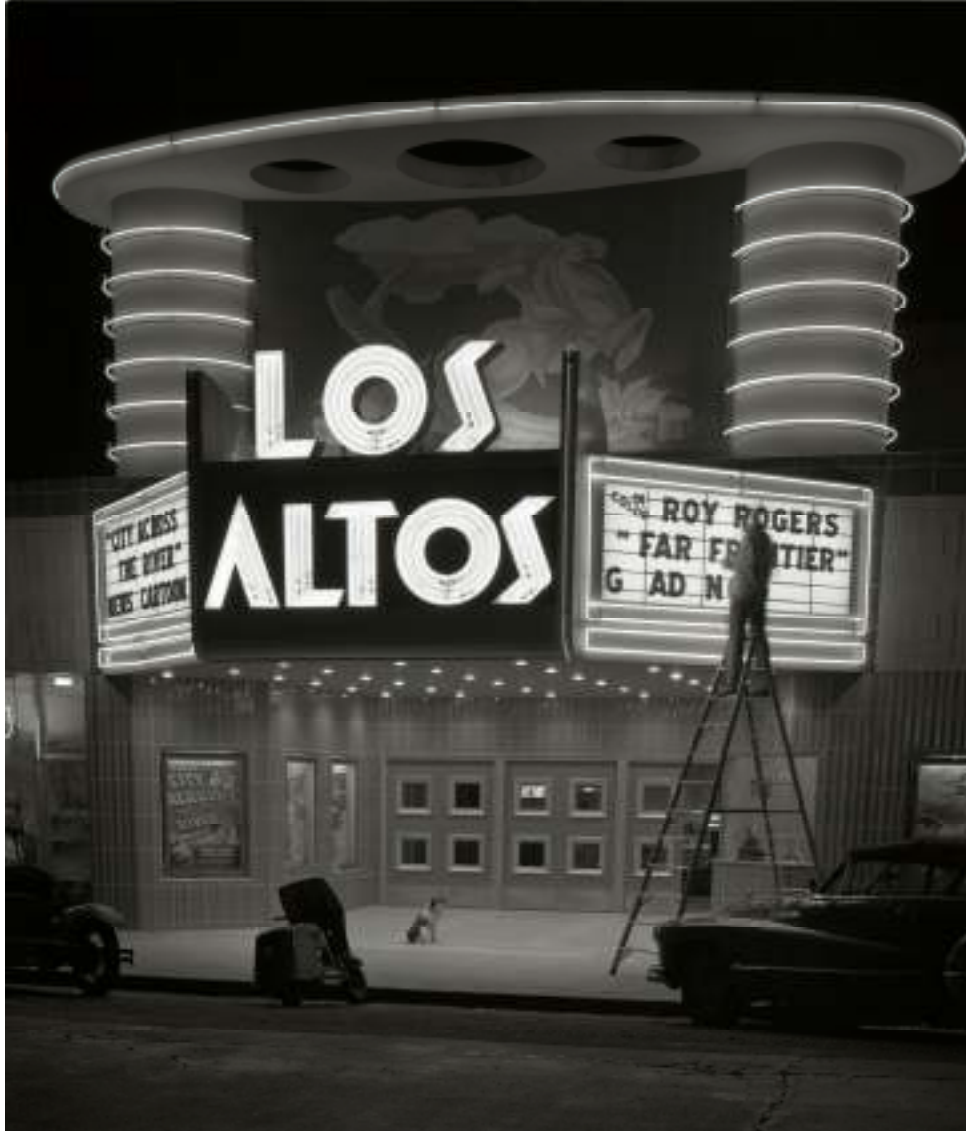


# CITY OF LOS ALTOS



## ADOPTED SERVICE & FINANCIAL PLAN 2007-2008 & 2008-2009

Photograph provided courtesy of the Los Altos History Museum

# Organizational Mission

The mission of our city staff, council, commissions, committees and volunteers is to foster and maintain the City of Los Altos as a great place to live and to raise a family.

To accomplish this we shall:

- assure responsive and reliable police, fire, sewer, garbage, cable TV and animal control services;
- maintain and improve city streets, parks and municipal facilities;
- provide leadership and oversight in city-wide planning and construction to assure orderly, safe, and attractive development;
- encourage and regulate local businesses to provide the products and services needed by residents and property owners, where they need them;
- provide recreation facilities and services, especially for families and senior citizens;
- preserve our historical and cultural roots;
- maintain liaison and cooperation with local schools, organizations and agencies, neighboring cities, and the county, region, state, and federal governments to fulfill our obligations and take advantage of our opportunities; and
- nurture and promote the traditions of volunteerism, philanthropy, and participation that transform our city into a vibrant, caring community.

CITY OF LOS ALTOS  
Service & Financial Plan  
Fiscal Years  
2007-2008 & 2008-2009

CITY COUNCIL

Robert C. Cole, Mayor  
Valorie Carpenter, Mayor Pro Tem  
Lou Becker  
David Casas  
Ron Packard

CITY MANAGER

Philip Rose

DEPARTMENT HEADS

Dave Brees - Recreation Director  
Starla Jerome-Robinson – Assistant City Manager  
Susan Kitchens – City Clerk  
Brown Taylor –Acting Police Chief  
James Walgren – Community Development Director

CITY ATTORNEY

Jolie Houston, City Attorney



## TABLE OF CONTENTS

Budget Message	1
Analysis of the Adopted Financial Plan	3
Summary Charts	9
Revenue Summary	12
Expenditure Summary	14
<b>Public Safety</b>	<b>17</b>
Police Services	18
Police Traffic Safety	20
Emergency Preparedness	22
Communications	24
Fire Suppression and Prevention/EMS	26
<b>Public Works</b>	<b>29</b>
Maintenance Supervision & Management	30
Street Maintenance	32
Traffic Control	34
Parks & Street Landscaping	36
Sewer Services	38
Storm Drain Services	40
Solid Waste Collection Management	42
Facility Maintenance	44
<b>Recreation</b>	<b>47</b>
Recreation	48
Senior Programs	50
<b>Community Development</b>	<b>53</b>
Planning & Building	55
Public Works/Engineering	58
Economic Development	60
<b>Internal/Community Services</b>	<b>63</b>
City Council	64
City Clerk	66
City Attorney	68
City Management	70
Administration & Financial Management	73
Information Services	76
Central Services	78
Cable Television	80
Volunteer Program	82
General Appropriations	84
<b>APPENDICES</b>	<b>87</b>
General Fund--Revenue Detail	88
Fund Schedules	91
General Fund	92
Vehicle Impound Fees	93
Supplemental Law Enforcement Fund	93
Community Development Block Grant	94
Downtown Parking Fund	94
In Lieu of Park Land Fund	95
Traffic Impact Fee	95
Estate Donation	96
Transportation Development Act	96
Gas Tax Funds Combined	97
Capital Improvement Projects Fund	98
Equipment Replacement Fund	99
Facility Replacement Fund	100
Community Improvement Reserve Fund	101
Sewer Fund	102
Storm Drain Deposit Fund	103

Urban Runoff Pollution Prevention Program _____	103
Solid Waste Fund _____	104
Dental Fund _____	105
Unemployment Fund _____	105
Workers Compensation Fund _____	106
Liability Insurance _____	107
Long Term Debt Administration _____	108
General Obligation Debt _____	109
Assessment Districts _____	110
Financial Goals _____	115
Financial Policies _____	117
Service & Financial Plan "Basics" _____	122
Financial Plan Assumptions _____	125
Utility Users Tax _____	127
City of Los Altos Organizational Chart _____	128
Glossary _____	129



# Budget Message

October 2007

Honorable Mayor and Councilmembers:

Los Altos has a tradition of being fiscally conservative. I am proud of the fact that during my tenure as City Manager we have avoided major decreases in service levels and employee layoffs that have been experienced by many other California cities. For the most part, we have maintained this position over the years due to good decision-making at all levels of our organization. Last year, we began to increase staffing for the first time in many years. In particular, the Public Works functions of both engineering and maintenance were significantly understaffed and we added both engineers and maintenance workers to the budget. Again, this year, we are able to present a financially sound budget that includes some additional staff; this time in Finance and Information Services.

In fact, if our projections turn into long-term reality, the City will be able to support either additional staffing or long-term debt in the foreseeable future. Staff believes that given the age and dilapidated nature of many of our facilities, the City, over the next year, should develop a long-term plan for the replacement or renovation of these facilities. Long-term debt will likely be required to fund this plan.

I believe that our needs in this area will measure in the tens of millions of dollars. A plan should be created that helps the community visualize the problem and understand the need to personally contribute toward its solution. Likely, we will have to combine several of the resources available to us in order to address this problem. One such resource is the dollars we have allocated in past and future budgets for this renewal. In addition, staff has recommended the sale of excess property as another funding source that could appropriately be used in this situation. Third, we believe that the financial health of the city will now allow us to incur some debt that can be paid from current revenues. The fourth leg of this funding structure will likely have to be a bond measure dedicated to completing the job of re-building or renovating facilities.

I believe that before a bond election can succeed, citizens must feel that they have participated in the decision—they must feel that they have decided whether to replace or renovate city facilities and that it is worth their investment. They must also have faith that their city government, knowing that this day would come, conserved resources to contribute to the solution. In other words, we must be able to say that, in addition to a bond measure as a funding source, city government is providing three additional funding sources to accomplish our task.

If the City Council supports this direction, it will take some time and effort to ensure that the Community is behind this decision. Our first public step should be to convene public forums to allow the community to become familiar with our needs. This should be followed by the development of alternative plans, the merits of which can be fully discussed at community meetings. Finally, a plan that has broad community support should be placed before the voters on the June or November 2008 ballot assuming that we have decided that a bond measure is a necessary component of the funding plan.

**Basic Services.** To borrow from my last budget message, the operating budget and capital improvement schedule were prepared with a focus on providing basic services to our citizens. Staff believes that we must commit all available resources to those essential services that residents have, from the city's inception, expected us to provide.

Of course, this operating budget does continue to incorporate prior City Council priorities. Staff has not attempted to second guess these decisions, but our intent in preparing this budget has been to utilize increased revenues to meet basic services levels. The Council may want to go further and decide to eliminate or reduce some service levels.

The need for additional resources to provide basic service levels has long been identified. In fact, through the initiative of prior Councils, a program of independent department reviews in Police, Public Works, and Community Development has confirmed this need. In general, these reviews documented the need for the additional resources required to provide expected basic services. The City Council has decided not to conduct reviews of the final two departments, Recreation and Finance & Administration, but has recognized the need for additional resources. Our recommended budget includes new positions in Finance and Information Services, but we did not include an additional position in Recreation. The addition of a

recreation position will expand recreation services. Similar to the addition of the Community Service Officer for Disaster Preparedness, we believe that this is a decision that should be left to Council. We do believe that the Council has the financial flexibility to fund this position if it is a high priority.

Because it is often misstated, it is important to point out that our #1 priority is Police and Fire response. A review of our budget supports this conclusion. We typically commit about 48% of our discretionary dollars to Police and Fire services. If we look at the complaints we receive about inadequate service levels, it is infrequent that we receive a complaint about police, fire, or our fee-supported services. Rather, complaints focus upon our lack of capital improvements, lack of public works maintenance and the significant backlog of public works projects approved in prior years.

With the addition of maintenance and engineering staff in last year's budget we have the capacity to improve our response to these areas of concern. With the addition of two support staff in finance and information services we will improve our back office capability. Yet, more may be needed to support the service levels that the Community expects.

**New Services.** To put this in business terms, we cannot expand or create new businesses without defining a revenue stream to support them. We continue to hope that growth in existing revenues will pay for the services that our community requests at each new Council meeting. It isn't going to happen. We must change the way we approach this problem. We should ask citizens whether they are willing to pay for additional services and respect whatever decision they make. No additional funding should mean no additional service. Staff's fear is that if we don't commit to this course of action, then, in the not too distant future, the community will be asking why we didn't maintain our existing infrastructure.

Some budget analysts may say that our budget will allow for new services to be funded, but we believe that this can only be determined once our future facility replacement has been defined. To borrow from the experience of neighboring cities, we know that as facilities are re-built or renovated the operational costs are likely to increase and the operational cost will have to be absorbed by current revenues.

**Expectations.** We have to be careful of setting expectations for even minimal service level increases. We have identified a number of service level alternatives and unscheduled capital improvements as part of this budget process. We did not do this in an attempt to have the Council fund what we cannot afford. Rather, we hope to identify our needs so that no one can say that the Community was not informed of developing problems or the possibility for improved services.

**Budget Preparation.** This year staff continued the process we started several years ago, of developing the budget by a budget committee made up of representatives from several departments. The budgets presented to you this year largely reflect the prioritization and analysis that came out of this committee. It is important to note, that the guiding principle of this committee is to make decisions based not upon what is good for their individual departments, but rather what is best for the City as a whole. As a result, the budget presented to you defers to future budgets many items that individual departments, as well as the budget committee, believe will make them more efficient and effective.

As has been our custom over the past five years, staff has also prepared a significantly expanded document that identifies a five year Capital Improvement Program as well as a description of many capital improvements that are unscheduled. These are projects that have been identified, but are unfunded. In addition, we have prepared a third document that describes in detail Alternative Service Levels. This document provides information, including the costs, for both reductions and increases to service levels. We believe that these two documents can provide the Council and community with the means of adjusting priorities, not just at budget time, but also throughout the year.

With this said, the Adopted Service & Financial Plan for Fiscal Years 2007-2008 and 2008-2009 is submitted for your review and action.

Sincerely,

Philip E. Rose  
City Manager



# Analysis of the Adopted Financial Plan

We are pleased to be able to provide an adopted budget in which revenues are greater than expenditures. In previous budgets, the City Council approved maintenance and engineering positions to increase maintenance and completion of capital projects. This Plan focuses on expanding support services in Information Services to improve and expand our technical capacity and in Planning and Recreation.

## **Revenues**

General Fund and Enterprise Fund revenues in 2007-2008 were anticipated to increase approximately 5%, or \$1.6 million from the 2006-07 budget and \$655,000 or 2% from 07-08 to 08-09. When comparing budget to 2006-07 actual revenue results, however, revenues are projected to be relatively flat between 06-07 and 07-08. General Fund revenues are principally tax related. In California, tax increases usually must be approved by the voters, so growth is the result of market conditions. Enterprise Fund revenues, such as Sewer and Solid Waste revenues, are fee based and grow in relation to the cost to provide the service. Key changes are discussed below.

**General Fund** revenues were projected to increase about 7% in 07-08 and 2% in 08-09. When compared to actual 06-07 revenues however, the result is an increase of \$386,000 in 07-08 and \$621,500 in 2008-09. In preparing the budget we did not anticipate such substantial growth in revenue receipts for 2006-07 which were much higher than anticipated

Our key general fund revenue sources are property tax (41%); fees from Community Development, Recreation, Franchises and Police Services (15%), sales tax (10%), utility user tax (8%), and transient occupancy tax (4%). Generally, we project 3% growth for revenues, to be consistent with economic factors and increases in the Consumer Price Index in the San Francisco Bay Area. Each revenue source is analyzed based on its' vulnerability to economic conditions, the current and anticipated level of "activity" and the historic trend in growth for the past ten years. Some revenue sources are driven by more complex factors and therefore deviate from the general rule of 3%. The significant revenue deviations in this budget are in secured property tax, interest income, transient occupancy tax, community development fees, and administrative fees.

Property tax continues to outpace the growth in other revenue sources. While the City receives only about 10% to 11% of the secured property tax paid by property owners in Los Altos, it is our largest revenue source. Service fees are our second largest source of revenue, at 15% of general fund revenue. Customers pay fees when receiving services such as enrolling in a Recreation Department class, obtaining a building permit; etc. Growth in fee revenue is driven by either an increase in activity or an increase in the fee itself. Each year as the program budgets change we retool the fee schedule for consistency with the cost to provide the program and the City Council's subsidy policy.

Interest earnings increased 4% taking into account the improved interest rate as we enter the new fiscal year compared to the same time in the prior year. The portfolio has also increase by \$6.2 million. Throughout the next two years we anticipate a reduction in the portfolio size if capital projects proceed as planned.

Transient Occupancy Tax (TOT) is set at the approved maximum of 11% and generates about 4% of general fund revenues. More information about individual revenue sources can be found in the "Financial Plan Assumptions" section.

**Capital Projects** revenues projections will be included in the Capital Improvement Program document, once the City Council has an opportunity to decide how to proceed with the Program. This year the Council decided to defer making the funding decision during the budget process, in part, to enable staff to focus on funded projects.

**Enterprise Funds** - Sewer and Solid Waste budgets were prepared based on the information currently available to us. Sewer revenues were much higher than anticipated. Even without rate increases for sewer it is clear that the revenues were underestimated for the sewer fund for 2007-2008 and 2008-2009.

The City is utilizing a consultant to evaluate the sewer rate structure, so rate increases are deferred until the rate study is complete. Completion of the study is anticipated by the end of 2007. In the interim, rates will not change except in some instances in which customers in the County area will experience a decrease in rates. This change will reduce revenues but the staff feels that there is an adequate fund balance to cover this shortfall. Since we have no basis for accurately projecting an unknown increase, we have not increased revenues in either year. We can reevaluate the revenues during the mid term budget process. The City is no longer responsible for the Los Altos Hills customer billings as a result of the new Sewer Agreement with Los Altos Hills.

A rate increase was received in May from Los Altos Garbage Company (LAGCo). For revenue projection purposes, income is expected to be essentially the same as in 2006-07 since we do not know what changes to the rates will occur.

The General Fund continues to finance the Storm Drain and Urban Runoff Enterprise fund expenses, since a fee has not been approved. If a fee is not developed within the next two years we will recommend moving these expenses into the General Fund.

## **Expenditures**

We are proposing improving our basic current service levels by adding support staff. Overall operational expenditures are budgeted to increase 8% to \$32.6 million in 07-08 compared to 06-07, with a 3% increase of \$826,000 to \$33.4 million in 08-09. These expenditures do not include prior, current or future capital projects funding.

General fund operational costs increase 7% to \$26.6 million in 07-08 and 3% to \$27.4 in 08-09. Enterprise activities are projected to increase in 07-08 to \$5.97 million and are currently estimated to be essentially the same in 08-09 because there are no equipment requests currently recommended for purchase.

Overall, the focus is to improve support services to the operating departments to enable operational efficiencies and technology improvements beginning in 2007-08 with these changes:

- Withdraw from the contract with the City of Palo Alto for Information Technology Services, instead add two technology positions to our organization;
- Add a second Assistant Planner to our Planning Division to maintain excellent customer service;
- Expand the programming capacity and stability of our Teen Program by increasing the part-time position to full time;
- Add the funding for the renegotiated Fire Services contract, including the second increment of the increase for calendar year 2007 and the fiscal year contract increase resulting in \$832,000 in 2007-08 and \$281,776 in 2008-09.
- Add an additional \$27,000 in each year to establish a budget for hourly staff to fill in for Communications Officers when we are short staffed due to vacations, sick leave and training absences.
- Continue the staffing levels in maintenance, a total of 31 workers in various maintenance classifications. This does not result in addition to the number of authorized positions, but the information could have been presented more clearly when the half time position to Storm Drains and the 1.5 Maintenance Worker P's for Streets were added in the 2006-2007 budget.

Staff recommended adding an Accountant position to Administration and Finance to better support the departments and finance as the implementation of the new financial system is undertaken. The Council did not approve the addition of the position, but instead, directed the new City Manager be given an opportunity to assess the overall need within the organization. The budget was not reduced but there is no authorization to hire

such a position. No additional positions were added for 2008-09, leaving such decisions to the mid-term budget review with the new City Manager.

We have not incorporated any estimated impact on our revenues or expenditures that may result if the City Council elects to subsidize the recreation programs at the new Community Swim Center. Based on the 2002 business plan previously submitted, if the City chooses to subsidize the swim lessons and recreational swim time, it could add \$200,000 annually in expenses to the City depending on staffing needs and utility costs.

## **General Fund**

Overall, general fund expenditures are increasing 8.5% in 2007-08 and 3.5% in 2008-09. In 2007-08 the significant changes are in salaries and wages due the addition of three new positions, and the second of two substantial increases in the fire contract.

For presentation purposes the Program expenditures are presented in three categories: Salaries and Wages, Services and Supplies, and Capital Outlay for new and replacement equipment requests.

**Salaries and Wages** are budgeted at the maximum cost for 2007-08 and 2008-09, although the actual pay rate of the employee may be less. Our purpose in identifying the maximum expense is to provide decision makers with the financial information to understand the long-term impact of their decisions. To provide a balanced picture, we include an estimate of "salary savings". Our aggregated "salary savings" estimate is used to offset the "overstated" salaries budget since those funds are likely not to be fully spent. We used a 5% factor for 2007-08 and 2008-09. This amount has been incorporated in the budget as a revenue line item in the "All Other" category in order to offset the higher budgeted expenditures.

In 2007-08 the most significant contributors to the overall increase in Salaries and Wages are the changes in salaries:

- Overall, Salaries and Wages have increased over 7% or \$1,092,000 including the addition of the four new positions and the conversion of the Teen Coordinator to a full time position. These new positions add \$486,700, with an overall increase to be 1,092,000. The significant increases, including the recommended positions, are in salaries (\$596,000), retirement costs (\$220,000) and health care costs (\$183,000).
- The other salary related budget increases range from 3% to 4.5% adjustments except for part time workers, because we added \$25,000 to the Police Department budget for hourly workers to back fill for temporarily absent Communications Officers.
- Health insurance budgets increased by 16% including the five new positions. Since the City was in the process of negotiating new contracts with both the Los Altos Peace Officer Association and the Teamster unit that represent the maintenance workers we estimated the City contribution towards health care premiums and anticipated premium rate increases.
- Public Employee Retirement System (PERS) rates for 07-08 are increasing slightly. The budget increase is 9% due to increased salaries and the new positions. We have suspended our former approach of budgeting at "normal" cost since the adoption of the improved retirement plans is impacting our rates on a continuing basis. While it is unfortunate that original PERS actuarial estimate were not adequately conservative, the improved retirement plans maintain our ability to recruit and retain good employees in a competitive market. The PERS actuarial report is not categorized to distinguish the costs associated with this approach, but we make our best estimate. Actual differences in the amount owed and the amount budgeted, if that occurs will be funded by a transfer from the PERS reserve in the general fund.

PERS employer rates are separated into two separate categories: Public Safety (all sworn) and miscellaneous (all non-sworn). For Public Safety, for fiscal year 07-08 the employer rate increased from 27.947% to 28.882%, with a projected rate of 28.2% for 2008-2009. In 2007-08 and 2008-09 we've budgeted at a rate of 25.25%

We're increasing the 2007-08 and 2008-09 budget for miscellaneous to 12.72%, although the actual employer rate is increasing from 13.868% to 14.124% in 2007-08. For 2008-09 the estimated employer rate is projected to be 14%. We can reevaluate during the mid term budget if we think we should reconsider our approach or our actual budget amounts.

The PERS retirement system is a standard in California for local government employees. Regardless, it is a complex system that we as employers have no direct control over. Alternative budgeting approaches could be used, but we think that it would be helpful to have two more years of experience to better assess how to proceed with the use of our reserves, and our budgeting approach.

- Budgets for part-time hourly employees have been increased \$29,040 in 07-08. These changes reflect a combination of estimated salary increases and an allocation of \$25,000 in both years for fill in assistance for our Communication Officers.
- Workers Compensation costs are unpredictable with such a small employee base. We increased the workers compensation budget by \$43,600 in the General Fund in 2007-08 to a total of \$515,325. The increase in 08-09 reflects the inflator for contractual increases in that year since we budget workers compensation based on a percentage of the estimated salary.

**Services and Supplies** are projected to increase 12% or \$1.19 million in 07-08 and 3.7% or \$380,400 in 08-09. For 2007-08, most of the increase or \$1.26 million of the increase results from the Fire Contract and the elections budget as shown below. Changes include:

- Contract services with the Santa Clara County Central Fire Protection District will increase again as a result of the new contract for a total of \$832,075 in 07-08 and \$281,766 in 2008-09.
- The elections budget shows an increase of \$204,215 since there was no elections budget in 2006-07. The budget for 2008-09 is \$159,714.
- Liability budgets are higher by \$89,000 due to recent experience, and the staffing increases. The City is self insured, but participates in the Association of Bay Area Governments for excess insurance up to \$20,000,000. Our annual expense is dependent on actual claims filed, size of the claims and the resolution of the claims.
- Community Promotions allocation in the non-departmental budget, reserved for Council determination, is a lump sum of \$69,720 in 07-08 and in 08-09. The City Council determines the level of financial support for community organizations such as the Chamber of Commerce, Community Health Awareness Council, etc as part of the budget process.
- Equipment replacement contributions are being maintained, so that in both budget years include approximately \$585,000, which is transferred from the various General Fund operating departments to the Equipment Replacement fund. For replacement equipment, we budget for the equipment in a Program and will transfer an amount equal to the actual cost of the replaced equipment from the Equipment Replacement fund to the General fund to offset the expense, if needed.

**Capital Outlay** costs are typically one-time costs for new equipment and replacement equipment. The budget committee reviews all budget requests both for replacement equipment and new equipment, and provides recommendations based on the overall needs of the organization and the condition of the equipment to be replaced. This process improves each year. The total for all new and replacement equipment is \$624,171 in 2007-08 and \$525,500 in 08-09 and \$435,500 is budgeted in 2007-08 in the Sewer fund with no equipment purchases budgeted in the Sewer Fund in 2008-09. The individual pieces of equipment are specified on the Program pages of the budget.

Most changes in expenditures are footnoted in the department budgets. Items that affect most departments, such as the salary fluctuations, have not been described individually.

## **Enterprise Funds**

The Enterprise funds include Sewer, Storm Drain, Urban Runoff Pollution Prevention (URPP) and Solid Waste. Collectively these budgets are increasing about 12% or \$661,000 in 2007-08 and a reduction of 1% or \$61,000 in 2008-09.

We began budgeting separately for the Storm Drain maintenance costs and URPP in 2004-05, based on our understanding of the City Council's direction at the April 13, 2004 meeting to use all sanitary sewer revenue exclusively for sanitary sewer expenses, and not for expenses related to storm drains.

We continue to allocate staff time to the Solid Waste budget, the URPP budget and the Storm Drain budget. In the Sewer budget we dedicate staffing. We track the time by these employees, so that if they are used for other functions such as Parks or Street Landscaping, then the appropriate Program pays for the employee's time. For the other enterprise funds, the business objective of allocating staff time to the Enterprise funds is to eliminate the general fund subsidy of these funds. As an example, we added the Maintenance Worker allocation in 2005-06 estimated at 1000 hours and track this work separately, to ensure that the cost is reflected in the Storm Drain program, not in Streets, Parks or in the Sewer Program.

We are watchful of the Enterprise Fund Program to isolate the expenses required for these programs from the General Fund as best we can. We continue to develop our approach based on our experiences. Often, staffing changes and expenses occur due to the obligation of local agencies to enforce state and federal mandated programs such as Urban Runoff Pollution Program – a program that did not exist 10 years ago and is now costing us at least \$100,000 each year due to state mandates.

**Sewer** fees are currently being evaluated in a Sewer Rate Study by a consultant so fees are not anticipated to in 2007-08. We don't have any estimates for 2008-09 so our budget documents make no assumptions about increases. In fact, for 2007-08 the staff is currently in the process of recommending rate decreases for non resident fees. Further, the implementation of the new sewer agreement with Los Altos Hills has begun. Due to this transition we are not recommending any staffing changes even though the Sewer Master Plan recommended increasing staffing by additional 2 maintenance workers.

The budget provides for the new Cost Allocation Plan overhead transfer. We are estimating the transfer at \$696,778 in 2007-08 and \$722,364 in \$2008-09.

**Solid Waste** revenues reflect a minor increase in fees as a place holder. As mentioned above, we have received but not presented to the City Council, a rate increase from Los Altos Garbage Company. Adopted expenditures for 2007-08 in the Solid Waste Budget are increasing 8% compared to the 2006-07 budget, due to the increases in disposal fees and the administration fees to reimburse the general fund for overhead. The Solid Waste budget includes \$700,000 for the Newby Island landfill tipping fees, and \$500,000 for the Zanker Road Green Waste Processing Facility. The processing expenses for yard waste composting at Zanker Road is changing due to our new agreement with the Zanker Road facility, following last years bid process. We are now paying \$40.30 per ton compared to the previous fee of \$25.87 per ton. In addition, the 2007-08 Service and Financial Plan includes \$223,081 for the administrative overhead fees to reimburse the general fund for overhead costs and \$74,000 for the Santa Clara County Household Hazardous Waste program. Street sweeping services are included in the Solid Waste budget at an estimated cost of \$125,000. The 2008-09 budget increases about 3%.

**Storm Drain** expenses are budgeted as an enterprise fund. As discussed above we are estimating the use of approximately 1,000 hours per year for maintenance. We show .5 of a Maintenance Worker I on the Storm Drain page although the time worked will be done by a number of maintenance workers, not a dedicated part time worker. This work typically occurs during the fall clean up period to remove the debris from clogged storm drains and general maintenance which occurs intermittently throughout the year. We continue to pay for this enterprise activity with a transfer from the General Fund. We either need, however, to identify an alternative funding source or reevaluate classifying Storm Drain as an enterprise fund expense.

**Urban Runoff Pollution Prevention Program (URPP)** principal expense is our contribution to the County for the Santa Clara Valley Pollution Prevention Program of \$49,700 and .5 of the Associate Civil Engineer to prepare required reports. This Enterprise activity is also being subsidized by General Fund, and needs an alternative source of funding.

## **Community/Capital Improvement Program**

Capital Projects descriptions are presented in a separate document. Both the City Council and staff have spent substantial time over the past year prioritizing the projects, so our document this year will differ from prior years. Non-project costs, including debt service, and project management costs are included in the Fund Summary's in the back of this document but are not included in the Revenue Summary and Expenditure Summary in this document.

The primary source of revenue to the Capital Projects fund is the Utility User Tax (UUT) transfer and the year-end transfer from General Fund to Capital Projects and non-discretionary grants. The City's goal has been to transfer 80% of the Utility User Tax (UUT) proceeds from the General Fund to the Capital Projects fund to provide funding for non-grant projects. We also transfer all undesignated fund balance (except for \$300,000) to the Capital Projects fund at year-end. City Council decided to defer funding new capital projects except for the Sewer projects previously identified in the Sewer Master Plan and a Community Development Block Grant funded project until the new City Manager was available to participate in strategizing the best way to proceed.

## **Reserves**

Emergency (10%) and Operating Reserves (2%) are funded at levels required to maintain balances established by the City's financial policies. The transfers will be done as part of the 2007-2008 and 2008-2009 year end process. An allocation of \$5,000 has been provided annually for the Community Improvement Reserve/Fund.

The PERS (Public Employee Retirement System) reserve was established in 1998-99. The purpose of the PERS reserve is to levelize the annual PERS budget to avoid distorting the budget with significant increases and decreases. As discussed above, this budgeting approach may no longer be valid due to the legislative requirement to participate in a "pool" of cities with similar retirement benefits and the impact of the improved retirement plans. The purpose of moving smaller cities into risk pools is to levelize the rates, but so far this doesn't seem to be occurring. Nonetheless, we currently have a \$3 million reserve, which we can use in the future to offset higher rates or use to pay down our unfunded liability which should have the effect of reducing rates.

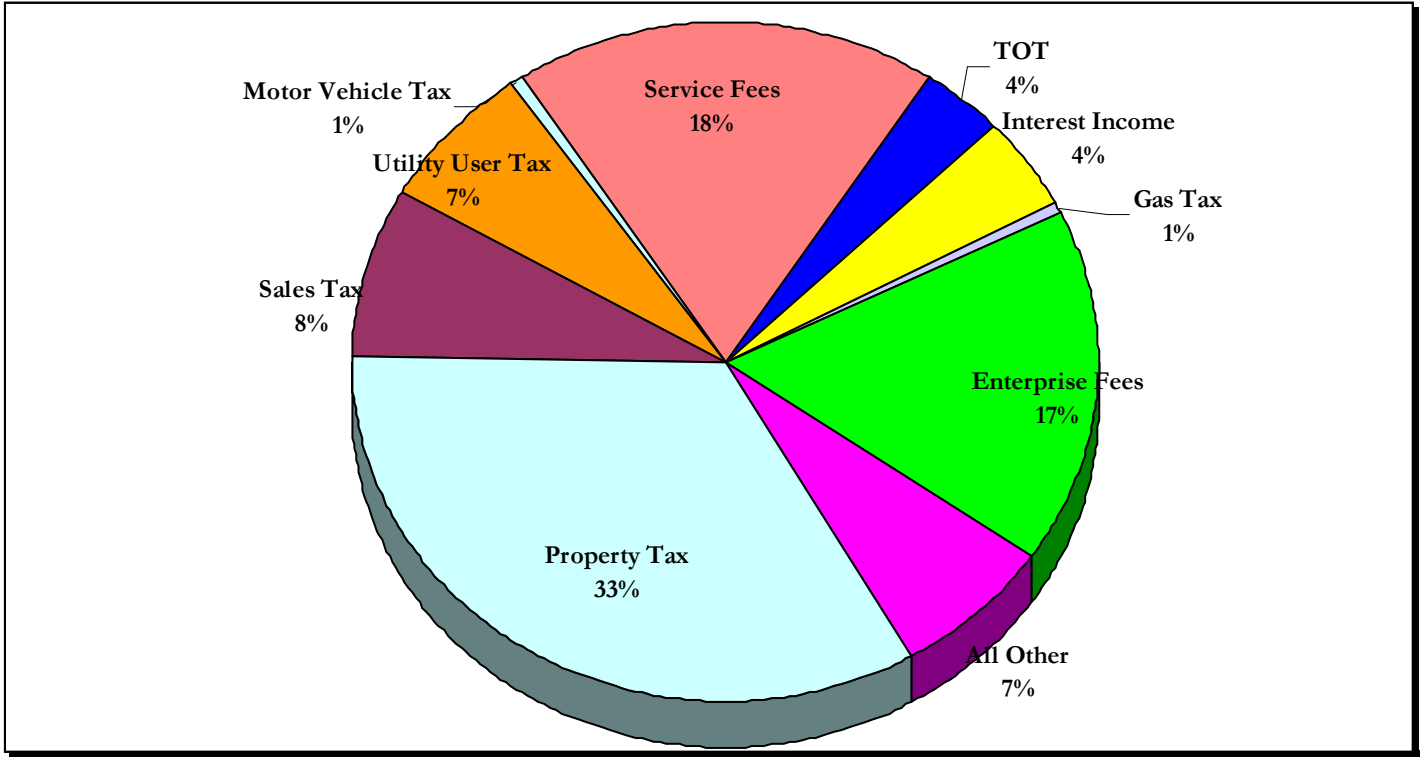
Insurance fund balances (worker's compensation, liability, dental, and unemployment) are expected to remain within budget. We are mindful, however, of the need to explore alternatives to self-insuring. If nothing else the information provides a due diligence review and reinforces whether continuing to be self-funded is a good business decision.

# Summary Charts

# SOURCES OF FUNDS

FISCAL YEAR 2007-08

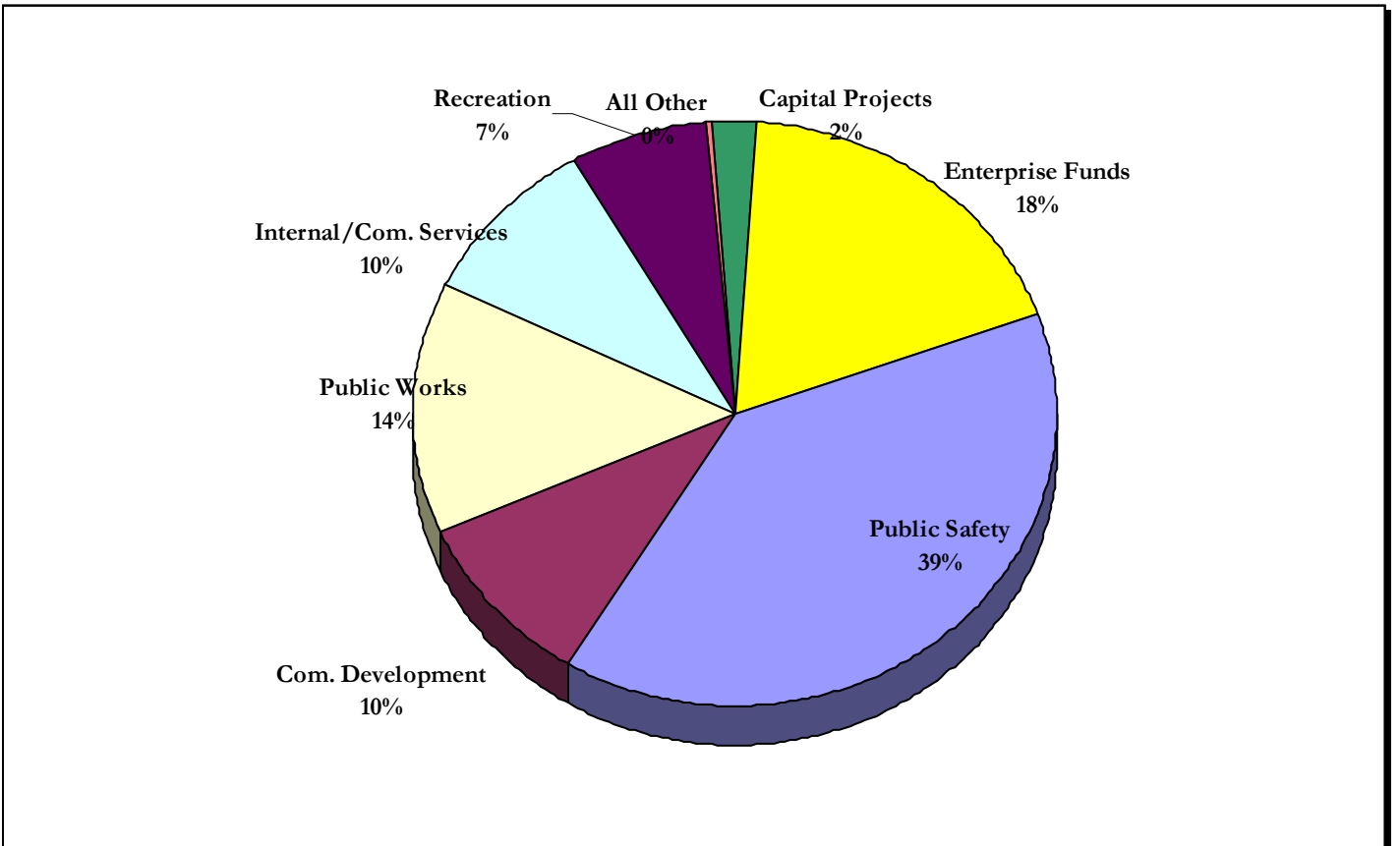
Includes General and Enterprise Funds



# USES OF FUNDS

FISCAL YEAR 2007-08

Includes General and Enterprise Funds

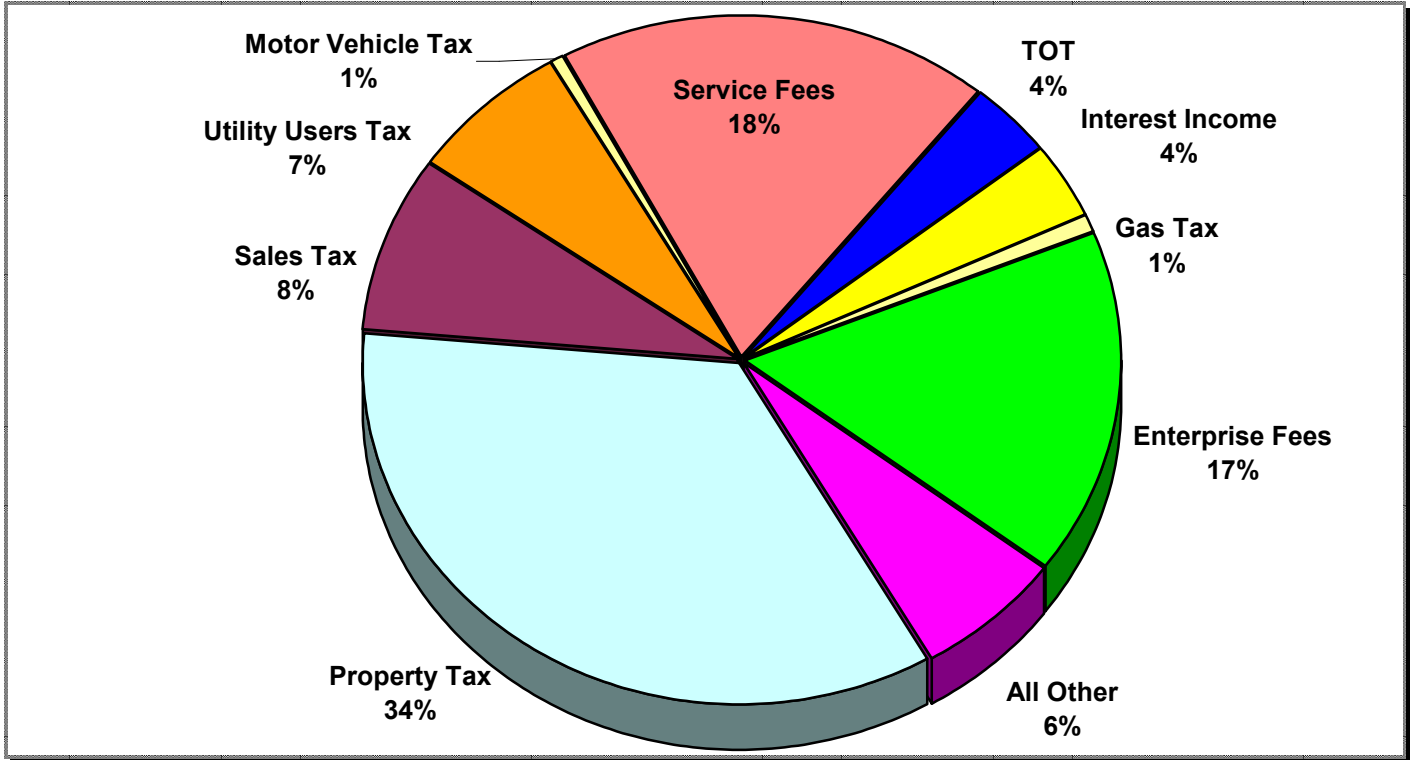




# SOURCES OF FUNDS

FISCAL YEAR 2008-09

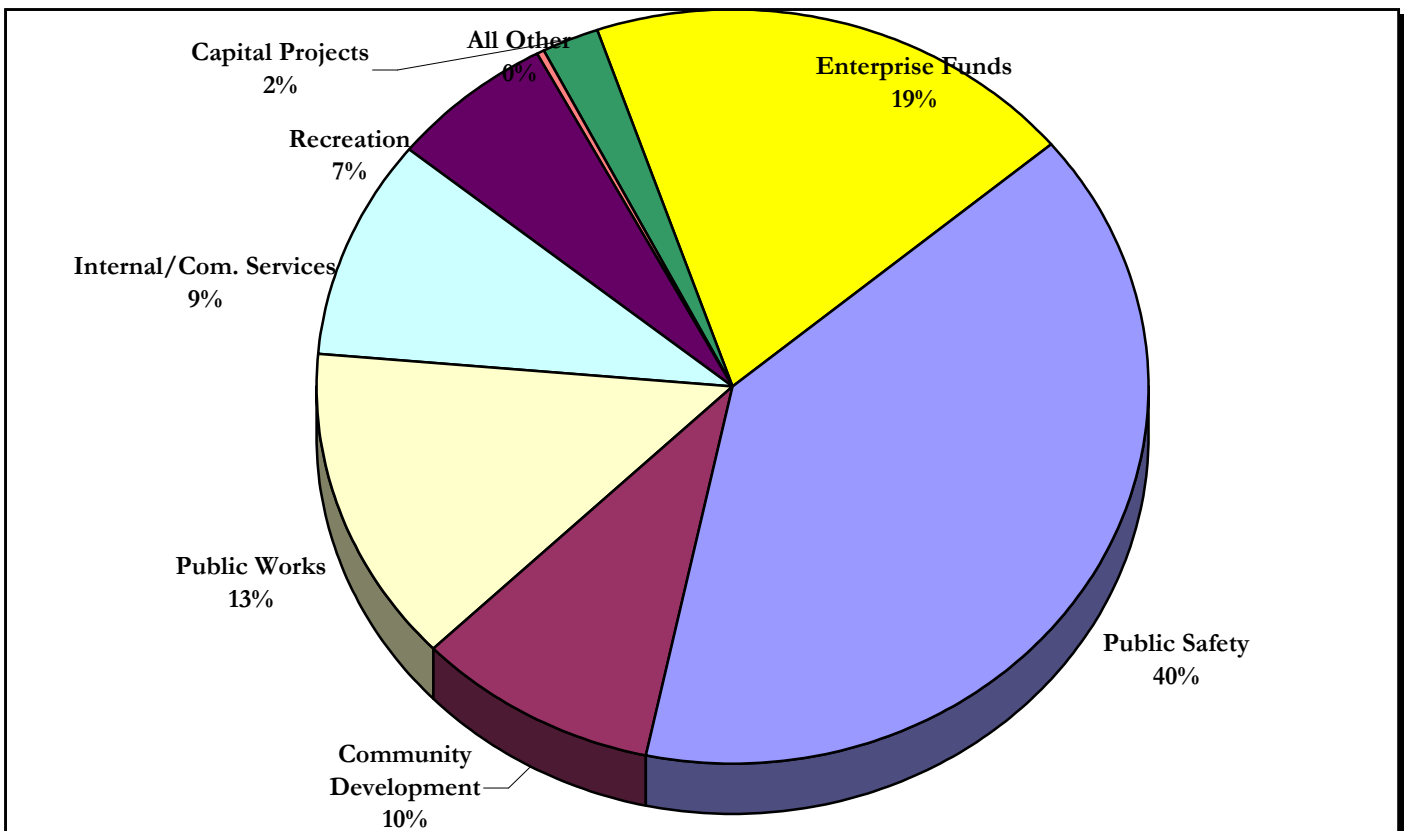
Includes General and Enterprise Funds



# USES OF FUNDS

FISCAL YEAR 2008-09

Includes General and Enterprise Funds



# Revenue Summary

	<u>2004-05</u> <u>Actual</u>	<u>2005-06</u> <u>Actual</u>	<u>2006-07</u> <u>Est. Actual</u>	<u>2007-08</u> <u>Adopted</u>	<u>2008-09</u> <u>Adopted</u>
<b><u>GENERAL PURPOSE REVENUES</u></b>					
Property Tax	8,580,233	9,766,622	10,902,569	11,256,900	11,868,414
Sales Tax	2,552,529	2,662,313	2,749,964	2,755,250	2,837,908
Utility Users Tax	1,969,699	2,100,663	2,274,478	2,298,400	2,390,336
Motor Vehicle in Lieu	302,756	643,378	188,799	188,490	194,145
Recreation Fees	1,604,187	1,544,998	1,665,268	1,681,762	1,734,037
Interest Income	490,107	1,038,214	1,398,325	1,450,000	1,250,000
Comm. Develop. Fees/Permits	1,903,740	2,520,866	2,282,975	2,290,856	2,359,582
Franchise Fees	1,048,406	1,110,369	1,164,077	1,179,350	1,214,731
Transient Occupancy Tax	1,057,995	1,260,279	1,469,867	1,220,550	1,257,167
Enterprise Admin. Fees	505,160	519,000	918,335	919,859	953,636
Business License Tax	365,859	364,601	380,470	365,000	365,000
Rental Income	386,060	257,903	232,098	262,324	21,652
Documentary Transfer Tax	520,702	463,077	505,083	489,250	503,928
Police Service Fees	133,937	134,347	136,628	138,857	144,248
Gas Tax (general)	188,100	188,100	190,000	200,000	210,000
All Other	1,009,150	769,126	1,008,689	1,160,350	1,173,900
<b>TOTAL GENERAL</b>	<u>22,618,621</u>	<u>25,343,856</u>	<u>27,467,626</u>	<u>27,857,198</u>	<u>28,478,684</u>
<b><u>DOWNTOWN PARKING FUND</u></b>					
Interest Income	700	1,600	3,564	1,500	1,500
Downtown Parking Permits	0	10,170	28,668	30,000	30,000
Rental Income	3,195	7,562	7,804	7,800	7,800
<b>TOTAL PARKING</b>	<u>3,895</u>	<u>19,332</u>	<u>40,036</u>	<u>39,300</u>	<u>39,300</u>
<b><u>GRANT FUNDS</u></b>					
<b>COMMUNITY DEVELOPMENT BLOCK GRANT</b>					
Grant funds	51,116	51,669	53,611	50,564	50,564
<b>TOTAL CDBG</b>	<u>51,116</u>	<u>51,669</u>	<u>53,611</u>	<u>50,564</u>	<u>50,564</u>
<b>TOTAL GENERAL PURPOSE</b>	<u>22,673,632</u>	<u>25,414,857</u>	<u>27,561,272</u>	<u>27,947,062</u>	<u>28,568,548</u>

## Revenue Summary (continued)

	<u>2004-05</u> <u>Actual</u>	<u>2005-06</u> <u>Actual</u>	<u>2006-07</u> <u>Est. Actual</u>	<u>2007-08</u> <u>Adopted</u>	<u>2008-09</u> <u>Adopted</u>
<b><u>ENTERPRISE FUNDS</u></b>					
<b>SEWER</b>					
Sewer Service Fees	3,889,122	4,222,932	4,746,698	4,100,000	4,100,000
Interest			249,455		
Connection Fees	3,005	3,102	5,995	10,000	10,000
All Other	381,342	38,200	80,434	50,000	50,000
<b>TOTAL SEWER</b>	<u>4,273,468</u>	<u>4,264,234</u>	<u>5,082,581</u>	<u>4,160,000</u>	<u>4,160,000</u>
<b>SOLID WASTE</b>					
Solid Waste Admin/Disposal	1,023,700	1,067,630	1,063,015	1,390,500	1,432,215
Interest			46,172		
Household Waste Fee	230,455	349,134	351,423	50,000	50,000
Landfill Tax	38,403	22,993	39,223	25,000	25,000
Recycling Revenue	16,538	15,702	17,514	15,000	15,000
<b>TOTAL SOLID WASTE</b>	<u>1,309,096</u>	<u>1,455,459</u>	<u>1,517,347</u>	<u>1,480,500</u>	<u>1,522,215</u>
<b>TOTAL ENTERPRISE FUNDS</b>	<u>5,582,564</u>	<u>5,719,693</u>	<u>6,599,928</u>	<u>5,640,500</u>	<u>5,682,215</u>
<b>GRAND TOTAL</b>	<u><u>28,256,196</u></u>	<u><u>31,134,550</u></u>	<u><u>34,161,200</u></u>	<u><u>33,587,562</u></u>	<u><u>34,250,763</u></u>

# Expenditure Summary

	2004-05 Actual	2005-06 Actual	2006-07 Est. Actual	2007-08 Adopted	2008-09 Adopted
<u>PUBLIC SAFETY</u>					
Police Services	5,635,937	6,077,474	6,347,455	6,785,808	7,111,908
Police Traffic Safety	280,820	297,546	329,878	331,564	336,283
Police Emergency Preparedness			0	110,790	113,325
Communications	849,368	961,984	1,043,403	1,172,952	1,211,456
Fire Suppression/Prevention/EMS	2,972,084	3,019,988	3,839,492	4,677,075	4,958,841
Subtotal	9,738,209	10,356,992	11,560,228	13,078,189	13,731,813
<u>PUBLIC WORKS</u>					
Maintenance Supervision/Mngmnt	519,014	572,612	592,991	705,749	671,204
Streets	595,235	564,638	727,942	1,105,402	1,006,384
Traffic Control	188,327	258,716	258,977	217,067	222,630
Parks & Street Landscaping	1,307,577	1,393,561	1,603,825	1,861,451	2,123,253
Facility Maintenance	401,358	418,245	510,750	736,442	658,426
Subtotal	3,011,511	3,207,772	3,694,485	4,626,111	4,681,897
<u>RECREATION</u>					
Recreation	1,717,838	1,826,113	1,954,836	2,109,369	2,174,479
Senior Programs	76,448	82,892	82,045	190,263	149,056
Subtotal	1,794,286	1,909,005	2,036,881	2,299,632	2,323,535
<u>COMMUNITY DEVELOPMENT</u>					
Planning & Building	1,445,183	1,601,297	1,664,470	1,929,118	1,990,867
Engineering	813,126	924,977	1,089,204	1,336,322	1,375,218
Economic Development	46,138	56,379	60,149	73,648	66,195
Subtotal	2,304,447	2,582,653	2,813,823	3,339,088	3,432,280
<u>INTERNAL/COMMUNITY SERVICES</u>					
City Council	94,523	156,730	140,023	200,305	209,844
City Clerk	0	0	0	417,917	379,128
City Management	491,960	548,298	649,510	400,271	407,156
City Attorney	168,425	173,882	175,200	236,774	251,910
Administration/Financial Mngmnt	931,421	961,250	974,921	1,228,372	1,277,720
Central Services	58,929	54,691	69,729	75,654	65,189
Information Services	164,455	157,631	167,844	335,567	355,288
Cable Television	79,430	112,926	126,602	145,137	149,889
Volunteer Program	31,228	35,107	37,232	38,940	40,515
General Appropriations	118,069	99,973	137,852	134,391	140,059
Subtotal	2,138,440	2,300,488	2,478,913	3,213,328	3,276,698
TOTAL-Operating Cost	18,986,893	20,356,910	22,584,330	26,556,348	27,446,223

## Expenditure Summary (continued)

	2004-05 <u>Actual</u>	2005-06 <u>Actual</u>	2006-07 <u>Est. Actual</u>	2007-08 <u>Adopted</u>	2008-09 <u>Adopted</u>
<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>					
Admin and Community Org.'s	51,116	51,614	53,610	50,564	50,564
CDBG Capital Projects	<u>24,884</u>	<u>74,333</u>	<u>107,962</u>	<u>87,526</u>	<u>87,436</u>
TOTAL-CDBG Operating	<u>24,884</u>	<u>125,947</u>	<u>161,573</u>	<u>138,090</u>	<u>138,000</u>
<u>DOWNTOWN PARKING FUNDS</u>					
Parking Permit Program	<u>          </u>	<u>626</u>	<u>12,000</u>	<u>10,000</u>	<u>10,300</u>
TOTAL-Downtown Parking Program	<u>0</u>	<u>626</u>	<u>12,000</u>	<u>10,000</u>	<u>10,300</u>
<u>ENTERPRISE FUNDS</u>					
Sewer Services	2,980,652	2,934,307	3,121,992	4,042,970	3,921,208
Sewer Capital Projects	100,454	154,745	749,983	2,793,600	2,649,000
Strom Drain and URPP Program	124,967	183,359	180,876	193,381	200,398
Solid Waste Collection Management	<u>1,124,814</u>	<u>1,263,742</u>	<u>1,575,440</u>	<u>1,760,341</u>	<u>1,811,180</u>
TOTAL-Enterprise Funds	<u>4,330,887</u>	<u>4,536,153</u>	<u>5,628,291</u>	<u>8,790,292</u>	<u>8,581,786</u>
TOTAL EXPENDITURES	<u><u>23,342,664</u></u>	<u><u>25,019,010</u></u>	<u><u>28,374,193</u></u>	<u><u>35,484,730</u></u>	<u><u>36,166,009</u></u>



# PUBLIC SAFETY

Provide the City's general law enforcement services using sound police administration practices within the guidelines of current law. Provide community crime awareness by establishing a partnership with the community and working in a collective effort to solve problems to improve our quality of life while promoting a safer living environment.

Provide adequate fire suppression and fire prevention services to assure life safety and preservation of the community's livability.

# Police Services

## **2005-2007 REVIEW**

- Maintained all Police Officer Standards Training mandated training for employees.
- Presented several public presentations educating on identity theft, internet predators, and other issues of community concern.
- Management Team Building Seminar.
- Mobile computer replacement.
- Revitalized Neighborhood Watch program.
- Initiated Community response survey.
- Replaced Computer Aided Dispatch, Records Management System and mobile servers.

## **2007-2009 BUDGET OBJECTIVES**

- Maintain all Police Officer Standards Training mandated training for employees.
- Participate in North County Computer Aided Dispatch project.
- Complete Civic Center Storage building.
- Upgrade the Emergency Operations Center.
- Complete internal Police Department building security
- Purchase and install in-car video system.
- Continue to participate in Neighborhood Watch program.
- Expand Records Division retention schedule.
- Expand Juvenile intervention capabilities.
- Complete priority projects including the identification of a 5-year strategic plan.



# Police Services

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	4,527,930	4,790,796	4,902,395	5,375,567	5,572,712
Service & Supply	838,829	852,645	943,447	1,012,111 (1)	1,053,066 (1)
Equipment Purchase	3,137	167,992	295,976	129,500 (2)	217,500 (3)
Equipment Reserve Contrib.	<u>266,041</u>	<u>266,041</u>	<u>205,637</u>	<u>268,630</u>	<u>268,630</u>
 Total	 <u>5,635,937</u>	 <u>6,077,474</u>	 <u>6,347,455</u>	 <u>6,785,808</u>	 <u>7,111,908</u>
 Less: Grants, other agency reimbursements, P.O.S.T. reimbursement & service fees	 <u>325,108</u>	 <u>292,636</u>	 <u>321,128</u>	 <u>303,857</u>	 <u>299,248</u>
Remaining Cost	5,310,829	5,784,838	6,026,327	6,481,951	6,812,660
 <u>Positions Allocated</u>					
Executive Assistant	1.0	1.0	1.0	1.0	1.0
Community Service Officer	4.0	4.0	4.0	4.0	4.0
Records Specialist	2.5	2.5	2.5	2.5	2.5
Police Captain	1.0	1.0	1.0	1.0	1.0
Police Chief	1.0	1.0	1.0	1.0	1.0
Police Agent	6.0	6.0	6.0	6.0	6.0
Police Officer	14.0	14.0	14.0	14.0	14.0
Police Sergeant	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>
	35.50	35.50	35.50	35.50	35.50

---

*Comments:*

(1) The Palo Alto Animal Services budget for 2007-08 is projected to be \$189,220 and 208,140 for 2008-09.

(2) Replacement Equipment in 2007-08 includes 3 equipped patrol vehicles (\$99,000), ten handguns (7,000), a body wire (\$7,500), two laser speed guns (\$10,000), replacement lights for 15 rifles (\$3,000), and up to three video projectors and tuners to provide TV coverage and logistics support (\$3,000).

(3) Replacement Equipment in 2007-08 includes 3 equipped patrol vehicles (\$99,000), ten handguns (7,000), two body bunkers (\$5,000), 9 optic lenses for swat rifles (\$5,000), and one replacement sniper rifle (\$1,500), and carpet for the police station (except the Communications area) for \$10,000. New equipment includes \$75,000 for in car video systems and \$15,000 for a new parking enforcement vehicle.

# Police Traffic Safety

## **2005-2007 REVIEW**

- Conducted annual “Avoid the 13” campaign against drunk drivers.
- Participated in the Traffic Safe Communities Network “Red Light Runner Enforcement” countywide campaign.
- Completed training of new motorcycle officer.
- Assisted in the presentation of grammar school pedestrian and bicycle safety program.
- Maintained all POST mandated training certifications.

## **2007-2009 BUDGET OBJECTIVES**

- Conduct annual “Avoid the 13” campaign against drunk drivers.
- Complete the grammar school pedestrian and bicycle safety presentations.
- Maintain all POST mandated training certifications.
- Participate in the annual Traffic Safety Communities Network “Red Light Runner Enforcement” campaign.

# Police Traffic Safety

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	269,626	286,799	306,703	298,999	324,924
Service & Supply	11,194	10,747	8,019	10,565	11,359
Equipment Purchase	0	0	15,156	22,000 (1)	0
Equipment Reserve Contrib.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b><u><u>280,820</u></u></b>	<b><u><u>297,546</u></u></b>	<b><u><u>329,878</u></u></b>	<b><u><u>331,564</u></u></b>	<b><u><u>336,283</u></u></b>
Vehicle Impound Fee	<u>46,199</u>	<u>43,128</u>	<u>37,050</u>	<u>42,500</u>	<u>45,000</u>
Remaining Cost	234,621	254,418	292,828	289,064	291,283
<u>Positions Allocated</u>					
Police Officer	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
	2	2	2	2	2

*Comments:*

(1) Replacement equipment includes one BMW motorcycle with equipment (\$22,000).

# Emergency Preparedness

## **2005-2007 REVIEW**

- Coordinated efforts with the Citizen Corps Council to develop disaster preparedness planning in Los Altos.
- Initiated Community response survey.
- Completed three Public Citizen Emergency Response Training (CERT) classes annually.
- Began training all city employees in CERT.

## **2007-2009 BUDGET OBJECTIVES**

- Complete four Public CERT classes annually (approximately 100 citizens)
- Continue implementation of the Emergency Preparedness program.
- Develop Emergency Operations Center resources and conduct two trainings for City staff each year.
- Develop plans for an Emergency Operations Center.
- Complete training of all city employees in Community Emergency Response Training (CERT) classes.

## Emergency Preparedness

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	0	0	0 (1)	89,990	94,200
Service & Supply	0	0	0	20,800	19,125
Equipment Purchase	0	0	0	0	0
Equipment Reserve Contrib.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b><u><u>0</u></u></b>	<b><u><u>0</u></u></b>	<b><u><u>0</u></u></b>	<b><u><u>110,790</u></u></b>	<b><u><u>113,325</u></u></b>
Emergency Preparedness Managemen	<u>2,986</u>	<u>2,999</u>	<u>2,999</u>	<u>0</u>	<u>0</u>
Remaining Cost	(2,986)	(2,999)	(2,999)	110,790	113,325
<u>Positions Allocated</u>					
Community Service Officer	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
	0	0	1	1	1

---

*Comments:*

(1) The City Council added this position during the mid term budget review to augment the training efforts for the Citizen Emergency Response Team and other efforts to prepare the community for future emergencies. The department experienced some recruitment delays, so the position was not filled during the year.

# Communications

## **2005-2007 REVIEW**

- Completed Communications Center remodel.
- Developed a standardized training program for Communications Officers, including the maintenance of all POST mandated training certifications.
- Participated in the North County Computer Aided Dispatch research project with cities of Palo Alto and Mountain View.
- Participated in countywide E-Comm project for radio and data interoperability.

## **2007-2009 BUDGET OBJECTIVES**

- Complete countywide E-Comm interoperability project.
- Replace Computer-Aided Dispatch system, either through participation in North Couth Computer Aided Dispatch project or through update of current system.
- Maintain Communications Division staffing and Peace Officer Standard Training (POST) mandated certification training.
- Complete evidence audit and inventory and purge.

# Communications

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	719,084	838,749	900,898	999,603	1,035,173
Service & Supply	94,805	71,603	107,359	135,525	140,459
Equipment Purchase	0	16,320	0	2,000 (1)	0
Equipment Reserve Contrib.	<u>35,479</u>	<u>35,312</u>	<u>35,146</u>	<u>35,824</u>	<u>35,824</u>
Total	<u><u>849,368</u></u>	<u><u>961,984</u></u>	<u><u>1,043,403</u></u>	<u><u>1,172,952</u></u>	<u><u>1,211,456</u></u>

## Positions Allocated

Communications Officer	5.0	5.0	5.0	5.0	5.0
Lead Communications Officer	1.0	1.0	1.0	1.0	1.0
Police Services Manager	1.0	1.0	1.0	1.0	1.0
Lead Records Specialist	1.0	1.0	1.0	1.0	1.0
Records Specialist	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
	8.5	8.5	8.5	8.5	8.5

---

## *Comments:*

(1) Includes an upgrade to the alarm system in the evidence area.

# Fire Suppression and Prevention/EMS

In December 1996, the City of Los Altos along with the Los Altos County Fire Protection District entered into a ten-year contract with the Central Fire District (name changed to Santa Clara County Fire Department) to provide for fire suppression, fire prevention and emergency medical services. The Santa Clara County Fire Department also provides fire services to the cities of Campbell, Cupertino, Los Gatos, Monte Sereno, Morgan Hill and parts of Saratoga. The following is a summary of the services provided under the contract:

## **2005-2007 REVIEW**

- Completed re-negotiation of fire services contract with Santa Clara County Fire Department.
- Monitored the fire contract to ensure compliance.

## **2007-2009 BUDGET OBJECTIVES**

- Monitor the fire contract to ensure compliance.



## Fire Suppression and Prevention

	2004-05 <u>Actual</u>	2005-06 <u>Actual</u>	2006-07 <u>Est. Actual</u>	2007-08 <u>Adopted</u>	2008-09 <u>Adopted</u>
Personnel Services	8,750	12,000	12,000	0	0
Service & Supply	2,963,334	3,007,988	3,827,492	4,677,075 (1)	4,958,841 (1)
Equipment Purchase	0	0	0	0	0
Equipment Reserve Contrib.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u><u>2,972,084</u></u>	<u><u>3,019,988</u></u>	<u><u>3,839,492</u></u>	<u><u>4,677,075</u></u>	<u><u>4,958,841</u></u>
<hr/>					
Positions Allocated	0	0	0	0	0
<hr/>					

*Comments:*

(1) The City renewed the contract with Santa Clara County Fire District beginning January 1, 2007. Changes included a new base fee as well as a new formula for annual increases. Because the change occurred in the middle of a fiscal year the increased cost is spread over the 06-07 and 07-08 fiscal years.



# PUBLIC WORKS

Provide for the City's parks, streets, wastewater collection/storm-drainage collection systems maintenance and operation. Ensure that contractual street sweeping and leaf/garden-refuse collection and disposal activities are provided in a manner, which is consistent with the City's expectations and legal requirements.

Provide engineering, bidding, construction contract administration and inspection, and maintenance of City infrastructure, wastewater collection and disposal. Conduct long-range capital improvement program activities in a manner, which is consistent with sound practices, and legal requirements, and which is applicable and responsive to the long-term and current needs and interests of the City. Provide for the administration of the City's solid-waste franchise agreement. Provide for the administration of the City's solid-waste franchise agreement and participate in the Santa Clara County urban runoff prevention pollution program (URPPP).

Provide traffic-engineering services to oversee traffic operations on residential, collector, and arterial roadways, including administration of the traffic signal maintenance contract. Complete traffic studies and implement recommendations through the guidelines established in the Neighborhood Traffic Management Plan.

# Maintenance Supervision & Management

## **2005-2007 REVIEW**

- Monitored and coordinated activities of various divisional resource allocations to ensure that staffing and maintenance levels established by City Council are carried out in accordance with goals established in the budget. Worked with Human Resources to fill vacant positions and maintain staffing levels in all divisions.
- Provided automotive/equipment maintenance and repairs for 45 vehicles and other equipment for the Maintenance Division, Engineering Division, Community Development and Recreation Department. Provided fleet facilitation for the Police Departments 26 patrol cars and other vehicles.
- Complied with all regulatory agency requirements as they apply to Municipal Service Center (MSC) operations, including the Santa Clara County (SCC) Department of Environmental Health, the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP), Regional Water Quality Control Board, Bay Area Air Pollution Management District, Occupational Safety and Health Administration (OSHA), Federal Highway Administration (FHWA), Department of Transportation (DOT), and Department of Motor Vehicles (DMV). Ensured all hazardous waste handling procedures are compliant with all Federal, State and County regulations. MSC was again awarded a “Clean Bay Business” certificate from the Palo Alto Regional Water Quality Control Plant.

## **2007-2009 BUDGET OBJECTIVES**

- Support acquisition and implement a computerized maintenance management system that will provide a service request/work order system and fleet management program to replace those programs currently included in MuniBase system.
- Monitor and coordinate activities of various divisional resource allocations to ensure that staffing and maintenance levels of service established by City Council are carried out in accordance with goals established in the budget. Fill all vacant positions and maintain full staffing levels in all divisions. Provide automotive/equipment maintenance and repairs for 45 vehicles and other equipment for the Maintenance Division, Engineering Division, Community Development and Recreation Department. Provide fleet facilitation for the Police Departments 26 patrol cars and other vehicles.
- Update and comply with all regulatory agency requirements as they apply to MSC operations, including the SCC Department of Environmental Health, SCVURPPP, Regional Water Quality Control Board, Bay Area Air Pollution Management District, OSHA, FHWA, DOT, and DMV. Ensure all hazardous waste handling procedures are compliant with all Federal, State and County regulations.
- Provide administration and support for daily service requests, incoming calls, fuel system administration, timekeeping and record keeping of maintenance division's activities.
- Provide training for shop personnel to improve automotive service levels.

# Maintenance Supervision and Management

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	423,336	463,712	486,979	516,345	541,009
Service & Supply	79,678	91,972	92,260	111,248	114,039
Equipment Purchase	0	928	0	62,000 (1)	0
Equipment Reserve Contrib.	16,000	16,000	13,752	16,156	16,156
Credit for Interdept. Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total	 <u><u>519,014</u></u>	 <u><u>572,612</u></u>	 <u><u>592,991</u></u>	 <u><u>705,749</u></u>	 <u><u>671,204</u></u>

## Positions Allocated

Equipment Mechanic	1	1	1	1	1
Fleet Facilitator	1	1	1	1	1
Office Assistant II	1	1	1	1	1
Public Works Superintendent	1	1	1	1	1
Public Works Supervisor	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	5	5	5	5	5

### *Comments:*

(1) Equipment Purchases for 2007-2008 include 2 computers for general use at the Municipal Service Center (\$3,000) and a new projector for presentations (\$2,500) and replacement tables and chairs (\$9,500) for the meeting room. The Auto Shop has a budget for a new van (\$40,000) and a replacement compressor (\$7,000).

# Street Maintenance

## **2005-2007 REVIEW**

- Maintained 104 miles of city streets a safe condition for motorists, bicyclists and pedestrians. Responded to potholes within 24 hours of notice. Street crews completed corrective maintenance work on 47 of the 60 city streets that were scheduled for corrective maintenance for the year of 2006-07 using approximately 250 tons of asphalt replacing over 10,000 square feet of asphalt. Completed 122,000 linear feet of crack seal of corrective maintenance streets.
- Maintained city asphalt pathways in a safe and useable condition and assess the condition of all asphalt pathways and develop a repair project as needed.
- Installed, replaced and repaired traffic control signs on roads, streets and boulevards. Responded within 24 hours notice to repair stop or yield signs. Installed 105 new traffic signs and replaced 1076 existing traffic and street name signs.
- Completed annual leaf pick to assist Los Altos Garbage Company (LAGCo) in the street sweeping program. Crews picked up and brought into MSC for disposal over 222 truck loads, or approximately 1,110 cubic yards of leaf and debris from storms.

## **2007-2009 BUDGET OBJECTIVES**

- Maintain 104 miles of city streets a safe condition for motorists, bicyclists and pedestrians. Respond to potholes within 24 hours of notice. Complete the crack sealing of 39 miles of city streets that are in the Annual Resurfacing Project, Biennial Slurry Seal Project, and streets identified in the annual street inspection. Paint 3000 lineal feet of parking restricted curb where warranted. Provide annual traffic and speed counts per Engineering Division requests.
- Provide effective response for emergency storm damage and flooding. Address shoulder flow line and drainage problems.
- Maintain city concrete sidewalks in a safe and useable condition and respond and repair hazardous sidewalk conditions within 24 hours of notice. Maintain city asphalt pathways in a safe and useable condition and assess the condition of all asphalt pathways and develop a repair project as needed.
- Install, replace and repair traffic control signs on roads, streets and boulevards. Respond within 24 hours notice to repair stop or yield signs. Replace 25% of the city street name signs. Perform a visibility safety survey of traffic control signs.
- Provide training opportunities for maintenance personnel to develop staff and improve level of service in Streets Division.
- Provide supervision of the annual street sweeping contract. Provide street sweeping support and fall leaf pick and downtown /plaza leaf pickup. Perform weekly litter pickup in downtown plazas.

## Streets

	2004-05 <u>Actual</u>	2005-06 <u>Actual</u>	2006-07 <u>Est. Actual</u>	2007-08 <u>Adopted</u>	2008-09 <u>Adopted</u>
Personnel Services	425,615	390,264	432,808 (1)	676,863	706,612
Service & Supply	111,031	115,518	180,635	163,480	165,613
Equipment Purchase	0	0	59,482	205,900 (2)	75,000 (3)
Equipment Reserve Contrib.	<u>58,589</u>	<u>58,856</u>	<u>55,017</u>	<u>59,159</u>	<u>59,159</u>
 Total	 <u><u>595,235</u></u>	 <u><u>564,638</u></u>	 <u><u>727,942</u></u>	 <u><u>1,105,402</u></u>	 <u><u>1,006,384</u></u>
 Gas Tax	 <u>188,100</u>	 <u>188,100</u>	 <u>190,000</u>	 <u>200,000</u>	 <u>210,000</u>
 Remaining Cost	 407,135	 376,538	 537,942	 905,402	 796,384
 <u>Positions Allocated</u>					
Public Works Supervisory	0.5	0.5	0.5	0.5	0.5
Maintenance Lead Worker	1.0	1.0	1.0	1.0	1.0
Maintenance Worker II	1.5	1.5	1.5	1.5	1.5
Maintenance Worker I	<u>3.0</u>	<u>3.0</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>
	6.0	6.0	7.5	7.5	7.5

*Comments:*

(1) Added 1.5 Maintenance Worker I positions in 2006-2007.

(2) Replacement equipment includes a one ton service truck (\$45,000), an upgrade of a service vehicle to a F-750 Dump Trucks, with a hot box attachment (\$98,000), an oil pot (\$9,000), and a new crack sealer (\$52,000). New equipment consists of a cut off saw (\$1,900)

(3) Replacement equipment includes a F-750 Dump Truck.

# Traffic Control

## **2005-2007 REVIEW**

- Managed the maintenance and repair contracts for street lighting, traffic signal operations, and pavement striping & stenciling.
- Worked on data collection and analysis for nine Neighborhood Traffic Management Plan petitions.
- Completed three Neighborhood Traffic Management Plan (NTMP) studies.
- Completed the maintenance striping in City streets.
- Installed radar speed limit sign on Springer Road.
- Entered into an agreement with County Roads and Airports to install countdown pedestrian signals at traffic signal on Foothill Expressway.
- Purchased traffic signs and barricades.

## **2007-2009 BUDGET OBJECTIVES**

- Fund energy costs for the operation of the street lighting system and traffic signals.
- Respond to inquiries/complaints regarding signal timing and traffic operations.
- Develop a Request for Proposal and solicit bids for the maintenance and repair of traffic signals.
- Complete two Neighborhood Traffic Management Plan projects each year.
- Contract for pavement striping and stenciling.
- Purchase traffic signs and barricades.
- Replace/upgrade two older model traffic signal controllers to accommodate current traffic patterns, subject to capital improvement program funding for the project.
- Oversee signal maintenance contract.



# Traffic Control

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	0	0	0	0	0
Service & Supply	188,327	258,716	258,977	214,067 (1)	222,630 (1)
Equipment Purchase	0	0	0	3,000 (2)	0
Equipment Reserve Contrib.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<u><u>188,327</u></u>	<u><u>258,716</u></u>	<u><u>258,977</u></u>	<u><u>217,067</u></u>	<u><u>222,630</u></u>

---

Positions Allocated	0	0	0	0	0
---------------------	---	---	---	---	---

---

*Comments:*

(1) The Traffic budget provides funding for street lights and traffic signals utilities as well as technical support and maintenance. Funding for the striping contract has been moved into an annual Capital Improvement Project.

(2) Two additional traffic counters are included.

# Parks & Street Landscaping

## **2005-2007 REVIEW**

- On a weekly basis, maintained 52.5 acres of City Parks (Shoup, Lincoln, Hillview Community Center, Main Library, Civic Center, Conner Park, McKenzie Park, Marymeade Park, Heritage Oaks Park, Springer El Monte Park, Covington Minipark, Rosita Park, Montclair Park, Grant Park and Woodland Library) in a safe and attractive manner, utilizing best maintenance management practices. Provided for the annual renovation of all sport fields to enable them to recover from seasonal wear and tear.
- Maintained all 42 acres of City landscape boulevards (San Antonio Road, Foothill Expressway, El Camino Real, El Monte Avenue, Grant Road/Fremont Avenue, all city islands, Hetch-Hetchy pathway, downtown landscaping and parking plazas landscaping) in a safe and attractive manner, utilizing best maintenance management practices. Ensured that all major boulevards are completely maintained and safe for pedestrians, bicyclists, and motorists.
- Provided support for the Art's Committee Sculpture program and installed sculptures and plaques at six sites.
- Provided training of Park personnel to ensure compliance with all regulatory requirements and to enhance maintenance service. Two parks staff attended 15 hours each of required training from UC Cooperative Extension for Farm Water Quality Planning Project for the orchard at the Civic Center.

## **2007-2009 BUDGET OBJECTIVES**

- On a weekly basis, maintain 52.5 acres of City Parks (Shoup, Lincoln, Hillview Community Center, Main Library, Civic Center, Conner Park, McKenzie Park, Marymeade Park, Heritage Oaks Park, Springer El Monte Park, Covington Minipark, Rosita Park, Montclair Park, Grant Park and Woodland Library) in a safe and attractive manner, utilizing best maintenance management practices.
- Maintain 42 acres of City landscape boulevards (San Antonio Road, Foothill Expressway, El Camino Real, El Monte Avenue, Grant Road/Fremont Avenue), all city islands, and Hetch-Hetchy pathway in a safe and attractive manner, utilizing best maintenance management practices. Maintain downtown landscaping and parking plazas landscaping in a safe and attractive manner, utilizing best maintenance management practices. Plant annual and perennial flowers in downtown two times per year and supplement with fill material.
- Trim park trees for safety and pedestrian clearance. Trim street trees for traffic clearances on City boulevards. Remove dead and unsafe city trees in a timely manner. Plant 50 street trees (25 in the fall and 25 in the spring). Provide emergency response to down tree limbs, hazardous trees and storm-damaged trees in a timely manner.
- Monitor effectiveness of Weekend Work Program to determine if program is cost effective. Install banners for El Camino Real and Main Street on schedule. Provide training of Park personnel to ensure compliance with all regulatory requirements and to enhance maintenance service.

# Parks & Street Landscaping

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	864,905	888,158	1,032,275	1,205,630 (1)	1,259,855 (1)
Service & Supply	356,014	386,570	435,646	530,162 (2)	544,060 (2)
Equipment Purchase	0	32,175	56,496	39,321 (3)	233,000 (4)
Equipment Reserve Contrib.	<u>86,658</u>	<u>86,658</u>	<u>79,408</u>	<u>86,338</u>	<u>86,338</u>
<b>Total</b>	<b><u><u>1,307,577</u></u></b>	<b><u><u>1,393,561</u></u></b>	<b><u><u>1,603,825</u></u></b>	<b><u><u>1,861,451</u></u></b>	<b><u><u>2,123,253</u></u></b>
Less: County reimbursement for expressway landscaping maintenance.	<u>34,226</u>	<u>34,226</u>	<u>68,452</u>	<u>30,000</u>	<u>30,000</u>
Remaining Cost	1,273,351	1,359,335	1,535,373	1,831,451	2,093,253
<u>Positions Allocated</u>					
Maintenance Lead Worker	4.0	4.0	4.0	4.0	4.0
Maintenance Worker II	4.5	4.5	4.5	4.5	4.5
Maintenance Worker I	3.0	3.0	3.0	3.0	3.0
Public Works Supervisor	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
	12.5	12.5	12.5	12.5	12.5

*Comments:*

(1) Includes overtime costs, for supervision of the Weekend Work Program.

(3) New equipment consists of a flail mower attachment (\$4,200). Replacement equipment includes one chipper (\$32,000) and a gas powered hand mower (\$2,000) and a wire tracer (\$1,121) .

(4) Replacement equipment includes \$63,000 for a riding mower with a 11 foot cutting deck and \$38,000 for a riding mower with a 6 foot cutting deck, and replacement of four one ton utility trucks (\$132,000).

# Sewer Services

## **2005-2007 REVIEW**

- Maintained 108 miles of sewage collection system serving the City of Los Altos, portions of Los Altos Hills, and portion of the unincorporated area of Santa Clara County. Maintained 30, 60 and 90-day schedules for trouble spot locations in all maintained areas and performed regular zone flushing of the system.
- Provide service to locate sanitary sewer lines when notified by Underground Service Alert system. Responded and marked to 1,393 USA locates.
- Provided maintenance and monitoring of two lift stations that service Town of Los Altos Hills sewer system. Completed maintenance flushing for the Town of Los Altos Hills, flushing 27,857 linear feet.
- Provided 24 hour emergency response for all residential and commercial users of the Los Altos sewer system
- Provided training opportunities for all sewer maintenance personnel to obtain Wastewater certification and meet all regulatory training requirements. Five out of six of sewer staff are California Water Environment Association certified. Supervisor has CWEA grade III and lead worker has grade II certificates.
- Executed new sewer agreement with the Town of Los Altos Hills for sewage transport and treatment.

## **2007-2009 BUDGET OBJECTIVES**

- Manage funding for City's share of the cost of operating the Palo Alto Regional Water Quality Control Plant. Attend Partners Meetings. Update sewer ordinance to reflect technical modifications and sewer charge amendments. Issue sewer connection permits.
- Maintain 108 miles of sewage collection system serving the City of Los Altos, and portions of the unincorporated area of Santa Clara County. Perform cleaning maintenance cycle on all 6" to 10" sewer lines and maintain 30, 60 and 90-day schedules for trouble spot locations in all maintained areas. Provide service to locate sanitary sewer lines when notified by Underground Service Alert system.
- Provide 24-hour emergency response for all residential and commercial users of the Los Altos sewer system. Continue to reduce the number of sanitary sewer stoppages and overflows in main lines through effective deployment of resources and through the use of sewer maintenance best management practices.
- Provide service to locate sanitary sewer lines when notified by Underground Service Alert system.
- Provide training opportunities for all sewer maintenance personnel to obtain Wastewater certification and meet all regulatory training requirements.
- Complete sewer main televising, root foaming and various capital projects recommended by sewer master plan.

## Sewer Services

	2004-05		2005-06		2006-07		2007-08		2008-09
	<u>Actual</u>		<u>Actual</u>		<u>Est. Actual</u>		<u>Adopted</u>		<u>Adopted</u>
Personnel Services	494,998	(1)	536,291	(2)	501,586	(3)	756,687		791,443
Service & Supply	2,485,654		2,398,016		2,617,149		2,942,383	(4)	3,039,765
Capital Outlay	0		0		3,256		253,900		0
Reserve Contributions	0	(4)	0	(4)	0	(4)	90,000	(4)	90,000 (4)
<b>Total</b>	<b><u>2,980,652</u></b>		<b><u>2,934,307</u></b>		<b><u>3,121,991</u></b>		<b><u>4,042,970</u></b>		<b><u>3,921,208</u></b>

### Positions Allocated

Associate Civil Engineer	0.25		1.00		1.25		1.25		1.25
Maintenance Lead Worker	1.00		1.00		1.00		1.00		1.00
Maintenance Worker II	4.00		4.00		4.00		4.00		4.00
Office Assistant I	0.00		0.00		0.00		0.00		0.00
Public Works Supervisor	<u>0.50</u>		<u>0.50</u>		<u>0.50</u>		<u>0.50</u>		<u>0.50</u>
	5.75		6.50		6.75		6.75		6.75

### *Comments:*

(1) Changes the Public Works Supervisor to 50% Sewers and 50% Streets and reduces the dedicated time of the Associate Civil Engineer from 75% to 25%.

(2) Added a 3/4 time Associate Engineer to the existing 1/4 time staffing.

(3) Increased the 3/4 time Associate Engineer to full time due to recruitment issues. Continued to defer adding additional maintenance positions as recommended by the Sewer Master Plan.

(4) For budget presentation purposes we exclude depreciation and contributed capital which does not impact the cash flow.

# Storm Drain Services

## **2005-2007 REVIEW**

- Inspected all storm drain outfalls and clean as necessary all storm drain inlets in the City of Los Altos. Addressed flow line and drainage problems along non-curb and gutter streets. Provided effective response for storm damage and flooding.
- Actively participated in the regional Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP)

## **2007-2009 BUDGET OBJECTIVES**

- Participate in the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP). Inspect all storm drain outfalls and clean as necessary all storm drain inlets. Maintain drainage flows during heavy rainstorms to reduce flooding.
- Provide emergency response to minimize impacts during periods of heavy winter rain.

## Storm Drain Services

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	60,377	78,706	79,347 (1)	110,112 (1)	114,630 (1)
Service & Supply	57,817	61,390	60,116 (2)	83,269 (2)	85,768 (2)
Capital Outlay	6,773	0	0	0	0
Reserve Contributions	0	0	0	0	0
 Total	 <u><u>124,967</u></u>	 <u><u>140,096</u></u>	 <u><u>139,463</u></u>	 <u><u>193,381</u></u>	 <u><u>200,398</u></u>

Positions Allocated

Maintenance Worker 1	0.50	0.50	0.50	0.50	0.50
Associate Civil Engineer	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>
	1.00	1.00	1.00	1.00	1.00

*Comments:*

(1) Includes .5 of the Associate Engineer for work related to the Urban Runoff Program but does not reflect time spent by Community Development on the Urban Runoff inspections and reports. The half time maintenance worker reflects an allocation of time that is supplied by a variety of maintenance workers and then charged back to this program.

(2) Includes the City's mandatory contribution of approximately \$50,000 to the Santa Clara County Urban Runoff Program.

# Solid Waste Collection Management

## **2005-2007 REVIEW**

- Administered the garbage franchise agreement.
- Completed State mandated AB 939 reporting outlining solid waste stream diversion efforts.
- Collected and “passed through” adequate funds to pay all solid waste disposal costs.
- Provided funding to support City resident’s participation in County’s Household Hazardous Waste Drop-off program.
- Coordinated two local Household Hazardous Waste Collection Events.
- Contracted for Street Sweeping Services for all paved streets.
- Performed rate analysis and adjusted rates to ensure solvency of the Solid Waste Fund.
- Issued a Notice of Termination expressing our intent to re-bid the collection contract in September 2010.

## **2007-2009 BUDGET OBJECTIVES**

- Collect and “pass through” adequate funds to pay all solid waste disposal costs.
- Provide funding to support City resident’s participation in County’s Household Hazardous Waste Drop-off program.
- Prepare AB939 Annual Report to the state.
- Investigate development and implementation of a construction debris-recycling program.
- Work with Los Altos Garbage Company to negotiate the rate adjustment application when submitted.
- Solicit proposals for Contract Street sweeping services.
- Attend county monthly meetings on solid waste collection and diversion.
- Provide street sweeping contract supervision and administration.
- Solicit proposals for a replacement collection franchise to replace the collection agreement that expires in September 2010



# Solid Waste Collection Management

	2004-05 <u>Actual</u>	2005-06 <u>Actual</u>	2006-07 <u>Est. Actual</u>	2007-08 <u>Adopted</u>	2008-09 <u>Adopted</u>
Personnel Services	34,544	36,754	39,465	69,020	66,480
Service & Supply	1,058,506 (2)	1,214,808	1,535,974 (1)	1,691,321 (1)	1,744,700 (1)
Capital Outlay	<u>31,764</u>	<u>12,180</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u><u>1,093,050</u></u>	<u><u>1,251,562</u></u>	<u><u>1,575,440</u></u>	<u><u>1,760,341</u></u>	<u><u>1,811,180</u></u>
<u>Positions Allocated</u>					
Assistant Public Works Director	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>
	0.25	.25	.25	.25	.25

---

*Comments:*

(1) The City began contracting for street sweeping services effective July 1, 2002. For 2007-2008 the annual contract cost is \$90,377.

# Facility Maintenance

## **2005-2007 REVIEW**

- Maintained 136,000 square feet of buildings/facilities and provided basic lighting, electrical, Heating Ventilation and Air Conditioning (HVAC), and plumbing facility maintenance for all city buildings. Provided all preventative maintenance services on schedule and schedule corrective maintenance on a priority basis. Ensured buildings met Fire Department, Health Department, and Building Division regulatory requirements.
- Provided quality in-house custodial maintenance services for the Hillview Community Center and Youth Center.
- Managed contractual building maintenance services for park restrooms, Police Department, San Antonio Club, Grant Park, Municipal Service Center, the Gymnasiums, City Hall and Hillview Community Center.
- Maintained downtown carriage lamp system and decorative streetlights at Loyola Corners.
- Provide training for maintenance personnel to meet all regulatory requirements and to enhance maintenance services for City facilities.

## **2007-2009 BUDGET OBJECTIVES**

- Maintain 136,000 square feet of buildings/facilities and provide basic lighting, electrical, HVAC, and plumbing facility maintenance for all city buildings. Provide all preventative maintenance services on schedule and schedule corrective maintenance on a priority basis. Ensure buildings meeting Fire Department, Health Department, and Building Division regulatory requirements. Provide spot painting of worn or chipped exterior surfaces on city buildings.
- Provide quality in-house custodial maintenance services for the Hillview Community Center and Youth Center.
- Maintain downtown carriage lamp system and decorative streetlights at Loyola Corners.
- Monitor and evaluate all building and facility contract maintenance services. Review the use of contractual building maintenance services for park restrooms, Police Department, San Antonio Club, Grant Park, Municipal Service Center, City Hall and Hillview Community Center.
- Provide for facility maintenance at History House Museum
- Provide training for maintenance personnel to meet all regulatory requirements and to enhance maintenance services for City buildings.
- Provide Engineering Division support for a HVAC service agreement Request for Proposal.

# Facility Maintenance

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	233,361	233,162	296,486	445,309	465,124
Service & Supply	153,514	170,600	186,180	175,510 (1)	178,679
Equipment Purchase	0	0	13,601	101,000 (2)	0
Equipment Reserve Contrib.	<u>14,483</u>	<u>14,483</u>	<u>14,483</u>	<u>14,623</u>	<u>14,623</u>
<b>Total</b>	<b><u><u>401,358</u></u></b>	<b><u><u>418,245</u></u></b>	<b><u><u>510,750</u></u></b>	<b><u><u>736,442</u></u></b>	<b><u><u>658,426</u></u></b>

Positions Allocated

Chief Custodian	1	1	1	1	1
Maintenance Technician	2	2	2	2	2
Maintenance Worker II	1	1	1	1	1
Maintenance Worker I	<u>0</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	4	5	5	5	5

*Comments:*

(1) The Chief Custodian position is funded, but left unfilled. Instead, custodial services for the Police Building, City Hall, Recreation Administrative Offices, San Antonio Club, Blach, Egan and Rosita Gymnasiums and Hillview Community Center are provided by contract.

(2) Replacement of three one ton trucks, one with a stake bed.



# RECREATION

Provide high quality, enjoyable recreation programs and activities for all ages. Strive to provide leisure and educational experiences, which will serve and expand the interests of the public beyond home and the workplace.

Manage the development and use of City owned public facilities, parks, and natural open space.

Encourage a working relationship with the public, school districts, community groups and the private sector to provide leisure activities to the community, which enhance the quality of life in Los Altos.

Provide high quality museum exhibits, educational yet entertaining programs, services, and resources for visitors of all ages. Work with community groups and organizations to create a sense of community while collecting, preserving, and communicating the history of Los Altos, Los Altos Hills and the nearby areas.

Provide a quality and diversified program of leisure and human services at the Los Altos Senior Center for senior adults.

# Recreation

## **2005-2007 REVIEW**

- Completed playground renovation designs for Marymeade, Mc Kenzie and Heritage Oaks Parks & the Whistle Stop playground.
- Negotiated a new agreement with the Los Altos Museum Association for the operation of the History Museum.
- Eliminated the Rosita Gym caretaker position.
- Produced five special events in the community including the fun run, community picnic, egg hunt, Halloween window painting contest and a new summer concert at Grant Park.
- Negotiated a new three year agreement for naturalist services at Redwood Grove.
- Facilitated the Neutra House Relocation Project.
- Secured a property manager and developed a lease agreement for the rental of the Garden House apartment.
- Issued a Request For Proposal for the Recreation Department Service Review.
- Evaluated and revised where appropriate, program fees, charges, and cost recovery rates for department facilities and programs.

## **2007-2008 BUDGET OBJECTIVES**

- Implement new computer registration software program.
- Install new playground equipment and surfacing materials in Marymeade, Mc Kenzie and Heritage Oaks parks and the Whistle Stop playground.
- Design playground renovation improvements at Grant and Montclair Parks.
- Resurface Marymeade, Mc Kenzie, and Montclair Park tennis courts.
- Continue to increase gymnasium usage at Blach and Egan gyms to maximize use of both facilities.
- Analyze and propose a Facility Rental Fee Waiver policy recommendation to City Council.
- Work with user groups to optimize use of available athletic fields.
- Explore collaborative partnership opportunities with local non-profit groups in the coordination of community events.
- Implement a recycling program at all recreation facilities.
- Explore ways to develop Teen programs using the gymnasiums, teen center and other resources throughout the city.

## **2008-2009 BUDGET OBJECTIVES**

- Continue to offer variety in classes, camps and programs for adults and youth in the Los Altos community. Search for innovative programs and partnerships that will insure quality as well as highest enrollment possible in courses offered.
- Investigate alternative funding possibilities for the design and publication of recreation department facilities brochure.
- Complete the Garden House Utilization Report.
- Complete construction of the playground renovation improvements at Grant and Montclair Parks.

# Recreation

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	707,538	679,614	669,006	826,027 (1)	864,063
Service & Supply	997,802	1,133,805	1,240,609	1,269,842 (2)	1,300,416 (3)
Equipment Purchase	0	196	36,723	3,500 (4)	0
Equipment Reserve Contrib.	<u>12,498</u>	<u>12,498</u>	<u>8,498</u>	<u>10,000</u>	<u>10,000</u>
<b>Total</b>	<b><u><u>1,717,838</u></u></b>	<b><u><u>1,826,113</u></u></b>	<b><u><u>1,954,836</u></u></b>	<b><u><u>2,109,369</u></u></b>	<b><u><u>2,174,479</u></u></b>
Less: Recreation fees, facility rentals and related fees.	<u>1,567,449</u>	<u>1,487,191</u>	<u>1,620,526</u>	<u>1,639,105</u>	<u>1,690,100</u>
Remaining Cost	150,389	338,922	334,310	470,264	484,379
<u>Positions Allocated</u>					
Museum Director	1.0	0.0	0.0	0.0	0.0
Office Assistant II	1.0	1.0	1.0	1.0	1.0
Recreation Coordinator	1.0	1.0	1.0	1.0	1.0
Recreation Director	1.0	1.0	1.0	1.0	1.0
Recreation Supervisor	2.0	2.0	2.0	2.0	2.0
Teen Program Coordinator	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>	<u>1.0</u>	<u>1.0</u>
	6.75	5.75	5.75	6.00	6.00

*Comments:*

(1) The Teen Coordinator is converted from three quarter time to full time position.

(2) During the budget meetings City Council approved \$5,575 for the Youth Commission including in 2007-08 \$175 for the Annual Conference, \$2,400 for High School Dances and \$3,000 for two Teen Special Events. In addition, City Council approved \$4,000 for the Public Sculpture Committee, \$5,000 for a pilot after school enrichment program, \$6,000 for the Grand opening for each renovated park and \$5,000 for the Whistle Stop fund raising effort. City Council also approved \$500 for sculpture maintenance costs.

(3) The City Council approved \$6,400 for the Youth Commission for 2008-09 including \$200 for the Annual Conference, \$2,600 for the High School Dances, \$3,300 for two Teen Special Events and \$300 for commissioners to attend the California Parks and Recreation Society conference. For 2008-09 City Council approved \$4,000 for the Public Sculpture Committee and \$10,000 for the After school Enrichment Committee, and \$500 for sculpture maintenance.

(4) Provides for a small safe (\$1,500) to improve cash management and control and new staging equipment (\$2,000).

# Senior Programs

## **2005-2007 REVIEW**

- Secured a new Recreation Coordinator position at the Senior Center.
- Upgraded Room 12 into a larger viewing room for senior movies with the loan of a video projector and larger screen.
- Provided a variety of new programming for seniors who frequent the senior center such as new Art Ventures and Card Making classes.
- Evaluated programs offered on a regular basis, improving programs when necessary or omit them if unsuccessful.
- Work collaboratively with Los Altos Legacies Board to gather input to improve on-going programs and services at the Senior Center.

## **2007-2009 BUDGET OBJECTIVES**

- Recruit and fill the new .5 hourly staff position at the Senior center
- Work with Community Services Agency, Mountain View Los Altos Adult School, and the Los Altos Legacies to incorporate the use of computers at the Senior Center.
- Explore new programming areas to address the needs of the Baby Boomer generation.
- Complete the installation of new carpet in Rooms 10 – 12.
- Continue to use volunteers where possible for Senior Center programming and expand on volunteer opportunities at the Senior Center.
- Complete the installation of a new sink in the Multipurpose Room kitchen.
- Evaluate program offerings to ensure effectiveness and quality.
- Continue to offer new and innovative programming to help generate membership and participation at the Los Altos Senior Center.



## Senior Programs

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	50,906	49,069 (1)	53,151	125,435	112,179
Service & Supply	25,542	33,823	28,894	35,778	36,877
Equipment Purchase	0	0	0	29,050 (2)	0
Equipment Reserve Contrib.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b><u><u>76,448</u></u></b>	<b><u><u>82,892</u></u></b>	<b><u><u>82,045</u></u></b>	<b><u><u>190,263</u></u></b>	<b><u><u>149,056</u></u></b>
Less: Program revenue	<u>36,738</u>	<u>57,807</u>	<u>44,742</u>	<u>42,657</u>	<u>43,937</u>
Remaining Cost	39,710	25,085	37,303	147,606	105,119
<u>Positions Allocated</u>					
Recreation Coordinator		1	1	1	1
Senior Center Activities Director	0.75	0.75	0	0	0
Senior Center Coordinator	<u>0.75</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0</u>
	1.5	1.75	1.0	1.0	1.0

*Comments:*

(1) A full time Recreation Coordinator was approved to provide improved programs and consistency. Both part time positions were eliminated but 950 hours of part time assistance is included.

(2) Capital Outlay includes a grill (\$650), carpeting in Room 10 and 11 (\$15,000), a home theater video projector (\$1,700), and a new sink in the kitchen area (\$10,000).



# COMMUNITY DEVELOPMENT

Promote the orderly development of the community while preserving and enhancing the City's appearance, its distinct character and its economic viability. Ensure that private projects are constructed and maintained in a safe and legal manner. Maintain and update as needed the City's General Plan, Specific Plans and zoning regulations to ensure they remain effective and current with community goals and objectives. Ensure that residents and design and construction professionals receive competent, timely, and courteous staff service.



# Planning & Building

## **2005-2007 REVIEW**

- Reviewed and issued approximately 1,228 discretionary planning permits. These included administrative design review and building permits and approximately 160 Architecture and Site Control Committee, 72 Board of Adjustments, and 120 Planning Commission public meeting applications.
- Reviewed and processed multiple family design review and commercial design review applications and environmental analyses before the Planning Commission and City Council, and use permit and appeal hearings before the City Council.
- Provided front counter, telephone and email technical information support for the public Monday through Friday, from 8:00 a.m. to 5:00 p.m.
- Provided staff support to the Environmental Committee, Architecture and Site Control Committee, Board of Adjustments, Historical Commission and Planning Commission.
- Provided applicant support throughout the design review and entitlement process.
- Completed the comprehensive zoning ordinance update and the new wireless communications and family daycare ordinances.
- Completed Community Development staff and Planning Commission training.
- Completed the Traffic Impact Fee program and implemented the TIRE neighborhood traffic impact analysis as part of the development review process.
- Completed the annexation of the Blue Oak Land and Woodland Acres neighborhoods into Los Altos.
- Completed the first two phases of the downtown zoning study and amended the downtown zoning regulations accordingly.
- Completed the SCVWD creek collaborative effort culminating in the City's adoption of the creek protection Guidelines and Standards.
- Completed the City Council ordinance providing for the "call-up" of Planning Commission actions.
- Implemented the Community Development Department electronic document management program and permit tracking system and maintained the City's website to keep information current and useful.
- Administered the First and Main Street property negotiations.
- Administered the CDBG program, the citywide Service Cost Recovery program and the construction phase of the Urban Runoff Pollution Prevention Program.
- Monitored and commented on development activities located in surrounding communities and on legislative activities that may affect Los Altos.
- Performed approximately 923 structural and architectural plan checks, issued 3,742 building permits, and performed 15,484 project inspections.
- Provided applicant support throughout the plan check and building inspection process.
- Provided municipal and building code public information services at the front counter and on the telephone and via email Monday through Friday, from 8:00 a.m. to 5:00 p.m.
- Assisted with code enforcement investigations.

## **2007-2009 BUDGET OBJECTIVES**

- Review and permit single family design review applications. These include administratively reviewed applications and Architecture and Site Control Committee, Board of Adjustments and Planning Commission and City Council reviewed applications.
- Review and process multiple family and commercial design review applications and environmental analyses before the Planning Commission and City Council.
- Review and process use permit and appeal hearings before the City Council.
- Provide staff support to the Environmental Committee, Architecture and Site Control Committee, Board of Adjustments, Historical Commission and Planning Commission.
- Process administrative design review applications within 10 to 15 days, Architecture and Site Control Committee design review and Board of Adjustment variance applications within 4 to 6 weeks and Planning Commission/City Council review applications within 8 to 10 weeks.
- Provide applicant support throughout the design review, use permit, variance and subdivision application processes.
- Provide zoning and public information services at the front counter, on the telephone and via email Monday through Friday, from 8:00 a.m. to 5:00 p.m.
- Complete the First and Main Street property negotiations and hotel environmental and design review.
- Complete the Housing Element update.
- Complete an energy efficiency “green” construction ordinance.
- Assist with the completion of the third phase downtown zoning study.
- Administer the CDBG program and the citywide Service Cost Recovery program.
- Implement the Community Development Department electronic document management program and permit tracking software project.
- Implement the development review and construction phase of the Urban Runoff Pollution Prevention Program requirements.
- Implement Community Development staff and Planning Commission training.
- Monitor and comment on development activities located in surrounding communities and on legislative activities that may affect Los Altos.
- Process structural and architectural plan checks within 2 to 4 weeks.
- Schedule building inspections within 24 hours of request.
- Provide applicant support throughout the plan check and building inspection process.
- Provide municipal and building code public information services at the front counter, on the telephone and via the City’s website.
- Assist with Code Enforcement investigations.

## Planning & Building

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	1,278,565	1,319,956	1,354,125	1,624,671 (1)	1,703,409
Service & Supply	156,588	271,064	300,647	293,921 (2)	278,032
Equipment Purchase	0	579	0	1,100	0
Equipment Reserve Contrib.	<u>10,030</u>	<u>9,698</u>	<u>9,698</u>	<u>9,426</u>	<u>9,426</u>
 Total	 <u><u>1,445,183</u></u>	 <u><u>1,601,297</u></u>	 <u><u>1,664,470</u></u>	 <u><u>1,929,118</u></u>	 <u><u>1,990,867</u></u>
 Less: Various fees	 1,822,581	 2,451,992	 2,187,962	 2,215,856	 2,282,332
 Remaining Cost	 (377,398)	 (850,695)	 (523,492)	 (286,738) (3)	 (291,465) (3)
 <u>Positions Allocated</u>					
Assistant Planner	1	1	1	2	2
Associate Planner	1	1	1	1	1
Building Inspector	4	4	4	4	4
Building Official	1	1	1	1	1
Building Technician	1	1	1	1	1
Community Development Dir.	1	1	1	1	1
Executive Assistant	2	2	2	2	2
Senior Planner	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	12	12	12	13	13

*Comments:*

- (1) Reflects the addition of an Assistant Planner position to maintain prompt service delivery to the public.
- (2) Professional Services are funded directly from plan check fee deposits to be used only on demand. City Council funded \$20,000 for a Historical Resource Index consultant to review and update the Historic Resource Index.
- (3) Budget and actuals include only direct costs. When indirect costs and overhead are added the cost to provide the service is greater than the received and projected revenues.

# Public Works/Engineering

## **2005-2007 REVIEW**

- Completed construction of El Monte Safe Routes to School Project, North Clark Avenue Traffic Calming Improvements, Annual Concrete Repairs and Annual Street Resurfacing Phase I.
- Completed design of Garden House ADA Improvements, four improvement projects at Hillview Community Center, the Rancho Shopping Center/Springer Road ADA Access Improvements, the University Avenue Traffic Calming Project, El Camino Real Landscaping Improvements, Biennial Slurry Seal Improvements, and Annual Street Resurfacing, Phase II.
- Worked with Council to prioritize capital projects.
- Attended Santa Clara County Water Protection Collaborative meetings and the Valley Transportation Authority's Technical Advisory Committee meetings.
- Provided engineering support for development review and divisions of land.
- Issued and inspector encroachment permits and street cut permits citywide.
- Provided staff support for the Traffic Commission and the Bicycle Committee.

## **2007-2009 BUDGET OBJECTIVES**

- Provide project management for up to 12 funded City capital improvement projects ensuring that projects are completed within expected timeframes and estimated budgets.
- Conduct traffic studies within current staff ability to respond to neighborhood concerns about traffic safety.
- Provide staff support for the Traffic Commission and the Pedestrian and Bicycle Advisory Committee.
- Complete two Neighborhood Traffic Management Program project requests.
- Provide staff support for Santa Clara County Water Protection Collaborative.
- Issue Street cut and encroachment permits to residents, contractors, and utility companies. Provide construction inspection of public improvements constructed by private development projects.
- Provide engineering review of development projects.



# Public Works/Engineering

## COMMUNITY DEVELOPMENT: ENGINEERING

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	697,574	835,335	970,524	1,180,189	1,235,314
Service & Supply	64,810	73,892	85,169	120,730 (1)	124,001
Equipment Purchase	34,992	0	20,455	19,500 (2)	0
Equipment Reserve Contrib.	<u>15,750</u>	<u>15,750</u>	<u>13,056</u>	<u>15,903</u>	<u>15,903</u>
Total	<u>813,126</u>	<u>924,977</u>	<u>1,089,204</u>	<u>1,336,322</u>	<u>1,375,218</u>
Less: Engineering and subdivision fees	<u>81,159</u>	<u>68,874</u>	<u>95,013</u>	<u>75,000</u>	<u>77,250</u>
Remaining Cost	731,967	856,103	994,191	1,261,322	1,297,968
<u>Positions Allocated</u>					
Assistant Civil Engineer	1.0	2.0	2.0	2.0	2.0
Assistant Public Works Director	0.75	0.75	0.75	0.75	0.75
Associate Civil Engineer	0.25	0.25	0.25	0.25	0.25
Engineering Technician	1.0	2.0	2.0	2.0	2.0
Executive Assistant	1.0	1.0	1.0	1.0	1.0
Junior Civil Engineer	1.0	1.0	1.0	1.0	1.0
Public Works Director	1.0	1.0	1.0	1.0	1.0
Transportation Engineer	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
	7.00	9.00	9.00	9.00	9.00

*Comments:*

(1) The administration cost for the Congestion Management Agency is included in the Engineering budget.

(2) An additional pool car for City Hall (\$18,000) and a computer to review digitized files (\$1,500).

# Economic Development

## **2005-2007 REVIEW**

- Assisted with the review of the First and Main Street property, including property negotiations.
- Worked with Los Altos Village Association and the Chamber of Commerce on issues related to Downtown.
- Attended Chamber of Commerce Economic Development Committee meetings and worked with the Committee to improve the economic climate within the City.
- Completed the study of establishing a downtown Business Improvement District and other programs to improve downtown aesthetics, street furniture, landscaping and maintenance.
- Expanded downtown parking permit program by increasing permit fees and transferring surplus funds to LAVA for the purpose of downtown maintenance and landscaping.
- Continued to study and develop recommendations for a downtown parking in-lieu program.
- Expanded Los Altos At-a-Glance, a one page newsletter providing an economic profile of Los Altos, to include current information about development activity occurring within the city, listings of new businesses and sales tax information.

## **2007-2009 BUDGET OBJECTIVES**

- Work with LAVA on issues related to downtown.
- Attend all Chamber of Commerce Economic Development Committee meetings and work with the Committee to improve the economic climate within the City.
- Work with Loyola Corners Business Improvement District to strengthen the organization, improve parking, and address issues that impact business in the area.
- Work with all other commercial districts and shopping centers throughout Los Altos to address issues that impact business in those areas.
- Complete study and recommendations for creating a downtown parking-in-lieu fee program to foster greater development opportunities.
- Assist with the First and Main Street property negotiations.
- Research and recommend mechanisms to fund downtown improvements including maintenance, cleanliness, landscaping and aesthetics.
- Develop marketing material to improve communication with the business community and increase awareness about development activity occurring throughout the city.
- Monitor downtown sidewalk permit program and ensure compliance.
- Monitor downtown standards implementation.
- Work with property owners and tenants to develop or redevelop their property to fit within the “vision” for the City.

# Economic Development

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	42,886	51,544	56,892	57,909	60,763
Service & Supply	2,752	4,262	2,757	15,234 (1)	4,949
Equipment Purchase	0	73	0	0	0
Equipment Reserve Contrib.	<u>500</u>	<u>500</u>	<u>500</u>	<u>505</u>	<u>483</u>
<b>Total</b>	<b><u><u>46,138</u></u></b>	<b><u><u>56,379</u></u></b>	<b><u><u>60,149</u></u></b>	<b><u><u>73,648</u></u></b>	<b><u><u>66,195</u></u></b>

## Positions Allocated

Economic Development Coordinator/

Management Analyst	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
--------------------	------------	------------	------------	------------	------------

	0.5	0.5	0.5	0.5	0.5
--	-----	-----	-----	-----	-----

---

## *Comments:*

(1) The 2007-08 Economic Development budget includes funding for business outreach activities including a quarterly business newsletter, developing a business resource packet and producing the restaurant guide. In addition, the City Council added \$500 in each year to fund web site improvements for the Environmental Committee.



# INTERNAL/COMMUNITY SERVICES

# City Council

Provide leadership to the community to represent the entire community and its values when considering policy items, and provide direction to the City staff on the development, implementation and prioritization of program objectives, projects and service levels. Provide the Communiqué newsletter to all residents, three times a year.

# City Council

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	25,555	35,767	47,429	88,444	96,519
Service & Supply	68,968	120,963	92,594	111,861 (1)	113,325 (1)
Equipment Purchase	0	0	0	0	0
Equipment Reserve Contrib.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total	 <u><u>94,523</u></u>	 <u><u>156,730</u></u>	 <u><u>140,023</u></u>	 <u><u>200,305</u></u>	 <u><u>209,844</u></u>

Positions Allocated

City Council	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
	5.00	5.00	5.00	5.00	5.00

*Comments:*

(1) Printing and postage costs associated with the production and distribution of City newsletter *Communique* are included in the Legislative budget for 07-08 and 08-09. The Services and Supplies budget includes \$7,200 for a City Council/ City Manager Leadership Team Workshop in each fiscal year.

# City Clerk

Manage the daily operations of the City Clerks Office. Prepare and distribute City Council meeting agendas and related materials, and take and transcribe City Council meeting minutes. Maintain and safeguard the City's official records.

## **2005-2007 REVIEW**

- Conducted a General Municipal Election for City Council seats.
- Prepared agendas and minutes for all regular City Council meetings.
- Maintained official minute and ordinance books.
- Drafted resolutions and assisted with drafting ordinances.
- Served as Filing Official for the Fair Political Practices Commission and Secretary of State filings.
- Published required legal notices.
- Complied with Public Records Act and Freedom of Information Act mandates.
- Complied with AB 1234 Ethics Training requirements.
- Managed the Commission and Committee recruitment and appointment process.
- Administered the Solicitors and Peddlers Permit program.
- Served as the City liaison to the Los Altos Sister Cities board of directors.
- Started conversion of files to document imaging.
- Managed the Volunteer Program.
- Managed the City Newsletter's distribution.
- Managed the monthly Community Activity Calendar.
- Continue participation with the League of California Cities Policy Committee.
- Participated on the state and regional City Clerk boards of directors.

## **2007-2009 BUDGET OBJECTIVES**

- Conduct General Municipal Election for City Council seats.
- Prepare various official proclamations and community awards and publish required legal notices.
- Maintain Municipal Code through ordinance codification.
- Comply with Brown Act Requirements.
- Manage the Commission and Committee recruitment and appointment process.
- Continue back log conversion of files to document imaging.
- Upgrade to a Digital recording system in Council Chamber.
- Develop a Capital Improvement Program project for video recording and broadcast operations equipment replacement in Council Chamber.
- Participate in the League of California Cities Policy Committee and the state and regional City Clerk boards of directors.



# City Clerk

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	0	0	0	188,730	194,292
Service & Supply	0	0	0	228,197 (2)	183,846 (2)
Equipment Purchase	0	0	0	0	0
Equipment Reserve Contrib.	<u>0</u>	<u>0</u>	<u>0</u>	<u>990</u>	<u>990</u>
<b>Total</b>	<b><u><u>0</u></u></b>	<b><u><u>0</u></u></b>	<b><u><u>0</u></u></b>	<b><u><u>417,917</u></u></b>	<b><u><u>379,128</u></u></b>

Positions Allocated

Executive Assistant	.		0.5 (1)	0.5	0.5
City Clerk			<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
	0.0	0.0	1.5	1.50	1.50

(1) The personnel allocation has been modified to reflect the City Council's mid year decision in 2006-07 to utilize an appointed City Clerk. No budget modifications occurred at the time.

(2) Funding for an election is each year is included. For 2007-08, the budget includes \$194,210 for the election costs and \$10,000 for voter outreach. For 2008-09, the budget includes \$144,624 for election costs and \$15,000 for voter outreach.

# City Attorney

Represent and advise the City Council, its boards and commissions, and all other City officials on legal matters of municipal government; represent and appear for the City in legal actions and proceedings in which the City is concerned; prepare and review all proposed ordinances, resolutions, contracts, and other documents pertaining to the City's business.

## **2005-2007 REVIEW**

- Handled all uninsured court proceedings involving the City (except personnel).
- Represented and advised City officials and City staff in legal matters.
- Drafted and/or reviewed ordinances, resolutions, contracts and other legal documents.
- Prosecuted violations of City ordinances, and otherwise enforce City codes.
- Monitored outside legal service providers for uninsured matters retained to represent the City.

# City Attorney

	2004-05 <u>Actual</u>	2005-06 <u>Actual</u>	2006-07 <u>Est. Actual</u>	2007-08 <u>Adopted</u>	2008-09 <u>Adopted</u>
Personnel Services	0	0	0	0	0
Service & Supply	168,425	173,882	175,200	236,774 (1)	251,910 (1)
Equipment Purchase	0	0	0	0	0
Equipment Reserve Contrib.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total	 <u><u>168,425</u></u>	 <u><u>173,882</u></u>	 <u><u>175,200</u></u>	 <u><u>236,774</u></u>	 <u><u>251,910</u></u>

Positions Allocated

---

0	0	0	0	0
---	---	---	---	---

---

*Comments:*

(1) Legal services have historically been provided by contract. The budget for litigation and professional services is based on experience.

# City Management

Manage the daily operations of the City. Ensure that City Council-approved policies are translated into administratively viable, budgeted programs, that they are implemented and administered in a manner consistent with the spirit in which they were adopted, and that the City Council receives timely, clear, and complete information and recommendations on issues which they need to address and on which they need to act. Coordinate the City's major economic development/redevelopment activities. Ensure that meetings and transactions of the City Council satisfy procedural and legal requirements. Prepare and distribute City Council meeting agendas and related materials, and take and transcribe City Council meeting minutes. Maintain and safeguard the City's official records.

## **2005-2007 REVIEW**

- Modified staff reports and information provided to the Council and community.
- Conducted five Council/staff neighborhood walks.
- Completed a facilitated capital projects prioritization.
- Managed the Information Technology contract with the City of Palo Alto.
- Continued to negotiate with Comcast regarding updating the franchise agreement.
- Served as the City Manager representative to the County Library Joint Powers Authority.
- Initiation of a community process resulting in the annexation of the Blue Oaks and Woodland Acres neighborhoods.

## **2007-2009 BUDGET OBJECTIVES**

- Distribute Council agendas and supporting documents by 5 p.m. on the Thursday preceding a regularly scheduled Council meeting.
- Continue to negotiate the franchise agreement with Comcast.

# City Management

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	446,881	501,414	572,404	355,528	363,058
Service & Supply	43,119	44,819	75,146	42,253	43,108
Equipment Purchase	0	105	0	1,500 (2)	0
Equipment Reserve Contrib.	<u>1,960</u>	<u>1,960</u>	<u>1,960</u>	<u>990</u>	<u>990</u>
<b>Total</b>	<b><u><u>491,960</u></u></b>	<b><u><u>548,298</u></u></b>	<b><u><u>649,510</u></u></b>	<b><u><u>400,271</u></u></b>	<b><u><u>407,156</u></u></b>

Positions Allocated

Executive Assistant	1.0	1.0	0.50	0.50	0.50
Economic Development Coord/ Management Analyst	0.5	0.50	0.50	0.50	0.50
City Clerk	1.0	1.0	0.0 (1)	0.0	0.0
City Manager	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
	3.5	3.5	2.0	2.0	2.0

(1) The personnel allocation has been modified to reflect the transfer of the City Clerk and half of the Executive Assistant to a different program.

(2) Equipment includes a desk for the new City Manager.



# Administration & Financial Management

Manage and report on the City's financial affairs, provide human resources management for all city departments, promote positive employee and labor relations, maximize usage of city resources for salary and benefit programs, and minimize potential losses through effective management of claims, risks and employee grievances and other issues. Administer the City's computer and telecommunication systems, cable television operations, volunteer programs, and provide administrative and operational support to the City Manager.

## *Financial Management*

### **2005-2007 REVIEW**

- Implemented Governmental Accounting Standards Board Statement (GASB) No. 34, which was acknowledged via an Excellence in Reporting Award from the Governmental Finance of America Certificate of Achievement.
- Implemented a new third party payroll software system.
- Negotiated a two year contract extension for the annual independent audit.
- Issued request for proposals for a new financial system to twenty-three vendors, receiving ten responses. Interviewed financial system vendor's responses, checked vendor references and selected a vendor to recommend to City Council for approval.
- Issued a request for proposals for a Cost Allocation Plan and selected a vendor for recommendation to City Council.
- Implemented the cost allocation plan, following approval by City Council in November 2006.
- Obtained an improved credit rating from Standard and Poors' from AA- to AA.
- Assisted the City Council in an intensive reprioritization of funded and unfunded Capital Improvement projects.
- Prepared the 2007-2008 and 2008-09 Service and Financial Plan, and the five-year Capital Improvement Program and the compendium of Alternative Service Levels.
- Reviewed and updated the investment policy to assure compliance with current State law and City policy.
- Provided support services to the Citizen Financial Advisory Committee.
- Participated in California Society of Municipal Finance Officers and the Santa Clara County Finance Officers Group.

### **2007-2009 BUDGET OBJECTIVES**

- Provide Accounts Payable, Payroll and Accounts Receivable services citywide.
- Provide financial reporting and accounting services and further explore options to improve reporting.
- Implement new financial software including an integrated cash receipting system and business license software.
- Provide support services to the Citizen Financial Advisory Committee.
- Improve internal financial reporting with implementation of the new financial software.
- Prepare the 2009-11 Service and Financial Plan and compendium of Alternative Service Levels.
- Prepare the five-year Capital Improvement Program and cash analysis.
- Select a vendor for an "Other Post Employment Benefits" (OPEB) actuarial analysis for compliance with GASB 45.
- Participated in California Society of Municipal Finance Officers and the Santa Clara County Finance Officers Group.

## *Personnel Management*

### **2005-2007 REVIEW**

- Completed labor negotiations with the Sanitary Truck Drivers and Helpers, Local #350 and unrepresented employees, implementing salary and benefit changes for all employees.
- Administered the dental claims reimbursement program.
- Administered and provided daily assistance and information to employees for the City's benefit programs which include participation in the PERS retirement system, medical insurance, life insurance, deferred compensation, long term disability, and a cafeteria plan.
- Coordinated newly filed workers compensation claims and existing open claims. Provided light duty and alternate work assignments to injured employees whenever possible. Researched alternatives to the current use of a third party administrator for workers compensation.
- Implemented a Tort Claim filing requirement to the municipal code.
- Coordinated General Liability claims.
- Submitted reimbursement claims to the State of California for state mandated services.
- Participated in the Bay Area Employee Relations Service.
- Updated three job descriptions for Council consideration and approval.
- Implemented the first Retirement Health Savings Account agreement.

### **2007-2009 BUDGET OBJECTIVES**

- Complete contract discussions with Los Altos Peace Officers Association.
- Maintain Human Resource information for City web site (i.e. – application on-line, open positions etc)
- Coordinate citywide recruitment efforts.
- Participate in local legal, risk management, and human resources training and workshops
- Administer worker's compensation and general liability claims.
- Develop a Safety Training program.
- Develop recommendations on a Human Resource Information System.
- Evaluate tools for further improving the recruitment process.
- Update the Personnel Rules and Regulations.



# Administration & Financial Management

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	795,108	838,638	809,834	1,085,617 (1)	1,131,654
Service & Supply	130,925	117,224	159,699	134,015 (2)	140,626 (2)
Equipment Purchase	0	0	0	3,300 (3)	0
Equipment Reserve Contrib.	<u>5,388</u>	<u>5,388</u>	<u>5,388</u>	<u>5,440</u>	<u>5,440</u>
<b>Total</b>	<b><u><u>931,421</u></u></b>	<b><u><u>961,250</u></u></b>	<b><u><u>974,921</u></u></b>	<b><u><u>1,228,372</u></u></b>	<b><u><u>1,277,720</u></u></b>

Positions Allocated

Accountant	0	0	0	1	1
Accounting Office Assistant I	2	2	2	2	2
Accounting Office Assistant III	1	1	1	1	1
Accounting Technician	1	1	1	1	1
Assistant to the City Manager	0	0	0	0	0
Asst. City Manager/Finance Dir.	1	1	1	1	1
Financial Services Manager	1	1	1	1	1
Human Resources Manager	1	1	1	1	1
Human Resources Technician	1	1	1	1	1
Technical Services Manager	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	8.00	8.00	8.00	9.00	9.00

*Comments:*

(1) The personnel allocation reflects an accountant to augment the capacity of the staff. The Council did not approve filling the position subject to review and recommendation of the new City Manager.

(2) Includes continued membership in the Bay Area Employer Relations Service (\$7,200 in 07-08) and \$4,000 for consulting assistance with state mandated claims reimbursement. Armored car services have been reduced to once a week due to the banking services improvements.

(3) Capital outlay is for furniture and a computer for the Accountant position.

# Information Services

Provide technical assistance to all departments regarding personal computers, technology usage and implementation. Beginning in 2007-08 the City proposes to migrate from the contract for Information Technology services with the City of Palo Alto to hiring two positions to provide technical experience and management perspective to the use of technology.

# Information Services

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	11,783	2,655	2,730	291,604 (1)	305,413
Service & Supply	152,672	154,976	163,510	43,963 (2)	49,875
Equipment Purchase	0	0	421	0	0
Equipment Reserve Contrib.	<u>0</u>	<u>0</u>	<u>1,183</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b><u><u>164,455</u></u></b>	<b><u><u>157,631</u></u></b>	<b><u><u>167,844</u></u></b>	<b><u><u>335,567</u></u></b>	<b><u><u>355,288</u></u></b>

## Positions Allocated

Technical Services Manager	1	1	1		
Information Technology Manager				1	1
Information Technology Analyst	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	1	1	1	2	2

## *Comments:*

(1) Information Technology (IT) is currently administered by the City Manager. Previously the Technical Services Manager position was included in the Central Services program. The position was left unfilled for a number of years. Instead, the cost of the position was used to offset the annual contract with the City of Palo Alto for Information Technology services and help desk services. This budget proposes discontinuing the contract with the City of Palo Alto, and reinstating services in house, including the addition of a Technology Specialist to assist the Technical Services Manager.

# Central Services

Provide supplies and shared equipment, including office and computer supplies, postage and equipment repair for City Hall departments. Provide for employee recognition events including a summer barbeque, a winter holiday party and service recognition for employee achieving a one, five, ten, fifteen, twenty, twenty-five, thirty, or thirty-five year anniversary.

# Central Services

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	49,740	0	0	0 (1)	0
Service & Supply	0	45,502	43,189	66,376 (2)	55,911
Equipment Purchase	0	0	18,251	0	0
Equipment Reserve Contrib.	<u>9,189</u>	<u>9,189</u>	<u>8,289</u>	<u>9,278</u>	<u>9,278</u>
<b>Total</b>	<b><u><u>58,929</u></u></b>	<b><u><u>54,691</u></u></b>	<b><u><u>69,729</u></u></b>	<b><u><u>75,654</u></u></b>	<b><u><u>65,189</u></u></b>

Positions Allocated

Technical Services Manager	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>
	1.0	1.0	1.0	0.0	0.0

*Comments:*

- (1)The Technical Services Manager position is now shown in a newly proposed program titled Information Services.  
 (2) Central Services includes a budget for supplies and shared equipment including office supplies and postage for departments primarily located in City Hall. Includes an allocation for employee recognition events including one annual recognition event and two seasonal events.

# Cable Television

Manage and coordinate the cable television activities for the City, which include administering the franchise agreement, coordinating public access programming with KMTV, coordinating the use of the government channel, and cable casting City Council and Planning Commission meetings.

## **2005-2007 REVIEW**

- Continued negotiating a new cable franchise agreement.
- Continued the agreement with KMTV for Public Access cable television studio use.

## **2007-2009 BUDGET OBJECTIVES**

- Continue negotiating a new cable franchise agreement.
- Maintain an agreement for public access television programming services, upon the completion of the cable franchise agreement.

## Cable Television

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	0	0	0	0	0
Service & Supply	79,430	112,926	126,602	145,137 (1)	149,889
Equipment Purchase	0	0	0	0	0
Equipment Reserve Contrib.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b><u><u>79,430</u></u></b>	<b><u><u>112,926</u></u></b>	<b><u><u>126,602</u></u></b>	<b><u><u>145,137</u></u></b>	<b><u><u>149,889</u></u></b>

Positions Allocated

Technical Services Manager	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	0.00	0.00	0.00	0.00	0.00

*Comments:*

(1) Includes \$25,000 for continued assistance on the renegotiation of the cable TV franchise in 2007-2008 and 2008-2009.

# Volunteer Program

Administer the City's volunteer program (VEGA – Volunteers Enriching Government Action) by recruiting, training, and placing volunteers to assist city departments.

## **2005-2007 REVIEW**

- Recruited community members for oral boards for City jobs.
- Recruited volunteers to update parcel maps.
- Maintained “Space Station Los Altos” program showing available commercial space.
- Maintained Channel 26 character generator program showing city sponsored activities.
- Maintained City Hall flower displays.
- Maintained parking hearing examiner program.
- Recruited volunteers for the City's In-Home Repair for Seniors Program
- Published two issues of the Communique'.
- Coordinated a recognition event for volunteers.

## **2007-2009 BUDGET OBJECTIVES**

- Use the City's web site to advertise and promote volunteer opportunities, and continue general recruitment of volunteers to meet the needs of the organization.
- Maintain “Adopt a Park” program.
- Maintain “Space Station Los Altos” program.
- Maintain Channel 26 video information program.
- Maintain City Hall flower displays.
- Maintain Parking Hearing Examiner program.
- Recruit for “No Dumping-Flows to Creek” program.
- Recruit for and schedule TV operators for regular cable casting of City Council and Planning Commission meetings.
- Recruit for City's In-Home Repair for seniors program.
- Publish three issues of the Communique'.



# Volunteer Program

	2004-05 Actual	2005-06 Actual	2006-07 Est. Actual	2007-08 Adopted	2008-09 Adopted
Personnel Services	28,581	33,116	34,369	32,913 (1)	34,229
Service & Supply	2,147	1,491	2,363	5,522	5,781
Equipment Purchase	0	0	0	0	0
Equipment Reserve Contrib.	500	500	500	505	505
 Total	31,228	35,107	37,232	38,940	40,515
 <u>Positions Allocated</u>					
 Volunteer Coordinator	0.6	0.6	0.6	0.6	0.6
	0.6	0.6	0.6	0.6	0.6

---

*Comments:*

(1) This program is budgeted to include approximately 1,250 hours for the Volunteer Coordinator working on the Volunteer Program and the *Communique*.

# General Appropriations

Provide for expenditures of a citywide nature, which cannot be assigned to a specific department.

## **2005-2007 REVIEW**

- Provided support to agencies serving the community, including the Chamber of Commerce, Community Health Awareness Council (CHAC), and Community Services Agency.

## **2007-2009 BUDGET OBJECTIVES**

- Continue support to community agencies as directed by City Council.

	<b>GF 2007-08</b>	<b>GF 2008-09</b>
<b>Community Promotions Funding</b>		
Community Health Awareness Council	28,000	28,000
Community Services Agency	30,000	30,000
Los Altos Chamber of Commerce	4,120	4,120
Los Altos Mediation Program	-	-
Housing Trust of Santa Clara County	5,000	5,000
YWCA Rape Crisis & Prevention Center	500	500
Support Network for Battered Women	900	900
Catholic Charities Long-Term Care Ombudsman	900	900
Live Oak Adult Day Services	300	300
Subtotal:	69,720	69,720

# General Appropriations

	2004-05	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Est. Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Personnel Services	0	0	0	0	0
Service & Supply	67,331	49,235	91,451	83,168 (1)	88,836 (1)
Equipment Purchase	0	0	0	0	0
Equipment Reserve Contrib.	<u>50,738</u>	<u>50,738</u>	<u>46,401</u>	<u>51,223</u>	<u>51,223</u>
 Total	 <u><u>118,069</u></u>	 <u><u>99,973</u></u>	 <u><u>137,852</u></u>	 <u><u>134,391</u></u>	 <u><u>140,059</u></u>

---

	0	0	0	0	0
--	---	---	---	---	---

---

*Comments:*

(1) \$61,862 is included in 07-08 and \$63,718 is included in 08-09 for community promotion activities such as contributions to local service organizations. This allocation also includes funding for the Local Agency Formation Commission. There is also an allocation for the City's contribution for retirees who continue to participate in the PERS health plans. In 2007-08 the retiree health expense budget is \$10,200 which grows to \$15,710 in 2008-09. These amounts are only estimates.



# APPENDICES

## TABLE OF CONTENTS

<i>General Fund--Revenue Detail</i>	88
<i>Fund Schedules</i>	91
<i>General Fund</i>	92
<i>Vehicle Impound Fees</i>	93
<i>Supplemental Law Enforcement Fund</i>	93
<i>Community Development Block Grant</i>	94
<i>Downtown Parking Fund</i>	94
<i>In Lieu of Park Land Fund</i>	95
<i>Traffic Impact Fee</i>	95
<i>Estate Donation</i>	96
<i>Transportation Development Act</i>	96
<i>Gas Tax Funds Combined</i>	97
<i>Capital Improvement Projects Fund</i>	98
<i>Equipment Replacement Fund</i>	99
<i>Facility Replacement Fund</i>	100
<i>Community Improvement Reserve Fund</i>	101
<i>Sewer Fund</i>	102
<i>Storm Drain Deposit Fund</i>	103
<i>Urban Runoff Pollution Prevention Program</i>	103
<i>Solid Waste Fund</i>	104
<i>Dental Fund</i>	105
<i>Unemployment Fund</i>	105
<i>Workers Compensation Fund</i>	106
<i>Liability Insurance</i>	107
<i>Long Term Debt Administration</i>	108
<i>General Obligation Debt</i>	109
<i>Assessment Districts</i>	110
<i>Financial Goals</i>	115
<i>Financial Policies</i>	117
<i>Service &amp; Financial Plan "Basics"</i>	122
<i>Financial Plan Assumptions</i>	125
<i>Utility Users Tax</i>	127
<i>City of Los Altos Organizational Chart</i>	128
<i>Glossary</i>	129

# General Fund--Revenue Detail

<u>DESCRIPTION</u>	<u>2004-05 Actual</u>	<u>2005-06 Actual</u>	<u>2006-07 Projected</u>	<u>2007-08 Approved</u>	<u>2008--09 Approved</u>
<b>TAXES/STATE SUBVENTIONS:</b>					
Property Tax	8,580,233	9,766,622	10,902,569	11,256,900	11,868,414
Sales Tax	2,552,529	2,662,313	2,749,964	2,755,250	2,837,908
Utility Users Tax	1,969,699	2,100,663	2,274,478	2,298,400	2,390,336
Motor Vehicle in Lieu	302,756	643,378	188,799	188,490	194,145
Business License Tax	365,859	364,602	380,470	365,000	365,000
Doc. Transfer Tax	520,702	463,077	505,083	489,250	503,928
Gas Tax	188,100	188,100	190,000	200,000	210,000
Building Development Tax	256,645	248,349	137,461	165,000	169,950
Transient Occupancy Tax	1,057,995	1,260,279	1,469,867	1,220,550	1,257,167
Off Highway Motor Veh.	966	1,056	0	1,100	1,100
<b>CHARGES FOR CURRENT SERVICES:</b>					
Animal Control	20,096	16,925	20,806	21,630	22,279
Alarm Fees/Permits	19,662	23,704	19,758	25,750	23,870
DUI Fees	1,354	4,032	3,775	3,193	3,289
POST Training	11,956	13,016	15,047	18,025	18,566
Other Police Fees	80,868	76,670	77,242	70,259	76,244
M.S.C. Services	264	987	615	500	500
Expressway Landscaping	34,226	34,226	68,452	30,000	30,000
Street Sweeping/El Camino	4,166	5,722	5,886	5,500	5,500
Signalization Agreement	2,726	2,292	3,416	2,300	2,400
Special Events	11,691	26,408	33,961	36,400	36,400
Sale of Publications	1,296	456	492	0	0
<b>LICENSES &amp; PERMITS:</b>					
Building Permits	741,925	927,694	895,379	943,000	971,290
Electrical Permits	136,818	178,732	157,735	183,000	188,490
Plumbing Permits	125,418	175,203	140,718	158,000	162,740
Mechanical Permits	94,939	127,790	112,090	143,000	147,290
Plan Checking	230,691	318,771	405,750	375,000	386,250
Engineering Fees	81,159	68,874	95,013	75,000	77,250
Other Devl'pmnt Fees/Permits	492,790	723,802	476,291	413,856	426,272

## General Fund –Revenue Detail

<u>DESCRIPTION</u>	<u>2004-05 Actual</u>	<u>2005-06 Actual</u>	<u>2006-07 Est Actual</u>	<u>2007-08 Adopted</u>	<u>2008-09 Adopted</u>
<b>FRANCHISES:</b>					
P.G.& E.	306,962	328,407	369,175	350,200	360,706
Los Altos Garbage	515,204	544,656	550,858	576,800	594,104
California Water Service	101,078	93,829	97,045	103,000	106,090
Cable	125,162	143,476	146,999	149,350	153,831
<b>REVENUE FROM USE OF MONEY &amp; PROPERTY:</b>					
Interest Income	490,107	1,038,214	1,398,325	1,450,000	1,250,000
Rental Income	386,060	257,903	232,098	262,324	21,652
Auctions	25,172	3,711	50,533	20,000	20,000
<b>FINES &amp; FORFEITURES:</b>					
Traffic Fines	158,689	133,701	154,482	165,000	165,000
Parking Citations	28,534	35,368	58,201	25,000	25,000
Court Fines	33,712	(19,182)	8,710	20,000	20,000
<b>RECREATION FEES:</b>					
Recreation Classes	1,173,677	1,224,985	1,273,546	1,316,641	1,357,962
Recreation Facility	430,510	320,013	391,723	365,121	376,075
<b>ENTERPRISE/CAPITAL PROJECTS FUND ADMINISTRATION:</b>					
Sewer Admin.	390,560	400,000	695,625	696,778	722,364
Solid Waste Admin.	55,000	59,000	222,710	223,081	231,272
Capital Projects Admin.	59,600	60,000	0		
<b>MISCELLANEOUS:</b>					
Miscellaneous	26,518	25,386	34,103	23,550	23,550
Grants	40,072	52,672	18,360		0
Booking Fee Refund	36,915	0	18,458	0	0
Mandated Cost Reimbursement	19,044	39,999	230,258	40,000	40,000
Auto Task Force Officer	91,171	58,289	84,500	65,000	55,000
Suppl. Law Enforcement	100,000	100,000	100,000	100,000	100,000
Projected Salary Savings			0	461,000	479,500
Refund Previous Yr.	137,343	19,686	800	0	0
<b>TOTAL</b>	<u>22,618,620</u>	<u>25,343,856</u>	<u>27,467,625</u>	<u>27,857,198</u>	<u>28,478,684</u>





# Fund Schedules

# General Fund

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
	Actual	Actual	Actual	Adopted	Adopted
Beginning Fund Balance, July 1	\$ 5,644,223	\$ 5,716,731	\$ 6,078,131	\$ 6,288,226	\$ 6,776,117
Revenues	22,284,323	25,012,628	27,140,575	27,514,700	28,123,684
Transfers In:					
Vehicle Impound Fund	46,328	43,128	37,050	42,500	45,000
Suppl Law Enforcement Fund	100,000	100,000	100,000	100,000	100,000
Gas Tax 2105 Fund	182,100	182,100	184,000	194,000	204,000
Gas Tax 2107.5 Fund	6,000	6,000	6,000	6,000	6,000
Storm Drain Fund	6,773				
Sewer Fund	3,039				
Downtown Parking Fund				10,000	10,000
Equipment Replacement Fund				529,621	435,500
In Lieu Park Fees	6,500				
Total Revenues and Transfers In	22,635,063	25,343,856	27,467,625	28,396,821	28,924,184
Expenditures	18,292,515	19,773,605	22,086,597	25,981,380	26,861,970
Transfers Out:					
Facility Fund	405,000	405,000	405,000	405,000	405,000
Community Improvement Reserve Fund	5,000	5,000	5,000	5,000	5,000
General Obligation Bond Fund	300,000	300,000	294,000	280,000	270,000
Transfer to Capital Projects	2,783,968	3,723,784	3,772,614	459,201	515,168
Downtown Parking Fund		4,437			
Storm Drain Fund	192,000	187,325	196,586	193,381	200,398
Equipment Replacement Fund	584,072	583,305	497,733	584,968	584,968
Total Expenditures and Transfers Out	22,562,555	24,982,456	27,257,530	27,908,930	28,842,504
Ending Fund Balance, June 30	5,716,731	6,078,131	6,288,226	6,776,117	6,857,797
Designated for:					
Operating	394,548	431,688	475,255	531,327	548,939
Emergency	1,972,739	2,158,439	2,376,276	2,656,635	2,744,694
PERS	3,005,795	3,005,795	3,005,795	3,005,795	3,005,795
Others	391,859	275,874	130,902	-	-
Total designated	5,764,941	5,871,796	5,988,228	6,193,757	6,299,428
Undesignated	\$ (48,210)	\$ 206,335	\$ 299,998	\$ 582,360	\$ 558,369

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. All of the City's financial activities are accounted for in the General Fund unless there is a compelling reason to report them in another fund, such as a legal restriction on a revenue source.

## Vehicle Impound Fees

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 128	\$ -	\$ -	\$ -	\$ -
Revenues	46,200	43,128	37,050	42,500	45,000
Transfers Out:					
General Fund	<u>46,328</u>	<u>43,128</u>	<u>37,050</u>	<u>42,500</u>	<u>45,000</u>
Ending Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

This fund is used to account for revenues collected from arrest and towing fees. The resources are dedicated to public safety uses. Actual proceeds are transferred in total each year to the General Fund, where the expenditures are incurred.

## Supplemental Law Enforcement Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues	100,000	100,000	100,000	100,000	100,000
Transfers Out:					
General Fund	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Ending Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

This fund accounts for revenues received from the Citizen's Option for Public Safety (COPS) grant. This is a supplemental local law enforcement services funding in support of additional front-line law enforcement services. Actual proceeds are transferred in total each year to the General Fund, where the expenditures are incurred.

# Community Development Block Grant

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ -	\$ -	\$ -	\$ (20,969)	\$ -
Revenues	76,000	126,002	140,604	159,059	138,090
Expenditures	<u>76,000</u>	<u>126,002</u>	<u>161,573</u>	<u>138,090</u>	<u>138,090</u>
Ending Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,969)</u>	<u>\$ -</u>	<u>\$ -</u>

CDBG Fund is used to account for grant fund received under the Community Development Act. The City participates in the CDBG program as a part of the "Urban County" group administered by the County of Santa Clara.

Projects funded by these grants include affordable housing developments, the Housing Rehab Loan programs, Americans with Disabilities Act (ADA) accessibility improvements, and human service programs through local nonprofit agencies. The CDBG grants are allocated each Spring through a community public hearing process.

Note: "Urban County" group of the County of Santa Clara is a Joint Powers Agreement composed of smaller cities with population of less than 50,000. The Cities in the group receive CDBG grant through the County. Larger cities with population 50,000 or more receive CDBG grants directly from the federal Housing and Urban Development (HUD).

# Downtown Parking Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	<u>\$ 21,366</u>	<u>\$ 25,261</u>	<u>\$ 48,404</u>	<u>\$ 77,697</u>	<u>\$ 79,697</u>
Revenues	3,895	19,333	40,036	12,000	12,000
Transfers In:	-	-	-	-	-
General Fund	<u>-</u>	<u>4,437</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Transfers In	<u>3,895</u>	<u>23,770</u>	<u>40,036</u>	<u>12,000</u>	<u>12,000</u>
Expenditures	-	627	10,743	10,000	10,000
Transfers Out:	-	-	-	-	-
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Transfers Out	<u>-</u>	<u>627</u>	<u>10,743</u>	<u>10,000</u>	<u>10,000</u>
Ending Fund Balance, June 30	<u>\$ 25,261</u>	<u>\$ 48,404</u>	<u>\$ 77,697</u>	<u>\$ 79,697</u>	<u>\$ 81,697</u>

Downtown Parking Fund is used to account for plaza rent and parking permit revenues. Staff time is charged indirectly by a year end transfer from the Downtown Parking Fund to the General Fund to reimburse the General Fund for time spent on issuing the parking permits. For budget purposes, staff time is estimated, but actual transfers will be based on time spent.

## In Lieu of Park Land Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ -	\$ 24,170	\$ 86,927	\$ (16,368)	\$ 33,632
Revenues	30,670	62,757	250,705	50,000	50,000
Transfers In:	-				
General Fund	-	-	-	-	-
Total Revenues and Transfers In	<u>30,670</u>	<u>62,757</u>	<u>250,705</u>	<u>50,000</u>	<u>50,000</u>
Expenditures	-		-		
Transfers Out:					
General Fund	6,500	-	-	-	-
Total Expenditures and Transfers Out	<u>6,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance, June 30	<u>\$ 24,170</u>	<u>\$ 86,927</u>	<u>\$ 337,632</u>	<u>\$ 33,632</u>	<u>\$ 83,632</u>
Estimated Capital Projects obligation at 6/30/07			\$ 354,000		
Undesignated			(16,368)		

This fund is used to account for developer contributions in lieu of dedicating land for parks. This fund tracks the contributions although actual expenditures for parks will be made in the capital projects fund. Alternatively, the General Fund can fund these improvements, but our philosophy is to always use restricted funding before discretionary funding.

## Traffic Impact Fee

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ -	\$ -	\$ 85,756	\$ 90,223	\$ 140,223
Revenues		85,756	4,467	50,000	50,000
Transfers In:	-				
Total Revenues and Transfers In	<u>-</u>	<u>85,756</u>	<u>4,467</u>	<u>50,000</u>	<u>50,000</u>
Expenditures	-		-		
Transfers Out:					
Total Expenditures and Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance, June 30	<u>\$ -</u>	<u>\$ 85,756</u>	<u>\$ 90,223</u>	<u>\$ 140,223</u>	<u>\$ 190,223</u>
Estiamted Capital Projects obligation at 6/30/07					
Undesignated			90,223		

Fund is used to account for developer contributions. This fund tracks the contributions and the expenditures. A list of specific was established prior to the creation of the Traffic Impact Fee for which the funds can be used. If insufficient funds are available for the projects, the General Fund can loan funds until funds are available.

# Estate Donation

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ -	\$ -	\$ 30,645	\$ 35,924	\$ 6,874
Revenues	-	30,645	5,279	-	-
Transfers In:	-				
General Fund	-	-	-	-	-
Total Revenues and Transfers In	-	30,645	5,279	-	-
Expenditures	-			29,050	
Transfers Out:					
General Fund	-	-	-	-	-
Total Expenditures and Transfers Out	-	-	-	29,050	-
Ending Fund Balance, June 30	\$ -	\$ 30,645	\$ 35,924	\$ 6,874	\$ 6,874

Fund is used to account for contributions for specific purposes. The existing balance comes from a donation for use at the Senior Center. The 2007-2008 budget includes recommendations for the use of funds. Revenues in 2006-07 includes \$1,779 for interest and a final disbursement from the Estate of \$3,500.

# Transportation Development Act

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues	77,985	-	-	-	-
Transfers In:	31,801				
Total Revenues and Transfers In	109,786	-	-	-	-
Expenditures	92,206	-	-		
Transfers Out:					
Capital Projects Fund	17,580	-	-	-	-
Total Expenditures and Transfers Out	109,786	-	-	-	-
Ending Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

TDA Fund is used to account for revenues received under the Transportation Development Act. The Metropolitan Transportation Commission is the Agency that allocates the funds to various cities in the Bay Area. Prior grants have been used for pedestrian and bicycle transportation needs of the City. Starting in FY 2002-03, the Fund is pooling its resources towards CIP projects. The pooled funds will not show until a project is approved and funded.

# Gas Tax Funds Combined

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 647,178	\$ 462,484	\$ 578,190	\$ 465,985	\$ 816,985
Revenues	\$ 554,271	\$ 538,008	547,385	551,000	565,900
Expenditures	\$ 13,746	\$ -	\$ -	\$ -	\$ -
Transfers Out:					
General Fund	188,100	188,100	190,000	200,000	210,000
Capital Projects Fund	537,119	234,202	469,590	-	-
Total Expenditures and Transfers Out	\$ 410,865	\$ 422,302	659,590	200,000	210,000
Ending Fund Balance, June 30	\$ 462,484	\$ 578,190	\$ 465,985	\$ 816,985	\$ 1,172,885

---

Gas Tax Street Improvement Fund is used to account for revenues received from the State Highway Users Tax Fund under the provisions of section 2105, 2106, 2107 and 2107.5 of the Streets and Highways Code. Gas tax revenues are restricted to financial activities related to the research, planning, construction, improvement, maintenance, and operation of public streets and highways.

# Capital Improvement Projects Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 5,704,382	\$ 7,446,569	\$ 11,357,782	\$ 14,321,909	\$ 14,781,109
Revenues	585,281	545,361	517,289		
Transfers In:					
General Fund	3,493,968	4,433,784	3,772,614	459,200	515,168
Gas Tax	537,119	234,202	469,590	-	
TDA	17,580	-	-		
Equipment Replacement Fund	-	-	382,162		
Raymundo Curb and Gutter District		317,117	-		
Facility Replacement Fund	22,894	25,355	-	-	-
Total Revenues and Transfers In	4,656,842	5,555,819	5,141,655	459,200	515,168
Expenditures	2,268,854	934,607	2,177,528		
Transfers Out:					
General Fund - CIP Admin	-	-	-		
TDA Fund	31,801	-	-		
Facility Replacement Fund	405,000	405,000	-		
Community Improvement Fund	5,000	5,000	-		
G. O. Bonds Fund	204,000	300,000	-		
Total Expenditures and Transfers Out	2,914,655	1,644,607	2,177,528	-	-
Ending Fund Balance, June 30	7,446,569	11,357,782	14,321,909	14,781,109	15,296,277
Designated for:					
Estiamted Capital Projects obligation at 6/30/07			4,835,000	5,030,000	5,030,000
Future Improvement	462,164	462,164	462,164	462,164	462,164
Tree Farm		106,453	106,453	106,453	106,453
Traffic Relief	-	75,249	207,934	207,934	207,934
Total designated	462,164	643,866	5,611,551	5,806,551	5,806,551
Undesignated	\$ 6,984,405	\$ 10,713,916	\$ 8,710,358	\$ 8,974,558	\$ 9,489,726

This fund is to account for financial resources to be used for major non-recurring expenditures of \$10,000 or more, and for the acquisition of major capital assets other those assets financed by proprietary fund types.

Gas Tax projects are typically expenses directly to the Gas Tax fund unless material enough to require being house in Capital Projects. Existing Capital Projects Balance in the CIP is an estimate.

Estimated general fund transfers in for 2005-06 and 2006-07 are from the draft cash flow. Revenues from multi-year projects may not be reflected in the balances.



# Equipment Replacement Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	<u>\$ 4,099,588</u>	<u>\$ 4,376,389</u>	<u>\$ 4,916,856</u>	<u>\$ 5,007,940</u>	<u>\$ 5,063,309</u>
Revenues	-	-	-	-	-
Transfers In:					
General Fund	<u>583,471</u>	<u>583,305</u>	<u>497,733</u>	<u>584,990</u>	<u>584,968</u>
Total Revenues and Transfers In	<u>583,471</u>	<u>583,305</u>	<u>497,733</u>	<u>584,990</u>	<u>584,968</u>
Expenditures	306,670	42,838	24,487		
Transfers Out:					
General Fund	-	-	-	529,621	435,500
Capital Project Fund	-	-	382,162	-	-
Total Expenditures and Transfers Out	<u>306,670</u>	<u>42,838</u>	<u>406,649</u>	<u>529,621</u>	<u>435,500</u>
Ending Fund Balance, June 30	<u>\$ 4,376,389</u>	<u>\$ 4,916,856</u>	<u>\$ 5,007,940</u>	<u>\$ 5,063,309</u>	<u>\$ 5,212,777</u>
Designated for:					
Existing Capital Projects			\$ -		
Existing Equipment			\$ 5,007,940		
Undesignated					

---

This fund is used to account for various equipment replacement requirements of the City. There is an outstanding loan due from the Community Improvement Reserve Fund of \$1,000,000. The loan is treated as an asset. The receipt of repayment will not affect the fund balance. Funding for equipment replacement occurs administratively during the budget process and is based on current and future adequacy of the equipment. Contributions from the Department are based on

# Facility Replacement Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 1,934,830	\$ 2,303,096	\$ 2,679,416	\$ 3,087,474	\$ 3,496,474
Revenues	2,250	4,000	4,000	4,000	4,000
Transfers In:					
General Fund	-	-	405,000	405,000	405,000
Capital Projects Fund	405,000	405,000	-	-	-
Total Revenues and Transfers In	407,250	409,000	409,000	409,000	409,000
Expenditures	16,090	7,325	942	-	-
Transfers Out:					
Capital Projects Fund	22,894	25,355	-	-	-
Total Expenditures and Transfers Out	38,984	32,680	942	-	-
Ending Fund Balance, June 30	\$ 2,303,096	\$ 2,679,416	\$ 3,087,474	\$ 3,496,474	\$ 3,905,474
Designated for:					
Existing Capital Projects			\$ 495,000		
Undesignated			2,592,474		

This fund is used to account for financial resources to be used for maintenance of City facilities. There is an outstanding loan due from the Community Improvement Reserve Fund of \$1,000,000. The loan is treated as an asset. The receipt of repayment will not affect the fund balance. Currently, contributions to this Fund are for improvements of the following:

Curb/Sidewalk Repair \$36,000	Park/Recreation Fac Renovation - \$6,000
City Building Renovation - \$16,000	Street/Blvd. Landscaping - \$70,000
Traffic Signal Replacement - \$10,000	Parking Lot Renovation - \$15,000
Bridge Replacement/Repair - \$0	Police Bldg Repair/Renov - \$37,000
Storm Drain Repair - \$8,000	Fire Station Repair/Renovation
Street Light Replacement - \$5,000	Sequoia Station - \$10,000
Hillview Comm Center Renovation - \$47,000	Loyola Station - \$5,000
Youth Center Repair/Ren. - \$6,00	Grant Park Building Repair/Renovation - \$0
Redwood Grove Repair/Renov - \$5,000	Extended Recreation Portables - \$5,000
San Antonio Club Repair/Renov - \$3,000	Garden House Repair/Renovation - \$15,000
Park Facilities Repair/Renov - \$34,000	Education Center - \$10,000

# Community Improvement Reserve Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ (779,595)	\$ (774,595)	\$ (769,595)	\$ (764,595)	\$ (759,595)
Revenue					-
Operating Transfers In:					
Capital Projects Fund	5,000	5,000	5,000	5,000	5,000
Total Revenues and Transfers In	5,000	5,000	5,000	5,000	5,000
Transfers Out:					
Capital Projects Fund					-
Ending Fund Balance, June 30	\$ (774,595)	\$ (769,595)	\$ (764,595)	\$ (759,595)	\$ (754,595)

---

\* This assumes resolution with the City of Palo Alto regarding the jointly owned Sewer Treatment Plant on San Antonio Road. This fund is established and maintained to provide for additions and improvements to public and community facilities and to provide funding for opportunities which may improve the City's financial position. This fund is distinguished from the Capital Projects Fund in that it will be used to set aside funds for projects and opportunities, which, by their nature, cannot be scheduled or for which specific plans have not yet been developed to be included in the Capital Projects Fund. There are outstanding loans due to Equipment Replacement Fund, and Facility Infrastructure Fund of \$1,000,000 each. Since both loans are treated as liabilities, the repayment of which will not affect the fund balance. There are no revenues, except annual budgeted contributions. For the past several years, Council has budgeted an annual contribution of \$5,000 from the Capital Projects Fund.

# Sewer Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 4,926,810	\$ 6,030,376	\$ 6,970,443	\$ 8,340,897	\$ 5,883,230
Revenues	4,273,468	4,264,234	5,082,581	4,160,000	4,160,000
Expenditures	2,977,614	2,934,307	3,121,993	3,684,067	3,409,000
Depreciation	142,479	140,073	136,710	140,000	140,000
Capital Improvement Projects	46,770	249,787	453,424	2,793,600	2,649,000
Transfers Out:	3,039	-	-	-	-
Total Expenditures and Transfers Out	3,169,902	3,324,167	3,712,127	6,617,667	6,198,000
Ending Fund Balance, June 30	6,030,376	6,970,443	8,340,897	5,883,230	3,845,230
Net Assets, invested in capital Assets	2,509,870	2,406,621	2,309,307	2,211,993 *	2,114,679
Desiganted for Capital Projects at 6/30/07			1,189,081		
Unrestricted	3,520,506	4,563,822	4,842,509	3,671,237	1,730,551
Total Net Assets	\$ 6,030,376	\$ 6,970,443	\$ 8,340,897	\$ 5,883,230	\$ 3,845,230

This fund is used to account for the activities of the wastewater collection and treatment system, which provides services to the residents of the City. It includes the City's share of operational costs of the Palo Alto Regional Water Quality Regional Plant, in which the City participates as a partner. Residents of Los Altos Hills and a portion of unincorporated county in the area also receive sewer services.

\*For fiscal years 07-08 and 08-09 the net assets invested in capital assets are subject to change as the Sewer Master Plan is implemented.

## Storm Drain Deposit Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 56,086	\$ 56,086	\$ 56,086	\$ 56,086	\$ 56,086
Revenues	-	-	-	-	-
Expenditures	-	-	-	-	-
Ending Fund Balance, June 30	<u>\$ 56,086</u>	<u>\$ 56,086</u>	<u>\$ 56,086</u>	<u>\$ 56,086</u>	<u>\$ 56,086</u>

This fund is used to account for fees collected for construction and improvement of the storm drain system in a new subdivision development.

## Urban Runoff Pollution Prevention Program

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1		\$ 231,192	\$ 235,158	\$ 250,868	\$ 250,868
Revenues	-	-	-	-	-
Transfers In:	192,600	187,325	196,586	193,381	200,398
Total Revenues and Transfers In	192,600	187,325	196,586	193,381	200,398
Total Expenditures and Transfers Out	124,968	183,359	180,876	193,381	200,398
	-	-	-	-	-
Ending Fund Balance, June 30	<u>\$ 67,632</u>	<u>\$ 235,158</u>	<u>\$ 250,868</u>	<u>\$ 250,868</u>	<u>\$ 250,868</u>

This program is used to account for expenses related to the Urban Runoff Pollution Prevention Program.

This program is treated as an enterprise fund, currently subsidized by the General Fund by a year-end transfer in to the fund.

Transfers in should be equal to expenditures to offset expenses, but not add to fund balance.

# Solid Waste Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	<u>\$ 455,888</u>	<u>\$ 640,162</u>	<u>\$ 831,879</u>	<u>\$ 773,787</u>	<u>\$ 493,946</u>
Revenues	<u>1,309,096</u>	<u>1,455,459</u>	<u>1,517,347</u>	<u>1,480,500</u>	<u>1,522,215</u>
Expenditures	1,124,822	1,070,848	1,575,439	1,760,341	1,810,180
Transfers Out:					
General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Transfers Out	<u>1,124,822</u>	<u>1,263,742</u>	<u>1,575,439</u>	<u>1,760,341</u>	<u>1,810,180</u>
Ending Fund Balance, June 30	<u><u>640,162</u></u>	<u><u>831,879</u></u>	<u><u>773,787</u></u>	<u><u>493,946</u></u>	<u><u>205,981</u></u>

---

This fund is used to account for garbage franchise fees and other related revenues. Money collected is used primarily for payment of landfill disposal fees and street cleaning. The current practice is to have customers pay Los Altos Garbage Company (LAGCo) directly, and LAGCo subsequently remits a portion of the payment for franchise fees and taxes to the City.

## Dental Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 161,813	\$ 168,182	\$ 172,919	\$ 195,535	\$ 195,535
Revenues	90,991	91,861	91,987	95,760	95,760
Expenditures	<u>84,622</u>	<u>87,124</u>	<u>69,371</u>	<u>95,760</u>	<u>95,760</u>
Ending Fund Balance, June 30	<u>\$ 168,182</u>	<u>\$ 172,919</u>	<u>\$ 195,535</u>	<u>\$ 195,535</u>	<u>\$ 195,535</u>

This is a self-insurance fund which provides dental benefits to employees. Contributions to this fund are based on a fixed amount per budgeted position per month. The current rate of contribution is sixty dollars (\$60) per month. Funds are budgeted in each department and/ or division based on the number of approved positions, and transferred quarterly to this Fund.

## Unemployment Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 26,499	\$ 28,021	\$ 24,246	\$ 21,003	\$ 19,348
Revenues	7,369	6,328	6,539	3,345	3,355
Transfers In					
Expenditures	<u>5,847</u>	<u>10,103</u>	<u>9,782</u>	<u>5,000</u>	<u>5,000</u>
Ending Fund Balance, June 30	<u>\$ 28,021</u>	<u>\$ 24,246</u>	<u>\$ 21,003</u>	<u>\$ 19,348</u>	<u>\$ 17,703</u>

This is a self-insurance fund which provides the employees with unemployment insurance benefits. Revenues or Contributions are based on prior year's experience and number of budgeted position. Transfers are made quarterly. Expenditures reflect actual experience during the year. Budgeted expenditures are only an estimate.

# Workers Compensation Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 334,628	\$ (111,790)	\$ 122,386	\$ 569,288	\$ 706,316
Revenues	438,142	473,314	500,573	587,028	608,623
Transfers In:					
General Fund	-	-	-	-	-
Total Revenues and Transfers In	438,142	473,314	500,573	587,028	608,623
Expenditures	884,560	239,138	53,671	450,000	500,000
Ending Fund Balance, June 30	\$ (111,790)	\$ 122,386	\$ 569,288	\$ 706,316	\$ 814,939

---

This is a self-insurance fund which provides the employees with State mandated benefits for job related injury. A third party administers the City's workers compensation insurance program. Contributions are budgeted in each department/and or division based on the number and classification of positions. Expenditures represent a combination of premium payments, claim payments, and administrative charges. The City has a commercial insurance policy for Worker's Compensation claims up to the statutory limits. The City has a \$1,000,000 deductible. The Los Altos Hills Fire Department pays one third (1/3) of the claim payments for Fire personnel injury claims which occurred prior to January 1996, which is conversion date to contracting Fire services. Expenditures are estimates only.



# Liability Insurance

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 366,068	\$ 397,140	\$ 559,742	\$ 605,773	\$ 665,955
Revenues	212,500	356,200	391,293	410,182	411,302
Operating Expenditures	<u>181,428</u>	<u>193,598</u>	<u>345,262</u>	<u>350,000</u>	<u>375,000</u>
Ending Fund Balance, June 30	<u>\$ 397,140</u>	<u>\$ 559,742</u>	<u>\$ 605,773</u>	<u>\$ 665,955</u>	<u>\$ 702,257</u>

---

This is a self-insurance fund which provides the City with insurance for various risks and liability loss exposure. The City is insured through a Joint Powers Agreement known as the "Association of Bay Area Governments (ABAG) Finance Authority For Nonprofit Corporations (ABAG Plan)". ABAG was designated as the Administrative agency. Contributions or Revenues are budgeted in each department/ and or division based on prior year's experience and transferred quarterly to this Fund. Expenditures are a combination of claim payments and premium payments for participation in ABAG Plan. In FY 2006-07, the City has a deductible of \$100,000 per loss. ABAG Plan's coverage is limited to \$5,000,000 loss per occurrence,

# Long Term Debt Administration

**General Obligation Bonds** - The City has no outstanding general obligation bonds at this time. Those issued in the past have all been paid.

**Certificates of Participation (COP)** - The City currently has two separate issues of Certificates of Participation:

- Partial funding of the 1995 purchase of the 230 First Street property came from the issuance of \$850,000 in Certificates of Participation, ABAG 36. At the present time, a tenant occupies this site. The outstanding balance as of June 30, 2007 will be \$350,000.
- In 2004, the City issued \$2,500,000 in Refunding Certificates of Participation. The proceeds were used to advance refund the acquisition of 401 Rosita Avenue (former St. William's site). The acquisition occurred in 1996, and included a variety of revenue sources including the issuance of Certificates of Participation in the amount of \$2,630,000, known as ABAG 38. Annual debt service payments are budgeted in the City's Capital Improvement Program as a non-project cost. The outstanding balance as of June 30, 2007 will be \$2,275,000.

**Special Assessment District Bonds** - Special assessment districts were established in various parts of the City to provide improvements to properties located in those districts. Properties are assessed for the cost of improvements and are payable over the term of the debt issued to finance the improvements. There is one special assessment with an outstanding balance as of June 30, 2007 totally \$69,000 and the other one matured in fiscal year 2005-06.

**Installment Debt** - The reconstruction of the Loyola fire station was funded by a lease financing agreement. Annual debt service payments are budgeted in the City's Capital Improvement Program. The outstanding balance as of June 30, 2007 will be \$57,434.

In total the long-term debt of the City will be \$2,751,434 as of June 30, 2007.

# General Obligation Debt

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adpted	2008-2009 Adpted
Beginning Fund Balance, July 1	\$ 479,557	\$ 389,662	\$ 402,340	\$ 410,746	\$ 466,231
Revenues	4,715	9,052	12,316	10,000	10,000
Transfers In:					
Capital Projects Fund	204,000	300,000	294,000	280,000	270,000
Total Revenues and Transfers In	<u>208,715</u>	<u>309,052</u>	<u>306,316</u>	<u>290,000</u>	<u>280,000</u>
Debt Service:					
Principal	154,352	166,911	174,602	125,000	125,000
Interest	144,258	129,463	123,308	109,515	105,507
Total Expenditures	<u>298,610</u>	<u>296,374</u>	<u>297,910</u>	<u>234,515</u>	<u>230,507</u>
Ending Fund Balance, June 30	<u>\$ 389,662</u>	<u>\$ 402,340</u>	<u>\$ 410,746</u>	<u>\$ 466,231</u>	<u>\$ 515,724</u>

This fund is used for the accumulation of financial resources for annual payment of principal, interest and other related costs of the City's long-term obligations. The primary revenue sources are operating transfers from the Capital Projects Fund and interest income on the reserve account. The City's long-term debt comprise of the following:

	Issuance Date	Maturity Date	Original Amount	Balance 06/30/07
1996 ABAG 36 Land Certificates of Participation	11/01/95	10/15/15	850,000	500,000
2004 Refunding	11/01/04	05/01/27	2,500,000	2,275,000
Loyola Fire Station Capital Lease Obligation	06/24/98	07/02/08	462,312	57,436
Total			<u>3,812,312</u>	<u>2,832,436</u>

ABAG 36 Land Certificates of Participation were issued to provide financing for the purchase of two parcels of land in the downtown area. Debt service is repayable from General Fund revenues.

ABAG 38 Land Certificates of Participation were issued for the partial purchase of the 5.5 acre Saint William School site for public purposes and uses. Debt in the ABAG 38 is repayable from General Fund revenues. During the fiscal year 2003-04, the City issued \$2.5 million of 2004 Refunding Certificates of Participation to advance refund the outstanding principal on the ABAG 38 land certificates of Participation. The entire ABAG 38 Certificates of Participation had been paid off by June 30, 2004.

In 1998, the City entered into a lease financing agreement for the reconstruction of the Loyola Fire Station. Debt service is repayable from the General Fund revenues.

# Assessment Districts

## Edith-Foothill Noise Wall A.D. Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 14,178	\$ (7,585)	\$ (7,585)	\$ (7,585)	\$ (7,585)
Revenues	-	-	-	-	-
Debt Service:					
Principal	20,000	-	-	-	-
Interest & Fiscal Charges	1,763	-	-	-	-
Total Expenditures	21,763	-	-	-	-
Ending Fund Balance, June 30	\$ (7,585)	\$ (7,585)	\$ (7,585)	\$ (7,585)	\$ (7,585)

This fund accumulates financial resources for payments of special assessment long term debt. Revenues are derived by assessments placed on property owners in the area of Edith Avenue and Foothill Expressway, which benefited from the construction and installation of a noise abatement wall. The special assessment long-term debt of \$171,763 was issued on 11/10/88 and matured on 09/02/04. Council action is required in order to replenish the shortage of \$7,585 in this fund.

## El Monte-Foothill N/W A.D. Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 49,399	\$ 45,521	\$ 24,801	\$ 24,801	\$ 24,801
Revenues	19,111	-	-	-	-
Debt Service:					
Principal	20,000	20,000	-	-	-
Interest & Fiscal Charges	2,989	720	-	-	-
Total Expenditures	22,989	20,720	-	-	-
Ending Fund Balance, June 30	\$ 45,521	\$ 24,801	\$ 24,801	\$ 24,801	\$ 24,801

This fund accumulates resources for payments of special assessment long term debt. Revenues are derived by assessments placed on property owners in the area of South El Monte Avenue and Foothill Expressway, which benefited from the construction and installation of a noise abatement wall. The special assessment long-term debt of \$190,410 was issued on 3/27/90 and matured on 09/02/05. Council action is required to determine the disposition of the remaining fund balance of \$24,801.00

# Assessment Districts

## Avalon Dr. Curb & Gutter A.D. Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 37,128	\$ 37,401	\$ 38,550	\$ 40,551	\$ 41,573
Revenues	13,038	13,957	13,599	13,600	13,600
Interest	1,036	1,222	1,708	1,550	1,600
Total Revenues	<u>14,074</u>	<u>15,179</u>	<u>15,307</u>	<u>15,150</u>	<u>15,200</u>
Expenditures					
Debt Service:					
Principal	5,000	6,000	6,000	6,000	7,000
Interest & Fiscal Charges	8,801	8,030	7,306	8,128	7,851
Total Expenditures	<u>13,801</u>	<u>14,030</u>	<u>13,306</u>	<u>14,128</u>	<u>14,851</u>
Ending Fund Balance, June 30	<u>\$ 37,401</u>	<u>\$ 38,550</u>	<u>\$ 40,551</u>	<u>\$ 41,573</u>	<u>\$ 41,922</u>

This fund accumulates resources for payments of special assessment long term debt. Revenues are derived by assessments placed on property owners along North Avalon Drive, which benefited from the construction and installation of curbs and gutters. The special assessment long-term debt of \$100,783 was issued on 07/26/2000 and will mature on 09/02/2015. As of 06/30/07, the special assessment long-term debt has a balance of \$69,000.

---

## Raymundo Curb & Gutter A.D. Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 73,445	\$ 73,445	\$ 32,370	\$ 35,388	\$ 37,355
Revenues	-	26,058	26,249	26,500	27,000
Interest	-	-	1,631	1,325	1,350
Total Revenues	<u>-</u>	<u>26,058</u>	<u>27,880</u>	<u>27,825</u>	<u>28,350</u>
Debt Service:					
Principal/Interest/Fiscal Charges	-	-	12,391	14,000	14,000
Interest & Fiscal Charges	-	7,407	12,471	11,858	11,207
Total Expenditures	<u>-</u>	<u>7,407</u>	<u>24,862</u>	<u>25,858</u>	<u>25,207</u>
Proceeds from issuance of debt	-	257,391	-	-	-
Transfer out to Capital Project Fund	<u>-</u>	<u>(317,117)</u>	<u>-</u>	<u>-</u>	<u>-</u>

# Assessment Districts

## Grant-Fremont Sewer A.D. Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 38,968	\$ 38,968	\$ 38,968	\$ 38,968	\$ 38,968
Residual Equity Transfer Out: Capital Projects Fund	-	-	-	-	-
Ending Fund Balance, June 30	\$ 38,968	\$ 38,968	\$ 38,968	\$ 38,968	\$ 38,968

This fund is used to accumulate financial resources for payments of special assessment long-term debt. In August 1979, the City issued Improvement Bonds in the amount of \$644,536. The proceeds were used to finance the costs of the acquisition and construction of sewer facilities and disposal within the Grant-Fremont Sewer Assessment District. Revenues were derived by assessments placed on the property owners in the District. In FY 1994, the debt was paid in full. Council action is required to determine the disposition of the remaining fund balance of \$38,968.

Note: Council Resolution No. 79-62 for Issuance of Bonds . No provision for disposition of surplus after bonds are paid in full.

---

## Oak-Truman Sewer A. D. Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 57,246	\$ 57,246	\$ 57,246	\$ 57,246	\$ 57,246
Residual Equity Transfer Out: Capital Projects Fund	-	-	-	-	-
Ending Fund Balance, June 30	\$ 57,246	\$ 57,246	\$ 57,246	\$ 57,246	\$ 57,246

This fund is used to accumulate financial resources for payments of special assessment long-term debt. In June 1983, the City issued Improvement Bonds in the amount of \$337,134. The proceeds were used to finance the costs of the construction and improvements of sewer facilities and disposal within the Oak-Truman Sewer Assessment District. Revenues were derived by assessments placed on the property owners in the District. In FY 1998, the debt was paid in full. Council action is required to determine the disposition of the remaining fund balance of \$57,246.

(Council Resolution No. 83-26, Section 12-Redemption Fund )

# Assessment Districts

## Morton-Alford Sewer A. D. Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 48,581	\$ 51,068	\$ 51,068	\$ 51,068	\$ 51,068
Revenue: Prior year expense refund	2,487				
Residual Equity Transfer Out: Capital Projects Fund	-	-	-	-	-
Ending Fund Balance, June 30	\$ 51,068	\$ 51,068	\$ 51,068	\$ 51,068	\$ 51,068

This fund is used to accumulate financial resources for payments of special assessment long-term debt. In June 1984, the City issued Improvement Bonds in the amount of \$426,619. The proceeds were used to finance the costs of the construction and improvements of sewer facilities and disposal within the Morton-Alford Sewer Assessment District. Revenues were derived by assessments placed on the property owners in the District. In FY 1999, the debt was paid in full. Council action is required to determine the disposition of the remaining fund balance of \$51,068.

(Council Resolution No. 84-35. Section 12 - Redemption Fund )

## Elmhurst Curb & Gutter A.D. Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	\$ 603	\$ 603	\$ 603	\$ 603	\$ 603
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Residual Equity Transfer Out: Capital Projects Fund	-	-	-	-	-
Ending Fund Balance, June 30	\$ 603	\$ 603	\$ 603	\$ 603	\$ 603

This fund accumulates resources for payments of special assessment long-term debt. The City issued Improvement Bond in July 1985 in the amount of \$40,261 to finance the construction and improvement of curb and gutter along Elmhurst Drive. Revenues were derived by assessments placed on property owners which benefited from the construction and improvement of curb and gutter in certain area along Elmhurst Drive. In FY 2001, the debt was paid in full. Council action is required to determine the disposition of the remaining fund balance of \$603. (Council Resolution No. 85-31, Section 13 )

# Assessment Districts

## North Los Altos Water District Fund

	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance, July 1	<u>\$ 104,308</u>	<u>\$ 104,308</u>	<u>\$ 104,308</u>	<u>\$ 104,308</u>	<u>\$ 104,308</u>
Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer Out: Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance, June 30	<u><u>104,308</u></u>	<u><u>104,308</u></u>	<u><u>104,308</u></u>	<u><u>104,308</u></u>	<u><u>104,308</u></u>

---

In October 1981, Water Bonds in the amount of \$2,070,000 were issued to provide financing for the acquisition and improvement of water facilities used by City residents. The bonds were payable from a special property tax levied for this



# Financial Goals

The following is the status of Council approved budget policy. These policies were last reviewed by the City Council with the Citizens Financial Advisory Committee in December 2002.

1. Maintain a balanced operating budget, which funds City services and maintenance from ongoing current year revenues.
2. Rebuild and maintain reserves sufficient enough to maintain City services at established levels during a period of financial instability, and to finance unexpected costs or emergencies.
3. Rebuild and maintain a Community Improvement Reserve/Fund, which allows for the continued improvement and development of the city, and meets changing community needs.



# Financial Policies

It is the goal of the Los Altos City Council to see that City finances are managed and maintained in a manner which provides for the delivery of basic municipal services at a level satisfactory to the City Council and community; maintains current City plant and equipment; provides improvements to meet the changing needs of the community; and establishes reserves necessary to meet known and unknown future liabilities. To achieve this goal, the Los Altos City Council has established the following policies to provide direction to staff and Council:

## I. Revenue Policies

- A. The City shall strive to maintain a diversified, revenue base consistent with expected expenditures, which relies on ongoing local revenues and stable State revenues to provide basic services and maintain plant and equipment. Revenues in this category primarily include property tax, sales tax, gas tax, motor vehicle in lieu fees, other local taxes, fees, and charges for services, investment earnings, licenses, permits, fees, and fines.
- B. Revenue from the sale of land or other assets should only be used for capital improvement projects.
- C. It shall be the policy of the City to charge fees for services where appropriate. This shall be accomplished in the following manner:
  - 1. New fees - operating departments shall review services annually to determine if any services are appropriate for fee collection. Recommendations for new fees shall be made to the City Council.
  - 2. Review of existing fees - operating departments and the Finance Department shall annually review established fees and charges and adjust them as necessary to ensure they reflect all direct and reasonable indirect costs of providing fee-based services.
- D. Enterprise funds shall be self-supporting from their own source revenues and shall receive no subsidy from general-purpose funds. Enterprise funds shall reimburse general-purpose funds for any services or supplies provided on behalf of an enterprise fund.
- E. The equivalent of eight and one-half percent of all annual property tax revenues shall be diverted to the PIM program and used for the acquisition, improvement, and maintenance of park and recreation facilities.
- F. Revenue from the utility users' tax will be used for the following purposes pursuant to Resolution No. 88-29 as amended:
  - 1. Maintain a Capital and Community Improvement Program as adopted by the City Council and maintain a Community Improvements Reserve/Fund at a level established in II.G;
  - 2. Provide for the ongoing maintenance of the City's assets;
  - 3. Replenish the City's emergency reserve in the event expenditures from this reserve are necessary.

## II. Reserve Policies

- A. Debt reserves shall be reviewed annually by staff and set at levels necessary to meet or exceed levels required for outstanding debt.

- B. Self-insurance funds, including those for workers' compensation, unemployment insurance and liability, shall be used only for their identified purposes. These reserves shall be reviewed annually and established at reasonable levels. Rates charged to operating departments shall be adjusted as appropriate to maintain the established levels.
- C. Enterprise funds shall maintain reserves for the depreciation and replacement of equipment and to cover unforeseen capital and operating expenses. Enterprise reserves shall be reviewed annually by the Finance Director, operating department head, and City Manager to determine appropriate levels. An operating reserve within the sewer fund shall be established and maintained at a level equal to ten percent of annually estimated operating costs of the current fiscal year. Adjustments to user charges to maintain appropriate levels shall be made as necessary.
- D. An Equipment Replacement Fund shall be maintained to provide for the timely replacement of vehicles and other capital equipment. This fund will be reviewed annually by the City Manager, Finance Director and operating department heads. Rates necessary to maintain this fund will be charged to operating departments on an annual basis.
- E. An Emergency Reserve within the general fund shall be established and maintained at a level equal to ten percent of annually estimated general fund appropriations for the next fiscal year. The Emergency Reserve Fund is to be the City's "reserve of last resort" and shall be accessed only in the event of a major catastrophe or prolonged financial downturn. This fund requires Council approval for any expenditure.
- F. An Operating Reserve within the general fund shall be established and built to a level equal to two percent of the estimated general fund appropriations for the next fiscal year.

The Operating Reserve Fund provides for unscheduled capital improvements, increases in the cost of scheduled capital improvements, unanticipated operating expenses, and unforeseen decreases in revenues. Expenditures from this fund may only be authorized by the City Manager.

- G. A Community Improvements Reserve/Fund shall be established and maintained to provide for additions and improvements to public and community facilities and to provide funding for opportunities, which may improve the City's financial position. Three separate accounts shall be maintained in this reserve/fund: one for Park Acquisition and Development; one for Traffic Improvements; and one for Miscellaneous Community Improvements. The target is to reach a balance in this reserve/fund of \$3.5 million. Annually, and in conjunction with the review of the Midyear Report, staff will review and make recommendations to the City Council regarding this reserve/fund (including fund balance, contribution and balances of the specific accounts within this reserve/fund) The City Council will make any necessary adjustments to meet current and anticipated community needs.

This fund is distinguished from the Community Improvements Program in that it will be used to set aside funds for projects and opportunities which, by their nature, cannot be scheduled or for which specific plans have not yet been developed to be included in the scheduled Community Improvements Program.

The Park Acquisition and Development account shall be used for the acquisition and development of new parkland and open space and the development of existing parkland. This is not intended to be the sole source of funding all park acquisition and development, as evaluated on a case-by case basis.

The Traffic Improvement account shall be used to undertake major improvements to the City's transportation system necessary to improve the safe and efficient flow of traffic within the community. Such projects would include intersection redesign, street widening and the

realignment of streets. As projects are developed, they will be included in the Community Improvement Program.

The Miscellaneous Community Improvements account shall be used to undertake other projects of value or importance to the Community. Such projects include major remodels and additions to community buildings and improvement of other community facilities. This account would also be used to undertake capital investments, which would result in ongoing revenue to the City and serve as a source of matching funds for any grants pursued by the City.

Interest earned on the balance in this fund will be included in the annual contributions to the fund. Appropriations from this reserve/fund must be approved by the City Council.

### III. Budgeting and Expenditure Policies

- A. Each year, the staff shall prepare for the City Council an annual forecast of anticipated revenues and expenditures for the next three years.
- B. The City Manager shall present a balanced budget to the City Council for each year. A balanced budget is defined as a budget which funds estimated annual operating and maintenance costs out of estimated revenues for the coming year, consistent with the City's financial guidelines. In the event current services cannot be funded from estimated revenues, the City Manager shall identify the recommended possible service and expenditure reductions and revenue sources necessary to achieve a balanced budget.
- C. Expenditures for operating and maintenance costs should not exceed revenues during the course of a fiscal year. The City Manager is authorized to make any necessary reductions in expenditures and transfers between departments and expenditure categories as necessary for the administration of a balanced budget, provided that total expenditures shall not exceed the authorized budget and the level of basic services is maintained.

### IV. Community/Capital Improvement Policies

- A. The City shall maintain a five-year community improvement program. This community improvement program shall be updated annually. The community improvement program should address the current and changing needs of the community.
- B. Projects in the community improvement program should accomplish one of the following purposes: maintain the City's current assets; improve the health and safety of the community; enhance the economic base of the community; and enhance the community's quality of life.
- C. The Community Improvement Program shall be divided into the following two categories:
  - 1. **Maintenance/Repair Projects** - Maintenance/Repair projects are those necessary to keep the City's physical plant in good operating condition and include such items as major repairs, renovation, rehabilitation, or replacement. (This category excludes normal routine maintenance items, which are financed by the operating budgets of the various departments.)
  - 2. **Improvement Projects** - Improvement projects include the provision of new facilities or major changes in the use of the existing facilities. Acquisition costs may be considered as part of the costs of an improvement project.

In general, Maintenance/Repair Project Allocations shall have funding priority over Improvement type projects.

Maintenance/Repair accounts shall be established for all existing City facilities. Each year, funds shall be programmed to the facility Maintenance/Repair accounts to provide funding adequate to meet anticipated future costs for both predictable (i.e., roof replacement) and emergency (i.e., major boiler repairs) type projects. Accounts for Maintenance/Repair allocations shall be established for the following:

**Base Program**

Annual Street Resurfacing Program  
City Building Renovation Program  
Curb/Sidewalk Repair Program  
Traffic Signal Replacement Program  
Bridge Replacement/Repair Program  
Storm Drain Repair Program  
Street Light Replacement Program  
Street Landscaping Renovation  
Parking Lot Renovation  
Police Building Renovation  
Fire Station Renovation  
Municipal Service Center

**PIM Program**

Hillview Community Center Repair/Renovation  
Youth Center Repair/Renovation  
Redwood Grove Repair/Renovation  
Park Facilities Repair/Renovation  
Tennis Court Restoration  
Park/Recreation Facilities  
San Antonio Club Repair/Renovation  
Grant Park Buildings Renovation  
Extended Recreation Portables  
Garden House Repair/Renovation

**Sewer Enterprise Fund** - This fund is restricted for the maintenance/repair of sewer facilities. Revenue is derived solely from the sewer service charges and connection fees.

Regional Water Quality Control Plant Repairs/Replacement  
Pine Lane Lift Station  
O'Keefe Lane Lift Station  
Sewer System Renovation/Replacement

The actual Maintenance/Repair projects will be done, as needed, with the cost charged to the Maintenance/Repair account of that type of facility.

- D. Major improvement projects (including acquisitions) that cannot be funded in the regular five year Community Improvement Reserve/Fund Program may be considered for funding from the Community Improvement Reserve/Fund provided that the need is determined by the City Council to be significantly important.
- E. All capital improvement expenditures should be made in accordance with the adopted Community Improvement Program, except for unforeseen capital projects funded out of the operating reserve fund.

## V. Management Policies

The City of Los Altos is committed to the effective and efficient delivery of public services and management of the City organization. This commitment is demonstrated by a continual search for ways to increase productivity, reduce costs, improve organizational effectiveness and efficiency, and improve the quality of City services. To assist in the accomplishment of this goal, the following management policies are formalized:

- A. Every City service shall be formally reviewed in accordance with a schedule by the City Manager. The purpose of this review is to determine whether the service or program should be continued, modified, or eliminated, and whether there should be changes in the service delivery.
- B. The City Manager shall prepare an annual report for the City Council, which details the City's efforts and accomplishments during the past year regarding improvements in the effectiveness and efficiency of the City organization.
- C. Periodic training programs will be provided to all City personnel, who are designed to improve the efficiency and effectiveness of each employee and which emphasize the organization's commitment to continued improvement of operations and services.
- D. Programs designed to recognize and reward employees for ideas and efforts, which result in measurable increases in efficiency and cost savings, will be developed, implemented, and maintained.
- E. The City will fund appropriate productivity improvements, which support these policies.

# Service & Financial Plan "Basics"

## **WHAT IS THE CITY BUDGET/SERVICE AND FINANCIAL PLAN?**

Every two years, the City adopts a budget and goals for the two upcoming fiscal years (July 1 through June 30). The budget, which we call the Service and Financial Plan, is the City's financial plan for the next two years.

The two main purposes of the Service and Financial Plan, which is abbreviated to "Plan" in this document, are: (1) to set goals, objectives, and service levels for the City to meet during the next two years (thus insuring the provision of City services to Los Altos residents); and (2) to estimate and allocate the money the City will take in and spend for services and projects during the next two years.

In many ways the City's Plan is like a household budget. Every two years we sit down and estimate what we think our income will be for the next two years, and make plans on how to spend and save this income. There are some key differences, however, between the City and a household budget. Our income (called revenue) can fluctuate substantially within a given year or from year to year. It is not like having a known paycheck to spend and save. Also, there are very few sources of income over which the City has any direct control. For example, we have no control over our largest single source of revenue, property tax; it can fluctuate depending on the number of homes sold in the community and the amount of building activity. Another major revenue source, our portion of sales tax, is subject to the amount of goods people buy within Los Altos city limits.

We have a little more certainty and control over how much money we spend, but even that has some impacts and restrictions that reduce our flexibility. Federal or state governments may require additional expenses. For example, there is a federal law requiring the enrollment of part time employees into a retirement system. Also, we do not usually have the ability to stop providing services simply because we don't have income. Police protection is a good example. Even if revenue decreases substantially, we still need to be able to maintain a minimum level of police patrol.

It's important to remember that the numbers in the Plan are estimates. Many things happen during the year that impacts our income and spending.

## **HOW HAVE WE BEEN DOING?**

The City of Los Altos has generally been able to live within its means. However, this was not so a little over a decade ago, when, for a number of reasons, our income dropped below what was necessary to keep providing basic services. To keep these services going, the City borrowed from funds that had previously been set-aside for various purposes. We also postponed certain public construction projects. Following an intensive look at service costs and revenue enhancements such as the voter-approved utility users' tax and developing conservative financial policies, the city's financial condition steadily improved. We were able to provide and incrementally enhance ongoing services; complete community improvement projects, and rebuild our reserve funds.

## **WHAT ARE "FUNDS"?**

The City Service and Financial Plan is divided into different "funds." A fund can be thought of as a separate bank account for specific purposes. The General Fund is the City's largest fund. Most tax dollars - such as property tax, sales tax, and the utility users' tax - are paid into the General Fund. "Traditional" city services such as police protection, fire protection, public works, and planning are paid for out of this fund. While most of the activities in the General Fund are supported by general revenues such as tax dollars, some activities, such as building inspections and recreation programs, are totally or substantially self-supporting through fees for services charged to individuals. In areas where specific benefit for a service can be identified to specific individuals, the City has a policy of charging a fee to offset the cost of providing services.



Another major group of City funds is called enterprise funds. These funds are used to account for specific services funded directly by fees and charges to users. In Los Altos, enterprise funds include funds for sewage treatment and garbage disposal. The intent is that these funds be self-supporting and not be subsidized by any general revenue or taxes. Enterprise fund revenues also fluctuate annually, and a surplus in one year may be used to offset a deficit in another. These funds are accounted for as if each activity was a separate, independent business. Enterprise fund information is located in the Enterprise Fund section of this plan.

Various capital/community improvement funds are also maintained by the City. A capital or community improvement is usually a large construction project such as the resurfacing of City streets, the acquisition and development of park land, or the construction or remodeling of a public building. Summarized community improvement information can be found in the Community Improvement Program section of this Plan and, in more detail, in a separately submitted Capital Improvement Plan.

The City also maintains many reserves. These are like savings accounts, each one established to save money for a specific purpose. Some reserves, such as the Liability Insurance Fund, constitute an entire fund while others, such as the Emergency Reserve, are specially designated portions of funds. Money saved in the reserves allows us to provide essential City services should income drop or in the event various claims are filed against the City because of accidents. Reserves also allow the City to save money to do big construction projects. More information about reserves is included in the Reserves section of this Plan.

## **WHAT DO WE GET FOR OUR MONEY?**

Besides being a "money" plan, the Plan document sets City service levels and goals for the year. The current Plan basically provides for the maintenance of the current mix and levels of City services. This means that except for specifically noted items, we are not proposing additional services above and beyond what we provided in previous years.

Any service levels adjustments are noted in the introductory Budget Analysis as well as throughout the Plan. In addition to maintaining ongoing services, this Plan includes many specific goals City departments have planned to accomplish or initiate during the year.

The charts on the following pages summarize all revenues and appropriations for this current fiscal year. As is displayed, the bulk of City revenue comes from a variety of taxes, and the biggest City expenditures are for police and fire protection. More detailed information regarding City revenues and expenditures is found throughout the Plan.

## **HOW IS THE FINANCIAL AND SERVICE PLAN PREPARED?**

The City staff with the policy direction of the City Council and community participation has prepared the Plan. In late fall, staff requests community comment on service levels via the city newsletter (Communiqué) and letters to community groups, commissions and business organizations. A midyear report is issued in March about the financial condition of the City, which gives the City Council and the public a preliminary look at our financial expectations for the coming two-year Plan period. Staff then prepares a Preliminary Budget that details what will be necessary to provide City services for the two upcoming years, presents various department objectives, and identifies significant policy issues for Council discussion. After delivery of the preliminary budget, the City Council holds a study session to review the various major policy issues. The next step in the process is a public hearing before the City Council. The purpose of the public hearing is to provide the public with the opportunity to make any comments or suggestions regarding the Plan. After the public hearing, the Council may direct additional changes before the Plan is adopted.

Since we are preparing a two-year Plan rather than a one-year budget, all of the above steps are being accomplished for a two-year period instead of just one. Once adopted it is the responsibility of the City Manager and staff to implement the Plan. During the year, all governmental funds are accounted for using the modified

accrual basis of accounting under which revenues are recognized when measurable and available as net current assets. When each year is over, independent auditors conduct a review of the actual expenditures as compared to the plan, and the staff submits a review of how well services were provided and objectives were met to the City Council.

### **HOW CAN I LEARN MORE?**

This is intended to be only a brief glimpse of the City's Financial and Service Plan. You can learn more by reading through this document. We have included a glossary of terms used in the Plan to assist in making it more understandable. If you would like additional information regarding it, or have ideas on how we can make the Plan more understandable to the general public, please contact the City Finance Department at 650-947-2610.

# Financial Plan Assumptions

## INTRODUCTION AND APPROACH

The Service and Financial Plan includes estimates of the revenue to be received by the City during the next two years and estimates for expenditures to provide services and accomplish various objectives. Revenue estimates use projections of revenue for the prior fiscal year as a starting point. Expenditure estimates use prior experience of the cost of providing services as a base. Expenditure variances are discussed in each of the program pages. In looking forward, the City uses various assumptions and information, which are outlined below. A conservative approach is generally taken on estimating revenue to avoid a need to curtail projects or services in the event revenue is not realized.

## INFLATION

Inflation is assumed to be 3% in projecting each of the two years of the Plan but is not applied to costs or revenues which are expected to differ from inflation.

## REVENUES

**Property Taxes** - property tax is estimated to increase at least 6% based on data received from the Santa Clara County Assessors Office, which is current as of December 31, 2006. After December 31, any increase in the secured property tax is assessed through supplemental tax revenues. Revenue from unsecured taxes and supplemental property taxes are expected to remain flat, as they have over the past few years. Revenue received for property tax instead of motor vehicle license fees (car tax) will also increase about 6% or \$109,500 in 2007-08 and 6% in 2008-09 or \$116,070. Overall, property tax is projected to grow \$552,000 in 2007-08 and \$611,500 in 2008-09.

**Sales Tax** - Sales tax is expected to increase about 2.5% first year and about 3% in the second year.

**Utility Users Tax** - Customers pay a 3.5% UUT on all electric, water, gas, telephone, and cable utility services. Revenues estimates include an increase of \$166,400 in 2007-08 or about 8% and \$92,000 in 2008-09 or about 4%. This is an area vulnerable to future revenue reduction due to litigation or legislative changes. In projecting revenues we have assumed no change in the revenue stream. Since the budget preparation the City Council has placed Measure O on the ballot to reduce part of the UUT and update the language.

**State Subventions** - (gas tax, motor vehicle in lieu tax) - These taxes are allocated primarily upon the basis of population and are expected to grow at the rate of inflation until adjusted by new census figures. Property tax in lieu of Motor Vehicle Registration Fees will grow at the same rate as secured property tax.

**Recreation Fees** - Fees are projected to grow in proportion to program costs at about 3%. For 07-08, we estimate a 3% fee increase for the recreation fees plus an anticipated \$60,000 facility lease at Hillview for an overall revenue budget of \$1,645,252 in 2007-08 and \$1,694,282 in 2008-09.

**Community Development Fees/Building Development Tax** - The Building and Planning fee revenue is expected to remain flat from the projected 2006-07 revenue due to economic conditions with minor inflation growth in 2008-09. Activity is anticipated to remain consistent with 2006-2007.

**Interest Income** - Interest income is pooled and then allocated to the General Fund, Special Revenue Funds, and the Sewer Fund. From a conservative perspective, interest earnings should not be used to balance the budget since over time both the invested principal and the interest rates will fluctuate, and are therefore unreliable continuing sources of revenue. Over the past few years our portfolio has increased due to conservative budgeting and a backlog of capital improvement projects. We anticipated a reduction in the portfolio over the next two years as the backlog of Capital Projects is reduced since more project engineers have been hired. Projections assumed that interest rates will remain at approximately 5%.

The majority of the City's investments are with the State of California Local Agency Investment Fund (LAIF) pool, which has a comparatively good yield combined with high liquidity and safe instruments. LAIF rates have steadily increased over the past year from 4.53% for the quarter ending June 30, 2006 to 5.23% as of June 30, 2007

We project interest earnings in fiscal year 2007-08 will be consistent with earnings in 2006-07, providing an increase in revenue of \$750,000. For 2008-09, interest earnings are projected to decrease by \$200,000 due to the anticipated reduction in the back log of capital projects.

**Franchise Fees** - Franchise fees are dependent upon utility rates and consumption. We have generally assumed increases related to inflation. Cable television franchise fees are assumed at 3%. Overall, Franchise Fees are projected to increase 3%.

**Enterprise Administration Fees** –The City currently transfers funds from the Enterprise funds to reimburse the general fund for the indirect and direct cost of the staff paid for by the general fund. The transfers are based on the cost allocation plan adopted by the City Council in 2006, to offset the cost to the General Fund to support the Enterprise activities. One conclusion of the study is that the general fund has been subsidizing the enterprise funds. To eliminate subsidization, the Administrative fees budgeted in the Sewer and Solid Waste funds are increased by \$388,000. The annual transfer from the Capital Projects fund to the General Fund (budgeted as a reimbursement for overhead costs) has been discontinued since the general fund provides most funding for capital projects already.

We are not including an Administrative Fee charge to the Storm Drain and Urban Runoff programs since these funds are currently financed by the General Fund. If a storm drain fee is established, then overhead expenses will be recovered by the general fund.

**Business License Tax** - No increase in the tax rate is anticipated.

**Transient Occupancy Tax** - revenue from the two hotels assumes the continuation of the TOT at the 11% rate, as approved by voters in December 2001. Revenue is projected to increase 3% compared to our 2006-07 estimated revenue or about \$70,550 and 3% again in 2008-09 compared to the 07-08 budget

**Rental Income** –Rental income is anticipated to be consistent with prior years in 2007-08 but drops off in 2008-2009 due to the cessation of the rental of the First and Main sites. This assumption carries forward in our five year projections, reducing ongoing revenue by the annual rent of about \$240,000. Rent from the City of Palo Alto for the Sewer Treatment Plant is also not included since we have not been receiving payments, and our agreement is in flux.

**Documentary Transfer Tax** - This tax is .55 per \$1,000 of real property sales cost. Receipts vary widely from year to year dependent on the number of property sales and the value sold for.

**Police Service Fees** – Revenues are expected to remain fairly flat. Police fee revenue is primarily from alarm permits and fees and massage permits which have been relatively level for years. POST reimbursements for training are being received.

**Other Revenues** – Changes in individual items within this category vary. Significant fluctuations result from planned receipts from grants. We include salary savings in the other revenues category. We currently budget at the maximum salary for all employees to avoid an increase in payroll costs due to salary increases. To offset this expense we assume a 5% savings in salaries each year.

**Salary Savings** - Our budget policy is to include the equivalent of 5% of all salaries calculated at top step or about \$461,000 in 2007-08 and \$479,400 in 2008-09 as a revenue source. Actual revenue will not be received but this mechanism levelizes the financial impact of merit increase on budgeted salaries and wages on the expenditure side over time. The objective of assuming salary savings as a “revenue” is to reduce overestimating expenditures in each fiscal year. Five per cent savings is fairly conservative, and as we have more experience with this policy, it may be prudent to consider a higher percentage for the offset projection. Actual salary savings for the City have been greater than 5% per year for the past six fiscal years but much of the savings was due to unfilled authorized positions.

# Utility Users Tax

**Use Defined** - By law, utility users' tax dollars are general fund revenue and are shown as such in the City's various financial reports. Budgeted at \$2,398,400 in fiscal year 2007-08, it is the fourth largest revenue in the general fund.

A Council-adopted policy defines the use of this revenue for the following purposes:

- Capital projects
- Maintenance of the City's assets
- Contributions to the Community Improvement Reserve/Fund
- Replenishment of expenses made from the Emergency Reserve

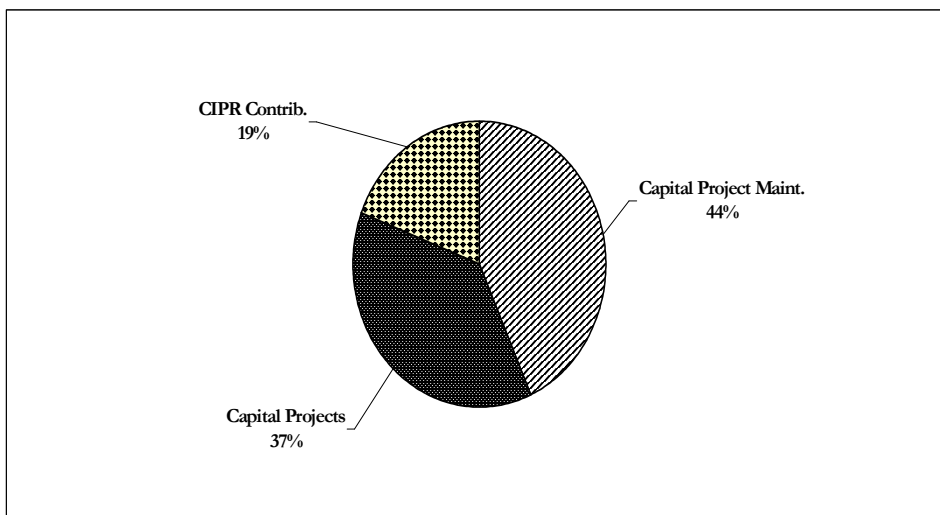
For the specific wording of the policy, refer to the City's Financial Policies found elsewhere in this document. Section IF refers to the utility users tax.

## Historical Use of Utility Users Tax 1986-2007

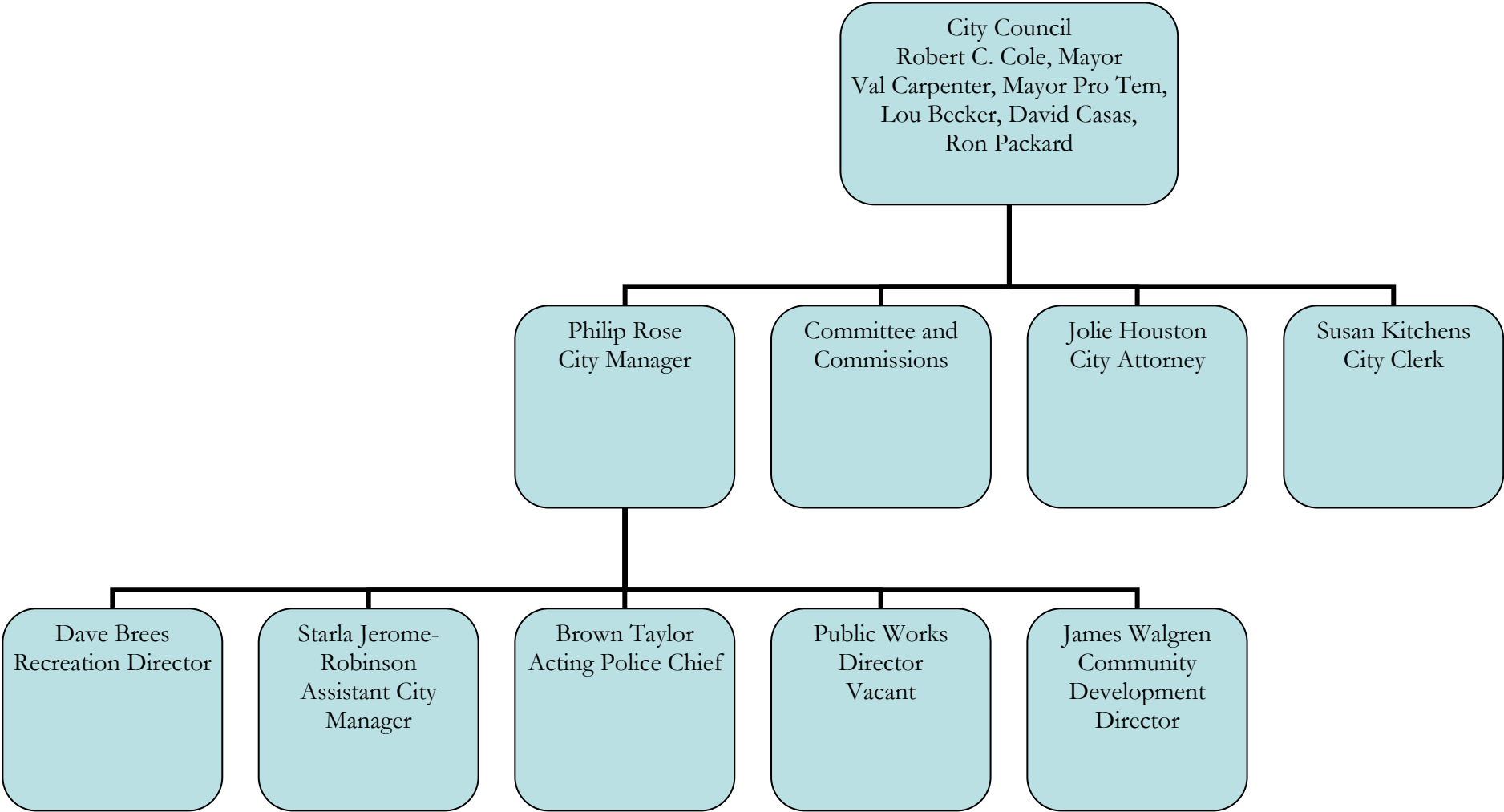
**Tracking the Utility Users Tax Revenue** - This Plan provides for a portion of the of utility users tax dollars to be transferred from the general fund for capital projects. Traditionally the City has attempted to transfer 80% but that has not always been feasible. The projected use of the tax in fiscal year 2007-2008 is \$1,199,200 for capital projects including debt service, \$5,000 to the Community Improvement Reserve/Fund and \$405,000 for the maintenance of capital assets. The distribution in fiscal year 2008-09 is similar.

**History of How the Tax Has Been Used** - The chart illustrates how the tax has been used from its inception in 1985-86 through fiscal year 2006-2007. Since actual dollars for 2006-2007 are not yet available, the dollars for that year are a projection.

Also, it is important to recognize that the utility users' tax is not the sole source of funding for any of the categories shown below in the chart.



# City of Los Altos Organizational Chart



# Glossary

## SERVICE AND FINANCIAL PLAN

**Appropriations** - Money allocated by the City Council for specific purposes.

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

**Building Development Tax** - Imposed on the addition or construction of new residential or commercial units. The current rate is 41 cents per square foot on residential and 68 cents per square foot on commercial units.

**Building Permit** - Fee required for new construction or for any alteration or addition to a residence or commercial building. The fee is based on square footage and valuation. Electrical or plumbing/mechanical work will require a similar permit.

**Business License Tax** - A tax collected from those conducting business within the City.

**Capital or Community Improvements** - Capital or community improvements are major construction, acquisition or maintenance/repair projects. Typical examples of major construction would include new street improvements, park development and public buildings. Acquisition includes land for parks and open space. Major maintenance/repairs may include street resurfacing or modifications to public buildings.

**Capital/Community Improvement Program** - A plan for capital/community improvements over a fixed period of years and the means of financing them for the current fiscal year.

**Capital Outlay** - Expenditure for equipment and other fixed assets which have a useful life greater than one year.

**Community Development Fees/Permits** - Fees charged to recover the cost of review of proposed changes to property by private parties and for inspection of related construction.

**Debt Administration** - The funding of the City's long-term debt.

**Documentary Transfer Tax** - Imposed on the transfer of real property, exclusive of any lien or encumbrance. The City receives 50% of revenue collected by the County.

**Enterprise Administration Fees** - Charges to enterprise funds for management by General Fund personnel.

**Enterprise Funds** - Established to account for the financing of self-supporting activities of governmental units that render services on a user charge basis to the general public.

**Equipment Reserve Contribution**- Annual contribution made by departments in order to provide for the replacement of current vehicles and equipment when they reach the end of their useful lives.

**Expenditure/Expense** - Money actually spent in any given financial period. Although these terms have different meanings in technical accounting, they are used interchangeably in this Plan.

**Fire District Contract** - Revenue formerly received from the Los Altos Fire Protection District for fire services provided.

**Fiscal Year** - The budget and accounting period extending from July 1 through June 30 of the following year.

**Franchise Fees** - Imposed on utility companies for the privilege of doing business in the City. Fees are usually based upon a percentage of gross revenue derived from business conducted in the City.

**Garbage Company Surcharge** - Surcharge collected for the City by Los Altos Garbage Company to fund the household hazardous waste program and solid waste administration and disposal.

**Gasoline Tax** - Share of revenue derived from the state taxes on gasoline.

**General Fund** - The City's major operating fund. The activities budgeted in the General Fund represent the daily on-going services provided to the citizens of Los Altos. The description and costs of these services are summarized under the appropriate department.

**In Lieu Park Land** - The dedication of land or the payment of a fee in lieu thereof from sub dividers for park or recreation purposes.

**Interest Income** - Income from the prudent investment of idle funds. The Government Code limits the types of investments that can be made and the City's own adopted investment policy to protect the safety of taxpayers' money.

**Motor Vehicle in Lieu** – City receives a portion of the vehicle registration fee paid annually to the State. When the Governor reduced the car tax, an amount roughly equivalent in revenue was backfilled by property tax revenue. The result is a reduction in motor vehicle in lieu revenue and an increase in property tax.

**Personnel Services** - Salaries plus fringe benefits earned by employees of the City for work performed.

**PIM Policy** - Formerly called the "AIM" program, this is a policy which requires a minimum level of funding for park improvements and maintenance.

**Police Service Fees** - User Fees for a variety of police services such as alarm permits, massage permits and the costs of driving under the influence arrests.

**Property Tax** - Imposed on real property (land and permanently attached improvements). The tax is based upon the assessed value of such property. The non-voter approved tax rate may not exceed 1% of assessed value. The City receives about 10% to 11% (depending on the tax code area) of the amount paid by Los Altos property owners.

**Recreation Fees** - Participant fees for a wide variety of recreation programs offered for all ages and interests; fees for group rentals of recreation facilities.

**Rental Income** - Funds generated from the lease of City-owned properties.

**Reserve** - A savings account for a specific purpose such as equipment replacement, self-insurance programs or future capital improvements. The purpose and the funding plan of each of the City's reserves are detailed in the Financial Policies.

**Revenues** - Income, that is, money coming to the City from outside sources, i.e. taxes, fees, etc.

**Sales Tax** - Of the 8-1/4% currently paid when shopping in Los Altos, 1% is returned to the City.

**Service and Supply** - Expenditures for services and supplies, which are directly related to a department's primary service activities.

**Sewer Service Charge** - Imposed on all properties connected to the sewer system. Fees are utilized for the cost of treatment of sewage and the maintenance of sewer lines. The fees are paid with the property tax bills.

**TEA-21 Program Funds** - Funds allocated to the City as a result of the current federal transportation funding statute.

**Traffic Fines and Forfeitures** - Portion of the fines collected upon conviction or bail forfeiture of vehicle code violations committed within city boundaries.

**Transient Occupancy Tax** - Imposed on hotels, motels, inns or other lodging facilities. The rate in Los Altos is 11%.

**Transfers In/Out** - Money transferred from one City fund to another, rather than funds received from or paid to outside sources.

**Utility Users Tax** - Imposed on the consumers of gas, electricity, water, intrastate telephone and cable television. The current rate in Los Altos is 3.5%. By policy, utility user taxes are utilized for capital improvements and reserves and the maintenance of City assets, as more specifically defined in the financial policy



