liability claims and working with the Town’s insurance administrator for speedy resolution
Transparency		<ul style="list-style-type: none"> Continue to use traditional mail and electronic media outlets to notify Town residents of upcoming events and notices Continue to manage public records requests and provide responses timely Continue to administer electronic scanning of Town documents utilizing Laserfiche Oversee compliance with Town's Retention Policy Monitor Audio/Visual System in Council Chamber Update Council Meeting Streaming Platforms and Agenda Management System

Town Goal	2018-19 Accomplishments	2019-20 Goals
Council Identified Priorities		<ul style="list-style-type: none"> • Maintain public safety • Employee Value Proposition • Pathways • Road Maintenance • Community Engagement • Code Enforcement • Effectiveness & transparency of advisory committees • Facility and space needs assessment • Sanitary sewer system district oversight



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue: None	\$ -	\$ -	\$ -	\$ -	\$ -
Allocations In	200,856	168,919	195,746	192,220	195,564
Other Source/(Uses):					
General Fund Support	-	15,905	1,937	-	-
Total Funding Source	\$ 200,856	\$ 184,824	\$ 197,684	\$ 192,220	\$ 195,564
Department Spending					
Personnel	\$ 169,804	\$ 171,416	\$ 176,184	\$ 173,720	\$ 173,849
Professional Services	2,885	7,391	10,500	10,500	10,605
Contractual Services	-	1,387	-	-	-
Operations	28,167	4,629	11,000	8,000	11,110
Total Expenditures	\$ 200,856	\$ 184,824	\$ 197,684	\$ 192,220	\$ 195,564
	\$ Increase/(Decrease) From Est. Actual				\$ 3,344
	% Increase/(Decrease) From Est. Actual				2%

General Administration

COMMITTEES & COMMISSIONS (011-1700)

MISSION:

To build community consensus for proposals or projects; to review written materials; to facilitate a study of issues; to guide implementation of new programs to or regulate established programs; to assess the alternatives regarding issues of community concern and to ultimately forward these 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:

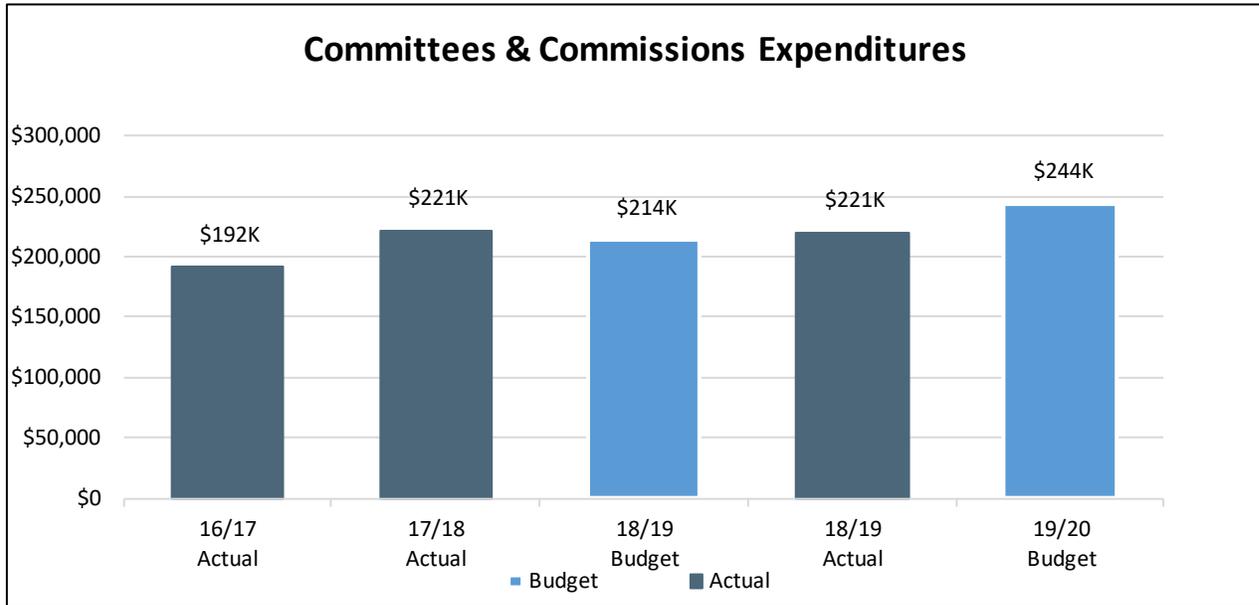
The Committees and Commissions do not have dedicated in-house staff. The City Clerk's Office and Parks & Recreation Department offers most of the support, total FTE is 1.19. Additionally, each committee has Council liaison who provide directions and staff support to complete research and analysis.

DEPARTMENT GOALS AND ACCOMPLISHMENTS:

Town Goal	2018-19 Accomplishments	2019-20 Goals
Preservation of Current Quality of Life	<ul style="list-style-type: none"> • Rededication of the original Town Hall plaque • Presentation of “The Ginztons” for all residents • Grassroots Ecology Events • Sudden Oak Death Blitz • Advised SVCE on energy efficiency programs • Developed education and outreach programs for community programs • Proposed an amendment to the Fence Ordinance to facilitate Wildlife Movement Corridors 	<ul style="list-style-type: none"> • Develop recommendations relative to building reach code • Provide updated cost estimates and recommendations on utility undergrounding • Updated GHG action plans • Contribute to the enhancement of the Native Plant Garden at Town Hall • Beautification of Town Entrances •

Town Goal	2018-19 Accomplishments	2019-20 Goals
Promote Sense of Community	<ul style="list-style-type: none"> • Newcomer welcoming letters, from both Council and Committee • Town Picnic • Sponsored and Promoted History Walk • Earth Day, Hoedown, Family Campout • Volunteer hours: About 80 hours per month • 	<ul style="list-style-type: none"> • Participation in Prop 68 Parks and Recreation Grant • Summer Movie Night
Emergency Preparedness	<ul style="list-style-type: none"> • Participation in weekly local readiness drills • Continued coordination with LAH Emergency Preparedness Coordinator 	<ul style="list-style-type: none"> • Councilmembers take the ham training • Build rapport and coordination among the various communications focused emergency prep endeavors in the town and with its immediate neighbors • Develop relationship with the new leadership at LAHCFD
Risk Mitigation	<ul style="list-style-type: none"> • Employee Pension Plan Supplemental Contribution Analysis • Employee Pension Plan Liability Analysis 	<ul style="list-style-type: none"> •
Transparency	<ul style="list-style-type: none"> • Digitally interactive program guide for Recreation • increased participation created increase in programs fostered by better usage of digital marketing/communication campaigns 	<ul style="list-style-type: none"> •

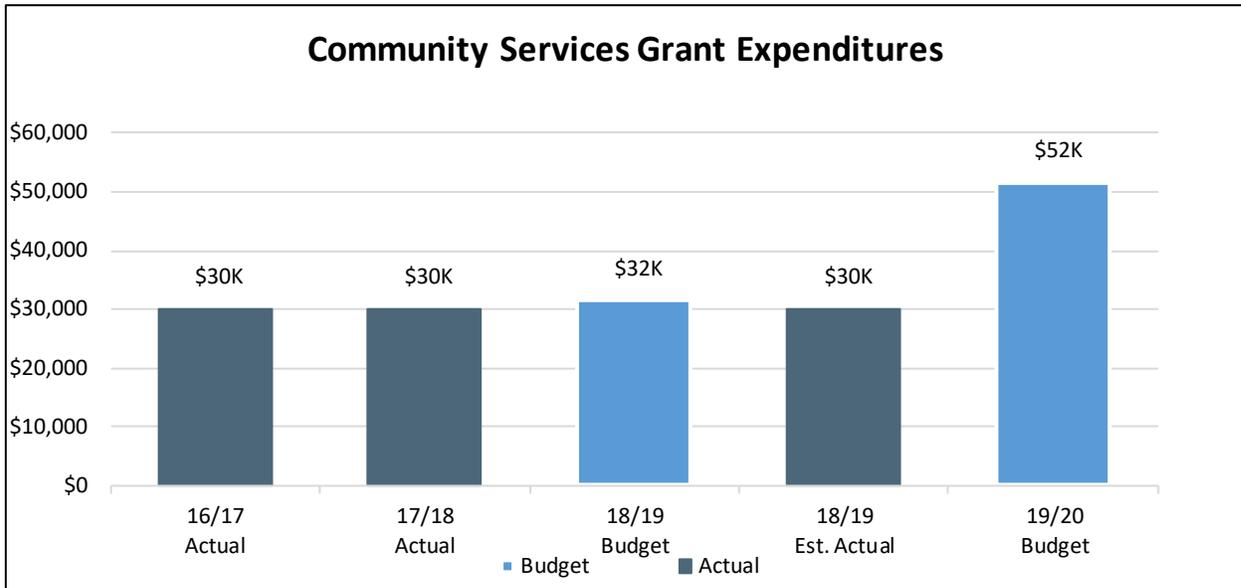
BUDGET SUMMARY:



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue: None	\$ -	\$ -	\$ -	\$ -	\$ -
Allocations In: None	-	-	-	-	-
Other Source/(Uses):					
General Fund Support	191,551	221,445	213,751	220,597	243,896
Total Funding Source	\$ 191,551	\$ 221,445	\$ 213,751	\$ 220,597	\$ 243,896
Department Spending					
Personnel	\$ 140,113	\$ 153,353	\$ 134,551	\$ 157,797	\$ 164,144
Professional Services	-	341	3,000	3,000	3,030
Operations	51,438	67,751	76,200	59,800	76,722
Total Expenditures	\$ 191,551	\$ 221,445	\$ 213,751	\$ 220,597	\$ 243,896
	\$ Increase/(Decrease) From Est. Actual			\$ 23,299	
	% Increase/(Decrease) From Est. Actual			11%	

COMMUNITY SERVICES GRANT (011-1600)

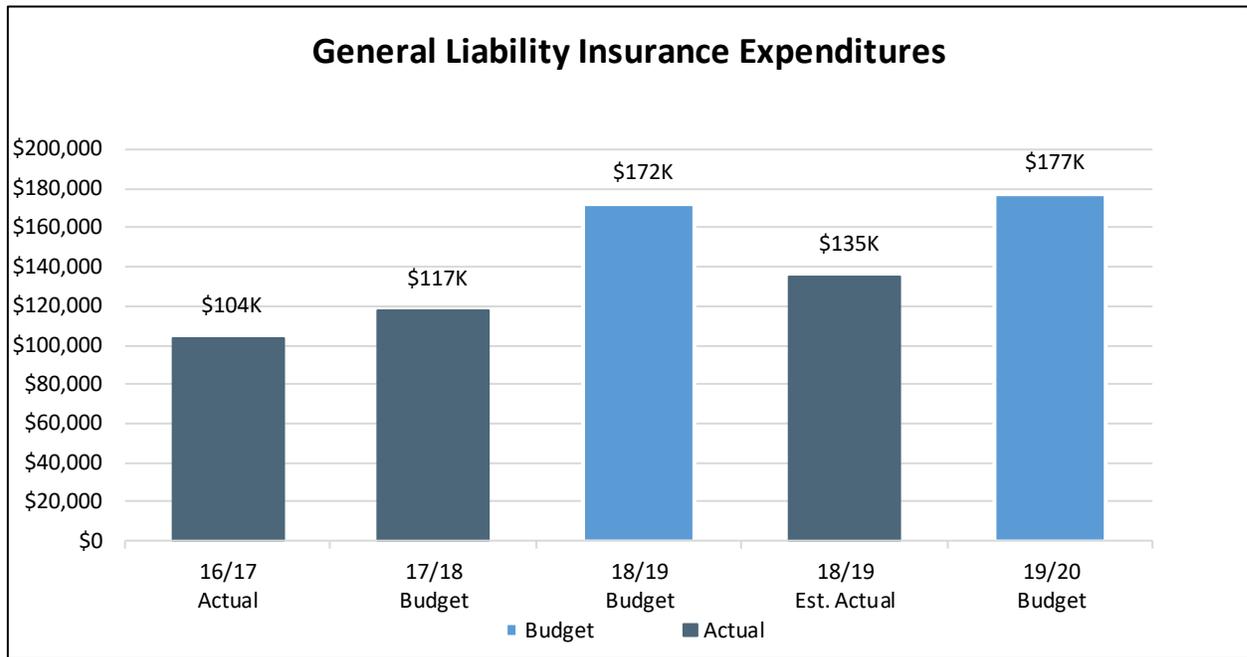
BUDGET SUMMARY:



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue: None	\$ -	\$ -	\$ -	\$ -	\$ -
Allocations In: None	-	-	-	-	-
Other Source/(Uses):					
General Fund Support	30,000	30,000	31,500	30,000	51,500
Total Funding Source	\$ 30,000	\$ 30,000	\$ 31,500	\$ 30,000	\$ 51,500
Department Spending					
Community Health Awareness C	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Friends of Deer Hollow Farms	5,000	5,000	5,000	5,000	5,000
Hidden Villa	10,000	10,000	10,000	10,000	10,000
Los Altos Chamber of Commerce	5,000	5,000	5,000	5,000	5,000
North County Library Authority	-	-	-	-	20,000
Provision for Grant Increases	-	-	1,500	-	1,500
Total Expenditures	\$ 30,000	\$ 30,000	\$ 31,500	\$ 30,000	\$ 51,500
				\$ Increase/(Decrease) From Est. Actual	\$ 21,500
				% Increase/(Decrease) From Est. Actual	72%

GENERAL LIABILITY INSURANCE (011-1510)

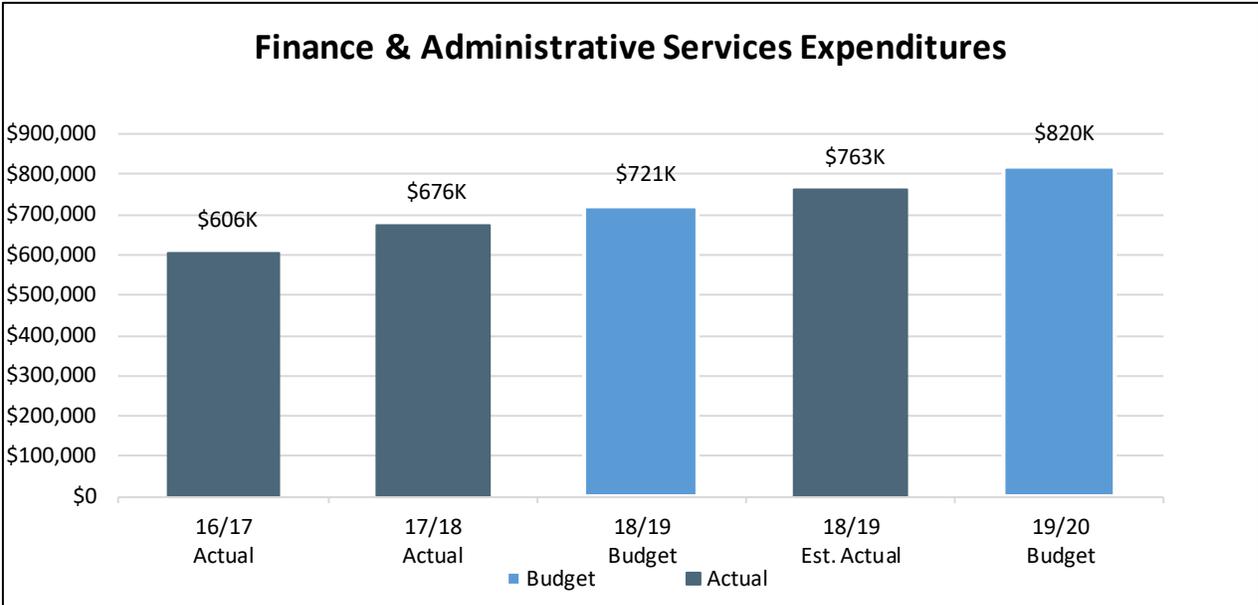
BUDGET SUMMARY:



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue: None	\$ -	\$ -	\$ -	\$ -	\$ -
Allocations In	90,458	117,273	160,132	104,753	170,086
Other Source/(Uses):					
General Fund Support	13,165	-	11,700	30,247	6,901
Total Funding Source	\$ 103,623	\$ 117,273	\$ 171,832	\$ 135,000	\$ 176,987
Department Spending					
Insurance Premium	\$ 87,424	\$ 106,516	\$ 146,832	\$ 135,000	\$ 151,237
Liability Claims Settlement	16,199	10,757	25,000	-	25,750
Total Expenditures	\$ 103,623	\$ 117,273	\$ 171,832	\$ 135,000	\$ 176,987
				\$ Increase/(Decrease) From Est. Actual	\$ 41,987
				% Increase/(Decrease) From Est. Actual	31%

FINANCE & ADMINISTRATION SERVICES (011-1400)

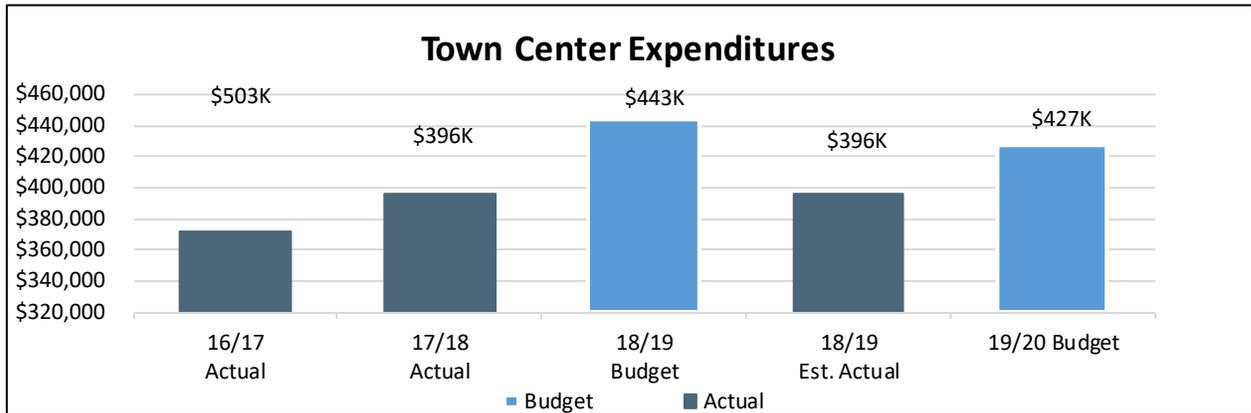
BUDGET SUMMARY:



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	11,324	13,136	12,000	10,000	10,000
Allocations In	571,732	634,360	683,210	753,400	777,662
Other Source/(Uses):					
General Fund Support	22,679	28,343	26,051	-	32,825
Total Funding Source	\$ 605,735	\$ 675,840	\$ 721,261	\$ 763,400	\$ 820,487
Department Spending					
Personnel	\$ 453,713	\$ 453,008	\$ 491,961	\$ 545,975	\$ 614,669
Professional Services	60,333	76,889	95,500	67,000	70,680
Contractual Services	56,209	100,899	87,000	106,000	87,870
Operations	35,481	45,044	46,800	44,425	47,268
Total Expenditures	\$ 605,735	\$ 675,840	\$ 721,261	\$ 763,400	\$ 820,487
	\$ Increase/(Decrease) From Est. Actual				\$ 57,087
	% Increase/(Decrease) From Est. Actual				7%

TOWN CENTER (061-1480)

BUDGET SUMMARY:

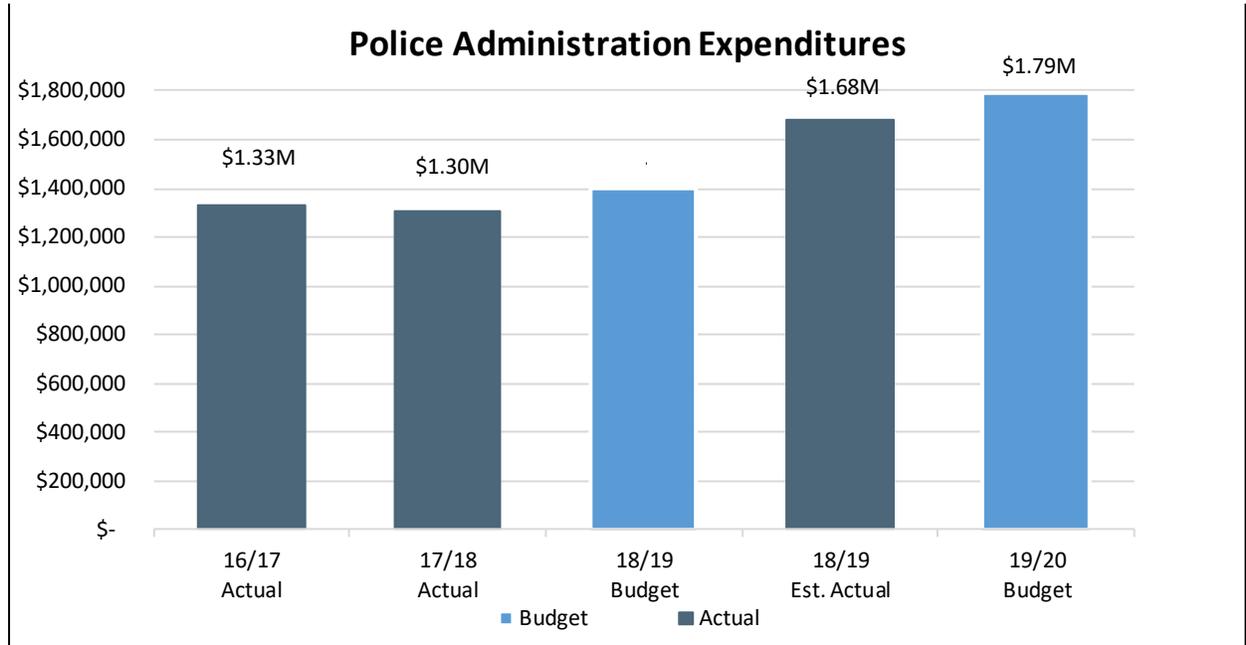


Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Allocations In					
General Fund (011) Allocation	\$ 355,107	\$ 500,827	\$ 423,340	\$ 377,804	\$ 408,014
COPS Grant (021) Allocation	632	892	737	673	726
Sewer Fund (051) Allocation	16,140	22,762	19,241	17,171	18,544
Total Funding Source	\$ 371,879	\$ 524,481	\$ 443,317	\$ 395,648	\$ 427,285
Department Spending					
Personnel	\$ 16,795	\$ 24,109	\$ 18,228	\$ 24,579	\$ 58,972
Professional Services	128,751	163,155	152,621	158,800	157,024
Contractual Services	108,759	104,551	138,500	110,500	91,823
Operations	117,833	104,140	134,100	102,200	119,466
Total Expenditures	\$ 372,138	\$ 395,956	\$ 443,450	\$ 396,079	\$ 427,285
	\$ Increase/(Decrease) From Est. Actual				\$ 31,206
	% Increase/(Decrease) From Est. Actual				8%

POLICE ADMINISTRATION (011-2100)

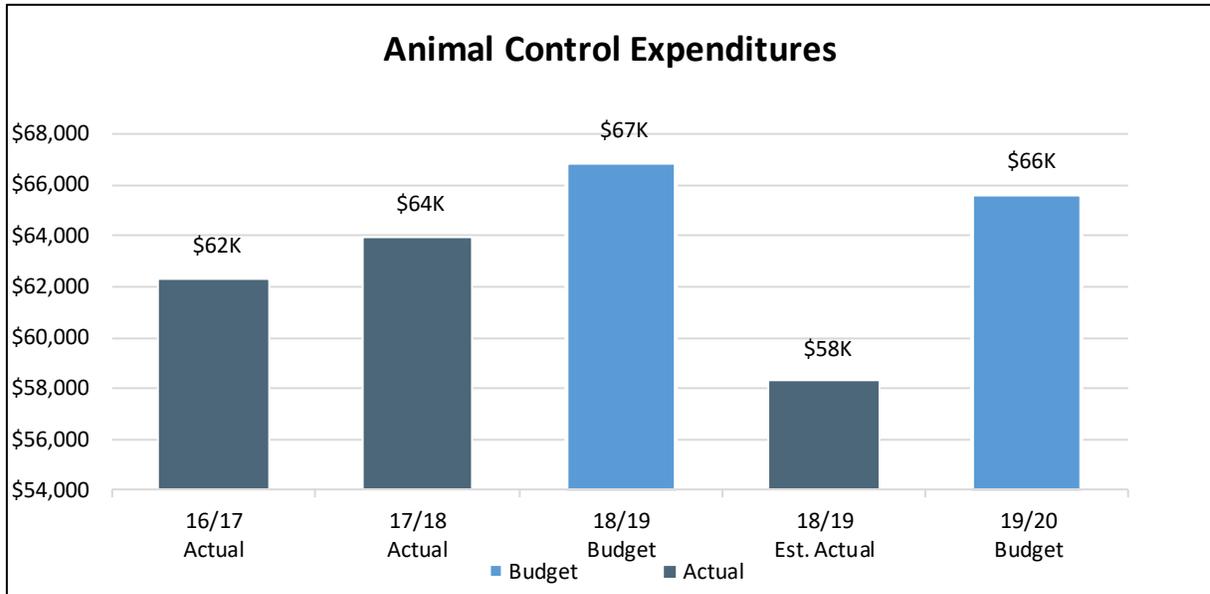
BUDGET SUMMARY:

Beginning with the estimated actual numbers for 2018-19, the entire cost of the Town's contract with the Santa Clara County Sheriff's office, except for \$100,000 funded by federal grant funds, has been allocated to the General Fund in order to eliminate the need for additional transfers from the General Fund to the COPs special revenue fund.



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue: None	\$ -	\$ -	\$ -	\$ -	\$ -
Other Source/(Uses):					
General Fund Support	1,331,674	1,302,392	1,402,338	1,679,547	1,791,138
Total Funding Source	\$ 1,331,674	\$ 1,302,392	\$ 1,402,338	\$ 1,679,547	\$ 1,791,138
Department Spending					
Contractual Services	\$ 1,152,037	\$ 1,187,084	\$ 1,278,958	\$ 1,560,000	\$ 1,652,823
Allocations Out	179,637	115,308	123,380	119,547	138,315
Total Expenditures	\$ 1,331,674	\$ 1,302,392	\$ 1,402,338	\$ 1,679,547	\$ 1,791,138
	\$ Increase/(Decrease) From Est. Actual				\$ 111,591
	% Increase/(Decrease) From Est. Actual				7%

ANIMAL CONTROL (011-2150)

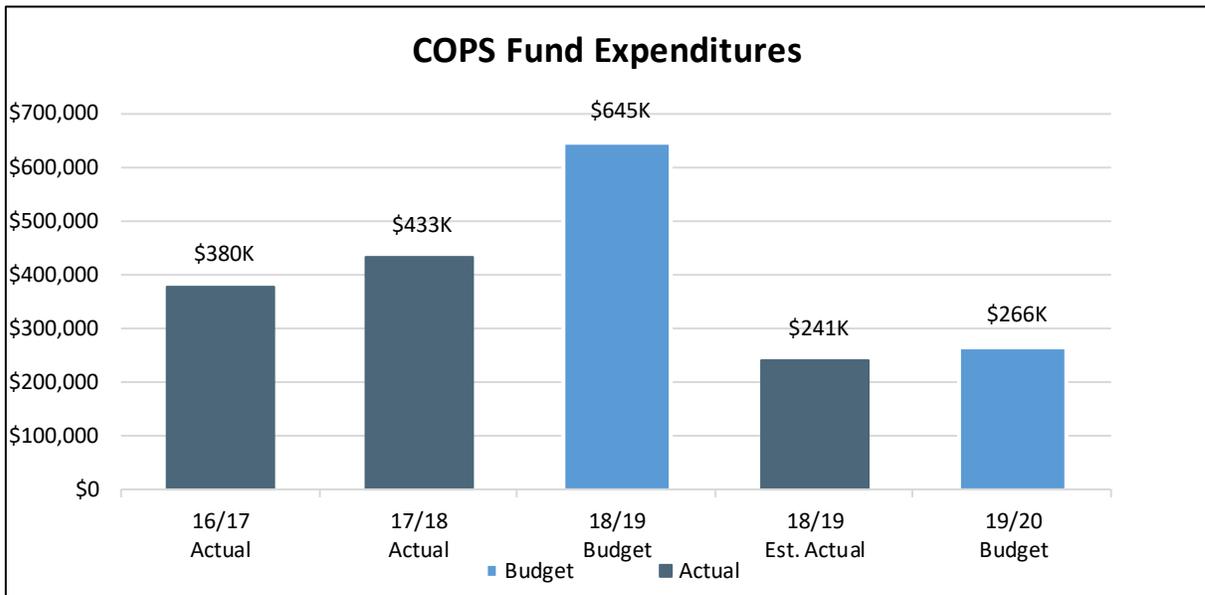


Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue: None					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Other Source/(Uses):					
General Fund Support	62,336	63,983	66,873	58,296	65,643
Total Funding Source	\$ 62,336	\$ 63,983	\$ 66,873	\$ 58,296	\$ 65,643
Department Spending					
Contractual Services	\$ 55,319	\$ 58,100	\$ 60,799	\$ 52,417	\$ 58,845
Allocations Out	7,017	5,883	6,074	5,879	6,798
Total Expenditures	\$ 62,336	\$ 63,983	\$ 66,873	\$ 58,296	\$ 65,643
	\$ Increase/(Decrease) From Est. Actual				\$ 7,347
	% Increase/(Decrease) From Est. Actual				13%

CITIZENS OPTIONS FOR PUBLIC SAFETY (COPS) FUND (021-6100)

BUDGET SUMMARY:

The Town's practice has been to budget for federal COPS grant funding and a portion of the Sheriff's contract cost in the COPS Fund. Beginning with the estimated actual numbers for 2018-19, only the portion of the Sheriff's contract covered by the federal grant has been allocated to the COPS Fund.



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Intergovernmental	\$ 129,324	\$ 156,083	\$ 100,000	\$ 100,000	\$ 100,000
Other Source/(Uses):					
General Fund Support	250,361	277,384	545,220	140,728	165,757
Total Funding Source	\$ 379,685	\$ 433,467	\$ 645,220	\$ 240,728	\$ 265,757
Department Spending					
Personnel	\$ 28,267	\$ 30,706	\$ 29,793	\$ 32,478	\$ 42,249
Contractual Services	308,237	320,900	535,494	135,400	135,636
Operations	9,815	20,300	16,300	11,300	16,463
Allocations Out	33,365	61,561	63,633	61,550	71,409
Total Expenditures	\$ 379,685	\$ 433,467	\$ 645,220	\$ 240,728	\$ 265,757
				\$ Increase/(Decrease) From Est. Actual	\$ 25,029
				% Increase/(Decrease) From Est. Actual	10%

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, Sr. Community Services Supervisor and Recreation Specialist who oversees seasonal part-time staff throughout the year, community events, recreation programs, independent contractors, Purissima Park, janitorial services for Town facilities and works closely with Westwind Barn Concessionaire.

PROGRAM SUMMARY & MAJOR SERVICES:

The Parks and Recreation Department performs a variety of assignments including the development, promotion, and management of Town community events, facilities and recreation programs.

Major services include:

- Community 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	2016/17	2017/18	2018/19
1. Recreation program				
a. Fee Based Classes/Camps	April - March	132	102	87
b. Fee-Based Participants	April - March	391	448	394
c. Free Programs	April - March	33	41	67
d. Total Programs	April - March	165	143	154
2. Events		15	15	17
a. Shred Event	# Households	n/a	n/a	90
b. Family Campout	# Attendees	n/a	104	155
c. Newcomers Welcoming Event	# Attendees	n/a	n/a	83
d. Softball Game	#Attendees	n/a	n/a	100
e. Touch a Truck	# Attendees	n/a	200	TBD
3. Field Rental	FY	10	5	7
4. Westwind Barn Operations	FY			
a. Summer Camp Registrations		115	135	147
b. Town's Summer Camp Revenue		\$12,063	\$13,552	\$17,185

DEPARTMENT STAFFING:

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

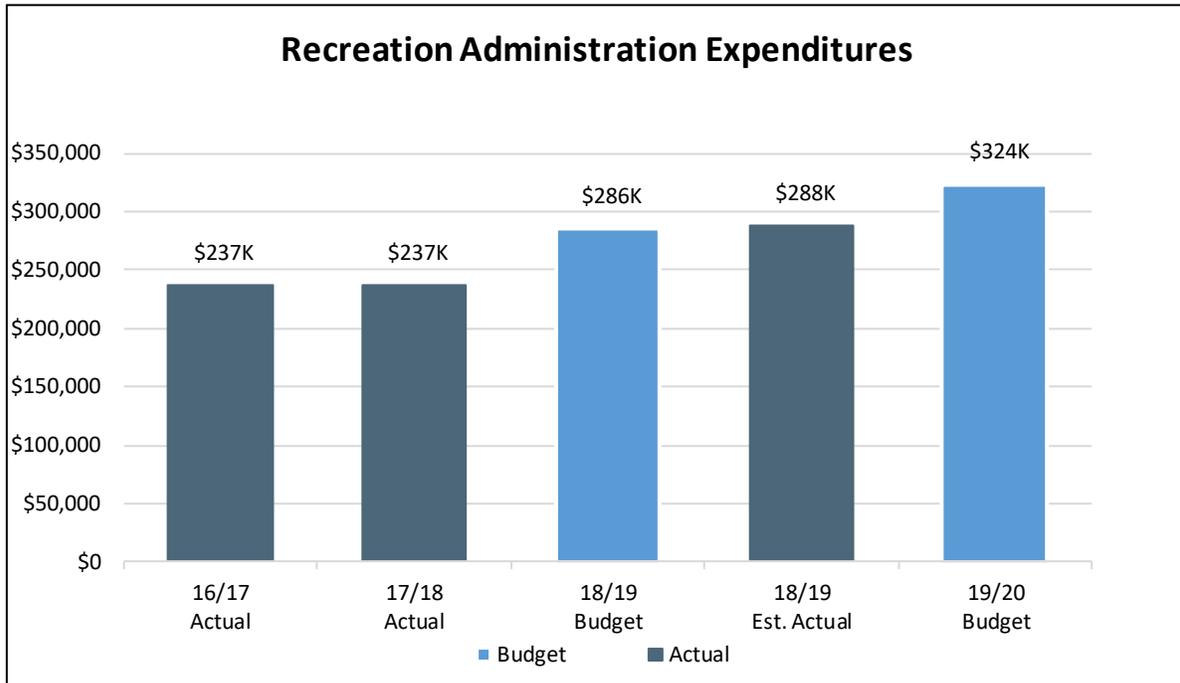
Position	FTE	Committee	Parks & Recreation	Westwind Barn
Sr. Community Services Supervisor	1.00	40%	50%	10%
Recreation Specialist	1.00	15%	85%	0%
Seasonal Part-time Assistant	0.05	0%	100%	0%
Total Full-Time Equivalent (FTE)	2.05	0.60	1.35	0.10
Percent Distribution	100%	29%	66%	5%

DEPARTMENT GOALS AND ACCOMPLISHMENTS:

Town Goal	2018-19 Accomplishments	2019-20 Goals
Preservation of Current Quality of Life	<ul style="list-style-type: none"> Provide community events and activities throughout the year for all ages. 	<ul style="list-style-type: none"> Provide community events and activities throughout the year for all ages.
Emergency Preparedness	<ul style="list-style-type: none"> Continue to use Nixle and social media to get information out when needed. Update Logistics binders Meet with Logistics team quarterly 	<ul style="list-style-type: none"> Continue to use Nixle and social media to get information out when needed. Update Logistics binders Meet with Logistics team quarterly
Risk Mitigation	<ul style="list-style-type: none"> Continue Playground and Outdoor Fitness Equipment annual inspections. Ensuring all contractors have the Town added as additional insured and contracts updated. 	<ul style="list-style-type: none"> Continue Playground and Outdoor Fitness Equipment annual inspections. Ensuring all contractors have the Town added as additional insured and contracts updated.
Transparency	<ul style="list-style-type: none"> Work with community to answer questions and/or concerns. Demoed 8 software registration systems and Parks and Recreation have down to t 	<ul style="list-style-type: none"> Work with community to answer questions and/or concerns.
Council Identified Priorities	<ul style="list-style-type: none"> Encourage community engagement through Committees/Commissions, programs, activities and events. 	<ul style="list-style-type: none"> Encourage community engagement through Committees/Commissions, programs, activities, and events.

RECREATION ADMINISTRATION (011-1000)

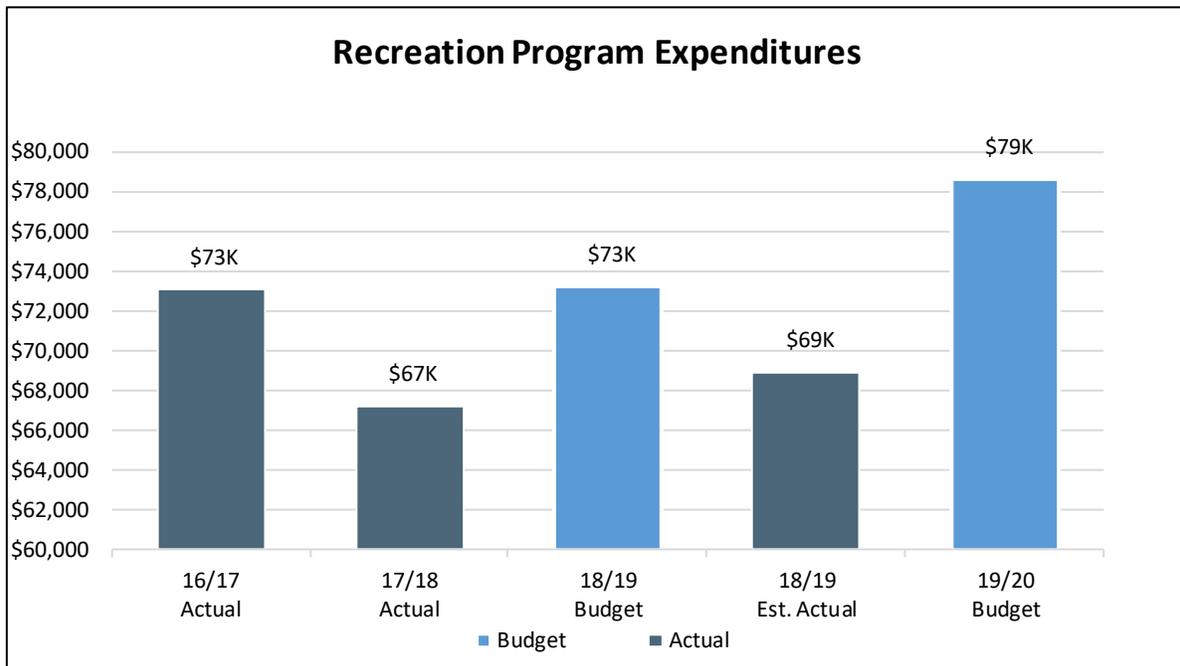
BUDGET SUMMARY:



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue: Non	\$ -	\$ -	\$ -	\$ -	\$ -
Other Source/(Uses):					
General Fund Support	236,863	286,040	295,376	288,483	323,763
Total Funding Source	\$ 236,863	\$ 286,040	\$ 295,376	\$ 288,483	\$ 323,763
Department Spending					
Personnel	\$ 142,697	\$ 151,898	\$ 160,506	\$ 164,042	\$ 177,043
Operations	31,332	27,394	31,400	32,178	31,714
Allocations Out	62,834	106,748	103,471	92,263	115,006
Total Expenditures	\$ 236,863	\$ 286,040	\$ 295,376	\$ 288,483	\$ 323,763
				\$ Increase/(Decrease) From Est. Actual	\$ 35,279
				% Increase/(Decrease) From Est. Actual	12%

RECREATION PROGRAMS (011-4110)

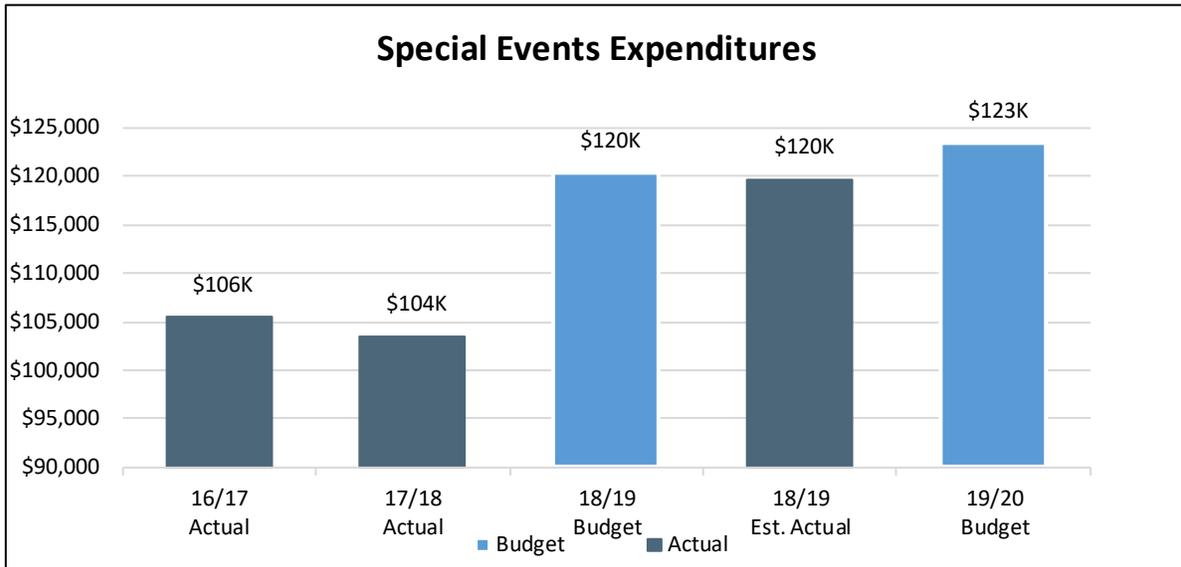
BUDGET SUMMARY:



Four-Year Comparison	2016-17	2017-18	2018-19	2018-19	2019-20
	Actual	Actual	Budget	Est. Actual	Budget
Funding Source					
Department Revenue					
Charges for services	\$ 35,498	\$ 102,485	\$ 47,000	\$ 47,000	\$ 47,000
Other Source/(Uses):					
General Fund Support	37,561	(35,228)	26,229	21,929	31,633
Total Funding Source	\$ 73,059	\$ 67,257	\$ 73,229	\$ 68,929	\$ 78,633
Department Spending					
Contractual Services	\$ 46,809	\$ 52,857	\$ 57,821	\$ 54,000	\$ 61,360
Allocations Out	26,250	14,400	15,408	14,929	17,273
Total Expenditures	\$ 73,059	\$ 67,257	\$ 73,229	\$ 68,929	\$ 78,633
	\$ Increase/(Decrease) From Est. Actual				\$ 9,704
	% Increase/(Decrease) From Est. Actual				14%

SPECIAL EVENTS (011-4120)

BUDGET SUMMARY:

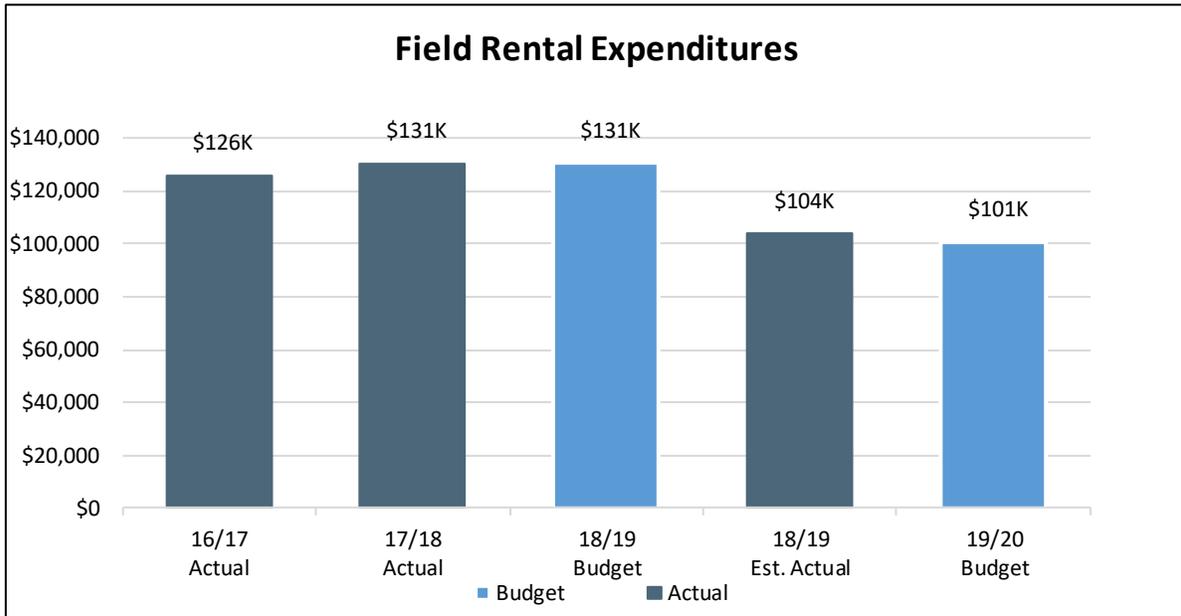


Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue					
Charges for services	\$ 19,379	\$ 20,154	\$ 19,000	\$ 19,000	\$ 19,000
Other Source/(Uses):					
General Fund Support	86,154	83,373	101,356	100,703	104,370
Total Funding Source	\$ 105,533	\$ 103,527	\$ 120,356	\$ 119,703	\$ 123,370
Department Spending					
Operations	\$ 73,047	\$ 81,769	\$ 96,800	\$ 96,800	\$ 96,800
Allocations Out	32,486	21,758	23,556	22,903	26,570
Total Expenditures	\$ 105,533	\$ 103,527	\$ 120,356	\$ 119,703	\$ 123,370
	\$ Increase/(Decrease) From Est. Actual				\$ 3,667
	% Increase/(Decrease) From Est. Actual				3%

FIELD RENTAL (011-5100)

BUDGET SUMMARY:

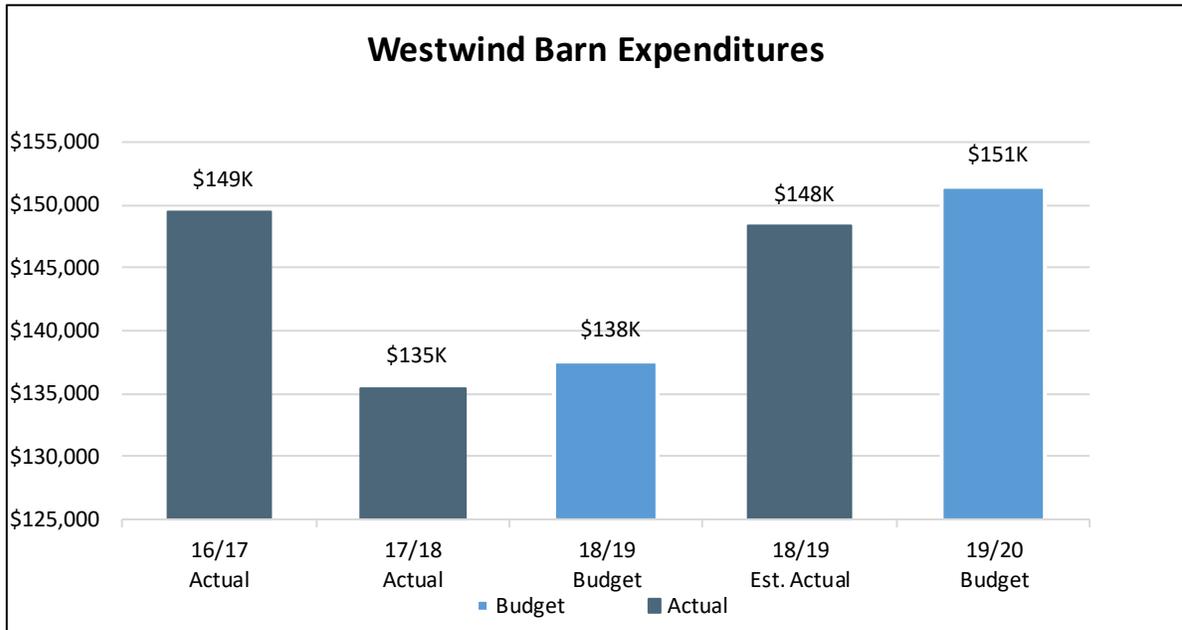
The budget for 2019-20 reflects a reduction in cost and related reimbursement revenue attributable to utilizing Town staff resources instead of an outside contractor to perform a substantial portion of the maintenance work on the fields.



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue					
Charges for Services	\$ 52,912	\$ 58,547	\$ 45,000	\$ 57,500	\$ 45,000
Other Source/(Uses):					
General Fund Support	73,338	72,019	85,659	46,378	55,852
Total Funding Source	\$ 126,250	\$ 130,566	\$ 130,659	\$ 103,878	\$ 100,852
Department Spending					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ 40,507
Contractual Services	71,903	78,260	79,300	53,000	6,565
Operations	32,285	36,940	34,800	34,800	35,148
Allocations Out	22,062	15,366	16,559	16,078	18,632
Total Expenditures	\$ 126,250	\$ 130,566	\$ 130,659	\$ 103,878	\$ 100,852
	\$ Increase/(Decrease) From Est. Actual			\$ (3,026)	
	% Increase/(Decrease) From Est. Actual			-3%	

WESTWIND BARN (011-5300)

BUDGET SUMMARY:



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue					
Charges for services	\$ 115,045	\$ 89,907	\$ 127,000	\$ 127,000	\$ 129,540
Other Source/(Uses):					
General Fund Support	34,413	45,573	10,513	21,307	21,914
Total Funding Source	\$ 149,457	\$ 135,480	\$ 137,513	\$ 148,307	\$ 151,454
Department Spending					
Personnel	\$ 14,591	\$ 15,165	\$ 16,080	\$ 16,826	\$ 18,246
Professional Services	4,540	-	3,675	4,538	3,712
Contractual Services	81,969	84,772	76,000	80,000	84,460
Operations	13,809	7,364	12,300	18,600	12,423
Allocations Out	34,547	28,180	29,458	28,343	32,613
Total Expenditures	\$ 149,457	\$ 135,480	\$ 137,513	\$ 148,307	\$ 151,454
	\$ Increase/(Decrease) From Est. Actual				\$ 3,147
	% Increase/(Decrease) From Est. Actual				2%

Planning & Building

MISSION:

The mission of the Planning and Building Department is to provide professional, courteous, and efficient service 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 seven full-time regular employees and one part-time employee.

Planning & Code Enforcement Division

Planning Director (1 FTE)
Principal Planner (1 FTE)
Assistant Planner (2 FTE)
Planning Technician (1 FTE)

Building Division

Senior Building Inspector (1 FTE)
Building Technician (1 FTE)
Administrative Clerk/Assistant (0.2 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, environmental reviews (CEQA compliance), and code enforcement. The Building Division is responsible for plan checking, inspection and permitting to ensure life safety, 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 and Municipal Code amendments
- Intergovernmental relations: MTC, LAFCO, SCVWD, BAAQMD, SCCAPO, MTC
- Grant applications
- Emergency planning-EOC planning function
- Committee liaison: Environmental Design and Protection, Environmental Initiatives, History, Open Space, Pathways

ONGOING PROGRAM SUMMARY:

GOALS/OBJECTIVES	Measurement Method	2016/17	2017/18	2018/19
1. Planning Permit Processed	April thru March	160	136	153
2. Building Permit	April thru March			
a. Permit Issued		696	415	530
b. Total Valuation		\$58,249,346	\$49,747,928	\$50,616,561
c. Inspection Completed		2,527	2,315	2,211
3. Code Enforcement (Outstanding Violations)		80	38	80

GOALS/OBJECTIVES	Measurement Method	2016/17	2017/18	2018/19
4. Ordinance / Code Update				
a. Completed		<ul style="list-style-type: none"> WUI Map Update 2016 Building Code Update WELO Implementation 	<ul style="list-style-type: none"> Subdivision Ordinance Annexation: Mora Heights Way No. 1 & 2 Short Term Rental Ord. Metal Roof Policy Transition to TRAKiT Medical Marijuana Ord. 	<ul style="list-style-type: none"> Urgency Ord. Wireless Comm. Annexation: Mora Heights Way No. 3 e-TRAKiT operational Recreational Marijuana Ordinance
b. In Progress		<ul style="list-style-type: none"> Subdivision Ordinance Transition to TRAKiT Freestanding Antenna Ordinance Development Regulations for Substandard Lots 	<ul style="list-style-type: none"> Annexation: Mora Heights Way No. 3 Tree Ordinance e-TRAKiT installation Master Path Map Update Recreational Marijuana Ordinance 	<ul style="list-style-type: none"> Wireless Comm. Facilities Ord. REACH Codes ADU Code amendments STR permit process Tree Ordinance Town Hall Expansion Master Path Map Update

DEPARTMENT STAFFING:

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

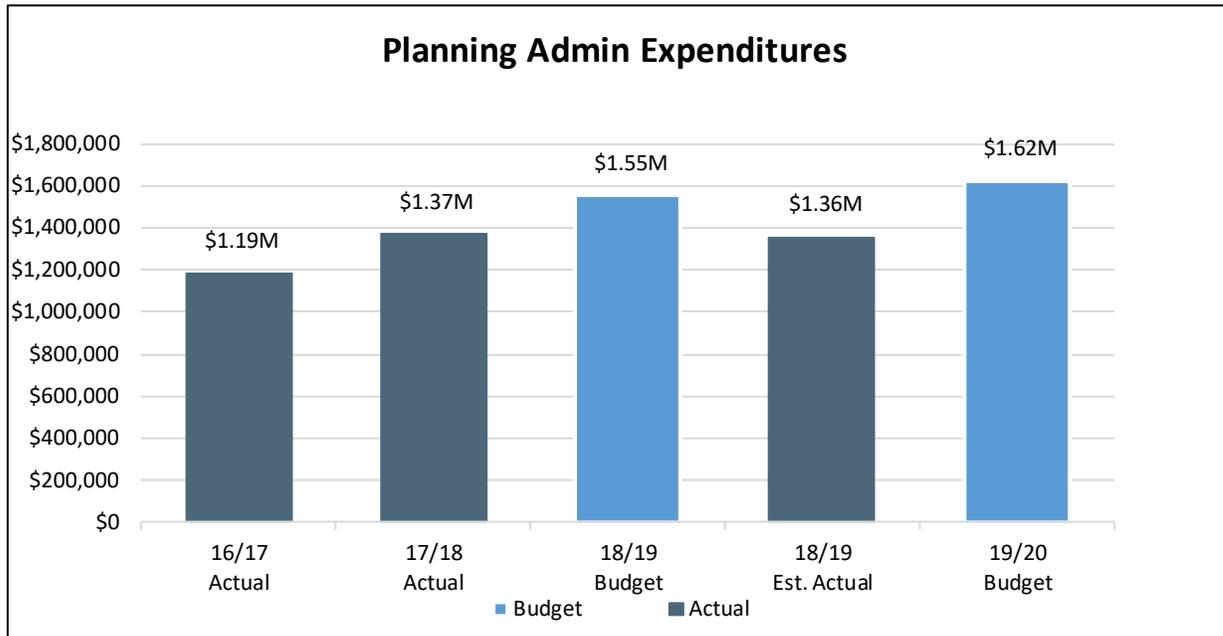
Position	% Distribution					
	FTE	Committees/ Commission	Planning	Building	Code Enforcement	Town Center
Planning Director	1.00	5%	65%	25%	5%	0%
Principal Planner	1.00	2%	85%	15%	5%	0%
Assistant Planner	1.00	5%	90%	5%	0%	0%
Assistant Planner	1.00	5%	90%	5%	0%	0%
Senior Building Inspector	1.00	0%	0%	95%	5%	0%
Building Technician	1.00	0%	0%	95%	0%	5%
Planning Technician/Admin Clerk	1.00	5%	25%	18%	2%	50%
Administrative Clerk - Part-Time	0.20	0%	25%	75%	0%	0%
Total Full-Time Equivalent (FTE)	7.20	0.22	3.42	2.79	0.17	0.60
Percent Distribution	100%	3%	49%	38%	2%	8%

DEPARTMENT GOALS AND CCOMPLISHMENTS:

Town Goal	2018-19 Accomplishments	2019-20 Goals
Preservation of Current Quality of Life	<ul style="list-style-type: none"> Adopted Urgency Ordinance for Small Cell Wireless Facilities in the Public Right-of-Way Adopted Recreational Marijuana Ordinance Implementation of Short-Term Rental Ordinance and creation of STR registration webpage Pathway Fee Nexus Study completed Introduced potential code amendments for ADUs to the Planning Commission 	<ul style="list-style-type: none"> Outdoor Lighting Policy update Update to 2019 CBC Tree Ordinance update Update ADU regulations New Wireless Comm. Facilities Ord. Complete Town Hall Expansion CUP review process Create new Town base map for the GIS system Master Path Plan Update
Promote Sense of Community	<ul style="list-style-type: none"> Preparation of new ADU brochure to promote construction of affordable housing Modified staff and applicant checklists to address new policies adopted by the City Council Adopted one pathway segment and removed three proposed pathway segments on the Master Path Plan 	<ul style="list-style-type: none"> Continue to engage residents and neighbors on site development projects Continue to improve checklist and other forms of communications to inform new residents and interested developers of Town planning and building codes
Emergency Preparedness	<ul style="list-style-type: none"> Staff EOC training completed FEMA and OES courses completed by Building Inspector 	<ul style="list-style-type: none"> Participate in emergency preparedness planning and training opportunities
Risk Mitigation	<ul style="list-style-type: none"> Code Enforcement Officer from CSG contracted for up to 24 hours a week. Substantial improvement in number of resolved files and actions taken to clear old files. 	<ul style="list-style-type: none"> Continue to engage a part-time consultant to oversee and manage code compliance issues and complaints
Transparency	<ul style="list-style-type: none"> Implementation of e-TRAKIT permit tracking system allowing for public access to permit information In process of selecting consultant to prepare an accurate base map of the Town 	<ul style="list-style-type: none"> Implement additional public access portals and continue to make improvements to the Planning and Building websites Work with advisory committees to improve effectiveness and transparency
		<ul style="list-style-type: none"> Managing pathway system Conduct a facilities and space needs assessment Strengthen community engagement Code enforcement Improving effectiveness and transparency of advisory committees

PLANNING ADMINISTRATION (011-3100)

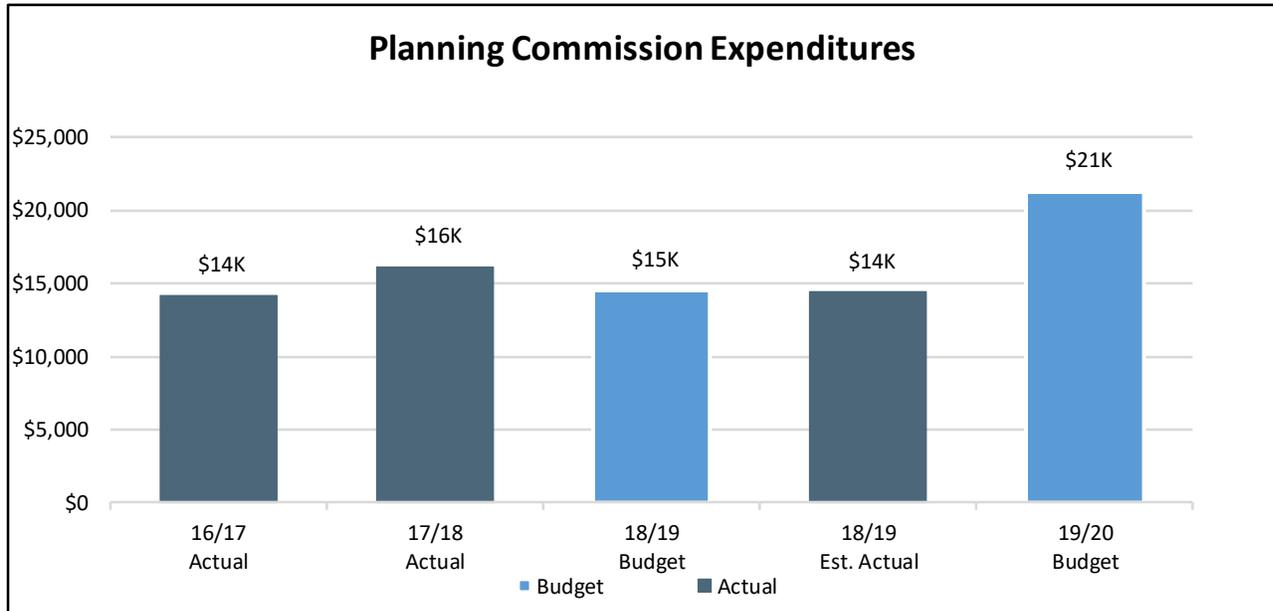
BUDGET SUMMARY:



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue					
Charges for services	\$ 689,688	\$ 545,401	\$ 668,900	\$ 422,900	\$ 546,100
Other Source/(Uses):					
General Fund Support	495,397	823,093	883,115	933,834	1,076,033
Total Funding Source	\$ 1,185,084	\$ 1,368,494	\$ 1,552,015	\$ 1,356,734	\$ 1,622,133
Department Spending					
Personnel	\$ 503,399	\$ 555,583	\$ 702,753	\$ 613,615	\$ 730,350
Professional Services	61,777	55,501	78,000	19,000	58,080
Contractual Services	190,196	230,264	209,700	168,500	198,424
Operations	15,011	10,612	22,500	41,000	48,514
Allocations Out	414,701	516,535	539,062	514,619	586,766
Total Expenditures	\$ 1,185,084	\$ 1,368,494	\$ 1,552,015	\$ 1,356,734	\$ 1,622,133
				\$ Increase/(Decrease) From Est. Actual	\$ 265,399
				% Increase/(Decrease) From Est. Actual	20%

PLANNING COMMISSION (011-3110)

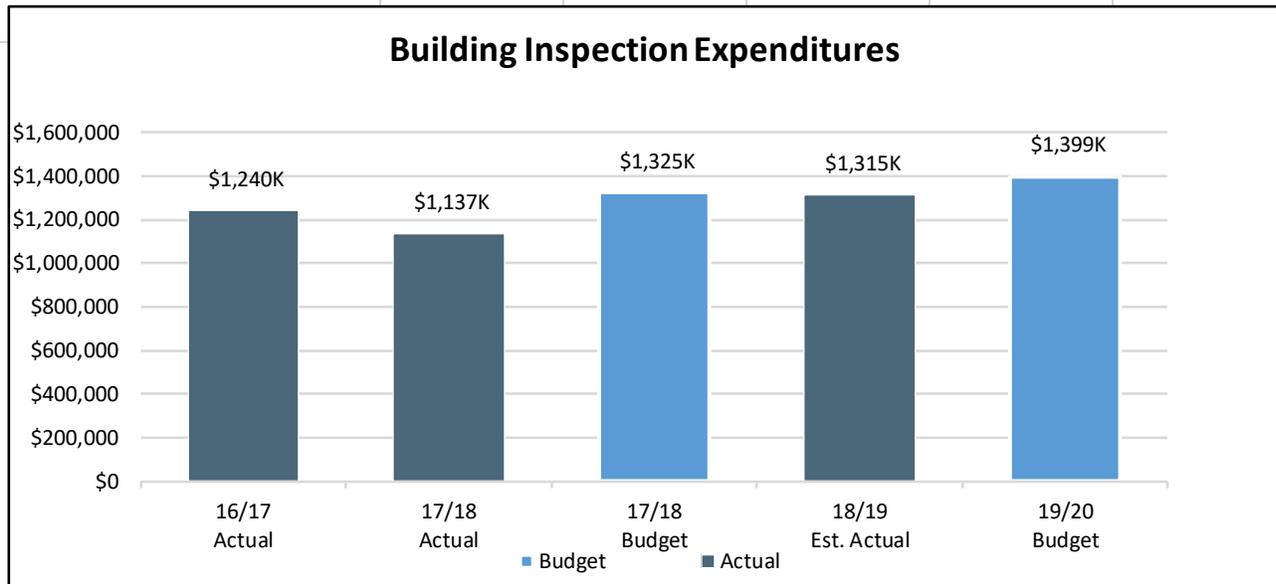
BUDGET SUMMARY:



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue: None	\$ -	\$ -	\$ -	\$ -	\$ -
Other Source/(Uses):					
General Fund Support	14,141	16,141	14,535	14,401	21,289
Total Funding Source	\$ 14,141	\$ 16,141	\$ 14,535	\$ 14,401	\$ 21,289
Department Spending					
Personnel	\$ 9,450	\$ 9,621	\$ 9,569	\$ 6,586	\$ 13,649
Professional Services	-	-	-	-	-
Operations	1,994	2,800	1,424	4,100	3,333
Allocations Out	2,696	3,720	3,543	3,715	4,307
Total Expenditures	\$ 14,141	\$ 16,141	\$ 14,535	\$ 14,401	\$ 21,289
				\$ Increase/(Decrease) From Est. Actual	\$ 6,888
				% Increase/(Decrease) From Est. Actual	48%

BUILDING OPERATIONS (011-3200, 011-3210)

BUDGET SUMMARY:

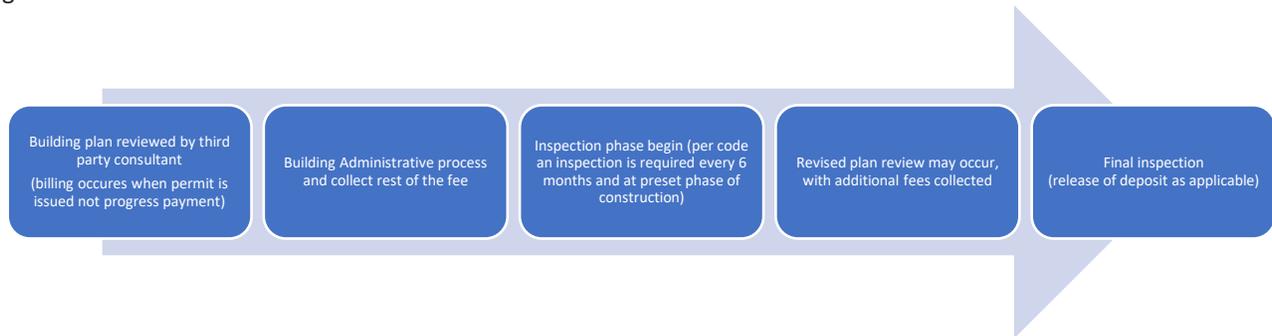


Four-Year Comparison	2016-17	2017-18	2018-19	2018-19	2019-20
	Actual	Actual	Budget	Est. Actual	Budget
Funding Source					
Department Revenue: None					
License and permits	\$ 1,429,777	\$ 1,131,459	\$ 1,181,232	\$ 1,039,000	\$ 1,080,626
Other Source/(Uses):					
General Fund Support	(189,346)	5,225	143,303	276,014	318,522
Total Funding Source	\$ 1,240,431	\$ 1,136,683	\$ 1,324,536	\$ 1,315,014	\$ 1,399,148
Department Spending					
Personnel	\$ 244,760	\$ 308,058	\$ 339,327	\$ 372,399	\$ 373,756
Professional Services	6,425	5,031	12,200	6,000	6,000
Contractual Services	548,410	306,339	431,200	428,546	431,270
Operations	7,034	3,761	24,600	13,692	23,938
Allocations Out	433,801	513,493	517,209	494,377	564,184
Total Expenditures	\$ 1,240,431	\$ 1,136,683	\$ 1,324,536	\$ 1,315,014	\$ 1,399,148
				\$ Increase/(Decrease) From Est. Actual	\$ 84,135
				% Increase/(Decrease) From Est. Actual	6%

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.

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	2016/17	2017/18	2019/20
1. Capital project management				
a. In progress				
• Design phase		8	6	4
• Construction phase		2	1	2
b. Completed		3	5	2
2. Public right-of-way maintenance				
a. Pathways	Linear miles (lm)	65	65	65
b. Annual tree survey	# of trees inspected	481	268	323
• Sudden Oak Death spraying in Byrne Preserve	# of trees	103	238	
c. Streets	lm / PCI	60/77	60/79	61/79
d. Sewer	lm	20	25	34
3. Permit review	Total #	259		234
a. Sewer	lm	20	25	39
4. Los Altos Hills Connect APP	# of service requests	-	288	201

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

DEPARTMENT STAFFING:

The Public Works Department has a total of eight staff positions and are distributed to various divisions as follows:

Position	% Distribution											
	FTE	Planning	Building	Engineering	Parks & Recreation	Drainage	Street	Pathway	Sewer	Town Center	Corp Yard	Fleets
Public Works Director/City Engineer	1.00	10%	10%	15%	0	5%	20%	20%	10%	0%	10%	0%
Senior Engineer	1.00	5%	5%	10%	0%	5%	5%	5%	60%	0%	5%	0%
Assistant Engineer	3.00	52%	10%	38%	0%	0%	0%	0%	0%	0%	0%	0%
Maintenance Superintendent	1.00	1%	0%	0%	0%	10%	22%	35%	10%	2%	10%	10%
Maintenance Worker III	1.00	1%	0%	0%	0%	23%	21%	35%	6%	2%	6%	6%
Maintenance Worker II	1.00	1%	0%	0%	0%	23%	21%	35%	6%	2%	6%	6%
Maintenance Worker I	1.00	0%	0%	0%	25%	15%	30%	30%	0%	0%	0%	0%
Maintenance Worker I (Temp Part-time)	0.40	0%	0%	0%	0%	35%	20%	35%	3%	3%	3%	1%
Total Full-Time Equivalent (FTE)	9.40	1.23	0.35	1.00	0.25	0.94	1.26	1.75	0.93	0.07	0.38	0.24
Percent Distribution	100%	15%	4%	12%	3%	11%	15%	21%	11%	1%	5%	2%

DEPARTMENT GOALS AND ACCOMPLISHMENTS:

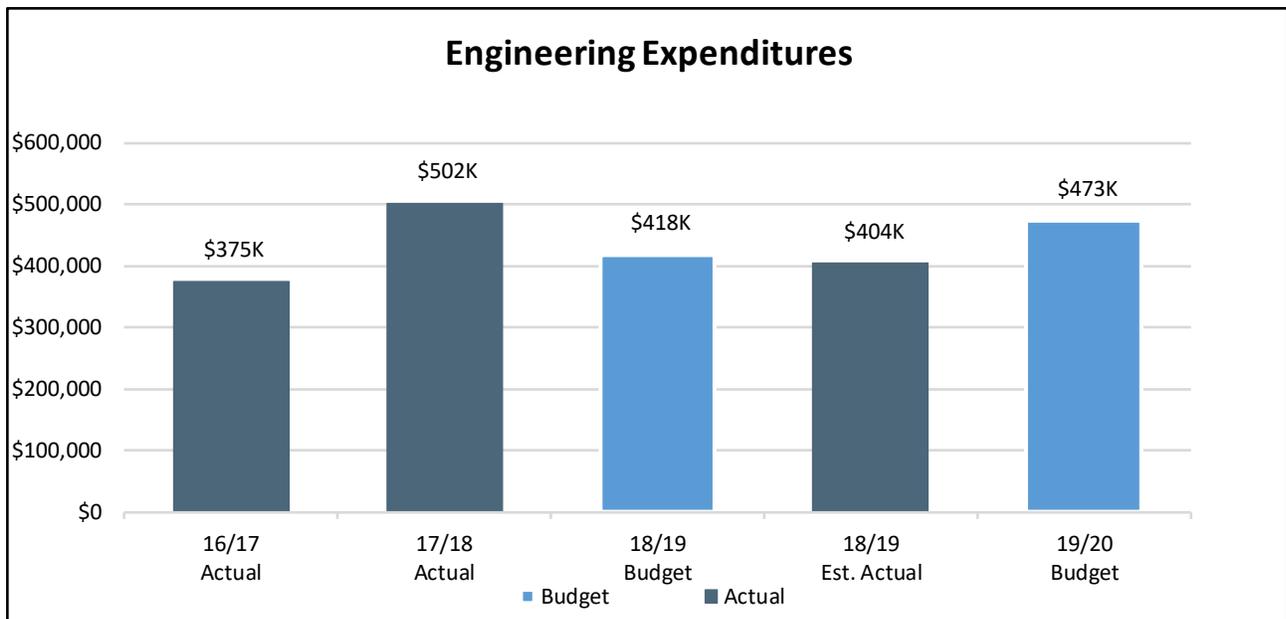
Town Goal	2018-19 Accomplishments	2019-20 Goals
Preservation of Current Quality of Life	<ul style="list-style-type: none"> Completed construction of Page Mill/Moon Lane Pedestrian Bridge Project. Completed construction of Gardner Bullis Pathway Continued to work with Pathway Committee to identify and develop new pathway projects Completed Town-wide herbicide spray for roadside pathways and native path to fight the Stinkwort growth Green Infrastructure Plan in Progress 	<ul style="list-style-type: none"> Secure all permits and start construction for Page Mill/Matadero Creek erosion project Complete design for Summerhill Pathway project Complete design and construction for Fremont Redwood Grove and Estacada pathway project Complete construction of Altamont Plunge Pathway Complete construction of Natoma (Poor Claire's) Pathway Complete Central Drive to Sunset Pathway Complete design of La Paloma/Robleda Pathway Complete Town-wide herbicide spray for roadside pathways and native path to fight the Stinkwort growth Complete Green Infrastructure Plan
Emergency Preparedness	<ul style="list-style-type: none"> Completed Town-wide tree inspection on highly used roadways and pathways, park, and Byrne Preserve 	<ul style="list-style-type: none"> Complete Town-wide tree inspection on highly used roadways and pathways, park, and Byrne Preserve
Risk Mitigation	<ul style="list-style-type: none"> Completed construction for the 2018 Sanitary Sewer Repair and Replacement project Completed design and construction for 2018 Road Rehabilitation project Continue to work with County and other stakeholders through the construction of the interim bicycle improvement for Page Mill Road near I-280 Continue to work with Caltrans to repave I-280 within Los Altos Hills limits Continued to notify and guide residents for street trees identified with problems. 	<ul style="list-style-type: none"> Complete construction for the 2019 Sanitary Sewer Repair and Replacement project Complete design and construction for 2019 Road Rehabilitation project Continue to work with County and other stakeholders through the construction of the interim bicycle improvement for Page Mill Road near I-280 Continue to work with Caltrans to repave I-280 within Los Altos Hills limits Continue to notify and guide residents for street trees identified with problems.

Transparency	<ul style="list-style-type: none"> • Issued RFP for the sanitary sewer rate study • Continued discussions with CPA and LA on the sewer usage evaluation • Continued to provide Public Works – City Engineer weekly activity report 	<ul style="list-style-type: none"> • Complete sanitary sewer rate study • Complete sewer usage evaluation with City of Palo Alto and Los Altos • Continue to provide Public Works – City Engineer weekly activity report
Council Identified Priorities	<ul style="list-style-type: none"> • Provided routine pathway maintenance and LAH-Connect service request throughout Town pathway systems • Prepared potential private street list to public street • Continued the sewer special district process with West Bay Sanitary District 	<ul style="list-style-type: none"> • Provide routine pathway maintenance and LAH-Connect service request throughout Town pathway systems • Update potential private street list to public street • Continue the sewer special district process with West Bay Sanitary District

ENGINEERING ADMINISTRATION (011-3300)

BUDGET SUMMARY:

The Engineering Division represents 9% of the total department budget and 3% of the total town-wide expenditure budget. Administrative engineering work includes capital improvement management, site inspection, contract management, and public inquiry research. The Division’s 2018-2019 actual spending was estimated at \$403,618, which was \$13,989 lower than the 2018-2019 budget. This decrease was primarily due to a reduction in contractual and professional services. The Division’s 2019-2020 budget is \$69,712 higher than the 2018-2019 estimated actual amount due to additional allocations out and increased personnel costs.



Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue					
Licenses And Permits	\$ -	\$ -	\$ 400	\$ 400	\$ 400
Charges For Services	83,772	124,803	43,400	43,400	51,712
Other Source/(Uses):					
General Fund Support	290,994	377,288	373,807	359,818	421,218
Total Funding Source	\$ 374,766	\$ 502,091	\$ 417,607	\$ 403,618	\$ 473,330
Department Spending					
Personnel	\$ 134,526	\$ 136,181	\$ 149,090	\$ 150,007	\$ 181,187
Professional Services	49,724	71,820	10,000	5,000	10,100
Contractual Services	92,247	112,128	83,200	75,400	84,032
Operations	6,685	17,919	9,000	12,200	13,575
Allocations Out	91,584	164,042	166,317	161,011	184,436
Total Expenditures	\$ 374,766	\$ 502,091	\$ 417,607	\$ 403,618	\$ 473,330
				\$ Increase/(Decrease) From Est. Actual	\$ 69,712
				% Increase/(Decrease) From Est. Actual	17%

SEWER (048: CAPITAL, 051: OPERATIONS)

BUDGET SUMMARY:

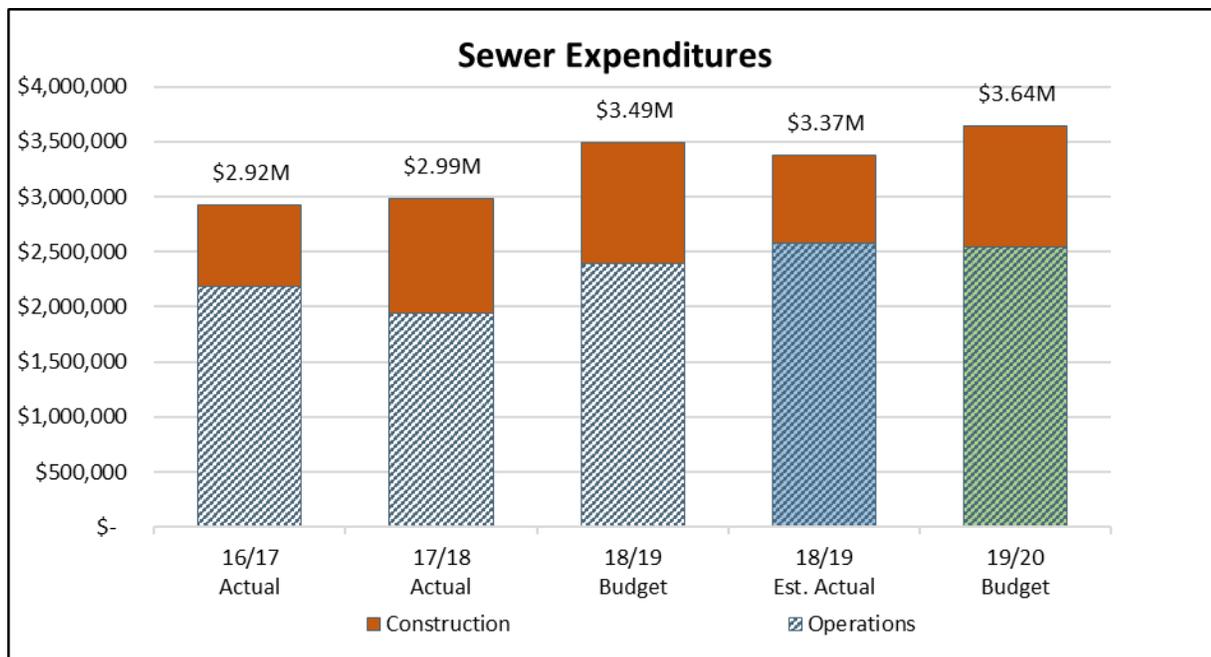
The Sewer Fund is the Town's only enterprise fund and represents 61% of the departmental budget and 24% of the total town-wide expenditure budget. A total of 0.93 FTE, or 1,939 hours per year, of staff resources was assigned to the Fund to manage sewer contracts, develop sewer capital programs and other long-range planning documents, and respond to sewer related service requests and emergencies.

The Division's 2018-2019 actual spending was estimated at \$3,374,953, which was \$113,998 lower than the 2018-2019 budget. Despite the unexpected increase in sewer treatment cost, reductions in both professional services and capital outlay resulted in the decrease in actual expenses. The Division's 2019-2020 budget is \$264,347 higher than the 2018-2019 estimated actual amount.

The Sewer Fund is fully supported by sewer service charges to residential and non-residential customers and sewer connection fees assess on new connections added to the sewer system. In 2015, the City Council approved increasing the sewer service charge for the next five years to meet the Town's long-term sewer enterprise funding needs. These funding needs include supporting operations and capital improvements to the Town's infrastructure. As a result, the 2019-2020 sewer service charge rate will be \$1,550 per unit of service.

The Sewer Utility's expenditures vary from year to year depending on the timing and scope of the capital improvement projects the Town undertakes. The sewer fund is on its last year of multi-year rate plan and is drawing down on reserves to fund capital rehabilitation and replacement projects.

The Sewer Utility's expenditures vary from year to year depending on the timing and scope of the capital improvement projects it undertakes. The utility is entering its last year of a multi-year rate plan and is drawing down on reserves to fund capital rehabilitation.

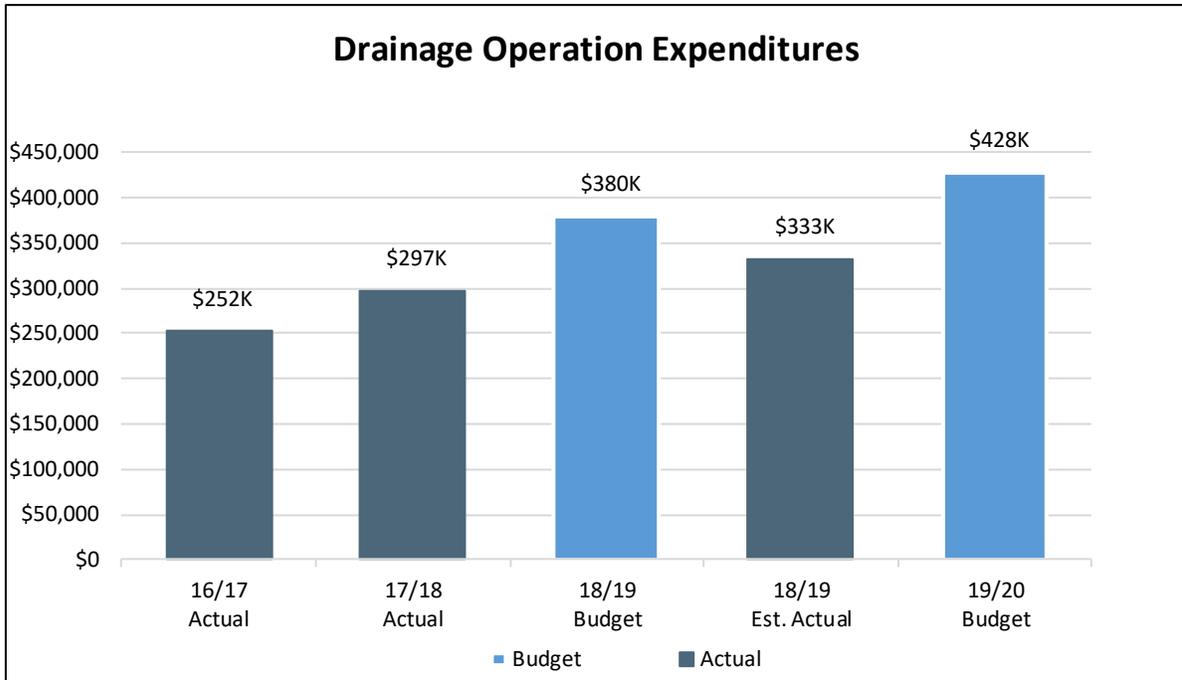


Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue:					
Sewer Assessment Charge	\$ 2,759,287	\$ 2,917,428	\$ 2,956,739	\$ 3,014,393	\$ 3,092,281
Sewer Connection Fees	185,369	130,930	185,369	130,930	130,930
Miscellaneous	2,470	3,220	2,470	3,220	3,220
Use of Money and Propert	4,134	6,642	11,190	70,400	56,690
Other Source/(Uses):					
Sewer Fund Reserve	(27,789)	(70,750)	333,184	156,010	356,226
Total Revenues	\$ 2,923,470	\$ 3,060,553	\$ 3,391,404	\$ 3,311,777	\$ 3,639,347
Department Expenses					
Personnel	\$ 168,700	\$ 26,241	\$ 164,820	\$ 187,977	\$ 235,868
Professional Services	278,535	410,764	289,035	175,000	195,605
Sewer Treatment Cost	1,024,901	890,814	1,118,393	1,420,751	1,276,049
Sewer Maintenance Contra	417,474	314,042	472,500	472,500	486,675
Contractual Services	9,198	17,528	53,953	31,921	29,487
Operations	14,146	15,138	12,900	13,229	12,969
Allocations Out	273,292	271,226	277,351	273,575	302,693
Capital Outlay Spending	737,225	1,041,716	1,100,000	800,000	1,100,000
Total Expenses	\$ 2,923,471	\$ 2,987,470	\$ 3,488,951	\$ 3,374,953	\$ 3,639,347
\$ Increase/(Decrease) From Est. Actual					\$ 264,394
% Increase/(Decrease) From Est. Actual					8%

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

BUDGET SUMMARY:

The storm drain operation represents 7% of the departmental budget and 2% of the total town-wide expenditure budget. A total of 0.93 FTE, or 1,955 hours a year, is allocated to manage drainage repairs and ongoing maintenance. The Division budget increased by 29%, or \$95,503, as compared to the 2018-2019 estimated actual amounts. The primary cause of the increase is the continuing allocation of funds 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. In addition, there is an increase in personnel expenses.

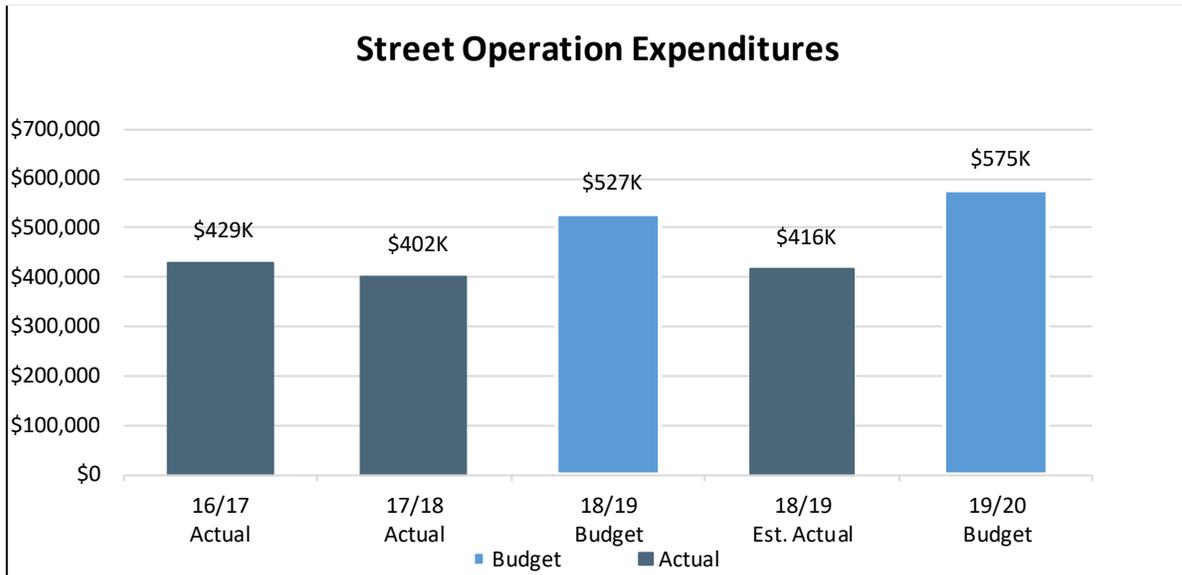


Four-Year Comparison	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Department Revenue: None	\$ -	\$ -	\$ -	\$ -	\$ -
Other Source/(Uses):					
General Fund Support	252,361	296,826	380,116	332,934	428,436
Total Funding Source	\$ 252,361	\$ 296,826	\$ 380,116	\$ 332,934	\$ 428,436
Department Expenditure					
Personnel	\$ 96,864	\$ 94,062	\$ 105,875	\$ 114,344	\$ 146,592
Professional Services	-	380	84,000	28,000	84,840
Contractual Services	13,305	18,815	8,200	5,000	8,282
Operations	19,729	20,538	29,300	34,300	29,593
Allocations Out	122,463	163,032	152,740	151,290	159,129
Total Expenditures	\$ 252,361	\$ 296,826	\$ 380,116	\$ 332,934	\$ 428,436
	\$ Increase/(Decrease) From Est. Actual				\$ 95,503
	% Increase/(Decrease) From Est. Actual				29%

STREET OPERATIONS (011-4600, PREVIOUSLY FUND 017)

BUDGET SUMMARY:

The street operation represents 8% of the departmental budget and 3% of the total town-wide expenditure budget. A total of 1.26 FTE, or 2,921 hours a year, is allocated to manage ongoing maintenance, which includes crack sealing. The Division budget increased by 38%, or \$158,809, as compared to 2018-19 estimated actual amounts. The primary cause of the increase is in Allocations Out for tree removal costs, personnel, and contractual services increases.

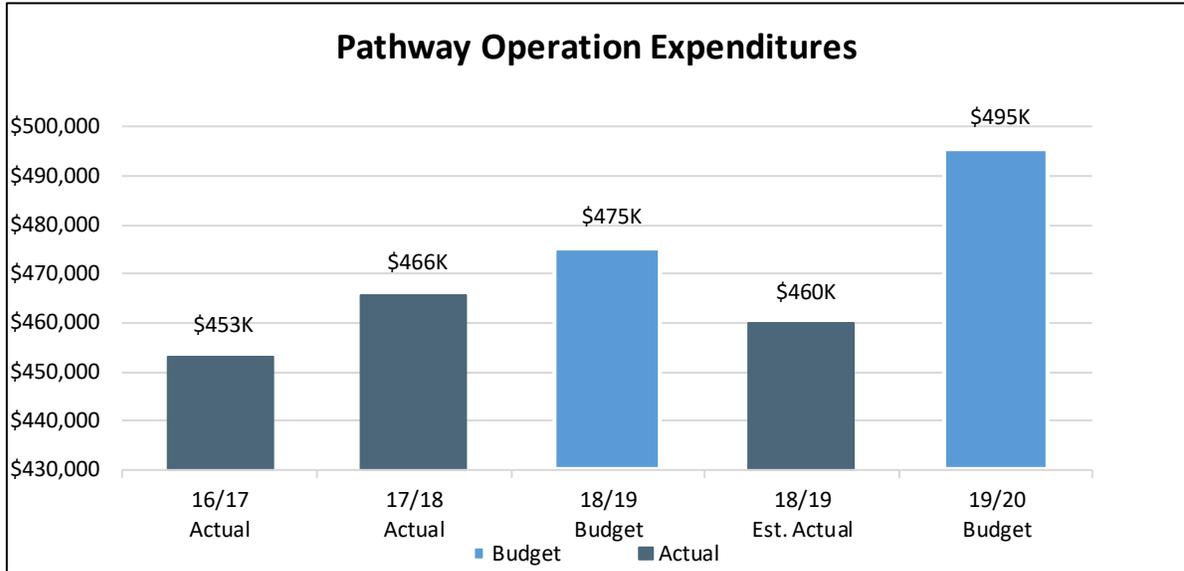


Four-Year Comparison	2016-17	2017-18	2018-19	2018-19	2019-20
	Actual	Actual	Budget	Est. Actual	Budget
Funding Source					
Department Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	1,900	-	-
Other Source/(Uses):					
General Fund Support	429,149	401,984	524,772	416,077	574,885
Total Funding Source	\$ 429,149	\$ 401,984	\$ 526,672	\$ 416,077	\$ 574,885
Department Expenditure					
Personnel	\$ 145,010	\$ 133,016	\$ 147,428	\$ 157,737	\$ 182,284
Professional Services	34,375	3,550	46,300	-	46,763
Contractual Services	44,016	61,325	117,000	72,000	117,690
Operations	31,808	17,895	37,400	8,500	37,774
Allocations Out	173,939	186,198	178,544	177,840	190,374
Total Expenditures	\$ 429,149	\$ 401,984	\$ 526,672	\$ 416,077	\$ 574,885
	\$ Increase/(Decrease) From Est. Actual			\$ 158,809	
	% Increase/(Decrease) From Est. Actual			38%	

PATHWAY OPERATIONS (011-4740, PREVIOUSLY FUND 013)

BUDGET SUMMARY:

The Pathway Operations represent 9% of the department budget and 3% of the total town-wide expenditure budget. The Division budget increased by 4%, or \$19,874, as compared to 2018-2019 estimated actual amounts. The primary cause of the increase is the additional allocation for Contractual Services.



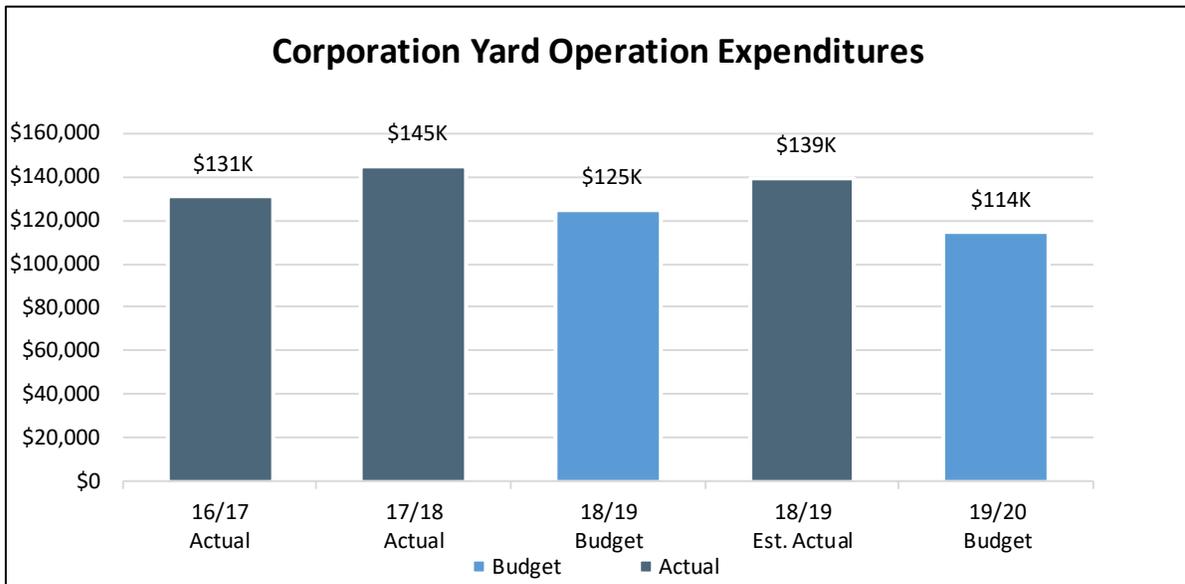
Four-Year Comparison	2016-17	2017-18	2018-19	2018-19	2019-20
	Actual	Actual	Budget	Est. Actual	Budget
Funding Source					
Department Revenue: None	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund Support	453,053	465,806	475,152	475,555	495,430
Total Funding Source	\$ 453,053	\$ 465,806	\$ 475,152	\$ 475,555	\$ 495,430
Department Expenditure					
Personnel	\$ 198,254	\$ 188,345	\$ 210,904	\$ 221,479	\$ 218,605
Professional Services	8,395	8,800	16,800	16,800	16,968
Contractual Services	39,985	51,920	37,800	30,200	38,178
Operations	6,160	6,721	9,800	9,800	9,898
Allocations Out	200,258	210,019	199,848	197,276	211,781
Total Expenditures	\$ 453,053	\$ 465,806	\$ 475,152	\$ 475,555	\$ 495,430
	\$ Increase/(Decrease) From Est. Actual			\$ 19,874	
	% Increase/(Decrease) From Est. Actual			4%	

CORPORATION YARD OPERATIONS (061-4300)

BUDGET SUMMARY:

Corporation Yard Operations is an internal service fund division. The expenditure budget represents 3% of the departmental budget. Internal Service Fund expenditures are allocated to various departments and accounted for within "Allocations Out". The Division budget decreased by 18% in the amount of \$24,999 as compared to 2018-19 estimated actual amounts as a result of a decrease in personnel and contractual services costs.

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.



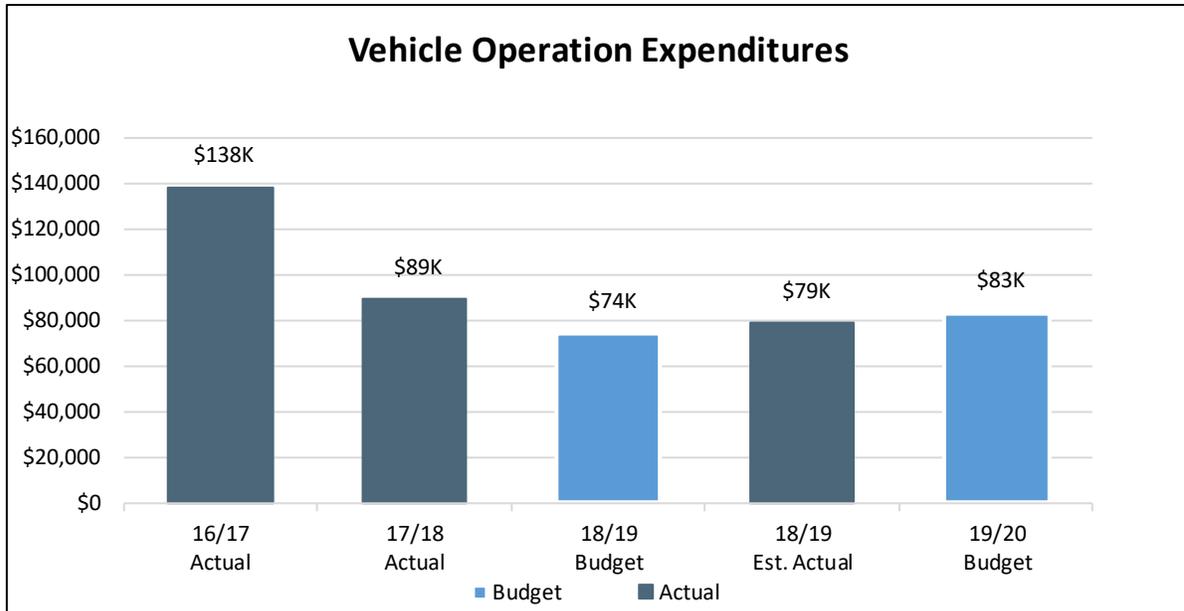
Four-Year Comparison	2016-17	2017-18	2018-19	2018-19	2019-20
	Actual	Actual	Budget	Est. Actual	Budget
Funding Source					
Allocations In					
General Fund (011) Allocat	\$ 98,095	\$ 104,520	\$ 93,465	\$ 106,359	\$ 85,823
Sewer Fund (051) Allocatic	32,698	34,840	31,155	35,453	28,608
Total Funding Source	\$ 130,793	\$ 139,361	\$ 124,620	\$ 141,812	\$ 114,431
Department Expenditure					
Personnel	\$ 83,520	\$ 77,095	\$ 75,411	\$ 74,630	\$ 59,127
Contractual Services	5,962	2,588	6,300	21,000	12,000
Operations	41,311	65,231	43,400	43,800	43,304
Total Expenditures	\$ 130,793	\$ 144,914	\$ 125,111	\$ 139,430	\$ 114,431
	\$ Increase/(Decrease) From Est. Actual			\$ (24,999)	
	% Increase/(Decrease) From Est. Actual			-18%	

VEHICLE OPERATIONS (061-4400)

BUDGET SUMMARY:

Vehicle Operations is an internal service fund division and represents 2% of the departmental budget. Internal Service Fund expenditures are allocated to various departments and accounted for within "Allocations Out". The Division budget increased by 6%, or \$4,453, as compared to 2018-19 estimated actual amounts. There are currently no vehicle purchase requests for 2019-20.

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	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Est. Actual	2019-20 Budget
Funding Source					
Allocations In					
General Fund (011) Allocat	\$ 118,213	\$ 104,665	\$ 65,876	\$ 61,818	\$ 74,044
Sewer Fund (051) Allocatic	14,777	13,083	8,234	8,831	9,256
Total Funding Source	\$ 132,990	\$ 117,748	\$ 74,110	\$ 70,649	\$ 83,300
Department Expenditure					
Personnel	\$ 33,379	\$ 32,332	\$ 31,084	\$ 35,547	\$ 39,567
Contractual Services	1,541	5,564	5,600	5,600	5,656
Operations	103,570	51,224	37,700	37,700	38,077
Total Expenditures	\$ 138,490	\$ 89,119	\$ 74,384	\$ 78,847	\$ 83,300
				\$ Increase/(Decrease) From Est. Actual	\$ 4,453
				% Increase/(Decrease) From Est. Actual	6%

Capital Program

BYRNE PRESERVE RESTORATION



Open Space Maintenance Volunteer

PROJECT NUMBER

TR4169

INITIAL FUNDING YEAR

July 2019

PLANNED START DATE

July 2019

ESTIMATED COMPLETION DATE

June 2022

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 proposed budget is broken out into capital improvement (CIP) and Maintenance and Education. The work at Westwind Barn comprises the CIP budget, and the other stewardship and educational activities at Byrne, Juan Prado Mesa and O'Keefe make up the Maintenance and Education budget. This budget also includes the plants for the Westwind Barn project that the town had already allocated.

The match is a combination of funds from the SCVWD grant (\$25K) as well as funds that Grassroots Ecology contributes as part of the project, which we estimate to be about \$15K-\$20K next year.

PROJECT STATUS:

This past year alone, starting July 2018, Grassroots Ecology has engaged 834 participants in education and volunteer events at Los Altos Hills Open Space Preserves. Through the combined CIP and Education/Maintenance contracts, there were 34 events hosted where community members have contributed over 1,000 hours of volunteer service valued at \$29,670. Volunteers have helped reduce populations of noxious invasive plants such as yellow starthistle, poison hemlock, and French broom and expanded native biodiversity that is crucial to local wildlife and improves the ecosystem services of our open spaces. Grassroots Ecology works closely with local schools to provide field trips and service project opportunities for students. The majority of the participants at Los Altos Hills Open Space Preserves are youth.

Grassroots Ecology also provides education and open space maintenance in Town which is built into the base budget.

BYRNE PRESERVE RESTORATION (CONT.)

Prior Appropriation Status:

	Final Budget 2019	Spending Through June 2019	Available Budget	Return to Reserves	Carry forward
Prior Years' Activity	\$43,432	\$41,136	\$2,296		\$2,296
Subtotal	\$43,432	\$41,136	\$2,296	\$0	\$2,296

Project Funding/Spending Estimate:

	Carry forward	2018-19 Funding	2019-20 Planned	2020-21 Planned	2021-22 Planned	2022-23 Planned	Total Project
Funding Source							
Park and Rec in-Lieu	\$2,296	\$29,542					\$31,838
Total Funding:	\$2,296	\$29,542	\$0	\$0	\$0	\$0	\$31,838
Total Project Funding		\$31,838					\$31,838
Total Spending	\$0	\$31,838	\$0	\$0	\$0	\$0	\$31,838

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.

CABLE SERVICE COST SHARING 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. Residents on Wildflower Lane and Redrock Road have expressed interest in participating in the program.

PROJECT STATUS:

Ongoing Project.

	Final Budget 2019	Spending Through June 2019	Available Budget	Return to Reserves	Carry forward
Prior Years' Activity	\$50,000	\$0	\$50,000		\$50,000
Subtotal	\$50,000	\$0	\$50,000	\$0	\$50,000

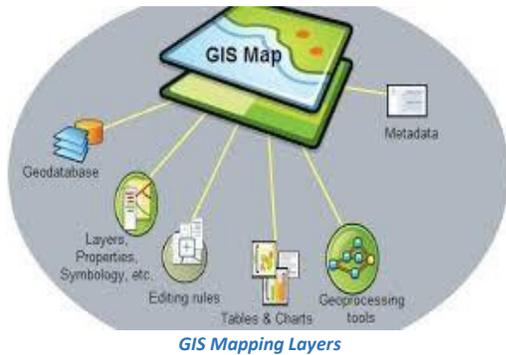
Project Funding/Spending Estimate:

Project Summary	Prior Appropriation	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	2022-23 Planned	Total Project
Funding Source							
General Fund	\$50,000						\$50,000
Total Funding:	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Project Spending		\$50,000					\$50,000
Total Spending	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000

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
Funding Source							
General Fund	\$ 0	\$ 27,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,400
Subtotal	\$ 0	\$ 27,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,400
Project Spending							
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
Subtotal	\$ 0	\$ 27,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,400

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.

FREMONT TO REDWOOD GROVE PATHWAY



Summerhill Ave (courtesy of google map)

PROJECT NUMBER
NEW

INITIAL FUNDING YEAR July 2018

PLANNED START DATE
Winter 2019

ESTIMATED COMPLETION DATE
Design: Winter 2019. Construction: Spring 2019

PROJECT DESCRIPTION:

The City Council directed the Pathway Committee in June 2017 to prioritize pathways to be constructed in Town. The Pathway Committee has voted and made the Fremont Road to Redwood Grove and Estacada Way pathway projects on the priority list at February 26, 2018 Committee meeting.

The Fremont Road to Redwood Grove pathway project will include construction of a native path from Fremont Road. It will improve pedestrian safety and connect to neighboring City of Los Altos from the existing route. The City of Los Altos is in favor of this project as the Town is sponsoring for the design and construction cost. The project should involve survey and design of the native pathway.

PROJECT STATUS:

Fremont Road to Redwood Grove pathway project is estimated to be at \$28,000 including construction. Estimated completion date for construction is June 2020.

	Final Budget 2019	Spending Through June 2019	Available Budget	Return to Reserves	Carry forward
Prior Years' Activity			\$0		\$0
Subtotal	\$0	\$0	\$0	\$0	\$0

Project Funding/Spending Estimate:

Project Summary	Prior Appropriation	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	2022-23 Planned	Total Project
Funding Source							
Pathway Fund	\$0		\$28,000				\$28,000
Total Funding:	\$0	\$0	\$28,000	\$0	\$0	\$0	\$28,000
Project Spending		\$0	\$28,000				\$28,000
Total Spending	\$0	\$0	\$28,000	\$0	\$0	\$0	\$28,000

RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:

No additional maintenance cost determined at this time.

ALTAMONT PLUNGE



Altamont Plunge Proposed Path Alignment

PROJECT NUMBER
NEW

INITIAL FUNDING YEAR
July 2019

PLANNED START DATE
September 2019

ESTIMATED COMPLETION DATE
September 2019

PROJECT DESCRIPTION:

The proposed pathway will connect Altamont Road to Vinedo Lane. The scope of the work includes construction of approximately 120' of native path, approximately 64' of 2' retaining wall, clearing approximately 80 SF of vegetation, and removal of two wooden posts.

PROJECT STATUS:

Staff will schedule the pathway construction for Fall 2019.

	Final Budget 2019	Spending Through June 2019	Available Budget	Return to Reserves	Carry forward
Prior Years' Activity			\$0		\$0
Subtotal	\$0	\$0	\$0	\$0	\$0

Project Funding/Spending Estimate:

Project Summary	Prior Appropriation	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	2022-23 Planned	Total Project
Funding Source							
Pathway Fund	\$0		\$65,000				\$65,000
Total Funding:	\$0	\$0	\$65,000	\$0	\$0	\$0	\$65,000
Project Spending		\$0	\$65,000				\$65,000
Total Spending	\$0	\$0	\$65,000	\$0	\$0	\$0	\$65,000

RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:

Will be determined as part of the design phase.

FREMONT/ESTACADA PATHWAY



Fremont/Estacada Proposed Native Path

PROJECT NUMBER

NEW

INITIAL FUNDING

YEAR July 2019

PLANNED START DATE

September 2019

ESTIMATED COMPLETION DATE

September 2019

PROJECT DESCRIPTION:

Construction of the missing segment of off-road path at the intersection of Fremont Road and Estacada.

PROJECT STATUS:

Staff will schedule the pathway construction for Fall 2019.

	Final Budget 2019	Spending June 2019	Available Budget	Return to Reserves	Carry forward
Prior Years' Activity	\$38,000		\$38,000		\$38,000
Subtotal	\$38,000	\$0	\$38,000	\$0	\$38,000

	Carry forward	2018-19 Funding	2019-20 Planned	2020-21 Planned	2021-22 Planned	2022-23 Planned	Total Project
Funding Source							
Pathway Fund		\$38,000	\$10,000				\$48,000
Total Funding:	\$0	\$38,000	\$10,000	\$0	\$0	\$0	\$48,000
Project Spending							
Design		\$7,000					\$7,000
Construction		\$31,000	\$10,000				\$41,000
Total Spending	\$0	\$38,000	\$10,000	\$0	\$0	\$0	\$48,000

RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:

Will be determined as part of the design phase.

LA PALOMA/ROBLEDA PATHWAY



Map View of Proposed La Paloma/Robleda Path

PROJECT NUMBER
NEW

INITIAL FUNDING
YEAR July 2019

PLANNED START DATE
TBD

ESTIMATED COMPLETION DATE
Design: TBD. Construction: TBD

PROJECT DESCRIPTION:

Construct a pathway between La Paloma to Robleda Road. The scope of work includes:

- ~1100' of native path
- ~275' of 2' retaining wall
- ~165' of 3' retaining wall
- 15' of drain pipe
- ~210' of fence/guardrail
- ~2200 SF of brush clearing

PROJECT STATUS:

The first phase will be engineering design, survey and bid package preparation for \$50,000. Design phase tentatively to be completed by May 2020.

Construction phase tentatively to start in FY2020-21.

	Final Budget 2019	Spending Through June 2019	Available Budget	Return to Reserves	Carry forward
Prior Years' Activity			\$0		\$0
Subtotal	\$0	\$0	\$0	\$0	\$0

Project Funding/Spending Estimate:

Project Summary	Prior Appropriation	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	2022-23 Planned	Total Project
Funding Source							
Pathway Fund	\$0		\$50,000				\$50,000
Total Funding:	\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000
Project Spending		\$0	\$50,000				\$50,000
Total Spending	\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000

RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:

Will be determined as part of the design phase.

NATOMA (POOR CLAIRE'S)



Natoma (Poor Claire's) Proposed Trail Alignment

PROJECT NUMBER
NEW

INITIAL FUNDING YEAR
July 2019

PLANNED START DATE
September 2019

ESTIMATED COMPLETION DATE
September 2019

PROJECT DESCRIPTION:

Grading and construction of a 4' retaining wall to connect the existing pathway at the intersection of Natoma and Elena Road. The scope of the work includes the installation of approximately 100' of retaining wall, construction of approximately 180' of native path, adding a crosswalk and possible removal of one tree.

PROJECT STATUS:

Staff will schedule the pathway construction for Fall 2019.

	Final Budget 2019	Spending Through June 2019	Available Budget	Return to Reserves	Carry forward
Prior Years' Activity			\$0		\$0
Subtotal	\$0	\$0	\$0	\$0	\$0

Project Funding/Spending Estimate:

Project Summary	Prior Appropriation	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	2022-23 Planned	Total Project
Funding Source							
Pathway Fund	\$0		\$80,000				\$80,000
Total Funding:	\$0	\$0	\$80,000	\$0	\$0	\$0	\$80,000
Project Spending		\$0	\$80,000				\$80,000
Total Spending	\$0	\$0	\$80,000	\$0	\$0	\$0	\$80,000

RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:

Will be determined as part of the design phase.

SUMMERHILL PATHWAY PROJECT



Summerhill Ave (Existing Path)

PROJECT NUMBER
NEW

INITIAL FUNDING
YEAR July 2016

PLANNED START DATE
July 2019

ESTIMATED COMPLETION DATE
Design: May 2020. 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. The Pathway Committee has jointly worked with Town staff and developed the preliminary project scope and a cost model that estimated to be around \$400,000 for construction. The City Council directed the Pathway Committee in June 2017 to prioritize the Summerhill Avenue pathway project with other potential projects.

PROJECT STATUS:

Pathway Committee continue to perform site visit with Town staff to discuss project scopes with property owners that have higher degree of construction impacts. Among the visited property owners, they are all supportive to the project. The Town also sent out letters to Summerhill Avenue residents for comments of the pathway projects and there is no negative feedback. The Pathway Committee has voted and made the Summerhill Avenue pathway project on the priority list at February 2019 Committee meeting. The first phase will be engineering design, survey and bid package preparation for \$80,000 and the construction is estimated to be \$450,000. Design phase tentatively to be completed by May 2020. Construction phase tentatively to start in FY2020-21.

	Final Budget 2019	Spending Through June 2019	Available Budget	Return to Reserves	Carry forward
Prior Years' Activity	\$30,000		\$30,000		\$30,000
Subtotal	\$30,000	\$0	\$30,000	\$0	\$30,000

Project Funding/Spending Estimate:

	Carry forward	2018-19 Funding	2019-20 Planned	2020-21 Planned	2021-22 Planned	2022-23 Planned	Total Project
Funding Source							
Pathway Fund	\$30,000	\$50,000	\$80,000				\$160,000
Total Funding:	\$30,000	\$50,000	\$80,000	\$0	\$0	\$0	\$160,000
Project Spending							
Design		\$80,000					\$80,000
Construction			\$80,000				\$80,000
Total Spending	\$0	\$80,000	\$80,000	\$0	\$0	\$0	\$160,000

RECURRING ANNUAL MAINTENANCE AND OPERATING COSTS, IF APPLICABLE:

Will be determined as part of the design phase.

MATADERO CREEK EROSION



Matadero Creek Scouring Pool

PROJECT NUMBER

467209

INITIAL FUNDING YEAR

July 2012

PLANNED START DATE

Ongoing

ESTIMATED COMPLETION DATE

June 2021

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 is tentatively to begin in 2020/21.

	Final Budget 2019	Spending Through June 2019	Available Budget	Return to Reserves	Carry forward
Phase I	\$338,490	\$338,490	\$0		\$0
Phase 2 Design	\$195,800	\$115,367	\$80,433		\$80,433
Phase 2 Construction	\$550,000		\$550,000		\$550,000
Subtotal	\$1,084,290	\$453,857	\$630,433	\$0	\$630,433

Project Funding/Spending Estimate:

	Carry forward	2018-19 Funding	2019-20 Planned	2020-21 Planned	2021-22 Planned	2022-23 Planned	Total Project
Funding Source							
Drainage in-Lieu	\$630,433						\$630,433
General Fund	\$0						\$0
Total Funding:	\$630,433	\$0	\$0	\$0	\$0	\$0	\$630,433
Project Spending							
Design		\$80,433					\$80,433
Construction		\$550,000					\$550,000
Total Spending	\$0	\$630,433	\$0	\$0	\$0	\$0	\$630,433

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.

WESTWIND BARN TO CENTRAL DRIVE PATHWAY



Central Drive Looking East

PROJECT NUMBER
NEW

INITIAL FUNDING YEAR **PLANNED START DATE**
July 2019 September 2019

ESTIMATED COMPLETION DATE
September 2019

PROJECT DESCRIPTION:

The proposed pathway will connect Central Drive to the Byrne . The scope of the work includes construction of approximately 130’ of native path, approximately 159’ of 2’-3’ retaining wall, clearing approximately of vegetation.

PROJECT STATUS:

Staff will schedule the pathway construction for Fall 2019.

	Final Budget 2019	Spending Through June 2019	Available Budget	Return to Reserves	Carry forward
Prior Years' Activity			\$0		\$0
Subtotal	\$0	\$0	\$0	\$0	\$0

Project Funding/Spending Estimate:

Project Summary	Prior Appropriation	2018-19 Planned	2019-20 Planned	2020-21 Planned	2021-22 Planned	2022-23 Planned	Total Project
Funding Source							
	\$0		\$80,000				\$80,000
Total Funding:	\$0	\$0	\$80,000	\$0	\$0	\$0	\$80,000
Project Spending		\$0	\$80,000				\$80,000
Total Spending	\$0	\$0	\$80,000	\$0	\$0	\$0	\$80,000

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
Subtotal	\$ 61,186	\$ 26,186	\$ 35,000	\$ 0	\$ 35,000

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
Funding Source							
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
Subtotal	\$ 35,000	\$ 140,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 375,000
Project Spending							
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
Subtotal	\$ 35,000	\$ 140,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 375,000

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.

ANNUAL ROAD REHABILITATION PROGRAM



Liddicoat Drive

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 work. Street resurfacing includes corresponding 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 award of construction contract. The most recent PMP was updated in 2019 and it recommends an annual investment of \$800,000 to \$1 million in order to maintain the pavement condition index at 78 and above.

The 2019-20 Pavement Rehabilitation Program is prioritized as shown in the following table for 2019-20, representing 4.3 miles of roads. The road listing below is subject to the roads adhering to the Town's Road System Policy approved by the City Council on May 18, 2017. That Policy states that "(t)he dedication of private roadways to public ownership when requested by affected property owners, when they have been upgraded to current Town standards and where all necessary dedications have been offered by adjacent property owners....(That Policy further states that dedication will be considered only when the road is maintained and, if necessary, improved to a level acceptable to the Town." The project budget also includes an estimated \$250,000 for improvements to a private street that was accepted into the public street system.

2019 Pavement Rehabilitation and Drainage Improvement Project Specifications (Type of Work) and Streets List				
Street	From	To	Length (Feet)	Type of Work
Altamont Road	Page Mill Road	Black Mountain Road	2,653	1.5" Overlay with Digouts
Alto Verde Lane	Concepcion Road	End	577	Type II Microsurfacing
Baleri Ranch Road	Page Mill Road	both ends	920	2" Overlay with Digouts
Bentley Court	Burke Road	End	220	Type II Microsurfacing
Berkshire Drive	West Loyola Drive	West Loyola Drive	1,850	Type II Microsurfacing
Dianne Drive	O'Keefe Lane	End	1,200	Type II Microsurfacing
Edith Avenue	Begin of Bridge	End of Bridge	60	Methacrylate Resin Treatment
Elena Road	Natoma Road	La Barranca Road	3,030	2" Overlay with Digouts
La Loma Drive (Alternate)	Summit Wood Road	End	2,064	4" Remove and Replace 4" asphalt
Old Page Mill Road	North end of bridge	City limit (2000 Old Page Mill)	813	2" Overlay with Digouts
Ortega Drive	St. Francis Road	End	820	Type II Microsurfacing
Page Mill Road (1)	Berry Hill Lane	Baleri Ranch Road	700	1.5" Overlay with Digouts
Page Mill Road (2)	Matadero Creek Lane	935' n. of Altamont Road	3,255	1.5" Overlay with Digouts
Rancho Manuella Lane	Manuella Road	End	550	Type II Microsurfacing
Robleda Road	Fremont Road	Chapin Road	3,380	1.5" Overlay with Digouts
Stirrup Way	Arastradero Road	Saddle Mountain Road	367	Type II Microsurfacing
		Total	22,459	
			4.3 Miles	

PROJECT STATUS:

Staff has completed the 2019 Pavement Rehabilitation project. The work included the streets recommended in the previous PMP.

	Final Budget 2019	Spending Through June 2019	Available Budget	Return to Reserves	Carry forward
Prior Year's Activity	\$1,990,000	\$1,977,698	\$12,302		\$12,302
Subtotal	\$1,990,000	\$1,977,698	\$12,302	\$0	\$12,302

Project Funding/Spending Estimate:

	Carry forward	2018-19 Funding	2019-20 Planned	2020-21 Planned	2021-22 Planned	2022-23 Planned *	Total Project
Funding Source							
Street Fund *		\$721,902	\$416,200	\$437,000	\$458,900	\$481,800	\$2,515,802
Drainage in-Lieu		\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$200,000
General Fund	\$12,302	\$1,088,098	\$643,800	\$645,000	\$657,900	\$671,100	\$3,705,898
Total Funding:	\$12,302	\$1,850,000	\$1,100,000	\$1,122,000	\$1,156,800	\$1,192,900	\$6,434,002
Project Spending							
		\$1,862,302	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$6,262,302
Total Spending	\$0	\$1,862,302	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$6,262,302

* Includes Gas Tax and new SB1 Funds

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.

ANNUAL SEWER REHABILITATION PROGRAM



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:

Each year, the Public Works Department compiles a list of sewer segments with significant structural or maintenance defects. The main objective of the annual sanitary sewer repair and rehabilitation program is to repair and replace defective sewer pipes in the Town's sanitary sewer system to maintain uninterrupted conveyance 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. These repairs reduce the risk of sewer collapse and sinkholes forming in roadway, pathway, and easements. The selection of the sewer segments is based on the review of 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) recommended \$1 million for the near-term rehabilitation program.

2019 Sanitary Sewer Repair and Replacement Project

Location	USMH	DSMH	Repair Length (ft)	Method	Nearest Street	Nearest Cross Street
1	EMH1083	EMH1082	20	Point Repair	St Francis Rd	Ascension Dr
2	GMH1063	GMH1061	238	Pipe Bursting	Page Mill Rd	Matadero Creek Ln
3	GMH1065	GMH1064	5	Point Repair	Page Mill Rd	Matadero Creek Ln
4	GMH1074	GMH1075	5	Point Repair	Matadero Creek Ct	Matadero Creek Ln
5	OMH1129	OMH1022	5	Point Repair	Adobe Creek Lodge Rd	Moody Rd
6	OMH1022	OMH1023	15	Point Repair	Adobe Creek Lodge Rd	Moody Rd
7	DMH1062	DMH1061	5	Point Repair	Moon Ln	Page Mill Rd
8	DMH1024	DMH1023	25	Point Repair	Stirrup Way	Saddle Mountain Dr
9	DMH1054	DMH1053	427	Pipe Bursting	Arastradero Rd	Liddicoat Dr

Location	USMH	DSMH	Repair Length (ft)	Method	Nearest Street	Nearest Cross Street
10	LMH1127	LMH1128	59	Pipe Bursting	Moody Rd	El Monte Rd
11	KMH1012	KMH1128	29	Pipe Bursting	Dezahara Way	Taaffe Rd
12	IMH1064	HMH1112	10	Point Repair	Newbridge Dr	La Paloma Rd
13	GMH1033	GMH1034	5	Point Repair	Briones Way	Briones Ct
14	EMH1170	EMH1171	282	Pipe Bursting	St Francis Rd	Anacapa Dr
15	ECO1075	EMH1075	5	New MH	Weston Dr	Fremont Rd
16	HCO1003	HMH1076	5	Point Repair	Viscaino Rd	Concepcion Rd
17	AMH1018			Replace MH	Gerth Ln	Old Page Mill Rd
18	ACO1005			New MH	Gerth Ln	Old Page Mill Rd
20	PMH1136			Rehab MH	Dawson Dr	Rebecca Ln
21	HMH1060			Rehab MH	La Paloma Rd	Alta Tierra Rd
22	EMH1106			Rehab MH	Fremont Rd	Manuella Rd
23	EMH1177			Rehab MH	Palo Hills Dr	Fremont Rd

PROJECT STATUS:

Ongoing program.

ANNUAL SEWER REHABILITATION PROGRAM (CONT.)

Prior Appropriation Status:

	Final Budget 2019	Spending Through June 2019	Available Budget	Return to Reserves	Carry forward
Prior Years' Activity	\$1,100,000	\$755,770	\$344,230	\$0	\$344,230
Subtotal	\$1,100,000	\$755,770	\$344,230	\$0	\$344,230

Project Funding/Spending Estimate:

	Carry forward	2018-19 Funding	2019-20 Planned	2020-21 Planned	2021-22 Planned	2022-23 Planned	Total Project
Funding Source							
Sewer User Charges	\$344,230	\$344,230	\$950,000	\$950,000	\$950,000	\$950,000	\$4,488,460
Total Funding:	\$344,230	\$344,230	\$950,000	\$950,000	\$950,000	\$950,000	\$4,488,460
Design and Inspection							
Construction		\$344,230	\$950,000	\$950,000	\$950,000	\$950,000	\$4,144,230
Total Spending	\$344,230	\$344,230	\$950,000	\$950,000	\$950,000	\$950,000	\$4,488,460

* Future years' capital needs are being reviewed and will be brought to the Council in early 2019. The \$1.1 million in spending in 2018-19 will allow for construction of known highest priority projects until those future needs and the corresponding rate scenarios can be brought to Council for consideration.

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.

Supplemental Information

Investment Policy

(Adopted 1/25/2017)

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 Debt Service 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.

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 person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

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

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 two highest categories by a nationally recognized statistical rating organization (NRSRO). Purchases of municipal obligations may not exceed 30 percent of the Town's investment portfolio.
4. 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.
5. State of California's Local Agency Investment Fund: Investment in LAIF may not exceed \$40 million and should be reviewed periodically.
6. 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.
7. 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.

8. Any Federal Agency issued mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-back certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years maturity. Eligible securities must be rated, by a nationally recognized rating service, as "AAA" or higher, and the issuer of the security must have an "AAA" or higher rating for its debt as provided by a nationally recognized rating service. No more than 20 percent of the agency's surplus funds may be invested in this type of security.
9. California Asset Management Program.
10. Comerica Securities' Certificate of Deposit Placement Program.
11. 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. Notes eligible for investment under this subdivision shall be rated "AA" or better by a nationally recognized rating service. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 20 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 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. Securities purchased through the Certificate of Deposit Placement Program shall be custodied with Comerica Institutional Trust.

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 with whom the entity has a current custodial agreement. 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.

Accordingly, the Town shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures. 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 30% of the Town of Los Altos Hills' total investment portfolio will be invested in a single security type (per Section 6.0) or with a single financial institution.

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. Unless matched to a specific cash flow, the Town of Los Altos Hills will not directly invest in securities maturing more than five (5) years from the date of purchase.

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 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 Investment Terms

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.
Certificates of Deposit: Commonly called time deposits certificates or time deposit open accounts. These are non-negotiable.

Certificates of Deposit: Commonly called time deposits certificates or time deposit open accounts. These are non-negotiable.

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 \$100,000 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. FHLMC, also called "Fannie Mae," issues discount notes, semi-annual pay coupon securities and mortgage-backed securities.

Federal Savings and Loans Insurance Corporation (FSLIC): A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

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 \$40 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.

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.

TOWN OF LOS ALTOS HILLS EXPENSE AND USE OF PUBLIC RESOURCES POLICY

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.

VIOLATION OF THIS POLICY

Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following:

- Loss of reimbursement privileges
- A demand for restitution to the Town
- The Town's reporting the expenses as income to the elected official to state and federal tax authorities
- Prosecution for misuse of public resources

GIFTS AND DONATIONS TO THE TOWN OF LOS ALTOS HILLS

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

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:

1. 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.
2. The donation will not conflict with any provision of the law.
3. 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
4. The donation will not add to the Town’s workload unless it provides a net benefit to the Town.
5. 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.
6. 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.
7. The donation shall become property of the Town and will be used for public benefit.
8. 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.

9. 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.

FUND BALANCE AND RESERVE POLICY

(Adopted 5/2016)

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

Proprietary funds

Enterprise fund (Sewer)
Internal service funds

Any new fund, unless specifically exempted

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 funds in a negative (deficit) position could report a negative 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.

Glossary of Terms

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.