



DATE: June 25, 2013

TO: City Council

FROM: Marcia Somers, City Manager
Russ Morreale, Finance Director
James Walgren, Assistant City Manager/Community Development Director

SUBJECT: Budget Message for City's Financial Plan: 2013-15 Operating Budget and 2013-2018 Five-Year Capital Improvement Program

INTRODUCTION

We are pleased to present the biennial 2013-15 Operating Budget and 2013-18 Capital Improvement Program (CIP).

This document includes summaries of projected revenues, descriptions of services and/or projects and related expenditures, comparisons to prior fiscal year revenues and expenditures and future year forecasts.

DISCUSSION

Los Altos has a long history of prudent financial management and this two-year budget and capital plan continue that tradition. Core services are maintained while austere cost savings are planned in the short-term. The following operating and capital budgets are balanced, do not require any borrowing of monies and achieve the City Council's goal of a 20% General Fund reserve.

Trends and challenges

The past several years have been characterized by a significant and lingering economic downturn as well as impacts from actions taken at the State level, both of which have affected the financial climate in California cities. For Los Altos, the slow and gradual economic recovery has required deferring a number of staffing appointments to ensure long-term sustainability. Other key issues facing the City include:

Pension reform and outlook

A major concern revolves around CalPERS rates that are subject to double-digit increases over the next ten years beginning in 2015/16. In fact, staff has been advised that landmark changes are underway related to the pension fund pool in which the City participates. The cost-savings measures included in this budget are directed toward this very issue with the corresponding

recommendation to reserve funds for the inevitability of higher retirement rates and contributions. The City has been in the forefront of pension reform with creation of a second-tier retirement benefit system, whereby new employees contribute the full amount of the employee share of the PERS rates. According to AB340, the State Pension Reform Act of 2013, employees hired as of January 1, 2013 and not previously employed by a government agency, or those employees who have had more than a six-month break in government service, have a lower retirement benefit than Tier 2 employees and also contribute their share of normal costs. Tier 1 City employees are currently contributing an increasing portion of the employee share of the PERS rates.

New accounting standards

Closely related to the matter of pension costs is the emergence of new accounting standards that require the recording of unfunded pension liabilities. In particular, the standard referred to as Government Accounting Standards Board (GASB) 68 will take effect in FY 2014/15. This topic is more than an administrative technicality given that it highlights long-term liabilities, which are not insignificant. As all cities implement this new reporting model, it will receive wide attention. Although this is not an immediate budget concern, it is certainly a major and material financial disclosure to acknowledge and communicate in future audits.

Aging Civic Facilities

The City's facilities are in considerable need of repair, upgrading and/or enlarging to meet immediate public service needs, building codes, energy efficiencies and technology infrastructure. The focus on immediate day-to-day fixes rather than comprehensive, long-term asset preservation has resulted in civic facilities that have exceeded their useful lives. To begin to address this issue, the CIP designates \$100,000 per year to cover interim basic repairs as larger scale improvements are planned and implemented.

Civic Center Revitalization

The need to either repair or replace a number of the Civic Center campus buildings and surrounding infrastructure is evident. One of the Council's 2013 priorities addresses this issue. Therefore, a new CIP project has been identified to support the Council's efforts to finalize a viable plan to redevelop the Civic Center facilities – specifically the Hillview Community Center, Police Station and City Hall.

Financial Warning Lights

Beyond the items noted above, the cost of health care is continuing to increase and evaluated on an annual basis.

Secondly, this is the initial year that storm water-related costs will need to be classified in the General Fund. The upcoming Storm Drain Master Plan should contemplate potential funding options to sustain service provision in this area without negatively impacting other City programs.

Additionally, the City has completed or is in the process of completing a variety of Master Plans (i.e., Parks, Bicycle, Pedestrian, Downtown Parking Management, Storm Drain, ADA Transition). While these documents are extremely useful, and in some cases required, it is important to recognize that

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implementation of Master Plan strategies needs to be done over a multi-year, long-term period within available resources.

The City's overall Pavement Condition Index (PCI) has been slowly declining from a high of 82 in 2009 to the current 78. Although this trend is of concern, street pavements are generally in good condition, but will likely need future increased capital funding to flatten this downward trend. Additionally, the five-year CIP does not address the slow deterioration of public parking lots and neighborhood asphalt pathways. Increased funding will need to be identified in future budgets once the Downtown Parking Management and Pedestrian Master Plans are completed.

Last, but not least, the City continues to have a vested interest in controlling the long-term cost of Fire services provided through the County Fire District. This contract expires in 2016, and will require advance review and consideration since many of the same pension cost pressures and economic factors that cities face are similar for the Fire District.

Reserve Funds

The FY 2013/14 Financial Plan is an important milestone as it forecasts the achievement of the City's 20% General fund reserve balance goal. This, and other, key reserves follow:

<i>General Reserves</i>						
<i>Descriptions</i>	<i>June 30, 2012 Balance</i>	<i>Reclass/Use</i>	<i>12-13 Estimate</i>	<i>13-14 Proposed</i>	<i>14-15 Proposed</i>	<i>Proposed FY2014-2015 Balance</i>
Operating Fiscal Reserve	4,200,000	1,025,000	500,000	300,000	150,000	6,175,000
State Budget Stabilization Reserve	1,025,000	(1,025,000)	0	0	0	0
OPEB Reserve	400,000		350,000	100,000	0	850,000
PERS Reserve	100,000		(100,000)	450,000	150,000	600,000
Total	\$5,725,000	\$0	\$750,000	\$850,000	\$300,000	\$7,625,000

This biennial budget raises the OPEB reserves to \$850,000 and, most significantly, includes new PERS Reserve Fund monies totaling \$600,000 to counterbalance the anticipated pension rate increases in the near-term.

Other reserves include:

<i>Descriptions</i>	<i>June 30, 2012 Balance</i>	<i>Use</i>	<i>12-13 Estimate</i>	<i>13-14 Proposed</i>	<i>14-15 Proposed</i>	<i>Proposed FY2014-2015 Balance</i>
CIP Funding	6,378,055	(6,467,125)	250,000	150,000	350,000	660,930
Community Facility Renewal Fund	7,065,590	-	0	0	100,000	7,165,590
Real Property Proceeds Fund	6,910,870		3,255,430	0	0	10,166,300
In Lieu Park Fees	949,750	(432,000)	3,694,980	365,000	365,000	4,942,730
Total	\$20,354,516	(\$6,467,125)	\$3,505,430	\$150,000	\$450,000	\$17,992,820

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Revenues

General Fund

The biennial budget projects \$30 million in General Fund revenues made up mostly of general taxes and fees. The bulk of the City's tax dollars come from Property Tax (65%), Sales Tax (12%), Utility Users Tax (12%) and Hotel Tax (6%). These resources fund core City service operations including Public Safety, Maintenance, Recreation, Economic Development and General Government. Planning and Building costs are funded through development fees and charges. It is important to note that savings in the General Fund have traditionally been utilized to support the City's fixed assets and capital improvements needs such as streets, roadways, parks, pathways, traffic systems and parking lots.

Compared to the prior year budget, total General Fund 2013/14 revenue is estimated to increase by a modest 1.79% followed by a 2.74 % increase in 2014/15. This growth is primarily led by property tax increases of approximately 4% and 3% in years one and two of the biennial budget, respectively.

Sales tax trends have been moderate at best and adjusted downward for the retail interruption expected with the Safeway development on First Street as well as the loss of the Garden Supply Center, a commercial interest currently under construction as a residential and mixed-use development. Hotel Tax has performed extremely well with another double-digit year expected. Recreation also continues to grow its revenues as projected and Planning fees remain strong. To be fiscally prudent, however, revenue growth has been estimated conservatively.

Other Funds

Enterprise funds are stable and on track, especially with the recent adoption of the Sewer Master Plan. With the passage of that plan and related rate study, this budget has updated its revenue and capital needs projections ensuring the upkeep of a wastewater system that protects the health and welfare of the community for years to come.

Significant Development Proceeds

The recent receipt of development fee dollars can be applied to future City capital improvements. This biennial budget, including 2012/13 estimates, adds the following capital resources:

- \$4.3 million added to the Park In-Lieu Fees from major multi-unit developments on First Street, San Antonio Road and the El Camino Corridor
- \$2.7 million for the final installment of the sale of property on First and Main Street
- \$400K of a final contract installment on the sale of the Los Altos Sewer Plant

It should be noted that Park In-Lieu fees must be dedicated to new park and recreation-related land acquisitions or facility improvements. The funds from real property sales, both existing and those anticipated in this budget cycle, are without restriction and classified as dedicated to capital improvements.

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Expenditures

General Operations

Consisting mostly of tax dollars, City resources are applied to furthering the major goals of making Los Altos a safe, attractive and enjoyable place to live. Hence, the bulk of resources are applied to public safety, with 51% directed to the City's Police and Fire services. Another 19% is dedicated to general maintenance of City open spaces, roads, medians, sidewalks and traffic systems. Ten percent supports the City's urban planning guidelines and policies through Planning and Building activities while 7% is dedicated to quality of life standards in the offering of recreation programs and community events for residents of all ages. The remaining 13% is dedicated to support general government services including administration, policy, legal, finance, technology and human resources.

As a program-level budget document, the department section of the biennial budget provides a broad overview of core city functions and operations. Departments include Legislation & Administration, Finance & Technology, Human Resources, Public Safety, Community Development, Public Works and Recreation. In order to set aside additional reserve funds, City staff have identified only those cost increases necessary in scheduled salary and benefit costs, pension rates, increased fire services, professional services, and contract services. Equipment and new item requests were mostly deferred with the exception of core Police personnel safety equipment, safety radio communications systems and Police vehicle replacements. No other new vehicle or equipment requests are contemplated at this time.

The budget cycle brings with it a 5% increase, approximately \$300,000, in Fire contract costs making up the bulk of the second year increase in expenditures in Safety.

Staffing

What is notable in this budget cycle is the deferred hiring of five (5) additional positions beyond the existing seven within general operations. This brings the total deferred staff hiring total to 12 positions as a cost-savings measure given the current fiscal challenge areas noted previously in this report. It is important to recognize that with a nearly 10% reduction in the optimal staffing level, there will likely be impacts to the levels of services provided. It is anticipated that as the economy strengthens and revenue increases are realized, strategic hiring will be re-initiated.

The biennial operating budget and the Personnel Allocation Summary now reflect a Public Works Department comprised of Engineering Services and Maintenance Services. The fiscal resources for Engineering Services were transferred from Community Development to Public Works.

Other Funds

All other funds, as projected and proposed, are performing well. The Sewer Fund has been financially bolstered by the acceptance of the most recent Sewer Master Plan and Rate Study, ensuring sound maintenance and system sustainability in the near and long-term. Sewer Fund balances are projected to remain healthy and sustain a 25% reserve level if the recommended rates and charges are adopted beginning in FY 2013/14.

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As noted above, the City's various capital funds are benefitting from significant private development. The majority of these revenues can be expected to be utilized as the Council finalizes its approach for updating aging civic facilities. As material as the increases are, the full replacement of the City's Civic Center, as laid out in the Master Plan, cannot be achieved without public and/or external financing.

CAPITAL IMPROVEMENT PROJECTS

The five-year Capital Improvement Program identifies current and future capital projects and associated funding sources. The format and presentation of the CIP has been significantly updated and is now incorporated as part of this document. The first year of the five-year Program reflects projects that are proposed for funding; the future four years of projects are presented for planning purposes only.

The summaries provide a snapshot of each year; the project pages contain additional information about the individual projects within the new categories – Civic Facilities, Community Development, Transportation and Wastewater Systems.

It is intended to continue with two different CIP systems tracking until all the projects funded prior to FY 2013/14 are complete. Moving forward, Council will be provided a summary list of previously Funded Projects which remain active along with summaries of projects funded in FY 2013/14 and thereafter. The transition from the previous to the new CIP model will be accomplished over the next few years.

Over the five-year period 2013/14 - 2017/18, an annual average of \$3.6 million is planned in capital expenditures. A total of 21 projects are being recommended for 2013/14, with appropriations totaling \$4,107,830. Of these projects, seven are new with the remaining 14 projects being those identified in previous five-year CIP documents and/or are ongoing projects (i.e., Street Resurfacing, Sewer Root Foaming, Neighborhood Traffic Management Program).

All City Commissions were involved in the review and discussion of potential Capital Improvement Program projects during March and April 2013. Those suggested projects not included in this five-year CIP will be noted during the staff presentation of this agenda item on June 4.

SUMMARY

The total 2013/14 budget, including all funds, is \$39,958,690, with \$29,739,350 in General Fund operating expenditures and \$4,107,830 in capital expenditures. Both budgets are fiscally prudent, providing adequate fund reserves and addressing the community's capital needs.

ACKNOWLEDGEMENTS

Many thanks go to the Departments and all Los Altos staff for their dedicated efforts in managing the City's resources effectively during difficult economic times while ensuring that Los Altos remains a great place to live and to raise a family.

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2013-2015
FINANCIAL PLAN



2013-2018 CAPITAL IMPROVEMENT PROGRAM

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ELECTED OFFICIALS & EXECUTIVE STAFF

ELECTED OFFICIALS		TERM ENDS
Mayor	Jarrett Fishpaw	November 2014
Mayor Pro Tem	Megan Satterlee	November 2016
Council Members	Jeannie Bruins	November 2016
	Val Carpenter	November 2014
	Jan Pepper	November 2016

EXECUTIVE TEAM

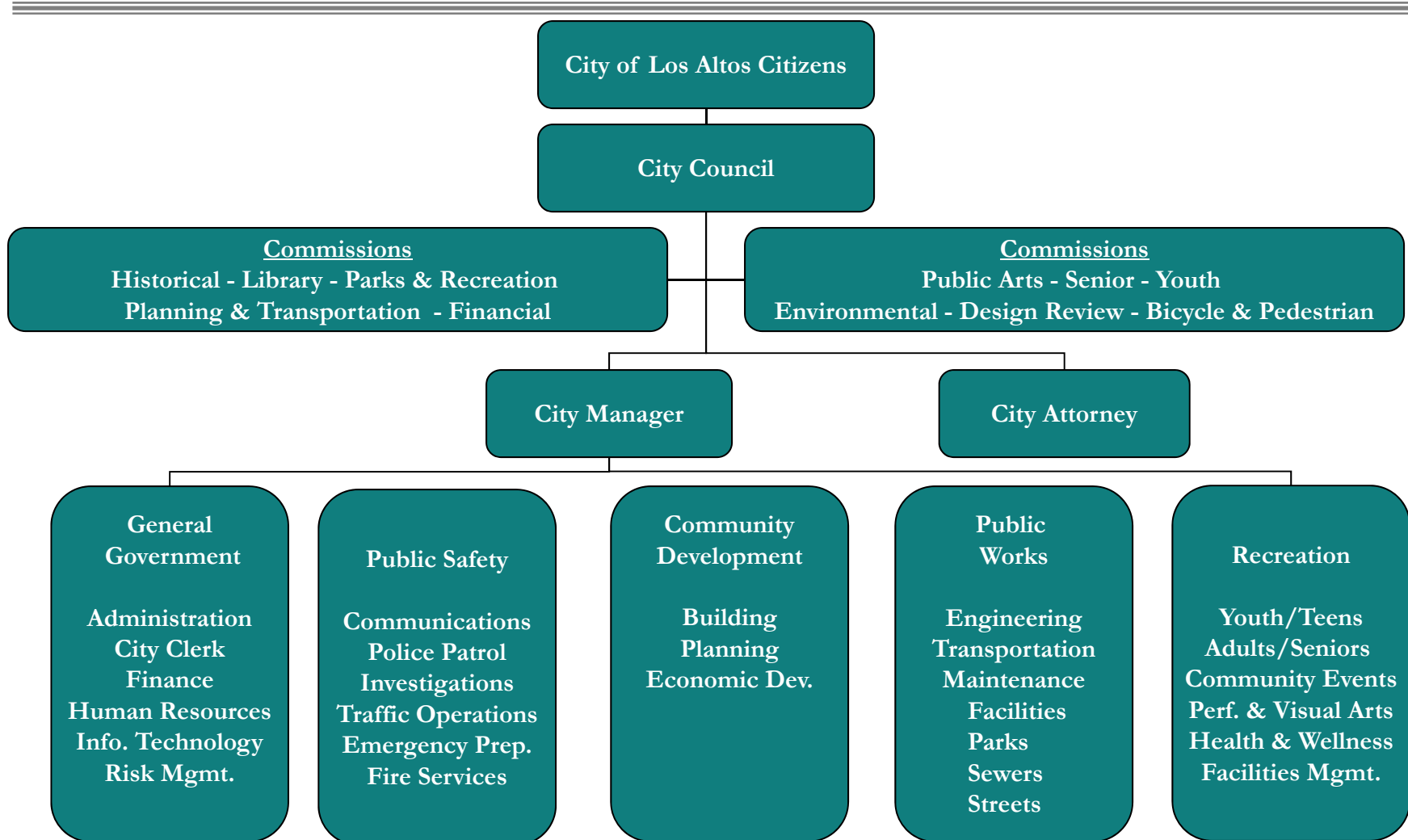
City Manager	Marcia Somers
City Attorney	Jolie Houston
Assistant City Manager/Community Development Director	James Walgren
Assistant City Manager/Human Resources Director	J. Logan
Chief of Police	Tuck Younis
Finance Director	Russell J. Morreale
Public Works Director	Jim Gustafson
Recreation Director	Beverly Tucker



2013 CITY COUNCIL PRIORITIES

1. Continue prudent fiscal management
 - a. Evaluate options for pension sustainability
 - b. Conduct an analysis of 10-year Property Tax projections
 - c. Establish a 10-year Asset Replacement Plan
 - d. Consider development of a Facility Replacement Fund
2. Determine a viable plan to redevelop the Civic Center facilities
 - a. Evaluate strategies to develop the Recreation Center as part of the first phase of improvements
 - b. Determine a time schedule for implementing the first phase of improvements
3. Maintain and foster vibrant Commercial Districts
 - a. Determine the preferred wayfinding signage program and implementation steps
 - b. Explore public/private partnerships to enhance economic development throughout the City, to include, but not be limited to, the Loyola Corners business district
 - c. Continue to foster and further develop processes to manage public/private development opportunities
4. Encourage and employ effective community engagement practices
 - a. Launch the redesigned City website
 - b. Continue implementation of best practices with Commissions and Committees
 - c. Explore new and/or revised methods to solicit public input regarding City services and projects
5. Enhance prioritization and management of transportation projects
 - a. Implement the Downtown Parking Management Plan results, as appropriate
 - b. Refine the process for review of transportation/circulation projects

City of Los Altos Organizational Chart



A Great Place to Live & to Raise a Family

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Fiscal Plan Highlights

Capital Projects

\$4M Total
\$1.4M CIP Fund
\$0.8M Grants
\$1.8M Sewer Fund

Enterprise Funds

Sewer Fund remains healthy
Storm Fund reserves depleted
Five-Year Sewer Master Plan updated

Responsive
Responsible
Accountable
Vigilant

General Fund

Balanced
Vigilant posture
Services maintained
Modest equipment purchases

Human Capital

No staffing increases - strategic hiring
12 Deferred hires
Pension reform underway
Final PERS Side-Fund pay-down

HIGHLIGHTS

Two-Year Financial Plan and a Multi-Year forecast
General Fund reserves @ 20% achieved
OPEB funding continued
Department requests minimal
Significant CalPERS increases expected - \$600,000 PERS Reserve established
Increasing Fire contract costs
Capital projects reformatted, funded & fiscally achievable

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What We Have

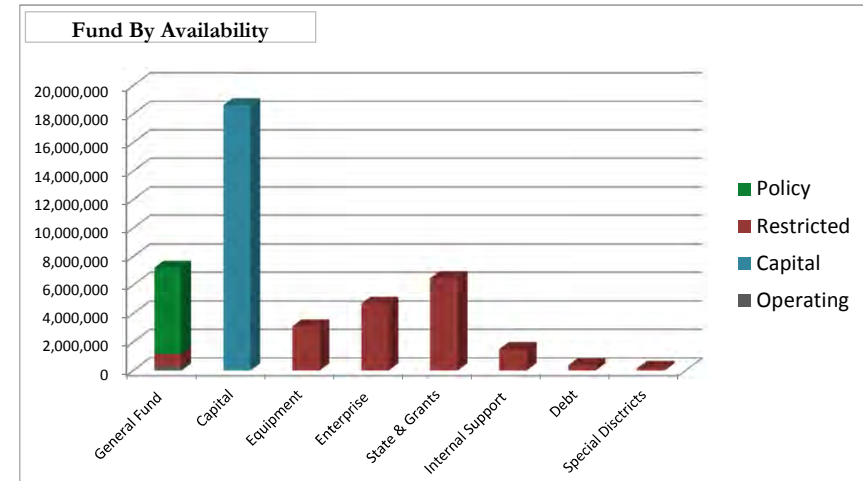
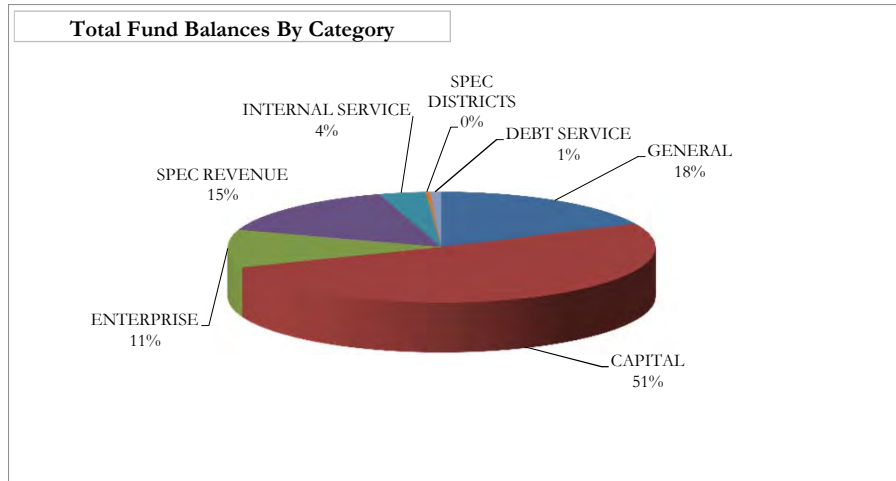


FY2013/14 PROJECTED FUND BALANCES AND RESERVES

FUNDS	BEG. BALANCE	REVENUE	EXPENSES	CAPITAL PROJECTS	TRSFERS	PROJECTED BALANCE 6/30/2014	USE OF RESERVES	UNRESTRICTED BALANCE	RESTRICTED BALANCE
GENERAL FUND									
- Unreserved	1,121,090	30,453,182	(29,739,350)		(107,880)	1,727,042	(1,450,000)	277,042	0
- Operating Commitments	0				0	0	0		0
- Operating Reserve	5,725,000				0	5,725,000	300,000		6,025,000
- State Revenue Stabilization Reserve	0				0	0	0		0
- OPEB Reserve	750,000				0	750,000	100,000		850,000
- Inventory & Veterans Reserve	45,860				0	45,860	0		45,860
- PERS Reserve	0				0	0	450,000		450,000
TOTAL GENERAL FUND	7,641,950	30,453,182	(29,739,350)	0	(107,880)	8,247,902	(600,000)	277,042	7,370,860
CAPITAL PROJECTS FUND	2,545,630	200,000	0	(1,447,500)	0	1,298,130	150,000	1,448,130	
EQUIPMENT REPLACEMENT FUND	3,083,870	0	(300,000)	0	0	2,783,870	300,000		3,083,870
FACILITY FUND	0	0	0	0	0	0	0		
COMMUNITY FACILITY RENEWAL FUND	7,065,590	0	0	0	0	7,065,590	0	7,065,590	0
TOTAL CAPITAL IMPROVEMENT FUNDS	12,695,090	200,000	(300,000)	(1,447,500)	0	11,147,590	450,000	8,513,720	3,083,870
SEWER FUND	2,200,000	5,655,183	(3,622,310)	(1,818,330)	0	2,414,543	0		2,414,543
SOLID WASTE FUND	1,870,710	831,700	(440,310)	0	0	2,262,100	0		2,262,100
STORM FUND	0	0	(257,480)	0	257,480	0	0		0
TOTAL ENTERPRISE FUNDS	4,070,710	6,486,883	(4,320,100)	(1,818,330)	257,480	4,676,643	0	0	4,676,643
REAL PROPERTY PROCEEDS FUND	7,355,300	2,744,400	0	0	0	10,099,700	0	10,099,700	0
VEHICLE IMPOUND FUND	0	26,900	0	0	(26,900)	0	0		0
SUPPLEMENTAL LAW ENFORCEMENT FUND	25,000	100,000	0	0	(100,000)	25,000	0		25,000
GAS TAX FUNDS	783,080	595,800	0	(500,000)	(190,000)	688,880	0		688,880
PROPOSITION 1B FUND	85,590	1,600	0	0	0	87,190	0		87,190
STORM DRAIN DEPOSIT FUND	56,090	0	0	0	0	56,090	0		56,090
COMMUNITY DEV BLOCK GRANT FUND	0	60,000	0	(60,000)	0	0	0		0
TRANSPORTATION DEVELOPMENT ACT FUND	8,850	0	0	0	0	8,850	0		8,850
TRAFFIC IMPACT FEE FUND	250,690	714,300	0	0	0	964,990	0		964,990
IN LIEU PARK FEES FUND	4,494,730	365,000	0	(282,000)	0	4,577,730	0		4,577,730
DOWNTOWN PARKING FUND	65,290	37,300	(50,000)	0	0	52,590	0		52,590
ESTATE DONATION FUND	13,100	100	0	0	0	13,200	0		13,200
TOTAL SPECIAL REVENUE FUNDS	13,137,720	4,645,400	(50,000)	(842,000)	(316,900)	16,574,220	0	10,099,700	6,474,520

FY2013/14 PROJECTED FUND BALANCES AND RESERVES

FUNDS	BEG. BALANCE	REVENUE	EXPENSES	CAPITAL PROJECTS	TRSFERS	PROJECTED BALANCE 6/30/2014	USE OF RESERVES	UNRESTRICTED BALANCE	RESTRICTED BALANCE
DENTAL PLAN FUND	145,280	105,000	(105,000)	0	0	145,280	0		145,280
UNEMPLOYMENT FUND	215,990	35,000	(35,000)	0	0	215,990	0		215,990
WORKERS COMPENSATION FUND	382,550	642,000	(595,000)	0	0	429,550	75,000		504,550
LIABILITY FUND	532,770	465,000	(450,000)	0	0	547,770	75,000		622,770
TOTAL INTERNAL SERVICE FUNDS	1,276,590	1,247,000	(1,185,000)	0	0	1,338,590	150,000	0	1,488,590
GENERAL DEBT FUND	368,180	0	(169,810)	0	167,300	365,670	0		365,670
AVALON DR. CURB & GUTTER A.D.	47,160	13,800	(13,800)	0	0	47,160	0		47,160
RAYMUNDO CURB & GUTTER A.D.	33,610	28,600	(28,600)	0	0	33,610	0		33,610
OTHER ASSESSMENT DISTRICT FUNDS	68,640	52,300	(44,200)	0	0	76,740	0		76,740
BLUE OAK LANE SEWER	0	0	0	0	0	0	0		0
TOTAL DEBT SERVICE FUNDS	517,590	94,700	(256,410)	0	167,300	523,180	0	0	523,180
GRAND TOTAL	39,339,650	43,127,165	(35,850,860)	(4,107,830)	0	42,508,125	0	18,890,462	23,617,663

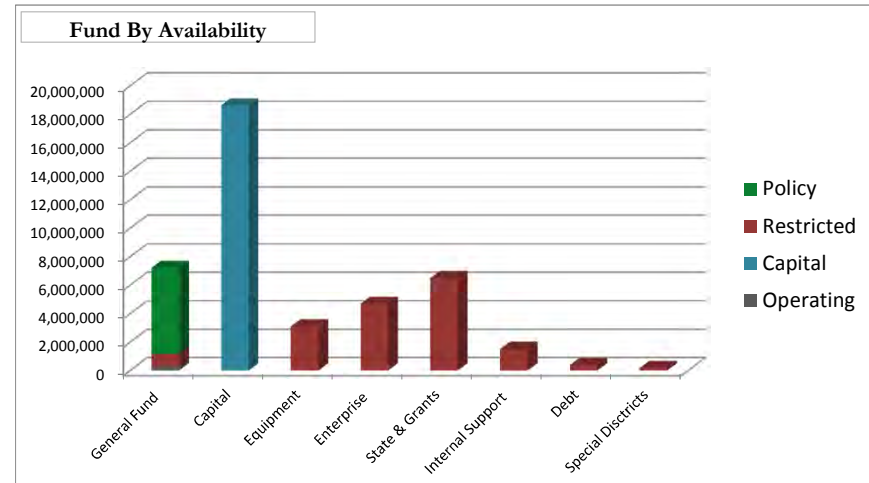
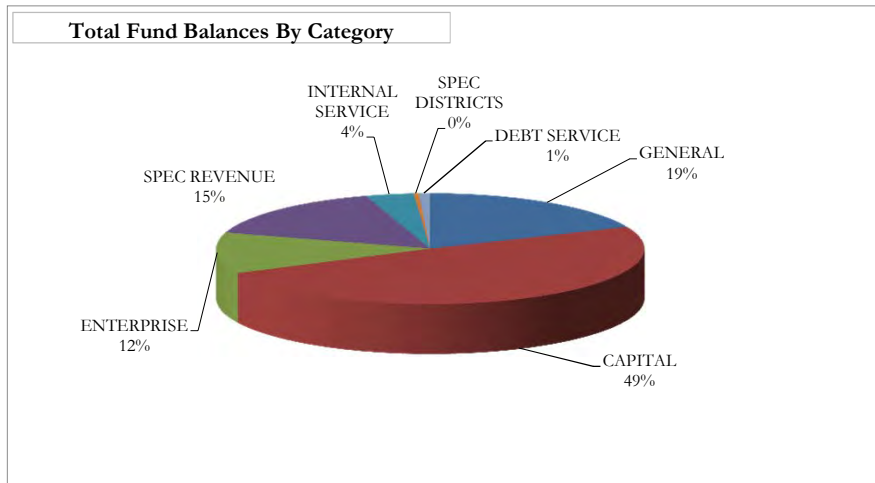


FY2014/15 PROJECTED FUND BALANCES AND RESERVES

FUNDS	BEG. BALANCE	REVENUE	EXPENSES	CAPITAL PROJECTS	TRSFERS	PROJECTED BALANCE 6/30/2015	USE OF RESERVES	UNRESTRICTED BALANCE	RESTRICTED BALANCE
GENERAL FUND									
- Unreserved	277,042	31,286,300	(30,411,640)		(107,880)	1,043,822	(775,000)	268,822	0
- Operating Commitments	0				0	0	0		0
- Operating Reserve	6,025,000				0	6,025,000	150,000		6,175,000
- State Revenue Stabilization Reserve	0				0	0	0		0
- OPEB Reserve	850,000				0	850,000	0		850,000
- Inventory & Veterans Reserve	45,860				0	45,860	0		45,860
- PERS Reserve	450,000				0	450,000	150,000		600,000
TOTAL GENERAL FUND	7,647,902	31,286,300	(30,411,640)	0	(107,880)	8,414,682	(475,000)	268,822	7,670,860
CAPITAL PROJECTS FUND									
EQUIPMENT REPLACEMENT FUND	3,083,870	0	(135,000)	0	0	2,948,870	25,000		2,973,870
FACILITY FUND	0	0	0	0	0	0	0		
COMMUNITY FACILITY RENEWAL FUND	7,065,590	0	0	0	0	7,065,590	100,000	7,165,590	0
TOTAL CAPITAL IMPROVEMENT FUNDS	11,597,590	85,000	(135,000)	(1,222,200)	0	10,325,390	475,000	7,826,520	2,973,870
SEWER FUND									
SOLID WASTE FUND	2,414,543	5,458,300	(3,722,242)	(1,684,188)	0	2,466,413	0		2,466,413
STORM FUND	0	0	(257,480)	0	257,480	0	0		0
TOTAL ENTERPRISE FUNDS	4,676,643	6,290,300	(4,428,842)	(1,684,188)	257,480	5,111,393	0	0	5,111,393
REAL PROPERTY PROCEEDS FUND									
VEHICLE IMPOUND FUND	0	26,900	0	0	(26,900)	0	0	10,166,300	0
SUPPLEMENTAL LAW ENFORCEMENT FUND	25,000	100,000	0	0	(100,000)	25,000	0		25,000
GAS TAX FUNDS	688,880	595,900	0	(645,000)	(190,000)	449,780	0		449,780
PROPOSITION 1B FUND	87,190	1,600	0	0	0	88,790	0		88,790
STORM DRAIN DEPOSIT FUND	56,090	0	0	0	0	56,090	0		56,090
COMMUNITY DEV BLOCK GRANT FUND	0	60,000	0	(60,000)	0	0	0		0
TRANSPORTATION DEVELOPMENT ACT FUND	8,850	1,324,800	0	(1,324,800)	0	8,850	0		8,850
TRAFFIC IMPACT FEE FUND	964,990	4,200	0	0	0	969,190	0		969,190
IN LIEU PARK FEES FUND	4,577,730	365,000	0	0	0	4,942,730	0		4,942,730
DOWNTOWN PARKING FUND	52,590	37,300	(50,000)	0	0	39,890	0		39,890
ESTATE DONATION FUND	13,200	100	0	0	0	13,300	0		13,300
TOTAL SPECIAL REVENUE FUNDS	16,574,220	2,582,400	(50,000)	(2,029,800)	(316,900)	16,759,920	0	10,166,300	6,593,620

FY2014/15 PROJECTED FUND BALANCES AND RESERVES

FUNDS	BEG. BALANCE	REVENUE	EXPENSES	CAPITAL PROJECTS	TRSFERS	PROJECTED BALANCE 6/30/2015	USE OF RESERVES	UNRESTRICTED BALANCE	RESTRICTED BALANCE
DENTAL PLAN FUND	145,280	105,000	(105,000)	0	0	145,280	0		145,280
UNEMPLOYMENT FUND	215,990	35,000	(35,000)	0	0	215,990	0		215,990
WORKERS COMPENSATION FUND	504,550	642,000	(595,000)	0	0	551,550	0		551,550
LIABILITY FUND	622,770	465,000	(450,000)	0	0	637,770	0		637,770
TOTAL INTERNAL SERVICE FUNDS	1,488,590	1,247,000	(1,185,000)	0	0	1,550,590	0	0	1,550,590
GENERAL DEBT FUND	365,670	0	(166,960)	0	167,300	366,010	0		366,010
AVALON DR. CURB & GUTTER A.D.	47,160	13,800	(13,800)	0	0	47,160	0		47,160
RAYMUNDO CURB & GUTTER A.D.	33,610	28,600	(28,600)	0	0	33,610	0		33,610
OTHER ASSESSMENT DISTRICT FUNDS	76,740	52,300	(44,200)	0	0	84,840	0		84,840
BLUE OAK LANE SEWER	0	0	0	0	0	0	0		0
TOTAL DEBT SERVICE FUNDS	523,180	94,700	(253,560)	0	167,300	531,620	0	0	531,620
GRAND TOTAL	42,508,125	41,585,700	(36,464,042)	(4,936,188)	0	42,693,595	0	18,261,642	24,431,953



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Revenue Sources

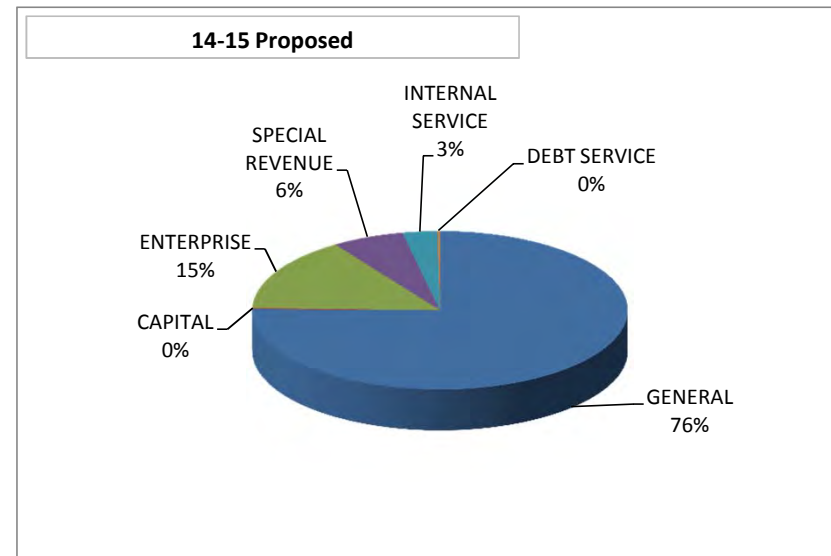
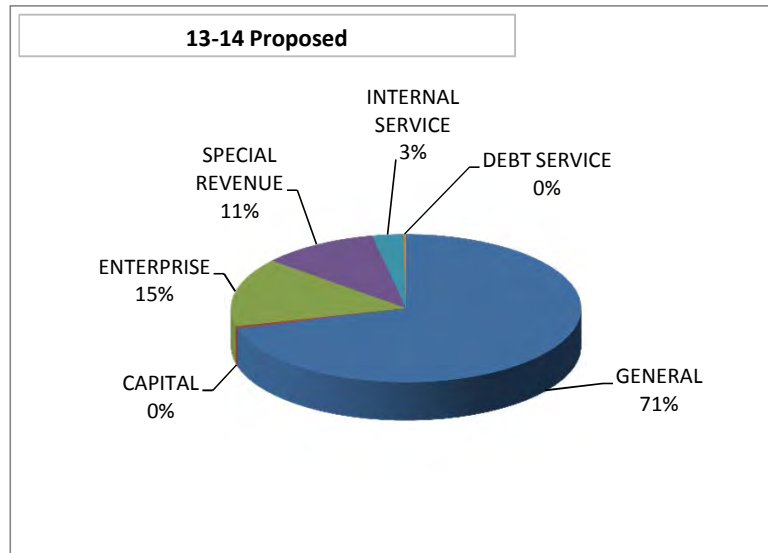


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REVENUE BY FUND TYPE

FUNDS	10-11	11-12	12-13	13-14	14-15	12-13 to 13-14		13-14 to 14-15	
	ACTUAL	ACTUAL	BUDGET	PROPOSED	PROPOSED	CHG \$	CHG %	CHG \$	CHG %
GENERAL	28,661,097	28,919,010	29,917,093	30,453,182	31,286,300	536,089	1.79%	833,118	2.74%
CAPITAL	570,330	4,370,639	136,000	200,000	85,000	64,000	47.06%	(115,000)	-57.50%
ENTERPRISE	5,875,713	5,361,770	5,817,366	6,486,883	6,290,300	669,517	11.51%	(196,583)	-3.03%
SPECIAL REVENUE	1,908,191	1,991,569	2,222,608	4,645,400	2,582,400	2,422,792	109.01%	(2,063,000)	-44.41%
INTERNAL SERVICE	1,083,354	1,222,875	1,279,800	1,247,000	1,247,000	(32,800)	-2.56%	0	0.00%
DEBT SERVICE	92,806	89,101	94,790	94,700	94,700	(90)	-0.09%	0	0.00%
GRAND TOTAL	\$ 38,191,491	\$ 41,954,964	\$ 39,467,657	\$ 43,127,165	\$ 41,585,700	\$ 3,659,508	9.27%	\$ (1,541,465)	-3.57%

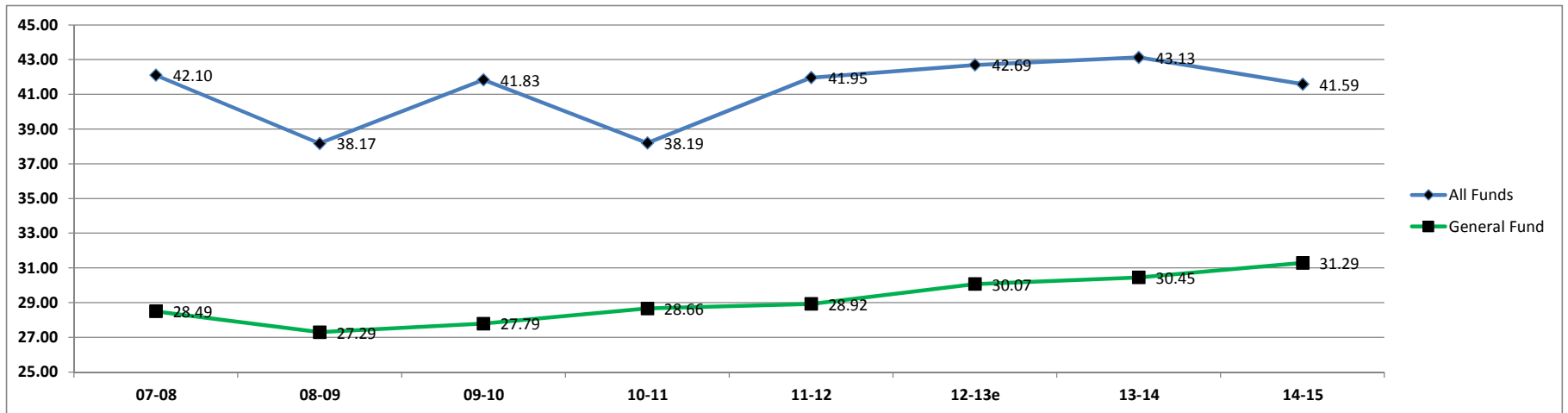


REVENUE BY FUND

FUNDS	10-11 ACTUAL	11-12 ACTUAL	12-13 BUDGET	13-14 PROPOSED	14-15 PROPOSED	12-13 to 13-14 CHG \$	12-13 to 13-14 CHG %	13-14 to 14-15 CHG \$	13-14 to 14-15 CHG %
GENERAL FUND	28,661,097	28,919,010	29,917,093	30,453,182	31,286,300	536,089	1.79%	833,118	2.74%
TOTAL GENERAL FUND	28,661,097	28,919,010	29,917,093	30,453,182	31,286,300	536,089	1.79%	833,118	2.74%
CAPITAL PROJECTS FUND	570,330	970,639	136,000	200,000	85,000	64,000	47.06%	(115,000)	-57.50%
FACILITY FUND	0	0	0	0	0	0	0.00%	0	0.00%
COMMUNITY FACILITY RENEWAL FUND	0	3,400,000	0	0	0	0	0.00%	0	0.00%
TOTAL CAPITAL IMPROVEMENT FUNDS	570,330	4,370,639	136,000	200,000	85,000	64,000	47.06%	(115,000)	-57.50%
SEWER FUND	4,874,997	4,531,834	4,961,171	5,655,183	5,458,300	694,012	13.99%	(196,883)	-3.48%
SOLID WASTE FUND	1,000,716	829,936	856,195	831,700	832,000	(24,495)	-2.86%	300	0.04%
STORM FUND	0	0	0	0	0	0	0.00%	0	0.00%
TOTAL ENTERPRISE FUNDS	5,875,713	5,361,770	5,817,366	6,486,883	6,290,300	669,517	11.51%	(196,583)	-3.03%
REAL PROPERTY PROCEEDS FUND	345,781	143,088	80,487	2,744,400	66,600	2,663,913	3309.74%	(2,677,800)	-97.57%
VEHICLE IMPOUND FUND	21,608	21,279	45,000	26,900	26,900	(18,100)	-40.22%	0	0.00%
SUPPLEMENTAL LAW ENFORCEMENT FUND	100,000	100,000	100,000	100,000	100,000	0	0.00%	0	0.00%
GAS TAX FUND	687,983	834,803	493,390	595,800	595,900	102,410	20.76%	100	0.02%
PROPOSITION 1B FUND	3,869	2,233	5,500	1,600	1,600	(3,900)	-70.91%	0	0.00%
STORM DRAIN DEPOSIT FUND	0	0	0	0	0	0	0.00%	0	0.00%
COMMUNITY DEV BLOCK GRANT FUND	168,447	21,463	117,454	60,000	60,000	(57,454)	-48.92%	0	0.00%
TRANSPORTATION DEVELOPMENT ACT FUND	214,790	0	17,643	0	1,324,800	(17,643)	-100.00%	1,324,800	0.00%
TRAFFIC IMPACT FEE FUND	191,731	65,072	3,300	714,300	4,200	711,000	21545.45%	(710,100)	-99.41%
PARK-IN-LIEU PARK FUND	139,784	762,027	1,319,300	365,000	365,000	(954,300)	-72.33%	0	0.00%
DOWNTOWN PARKING FUND	33,572	41,523	40,380	37,300	37,300	(3,080)	-7.63%	0	0.00%
ESTATE DONATION FUND	626	81	154	100	100	(54)	-35.06%	0	0.00%
TOTAL SPECIAL REVENUE FUNDS	1,908,191	1,991,569	2,222,608	4,645,400	2,582,400	2,422,792	109.01%	(2,063,000)	-44.41%
DENTAL PLAN FUND	90,873	112,254	97,800	105,000	105,000	7,200	7.36%	0	0.00%
UNEMPLOYMENT FUND	74,860	75,353	75,000	35,000	35,000	(40,000)	-53.33%	0	0.00%

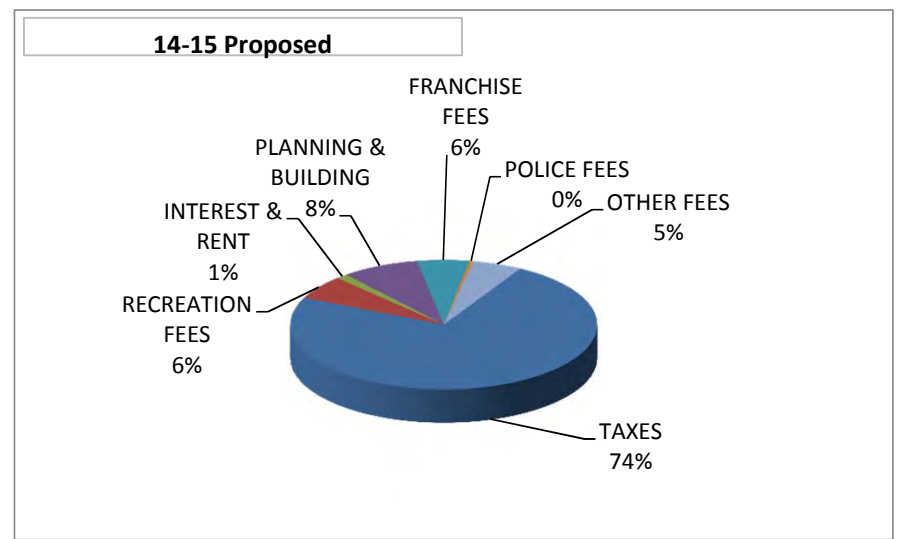
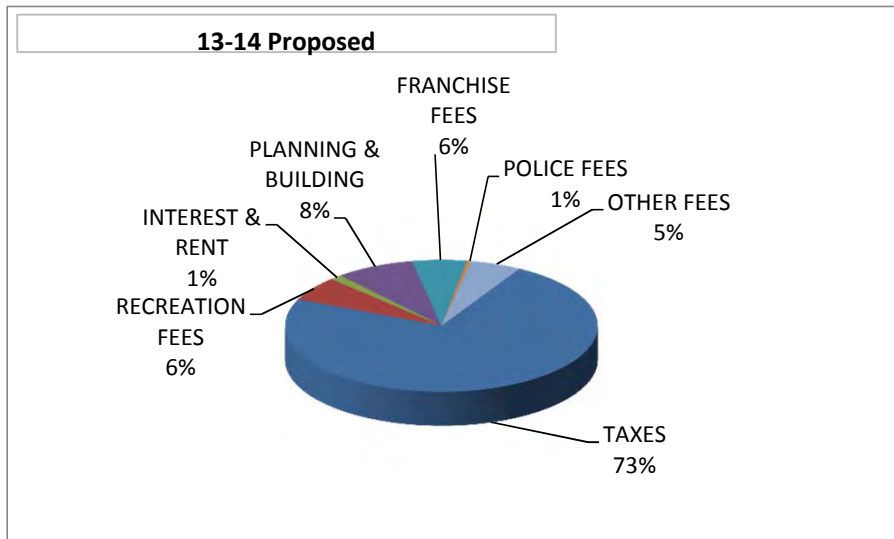
REVENUE BY FUND

FUNDS	10-11 ACTUAL	11-12 ACTUAL	12-13 BUDGET	13-14 PROPOSED	14-15 PROPOSED	12-13 to 13-14 CHG \$	12-13 to 13-14 CHG %	13-14 to 14-15 CHG \$	13-14 to 14-15 CHG %
WORKERS COMPENSATION FUND	917,621	660,018	642,000	642,000	642,000	0	0.00%	0	0.00%
LIABILITY FUND	0	375,250	465,000	465,000	465,000	0	0.00%	0	0.00%
TOTAL INTERNAL SERVICE FUNDS	1,083,354	1,222,875	1,279,800	1,247,000	1,247,000	(32,800)	-2.56%		0.00%
GENERAL DEBT FUND	6	10	440	0	0	(440)	-100.00%	0	0.00%
AVALON DR. CURB & GUTTER A.D.	14,105	13,564	14,150	13,800	13,800	(350)	-2.47%	0	0.00%
RAYMUNDO CURB & GUTTER A.D.	27,311	27,423	27,840	28,600	28,600	760	2.73%	0	0.00%
BLUE OAK LANE SEWER	51,384	48,104	52,360	52,300	52,300	(60)	-0.11%	0	0.00%
TOTAL DEBT SERVICE FUNDS	92,806	89,101	94,790	94,700	94,700	(90)	-0.09%	0	0.00%
GRAND TOTAL	38,191,491	41,954,964	39,467,657	43,127,165	41,585,700	3,659,508	9.27%	(1,541,465)	-3.57%



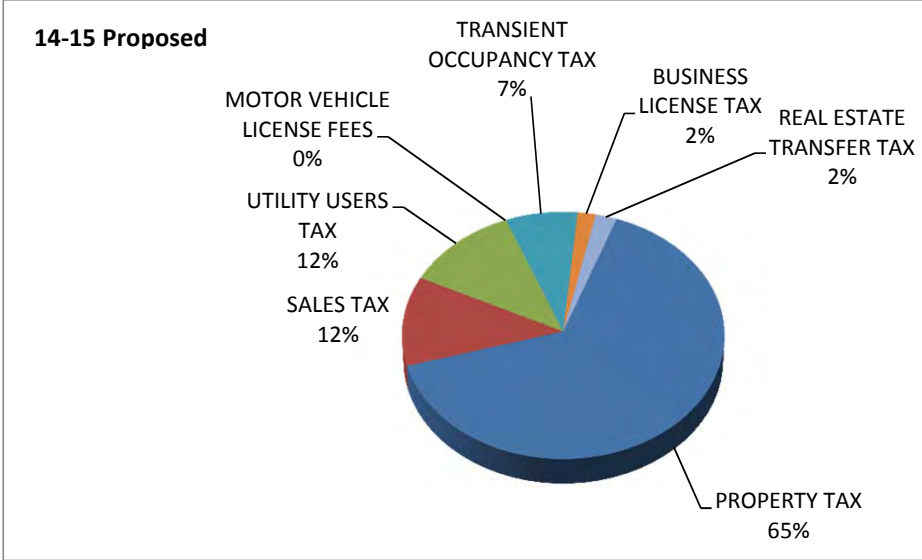
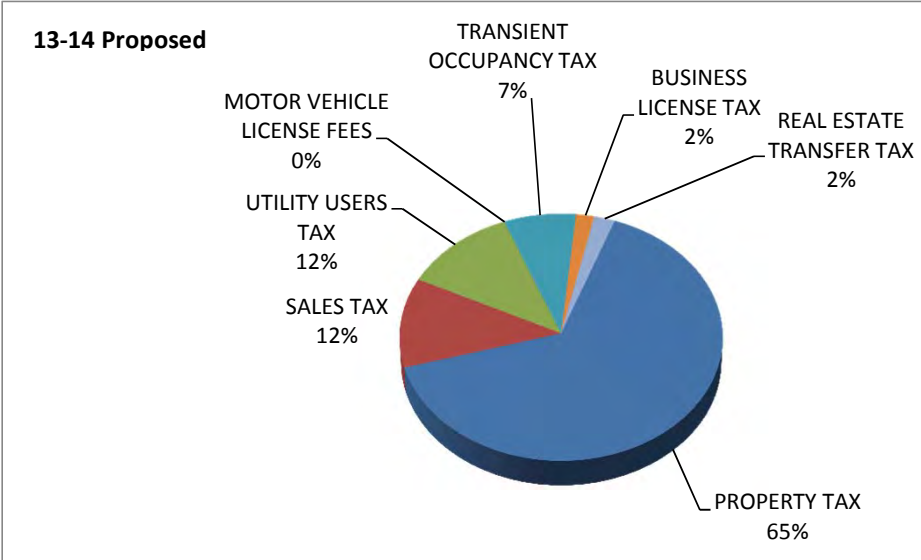
GENERAL FUND REVENUE SOURCES

GENERAL FUND	10-11	11-12	12-13	13-14	14-15	12-13 to 13-14		13-14 to 14-15	
	ACTUAL	ACTUAL	BUDGET	PROPOSED	PROPOSED	CHG \$	CHG %	CHG \$	CHG %
TAXES	20,375,521	21,288,949	21,578,867	22,304,382	22,983,100	725,515	3.36%	678,718	3.04%
RECREATION FEES	1,762,716	1,807,649	1,814,528	1,817,100	1,871,600	2,572	0.14%	54,500	3.00%
INTEREST & RENT	255,497	94,187	435,200	385,500	386,200	(49,700)	-11.42%	700	0.18%
PLANNING & BUILDING	2,469,807	2,432,854	2,680,108	2,488,200	2,562,700	(191,908)	-7.16%	74,500	2.99%
FRANCHISE FEES	1,814,264	1,731,193	1,692,414	1,726,200	1,726,200	33,786	2.00%	0	0.00%
POLICE FEES	89,414	81,018	116,210	112,900	116,500	(3,310)	-2.85%	3,600	3.19%
OTHER FEES	1,893,878	1,483,161	1,599,766	1,618,900	1,640,000	19,134	1.20%	21,100	1.30%
TOTAL	28,661,097	28,919,011	29,917,093	30,453,182	31,286,300	536,089	1.79%	833,118	2.74%



GENERAL FUND TAX REVENUE SOURCES

GENERAL FUND	10-11 ACTUAL	11-12 ACTUAL	12-13 BUDGET	13-14 PROPOSED	14-15 PROPOSED	12-13 to 13-14 CHG \$	12-13 to 13-14 CHG %	13-14 to 14-15 CHG \$	13-14 to 14-15 CHG %
PROPERTY TAX	12,793,602	13,301,950	13,905,660	14,497,582	14,932,500	591,922	4.26%	434,918	3.00%
SALES TAX	2,587,889	2,746,374	2,598,300	2,615,600	2,694,000	17,300	0.67%	78,400	3.00%
UTILITY USERS TAX	2,543,287	2,547,777	2,598,960	2,629,800	2,708,700	30,840	1.19%	78,900	3.00%
MOTOR VEHICLE LICENSE FEES	145,798	0	52,499	0	0	(52,499)	-100.00%	0	0.00%
TRANSIENT OCCUPANCY TAX	1,517,579	1,782,018	1,498,000	1,663,100	1,713,000	165,100	11.02%	49,900	3.00%
BUSINESS LICENSE TAX	399,461	442,824	453,200	418,400	431,000	(34,800)	-7.68%	12,600	3.01%
REAL ESTATE TRANSFER TAX	387,905	468,006	472,248	479,900	503,900	7,652	1.62%	24,000	5.00%
TOTAL	20,375,521	21,288,949	21,578,867	22,304,382	22,983,100	725,515	3.36%	678,718	3.04%



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Revenue Uses

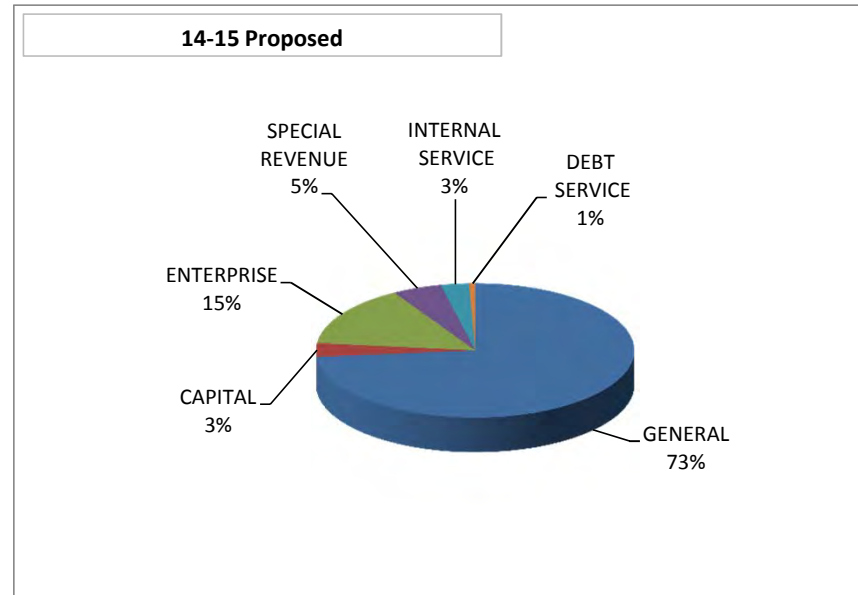
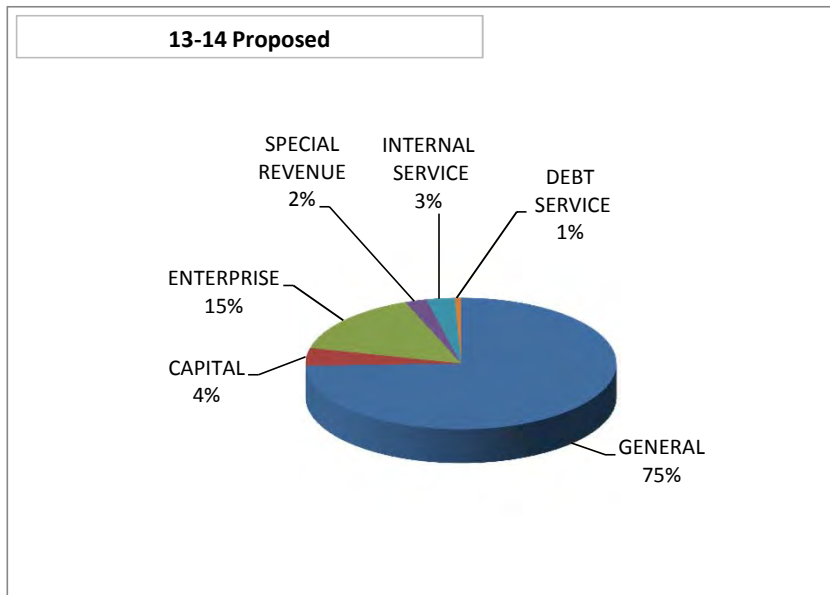


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EXPENDITURES BY FUND TYPE

FUNDS	10-11	11-12	12-13	13-14	14-15	12-13 to 13-14		13-14 to 14-15	
	ACTUAL	ACTUAL	BUDGET	PROPOSED	PROPOSED	CHG \$	CHG %	CHG \$	CHG %
GENERAL	26,404,189	27,520,935	29,799,332	29,739,350	30,411,640	(59,982)	-0.20%	672,290	2.26%
CAPITAL	6,342,541	5,119,543	1,954,200	1,747,500	1,357,200	(206,700)	-10.58%	(390,300)	-22.33%
ENTERPRISE	5,286,315	5,623,269	5,951,741	6,138,430	6,113,030	186,689	3.14%	(25,400)	-0.41%
SPECIAL REVENUE	275,447	139,896	951,000	892,000	2,079,800	(59,000)	-6.20%	1,187,800	133.16%
INTERNAL SERVICE	1,055,722	1,053,255	1,179,000	1,185,000	1,185,000	6,000	0.51%	0	0.00%
DEBT SERVICE	245,318	314,031	252,500	256,410	253,560	3,910	1.55%	(2,850)	-1.11%
GRAND TOTAL	\$ 39,609,532	39,770,929	40,087,773	39,958,690	41,400,230	(129,083)	-0.32%	1,441,540	3.61%



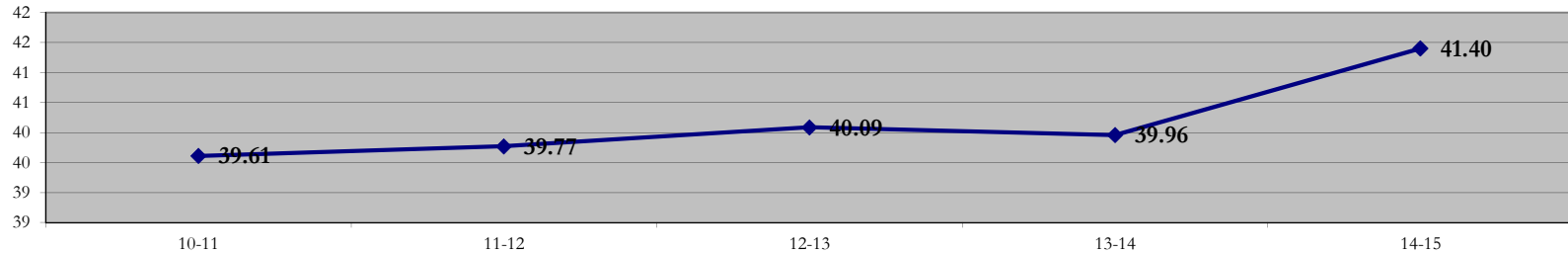
EXPENDITURES BY FUND

FUNDS	10-11 ACTUAL	11-12 ACTUAL	12-13 BUDGET	13-14 PROPOSED	14-15 PROPOSED	12-13 to 13-14 CHG \$	12-13 to 13-14 CHG %	13-14 to 14-15 CHG \$	13-14 to 14-15 CHG %
GENERAL FUND	26,404,189	27,520,935	29,799,332	29,739,350	30,411,640	(59,982)	-0.20%	672,290	2.26%
TOTAL GENERAL FUND	26,404,189	27,520,935	29,799,332	29,739,350	30,411,640	(59,982)	-0.20%	672,290	2.26%
CAPITAL PROJECTS FUND	6,112,155	4,991,650	1,824,200	1,447,500	1,222,200	(376,700)	-20.65%	(225,300)	-15.56%
EQUIPMENT REPLACEMENT FUND	230,386	127,893	130,000	300,000	135,000	170,000	130.77%	(165,000)	-55.00%
FACILITY FUND	0	0	0	0	0	0	0	0	0
COMMUNITY FACILITY RENEWAL FUND	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL IMPROVEMENT FUNDS	6,342,541	5,119,543	1,954,200	1,747,500	1,357,200	(206,700)	-10.58%	(390,300)	-22.33%
SEWER FUND	4,369,908	5,069,193	5,253,955	5,440,640	5,406,430	186,685	3.55%	(34,210)	-0.63%
SOLID WASTE FUND	716,599	341,449	440,311	440,310	449,120	(1)	0.00%	8,810	2.00%
STORM FUND	199,808	212,627	257,475	257,480	257,480	5	0.00%	0	0.00%
TOTAL ENTERPRISE FUNDS	5,286,315	5,623,269	5,951,741	6,138,430	6,113,030	186,689	3.14%	(25,400)	0%
REAL PROPERTY PROCEEDS FUND	0	0	0	0	0	0	0	0	0
VEHICLE IMPOUND FUND	0	0	0	0	0	0	0	0	0
SUPPLEMENTAL LAW ENFORCEMENT FUND	0	0	0	0	0	0	0	0	0
GAS TAX FUNDS	0	0	300,000	500,000	645,000	200,000	66.67%	145,000	29.00%
PROPOSITION 1B FUND	0	0	0	0	0	0	0	0	0
STORM DRAIN DEPOSIT FUND	0	0	0	0	0	0	0	0	0
COMMUNITY DEV BLOCK GRANT FUND	41,910	17,194	115,000	60,000	60,000	(55,000)	-47.83%	0	0.00%
TRAFFIC DEVELOPMENT ACT FUND	214,537	0	0	0	1,324,800	0	0	1,324,800	0
TRAFFIC IMPACT FEE FUND	0	0	0	0	0	0	0	0	0
PARK-IN-LIEU FUND	0	99,051	382,000	282,000	0	(100,000)	-26.18%	(282,000)	-100.00%
DOWNTOWN PARKING FUND	19,000	23,651	154,000	50,000	50,000	(104,000)	-67.53%	0	0.00%
ESTATE DONATION FUND	0	0	0	0	0	0	0	0	0
TOTAL SPECIAL REVENUE FUNDS	275,447	139,896	951,000	892,000	2,079,800	(59,000)	-6.20%	1,187,800	133%
DENTAL PLAN FUND	105,999	109,632	99,000	105,000	105,000	6,000	6.06%	0	0.00%

EXPENDITURES BY FUND

FUNDS	10-11	11-12	12-13	13-14	14-15	12-13 to 13-14		13-14 to 14-15	
	ACTUAL	ACTUAL	BUDGET	PROPOSED	PROPOSED	CHG \$	CHG %	CHG \$	CHG %
UNEMPLOYMENT FUND	1,852	4,894	70,000	35,000	35,000	(35,000)	-50.00%	0	0.00%
WORKERS COMPENSATION FUND	879,322	527,509	560,000	595,000	595,000	35,000	6.25%	0	0.00%
LIABILITY FUND	68,549	411,220	450,000	450,000	450,000	0	0.00%	0	0.00%
TOTAL INTERNAL SERVICE FUNDS	1,055,722	1,053,255	1,179,000	1,185,000	1,185,000	6,000	0.51%	0	0%
GENERAL DEBT FUND	165,431	167,049	167,300	169,810	166,960	2,510	1.50%	(2,850)	-1.68%
AVALON DR. CURB & GUTTER	12,465	13,679	13,000	13,800	13,800	800	6.15%	0	0.00%
RAYMUNDO CURB & GUTTER	28,637	28,553	28,000	28,600	28,600	600	2.14%	0	0.00%
BLUE OAK LANE SEWER	38,785	104,750	44,200	44,200	44,200	0	0.00%	0	0.00%
TOTAL DEBT SERVICE FUNDS	245,318	314,031	252,500	256,410	253,560	3,910	1.55%	(2,850)	-1%
GRAND TOTAL	39,609,532	39,770,928	40,087,773	39,958,690	41,400,230	(129,083)	-0.32%	1,441,540	3.61%

EXPENDITURE TREND - ALL FUNDS

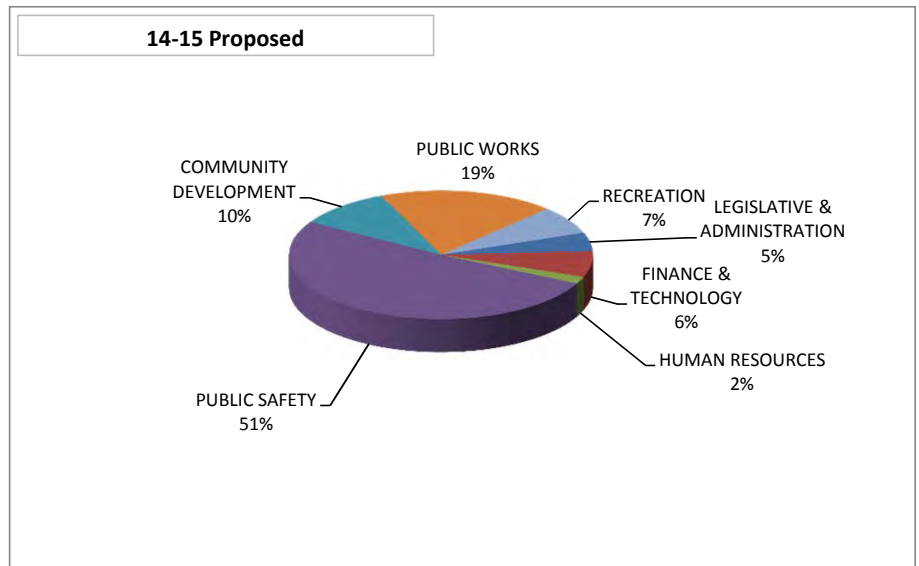
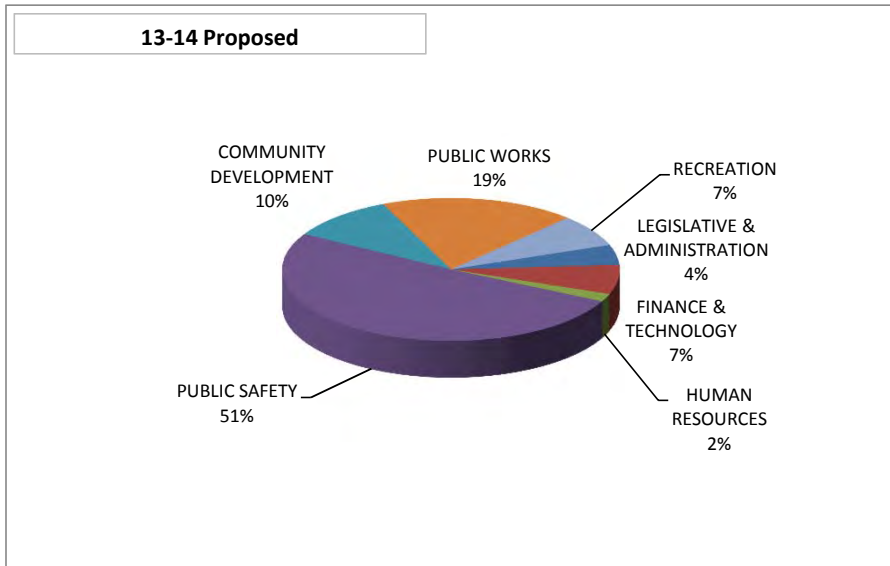


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GENERAL FUND EXPENDITURES BY DEPARTMENT

DEPARTMENT	10-11	11-12	12-13	13-14	14-15	12-13 to 13-14		13-14 to 14-15	
	ACTUAL	ACTUAL	BUDGET	PROPOSED	PROPOSED	CHG \$	CHG %	CHG \$	CHG %
LEGISLATIVE & ADMINISTRATION	1,433,158	1,577,385	1,544,027	1,347,960	1,408,330	(196,067)	-12.70%	60,370	4.48%
FINANCE & TECHNOLOGY	1,596,941	1,493,232	2,148,260	1,971,680	1,988,820	(176,580)	-8.22%	17,140	0.87%
HUMAN RESOURCES	486,402	516,385	724,915	523,330	543,130	(201,585)	-27.81%	19,800	3.78%
PUBLIC SAFETY	13,544,116	14,044,920	14,590,636	15,134,650	15,548,780	544,014	3.73%	414,130	2.74%
COMMUNITY DEVELOPMENT	3,536,980	3,737,569	4,070,245	3,015,520	3,038,570	(1,054,725)	-25.91%	23,050	0.76%
PUBLIC WORKS	3,899,934	4,068,968	4,600,146	5,581,250	5,709,590	981,104	21.33%	128,340	2.30%
RECREATION	1,906,658	2,082,476	2,121,103	2,164,960	2,174,420	43,857	2.07%	9,460	0.44%
GENERAL FUND	26,404,189	27,520,935	29,799,332	29,739,350	30,411,640	(59,982)	-0.20%	672,290	2.26%



EXPENDITURES BY PROGRAM

PROGRAM	10-11	11-12	12-13	13-14	14-15	12-13 to 13-14		13-14 to 14-15	
	ACTUAL	ACTUAL	BUDGET	PROPOSED	PROPOSED	CHG \$	CHG %	CHG \$	CHG %
CITY COUNCIL	125,330	176,459	160,660	170,610	173,910	9,950	6.19%	3,300	1.93%
EXECUTIVE	650,466	648,682	650,373	528,020	537,720	(122,353)	-18.81%	9,700	1.84%
CITY ATTORNEY	262,737	348,757	282,100	297,500	297,500	15,400	5.46%	0	0.00%
CITY CLERK	347,110	388,927	450,894	351,830	399,200	(99,064)	-21.97%	47,370	13.46%
VOLUNTEERS	47,515	14,560	0	0	0	0	0	0	0
LEGISLATIVE & ADMINISTRATION	1,433,158	1,577,385	1,544,027	1,347,960	1,408,330	(196,067)	-12.70%	60,370	4.48%
FINANCE	857,036	857,538	1,036,385	884,470	901,290	(151,915)	-14.66%	16,820	1.90%
INFORMATION TECHNOLOGY	420,513	426,330	522,275	551,610	551,930	29,335	5.62%	320	0.06%
CENTRAL SERVICES	48,396	46,113	41,600	49,600	49,600	8,000	19.23%	0	0.00%
CABLE TELEVISION	134,765	0	0	0	0	0	0	0	0
NON DEPARTMENTAL	136,231	163,251	548,000	486,000	486,000	(62,000)	-11.31%	0	0.00%
FINANCE & TECHNOLOGY	1,596,941	1,493,232	2,148,260	1,971,680	1,988,820	(176,580)	-8.22%	17,140	0.87%
HUMAN RESOURCES	486,402	516,385	724,915	523,330	543,130	(201,585)	-27.81%	19,800	3.78%
HUMAN RESOURCES	486,402	516,385	724,915	523,330	543,130	(201,585)	-27.81%	19,800	3.78%
ADMINISTRATION	1,439,888	1,523,542	1,505,040	1,560,640	1,583,020	55,600	3.69%	22,380	1.43%
PATROL SERVICES	3,599,947	3,995,875	3,955,670	4,109,730	4,139,160	154,060	3.89%	29,430	0.72%
FIRE SERVICES	5,259,153	5,375,022	5,709,850	5,753,520	6,041,200	43,670	0.76%	287,680	5.00%
SUPPORT SERVICES	1,396,188	1,421,355	1,531,158	1,560,690	1,587,210	29,532	1.93%	26,520	1.70%
INVESTIGATIVE SERVICES	1,131,844	1,100,930	1,257,668	1,342,490	1,371,430	84,822	6.74%	28,940	2.16%
TRAFFIC OPERATIONS	712,277	616,330	597,130	769,000	788,180	171,870	28.78%	19,180	2.49%
EMERGENCY PREPAREDNESS	4,819	11,866	34,120	38,580	38,580	4,460	13.07%	0	0.00%
PUBLIC SAFETY	13,544,116	14,044,920	14,590,636	15,134,650	15,548,780	544,014	3.73%	414,130	2.74%
PLANNING	1,003,555	982,394	1,118,120	1,307,900	1,328,800	189,780	16.97%	20,900	1.60%
BUILDING INSPECTION	1,081,489	1,210,173	1,183,368	1,246,950	1,269,350	63,582	5.37%	22,400	1.80%
ENGINEERING	1,064,811	1,206,210	1,310,657	0	0	(1,310,657)	-100.00%	0	0
ECONOMIC DEVELOPMENT	155,694	99,488	202,985	205,550	185,300	2,565	1.26%	(20,250)	-9.85%
TRAFFIC	231,431	239,304	255,115	255,120	255,120	5	0.00%	0	0.00%
COMMUNITY DEVELOPMENT	3,536,980	3,737,569	4,070,245	3,015,520	3,038,570	(1,054,725)	-25.91%	23,050	0.76%
ADMINISTRATION	486,377	490,746	556,378	395,910	397,260	(160,468)	-28.84%	1,350	0.34%
ENGINEERING	0	0	0	1,303,930	1,335,660	1,303,930	0	31,730	2.43%
FLEET MAINTENANCE	112,180	108,755	114,728	116,840	117,580	2,112	1.84%	740	0.63%
STREET MAINTENANCE	690,744	742,391	977,207	757,560	774,120	(219,647)	-22.48%	16,560	2.19%
PARKS & STREET LANDSCAPING	1,728,578	1,802,963	1,981,318	2,038,560	2,110,520	57,242	2.89%	71,960	3.53%
FACILITY MAINTENANCE	882,055	924,113	970,515	968,450	974,450	(2,065)	-0.21%	6,000	0.62%
PUBLIC WORKS	3,899,934	4,068,968	4,600,146	5,581,250	5,709,590	981,104	21.33%	128,340	2.30%
ADMINISTRATION	392,087	405,395	416,788	443,380	441,930	26,592	6.38%	(1,450)	-0.33%
FACILITIES	327,545	347,697	365,990	359,390	361,450	(6,600)	-1.80%	2,060	0.57%
LIFE LONG LEARNING	507,282	587,338	599,425	603,190	605,560	3,765	0.63%	2,370	0.39%
HEALTH & WELLNESS	322,215	350,588	357,220	360,840	362,780	3,620	1.01%	1,940	0.54%
SENIOR PROGRAMS	159,681	174,818	166,696	186,010	188,310	19,314	11.59%	2,300	1.24%
TEEN PROGRAMS	121,386	138,509	133,730	136,840	139,080	3,110	2.33%	2,240	1.64%
PERFORMING ARTS	53,381	42,769	39,474	39,470	39,470	(4)	-0.01%	0	0.00%

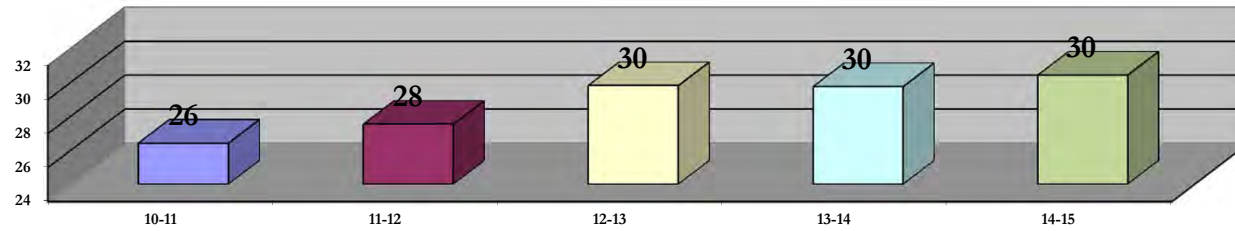
EXPENDITURES BY PROGRAM

PROGRAM	10-11	11-12	12-13	13-14	14-15	12-13 to 13-14		13-14 to 14-15	
	ACTUAL	ACTUAL	BUDGET	PROPOSED	PROPOSED	CHG \$	CHG %	CHG \$	CHG %
COMMUNITY EVENTS	23,081	35,362	41,780	35,840	35,840	(5,940)	-14.22%	0	0.00%
RECREATION	1,906,658	2,082,476	2,121,103	2,164,960	2,174,420	43,857	2.07%	9,460	0.44%
TOTAL GENERAL FUND	26,404,189	27,520,935	29,799,332	29,739,350	30,411,640	(59,982)	-0.20%	672,290	2.26%
CAPITAL PROJECTS FUND	6,112,155	4,991,649	1,824,200	1,447,500	1,222,200	(376,700)	-20.65%	(225,300)	-15.56%
EQUIPMENT REPLACEMENT FUND	230,386	127,893	130,000	300,000	135,000	170,000	130.77%	(165,000)	-55.00%
FACILITY FUND	0	0	0	0	0	0	0	0	0
COMMUNITY FACILITY RENEWAL FUND	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL PROJECTS FUNDS	6,342,541	5,119,542	1,954,200	1,747,500	1,357,200	(206,700)	-10.58%	(390,300)	-22.33%
SEWER SYSTEM ADMINISTRATION	2,505,156	2,901,687	2,868,545	2,790,260	2,845,980	(78,285)	-2.73%	55,720	2.00%
SEWER SYSTEM MAINTENANCE	625,079	743,084	741,410	832,050	876,260	90,640	12.23%	44,210	5.31%
SEWER CIPS	1,239,673	741,299	1,644,000	1,818,330	1,684,190	174,330	10.60%	(134,140)	-7.38%
TOTAL SEWER FUNDS	4,369,908	4,386,070	5,253,955	5,440,640	5,406,430	186,685	3.55%	(34,210)	-0.63%
SOLID WASTE	716,599	341,448	440,311	440,310	449,120	(1)	0.00%	8,810	2.00%
TOTAL SOLID WASTE FUND	716,599	341,448	440,311	440,310	449,120	(1)	0.00%	8,810	2.00%
URBAN RUNOFF PROGRAM	154,278	163,679	209,615	209,620	209,620	5	0.00%	0	0.00%
STORM DRAIN	45,580	48,949	47,860	47,860	47,860	0	0.00%	0	0.00%
TOTAL STORM DRAIN FUNDS	199,858	212,627	257,475	257,480	257,480	5	0.00%	0	0.00%
REAL PROPERTY PROCEEDS	0	0	0	0	0	0	0	0	0
VEHICLE IMPOUND	0	0	0	0	0	0	0	0	0
SUPPLEMENTAL LAW ENFORCEMENT	0	0	0	0	0	0	0	0	0
GAS TAX	0	0	300,000	500,000	645,000	200,000	66.67%	145,000	29%
PROPOSITION 1B	0	0	0	0	0	0	0	0	0
STORM DRAIN DEPOSIT	0	0	0	0	0	0	0	0	0
COMMUNITY DEV BLOCK GRANT	41,910	17,195	115,000	60,000	60,000	(55,000)	-47.83%	0	0.00%
TRAFFIC DEVELOPMENT ACT	214,537	0	0	0	1,324,800	0	0	1,324,800	0
TRAFFIC IMPACT FEE	0	0	0	0	0	0	0	0	0
IN LIEU PARK FEES	0	99,050	382,000	282,000	0	(100,000)	-26.18%	(282,000)	-100.00%
DOWNTOWN PARKING	19,000	23,651	154,000	50,000	50,000	(104,000)	-67.53%	0	0.00%
ESTATE DONATION	0	0	0	0	0	0	0	0	0
TOTAL SPECIAL REVENUE FUNDS	275,447	139,897	951,000	892,000	2,079,800	(59,000)	-6.20%	1,187,800	133.16%
DENTAL PLAN	105,999	109,632	99,000	105,000	105,000	6,000	6.06%	0	0%
UNEMPLOYMENT	1,852	4,894	70,000	35,000	35,000	(35,000)	-50.00%	0	0%
WORKERS COMPENSATION	879,321	527,509	560,000	595,000	595,000	35,000	6.25%	0	0%
LIABILITY	68,548	411,220	450,000	450,000	450,000	0	0.00%	0	0%
TOTAL INTERNAL SERVICE FUNDS	1,055,720	1,053,254	1,179,000	1,185,000	1,185,000	6,000	0.51%	0	0.00%
GENERAL DEBT	165,431	167,049	167,300	169,810	166,960	2,510	1.50%	(2,850)	-2%
AVALON DR. CURB & GUTTER A.D.	12,464	13,679	13,000	13,800	13,800	800	6.15%	0	0%
RAYMUNDO CURB & GUTTER A.D.	28,637	28,553	28,000	28,600	28,600	600	2.14%	0	0%
BLUE OAK SEWER	38,785	104,750	44,200	44,200	44,200	0	0.00%	0	0%
TOTAL DEBT SERVICE FUNDS	245,317	314,032	252,500	256,410	253,560	3,910	1.52%	(2,850)	-72.89%
GRAND TOTAL	39,609,579	39,087,803	40,087,773	39,958,690	41,400,230	(129,083)	-0.32%	1,441,540	3.61%

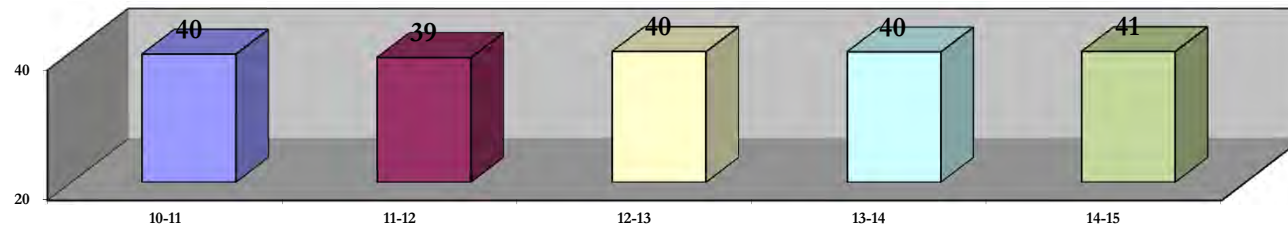
EXPENDITURES BY PROGRAM

PROGRAM	10-11 ACTUAL	11-12 ACTUAL	12-13 BUDGET	13-14 PROPOSED	14-15 PROPOSED	12-13 to 13-14 CHG \$	12-13 to 13-14 CHG %	13-14 to 14-15 CHG \$	13-14 to 14-15 CHG %
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GENERAL FUND EXPENDITURE TREND



ALL FUNDS EXPENDITURE TREND

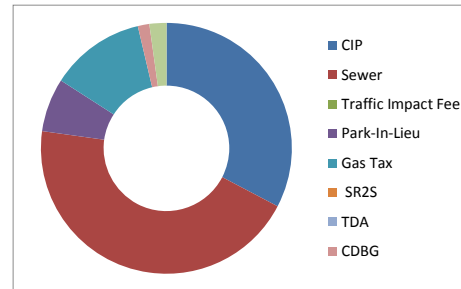


Capital Projects Summary



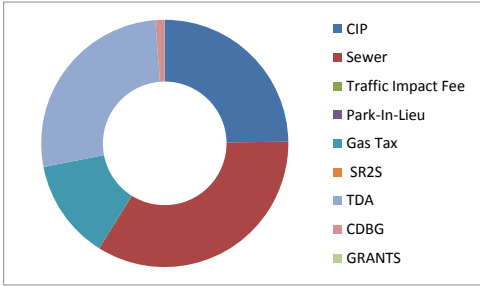
2013/14 CIP - Projects by Category and Year

Project	Proj #	CIP	Sewer	Traffic Impact Fee	Park-In-Lieu	Gas Tax	SR2S	TDA	CDBG	GRANTS	OTHER	TOTAL
Civic Facilities - Parks/Trails												
Covington Class I Pathway/Design	CF-01005	75,000										75,000
Redwood Grove Bank Stabilization (subject to grant funding)	CF-01001	-			282,000					90,000		372,000
Civic Facilities - Buildings												
Civic Center Redevelopment	CF-01002	200,000										200,000
Civic Facilities Capital Recovery Projects	CF-01003	175,000										175,000
Halsey House Renovation/Replacement Study (Grant Funded)	CF-01004										25,000	25,000
Community Development - General												
Housing Element Update	CD-01001	82,500										82,500
Commercial Wayfinding Sign Program	CD-01002	165,000										165,000
Public Art Projects	CD-01003	10,000										10,000
Transportation - Streets/Roadways												
Street Resurfacing	TS-01001	50,000				425,000						475,000
First Street Resurfacing (previously part of street resurfacing)	TS-01002	300,000										300,000
Street Striping	TS-01003					75,000						75,000
First Street South Plan Line	TS-01011	50,000										50,000
Transportation - Pedestrian/Bicycle Safety												
Concrete Repair	TS-01005	200,000										200,000
Traffic Sign Replacement	TS-01006	25,000										25,000
ADA Accessibility	TS-01008								60,000			60,000
Wastewater Systems - Sewers												
Repair Maintenance Problem Areas	WW-01001		599,302									599,302
Structural Reach Replacement, PCR (a)	WW-01002		540,741									540,741
Root Foaming	WW-01003		212,180									212,180
South Sewer Replacement	WW-01004		214,514									214,514
CIPP Corrosion Rehabilitation	WW-01005		145,502									145,502
Fats, Oils and Grease (FOG) Program	WW-01006		53,045									53,045
Geographic Information Systems (GIS) Update	WW-01008		53,045									53,045
TOTAL		\$1,332,500	\$1,818,330	\$0	\$282,000	\$500,000	\$0	\$0	\$60,000	\$90,000	\$25,000	\$4,107,830



2014/15 CIP - Projects by Category and Year

Project		CIP	Sewer	Traffic Impact Fee	Park-In-Lieu	Gas Tax	SR2S	TDA	CDBG	GRANTS	OTHER	TOTAL
Civic Facilities - Parks & Trails												
Miramonte Avenue Path	CF-01006	331,200						1,324,800				1,656,000
Covington Class I Pathway/Construction	CF-01005	201,000										201,000
Civic Facilities - Buildings												
Civic Facilities Capital Recovery Projects	CF-01003	100,000										100,000
Community Development - General												
Special Projects and Studies	CD-01004	50,000										50,000
Transportation - Streets/Roadways												
Street Resurfacing	TS-01001	100,000				375,000						475,000
Street Slurry Seal	TS-01004	125,000										125,000
Street Striping	TS-01003					75,000						75,000
City Alley Resurfacing	TS-01009					195,000						195,000
Transportation - Pedestrian/Bicycle Safety												
Transportation Enhancements	TS-01013	25,000										25,000
Concrete Repair	TS-01005	200,000										200,000
Traffic Sign Replacement	TS-01006	25,000										25,000
Grant Road Bicycle Lane	TS-01012	65,000										65,000
ADA Accessibility	TS-01008											60,000
Wastewater Systems - Sewers												
Repair Maintenance Problem Areas	WW-01001		417,280									417,280
Structural Reach Replacement, PCR (a)	WW-01002		556,963									556,963
Root Foaming	WW-01003		227,507									227,507
South Sewer Replacement	WW-01004		333,226									333,226
CIPP Corrosion Rehabilitation	WW-01005		18,085									18,085
Fats, Oils and Grease (FOG) Program	WW-01006		54,636									54,636
Geographic Information Systems (GIS) Update	WW-01008		54,636									54,636
Sewer System Management Plan Update			21,855									21,855
TOTAL		\$1,222,200	\$1,684,188	\$0	\$0	\$645,000	\$0	\$1,324,800	\$60,000	\$0	\$0	\$4,936,188



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Department Budgets



Legislative & Administration

Responsive, effective and representative leadership with a focus on results in achieving the City's vision to maintain a superior quality of life in the community

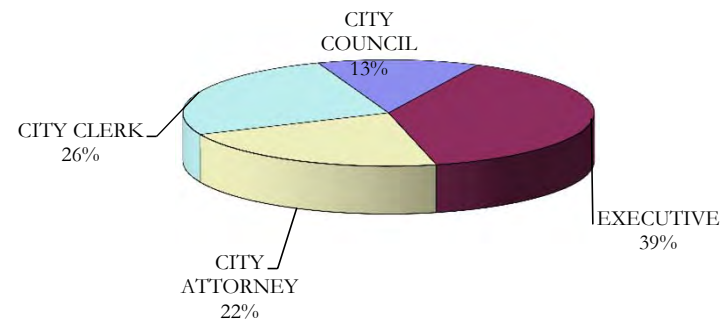
PROGRAM EXPENDITURES	FUND	10-11 ACTUAL	11-12 ACTUAL	12-13 ADOPTED	13-14 PROPOSED	14-15 PROPOSED	13-14 CHG \$	CHG %
CITY COUNCIL	Gen	125,330	176,459	160,660	170,610	173,910	9,950	6.19%
EXECUTIVE	Gen	650,466	648,682	650,373	528,020	537,720	(122,353)	-18.81%
CITY ATTORNEY	Gen	262,737	348,739	282,100	297,500	297,500	15,400	5.46%
CITY CLERK	Gen	347,110	388,927	450,894	351,830	399,200	(99,064)	-21.97%
VOLUNTEERS	Gen	47,515	14,560	0	0	0	-	-
LEGISLATIVE & ADMINISTRATION		1,433,158	1,577,367	1,544,027	1,347,960	1,408,330	(196,067)	-12.70%

City Council has established several goals supporting the City's mission to keep Los Altos a great place to live and to raise a family. These include to:

- Continue prudent fiscal management
- Determine a viable plan to redevelop the Civic Center facilities
- Maintain and foster vibrant Commercial Districts
- Encourage and employ effective community engagement practices
- Enhance prioritization and management of transportation projects

This budget was developed to match the allocation of resources to those goals set forth above. It reflects a focus on community safety with over 50% of the General Fund applied to police and fire resources. Nearly 20% of resources are allocated to streets, parks and infrastructure maintenance, 14% to the preservation of the City's community building standards and 7% to recreation activities.

This budget has been crafted to proactively address those fiscal challenges that Los Altos, and most cities, face. As such, it is geared to continue the promotion of cost savings, resource management while not cutting the many community services offered by the City.



Resources

COST CATEGORY	10-11	11-12	12-13	13-14	14-15	13-14	
	ACTUAL	ACTUAL	ADOPTED	PROPOSED	PROPOSED	CHANGE \$	CHANGE %
PERSONNEL SERVICES	1,006,233	891,647	903,447	683,495	698,865	(219,952)	-24.35%
SERVICE AND SUPPLIES	426,925	685,409	640,580	664,465	709,465	23,885	3.73%
CAPITAL OUTLAY	0	310	0	0	0	-	-
	1,433,158	1,577,367	1,544,027	1,347,960	1,408,330	(196,067)	-12.70%

POSITIONS	10-11	11-12	12-13	13-14	14-15	CHANGE \$	CHANGE %
CITY COUNCIL	5.00	5.00	5.00	5.00	5.00	-	0.00%
EXECUTIVE	3.00	3.00	3.00	4.00	4.00	1.00	50.00%
CITY ATTORNEY	0.00	0.00	0.00	0.00	0.00	-	-
CITY CLERK	1.00	1.00	1.00	1.00	1.00	-	0.00%
VOLUNTEERS	0.75	0.75	0.75	0.00	0.00	(0.75)	-100.00%
	9.75	9.75	9.75	10.00	10.00	0.25	2.56%



Snapshot 13/14 - 14/15

Salary costs reflect moderate growth and increased employee pension contribution rates and a net .25% FTE increase given the changes listed below

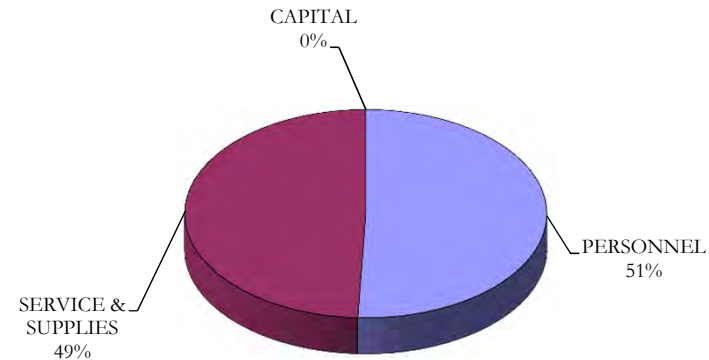
Special Projects Manager reporting and costs shifted from Executive to Community Development for a reduction of one FTE in Executive

Reflects the placement of a full time Executive Assistant in the Executive division transferred from Volunteers originally budgeted at 3/4 time

This budget cycle reflects the unfunded deferral of one Deputy City Clerk position for a net savings of approximately \$100,000

General election costs budgeted in FY2012/13 have been shifted to FY2014/15

City Attorney budget reflects recent trends in costs and claims activity



Finance & Technology

Providing exceptional financial, technology & information reporting services

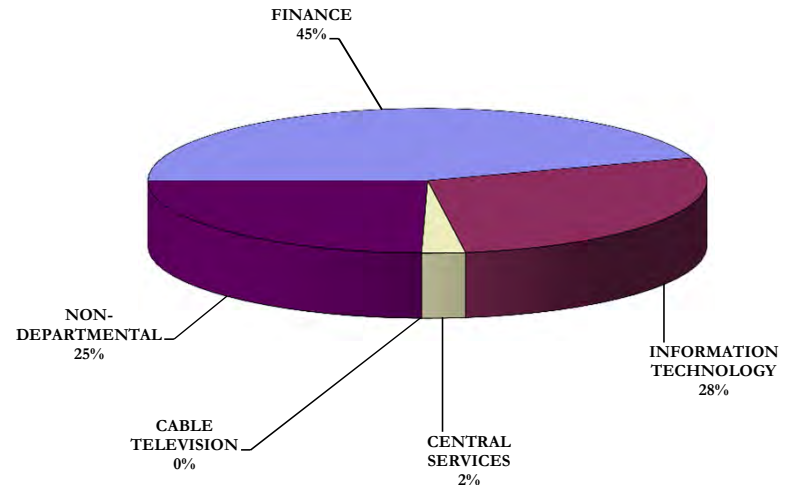
PROGRAM EXPENDITURES	FUND	10-11	11-12	12-13	13-14	14-15	13-14	
		ACTUAL	ACTUAL	ADOPTED	PROPOSED	PROPOSED	CHANGE \$	CHANGE %
FINANCE	Gen	857,036	857,538	1,036,385	884,470	901,290	(151,915)	-14.66%
INFORMATION TECHNOLOGY	Gen	420,513	426,330	522,275	551,610	551,930	29,335	5.62%
CENTRAL SERVICES	Gen	48,396	46,113	41,600	49,600	49,600	8,000	19.23%
CABLE TELEVISION	Gen	134,765	0	0	0	0	-	-
NON-DEPARTMENTAL	Gen	136,231	163,251	548,000	486,000	486,000	(62,000)	-11.31%
FINANCE & TECHNOLOGY		1,596,941	1,493,232	2,148,260	1,971,680	1,988,820	(176,580)	-8.22%

Finance & Technology (FIT) is responsible for maintaining a high level of financial reporting and customer service, audit compliance, City-wide information systems support, developing internal controls and processing fiscal transactions in the furtherance of fiduciary duties

FIT serves internal and external customers, coordinates completion of annual independent financial and compliance audits, develops an annual fiscal plan, supports desktop and mission critical applications, distributes month-end status reports, manages centralized cashiering, processes payroll and receivables, reviews and pays all City bills

Cost-savings measures have been taken in all departments, in observance of likely and material increases in pension and other benefit costs within the five year term of projection. As such, the budget proposes placing a hiring deferral on two finance positions, one manager and one technician with an interim plan to utilize part-time contractors in those two areas. Including other operational budget adjustments and transfers, cost savings are substantial resulting in an overall budget reduction of over 8% or \$180,000

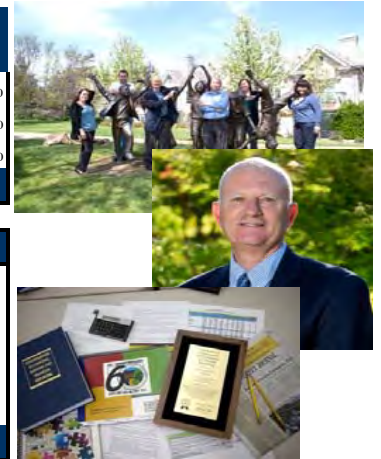
Information Technology is responsible for the replacement costs of City-wide servers, desktops and monitors, and includes contract support dollars in support of 24/7 coverage and specialty services. These services are important to fortify the City's network, systems integration and support the Safety Communications project. Furthermore, the Capital Improvement Program includes technology initiative dollars as the City develops its work plan in this area.



Resources

COST CATEGORY	10-11	11-12	12-13	13-14	14-15	13-14	
	ACTUAL	ACTUAL	ADOPTED	PROPOSED	PROPOSED	CHANGE \$	CHANGE %
PERSONNEL SERVICES	941,998	918,942	1,144,050	819,455	836,495	(324,595)	-28.37%
SERVICE AND SUPPLIES	563,007	521,579	923,210	1,062,225	1,042,325	139,015	15.06%
CAPITAL OUTLAY	91,935	52,711	81,000	90,000	110,000	9,000	11.11%
	1,596,941	1,493,232	2,148,260	1,971,680	1,988,820	(176,580)	-8.22%

POSITIONS	10-11	11-12	12-13	13-14	14-15	CHANGE \$		CHANGE %	
FINANCE	5	6	6	6	6	0	0%		
INFORMATION TECHNOLOGY		2	2	2	2	0	0%		
CENTRAL SERVICES	-	0	0	0	0	0	-		
CABLE TELEVISION	2	0	0	0	0	0	-		
NON-DEPARTMENTAL		0	0	0	0	0	-		
	6.5	8	8	8	8	0	0%		

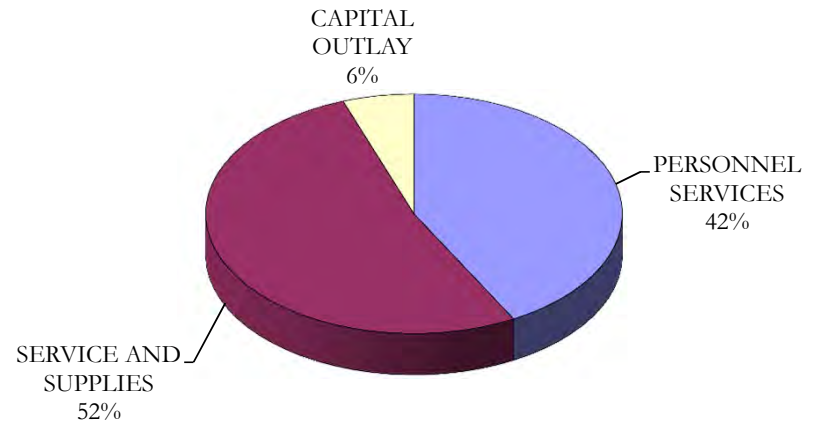


Snapshot 13/14 - 14/15

This budget cycle reflects the hiring deferral of two Finance positions and includes added contract services in the interim for a net savings of approximately \$90,000.

Includes specialty contract services in Information Technology to sustain the City-wide network, maintain 24/7 monitoring, system troubleshooting and updates, the installation of a helpdesk utility, and advanced specialty project assistance.

\$360,000 of General Fund contingency dollars, or 1%, is recorded within non-departmental to cover unknown or unexpected general operational needs



Human Resources

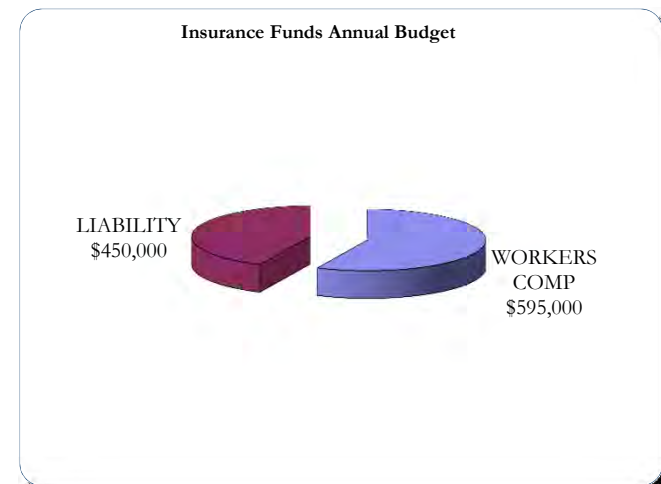
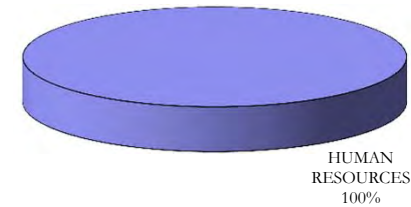
Developing people and managing risk

PROGRAM EXPENDITURES	FUND	10-11 ACTUAL	11-12 ACTUAL	12-13 ADOPTED	13-14 PROPOSED	14-15 PROPOSED	13-14 CHANGE \$	13-14 CHANGE %
HUMAN RESOURCES	GEN	486,402	516,385	724,915	523,330	543,130	(201,585)	-27.81%
HUMAN RESOURCES		486,402	516,385	724,915	523,330	543,130	(201,585)	-27.81%

Human Resources (HR) is responsible for recruitment, compensation and classification, labor relations, employee development and training, employee recognition, benefits administration, workers' compensation and risk management. HR provides guidance and assistance to 130 full-time staff, as well as part-time staff and volunteers. FY 2013/15 initiatives will be to strengthen and implement City-wide Professional Development and Wellness programs for employees. In addition, HR will be assisting in the expansion of online HR systems with Finance and City Departments. The Department will review, analyze and realign workforce vacancies to meet City goals and budget constraints. Human Resources is responsible for monitoring, reviewing and updating Personnel Regulations, Administrative Instructions and HR Ordinances. The Department provides proactive and flexible customer services that address the needs of the City workforce with relevant and timely information, communication, and skillful assistance in support of City employees and the public.

The Risk Management program utilizes Risk Management and Safety Committees to achieve its goals and coordinates safety training, progress reviews, monthly Workers' Compensation review conferences with plan administrators, quarterly meetings of committee members, and implements practices that align with best practices. Dollars for this activity can be found in the Workers' Compensation and General Liability Funds. The Risk Management program has successfully reduced severity and frequency of claims for both General Liability and Workers' Compensation.

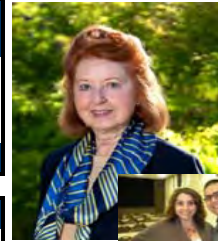
The budget reflects the reallocation of an HR Technician position to administration to fund the newly created Public Information Coordinator position.



Resources

COST CATEGORY	10-11	11-12	12-13	13-14	14-15	13-14	
	ACTUAL	ACTUAL	ADOPTED	PROPOSED	PROPOSED	CHANGE \$	CHANGE %
PERSONNEL SERVICES	371,908	353,300	505,405	389,770	394,570	(115,635)	-22.88%
SERVICE AND SUPPLIES	62,712	110,003	119,510	127,560	142,560	8,050	6.74%
CAPITAL OUTLAY	51,782	53,082	100,000	6,000	6,000	(94,000)	-94.00%
	486,402	516,385	724,915	523,330	543,130	(201,585)	-27.81%

POSITIONS	10-11	11-12	12-13	13-14	14-15	CHANGE	
						\$	%
HUMAN RESOURCES	3	2	3	2	2	-1	-33.33%
	3	2	3	2	2	(1)	-33.33%



Snapshot 13/14 - 14/15

CalPERS employer rate increases of 2% for general employees and 3% for safety employees have been included in the biennial term. Longer term rate increase estimates are included in forecasts

Transfer of vacant Human Resources Technician position transferred to Administration for the Public Information Coordinator position. This results in a one FTE drop in staffing in Human Resources

\$100,000 decline in ABAG grant dollar given the cessation of that program funding. These dollars were wholly grant-funded, resulting in net zero impact. Effective July, 2012 Bay Cities Joint Powers Authority became the City's General Liability carrier.

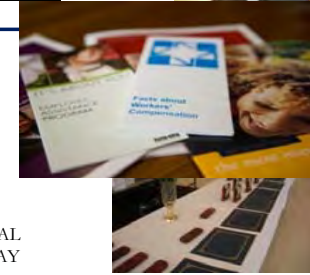
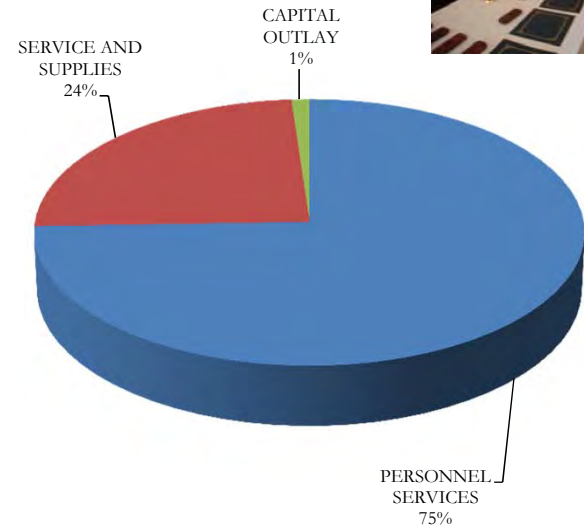
PERS Pension Reforms in process for all employees:

Second Tier Retirement Plan for new hires: 2% @ 60 for misc. and 3% @ 55 for sworn employees; 3-year highest salary formula. New miscellaneous and safety employees pay full 7% or 9% retirement contribution respectively

First Tier contribution levels by existing employees to retirement plan are increasing. Latest negotiations have resulted in increased employee contribution levels to 8% by 2016 for the Teamsters group

The recent State Pension Reform Act creates a Third Tier for new pension system entrance hires: 2% @ 62 for misc. and 2.7% @ 57 for sworn employees; 3-year highest salary formula

This Financial Plan reflects new Teamsters contracts for July 1, 2013 and June 30, 2016. The MOU for Peace Officers Association runs from July 1, 2011 to June 30, 2014



Public Safety

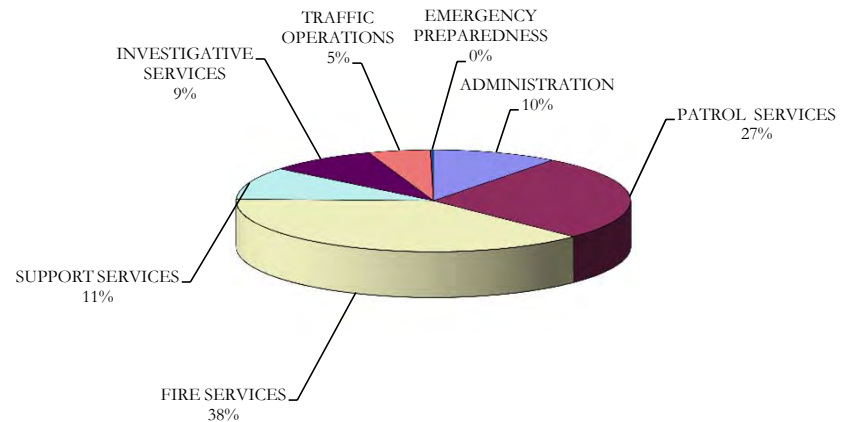
Fostering and maintaining community partnerships which promote an enhanced quality of life for our community and ensure that the City of Los Altos remains a safe place to live and to raise a family

PROGRAM EXPENDITURES	FUND	10-11	11-12	12-13	13-14	14-15	13-14	
		ACTUAL	ACTUAL	ADOPTED	PROPOSED	PROPOSED	CHANGE \$	CHANGE %
ADMINISTRATION	Gen	1,439,888	1,523,542	1,505,040	1,560,640	1,583,020	55,600	3.69%
PATROL SERVICES	Gen	3,599,947	3,995,875	3,955,670	4,109,730	4,139,160	154,060	3.89%
FIRE SERVICES	Gen	5,259,153	5,375,022	5,709,850	5,753,520	6,041,200	43,670	0.76%
SUPPORT SERVICES	Gen	1,396,188	1,421,355	1,531,158	1,560,690	1,587,210	29,533	1.93%
INVESTIGATIVE SERVICES	Gen	1,131,844	1,100,930	1,257,668	1,342,490	1,371,430	84,823	6.74%
TRAFFIC OPERATIONS	Gen	712,277	616,330	597,130	769,000	788,180	171,870	28.78%
EMERGENCY PREPAREDNESS	Gen	4,819	11,866	34,120	38,580	38,580	4,460	13.07%
PUBLIC SAFETY		13,544,118	14,044,920	14,590,635	15,134,650	15,548,780	544,015	3.73%

Strong community partnerships with public safety continue to make Los Altos one of the safest cities in the Bay Area. In 2013 the City earned the distinction of being the 23rd Safest City in America.

Los Altos public safety professionals are committed to providing essential services at a higher level and are devoted to excellence in customer service. Police and Fire personnel view every community contact as an opportunity to build positive relationships and it is their goal to exceed community expectations by going above and beyond what is expected. They are proud of the outstanding connection they have with the community and are dedicated to working together to identify and resolve issues that impact the quality of life in Los Altos.

This two-year budget maintains the current essential core service levels: response to emergency and non-emergency police, fire and medical calls for service; proactive identification of criminal activity, traffic safety and parking enforcement, investigation of crime and prosecution of criminals, 911 call-taking and emergency dispatch services, training of personnel, crime and fire prevention and community outreach, code enforcement, maintenance of records, and property and evidence control.



Resources

COST CATEGORY	10-11	11-12	12-13	13-14	14-15	13-14	
	ACTUAL	ACTUAL	ADOPTED	PROPOSED	PROPOSED	CHANGE \$	CHANGE %
PERSONNEL SERVICES	7,337,257	7,508,209	7,568,485	7,887,525	7,985,027	319,041	4.22%
SERVICE AND SUPPLIES	6,199,610	6,536,711	7,022,150	7,247,135	7,563,753	224,985	3.20%
CAPITAL OUTLAY	7,251	-	-	-	-	-	-
	13,544,118	14,044,920	14,590,635	15,134,660	15,548,780	544,026	3.73%

POSITIONS	10-11	11-12	12-13	13-14	14-15	CHANGE	
						\$	%
ADMINISTRATION	5.00	5.00	5.00	5.00	5.00	-	0.00%
PATROL SERVICES	19.00	19.00	19.00	19.00	19.00	-	0.00%
SUPPORT SERVICES	11.00	11.00	11.00	11.00	11.00	-	0.00%
INVESTIGATIVE SERVICES	7.00	7.00	7.00	7.00	7.00	-	0.00%
TRAFFIC OPERATIONS	5.00	5.00	5.00	4.00	4.00	(1)	-25.00%
EMERGENCY PREPAREDNESS	1.00	1.00	1.00	1.00	1.00	-	0.00%
	48.00	48.00	48.00	47.00	47.00	-1.00	-2.13%



Snapshot 13/14 - 14/15

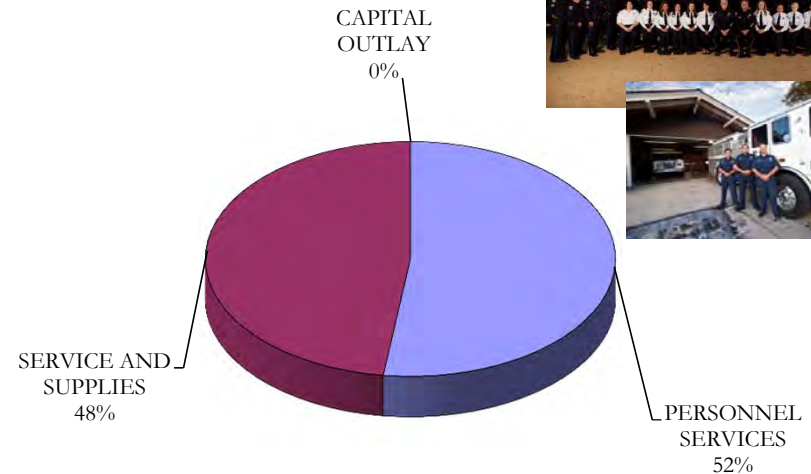
Safety employees experienced a 3% increase in PERS rates in the term of this biennial budget

This budget cycle reflects the hiring deferral of three unfunded positions, one traffic police officer, one community services officer in emergency preparedness and, for a partial interim term, a community services officer in investigations. Emergency preparedness support options are being explored with the Fire district.

In FY 2012/13 a Transportation Engineer position was transferred to the Engineering division

Fire Services reflects a 3% increase in contract costs from the previous year effective January 2013 and a projected additional 5% increase for the remainder of the two-year budget. \$30,000 is included in Traffic Operations for bicycle safety classes in schools

The equipment replacement fund allocates \$115,000 for safety vehicles, \$125,000 for outdated sworn staff portable radios, and another \$60,000 for mission critical personnel safety equipment in year one. Year two includes another phase of safety replacements in the amount of \$135,000



Community Development

Promoting the orderly development of the community, preserving and enhancing the City's appearance, distinct character, and economic viability. Ensuring that development occurs in compliance with the City's General Plan, Specific Plans, Zoning Regulations, and the community goals and objectives

PROGRAM EXPENDITURES	FUND	10-11	11-12	12-13	13-14	14-15	13-14	
		ACTUAL	ACTUAL	ADOPTED	UPDATE	UPDATE	CHANGE \$	CHANGE %
PLANNING	Gen	1,003,555	982,394	1,118,120	1,307,900	1,328,800	189,780	16.97%
BUILDING INSPECTION	Gen	1,081,489	1,210,173	1,183,868	1,246,950	1,269,350	63,083	5.33%
ENGINEERING	Gen	1,064,811	1,206,210	1,310,657	0	0	(1,310,657)	-100.00%
ECONOMIC DEVELOPMENT	Gen	155,694	99,484	202,985	205,550	185,300	2,565	1.26%
TRAFFIC	Gen	231,481	239,304	255,115	255,120	255,120	5	0.00%
COMMUNITY DEVELOPMENT		3,537,031	3,737,565	4,070,745	3,015,520	3,038,570	(1,055,225)	-25.92%
FEE BASED PROGRAM REVENUE		2,778,070	2,463,904	2,729,036	2,618,700	2,697,200	1,202,365	80.43%
DIRECT RECOVERY PERCENTAGE		133%	112%	119%	102%	104%		

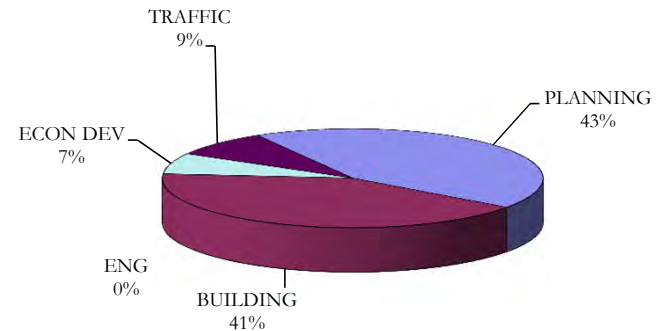
Community Development has been responsible for Planning, Building, Engineering and Development services for the past several years. In FY 2012/13, the City went through a department reorganization that resulted in the creation of a Public Works Department. This action shifted Engineering personnel and costs out of Community Development

Also, in FY 2012/13, the position of Special Projects Manager was transferred from Executive to Community Development

Planning is responsible for the development and administration of programs guiding the physical development of Los Altos, utilizing the General Plan, a variety of neighborhood Specific Plans, and the City's Zoning Ordinance. It also provides design and environmental review of development proposals and general public information services, staff supports Planning and Transportation and the Historical Commissions

The Building Inspection program is responsible for performing architectural and structural plan checks, scheduling and performing building inspections and providing general customer information services

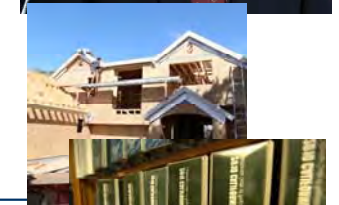
Economic Development is responsible for ensuring the continued success of the commercial districts within Los Altos. Key initiatives include finalizing the Downtown Parking Management Plan and moving forward with recommended strategies from the Plan, the commercial wayfinding signage upgrade, overseeing the implementation of the Reusable Bag Ordinance, and issuance of the Downtown Survey II (\$25,000).



Resources

COST CATEGORY	10-11	11-12	12-13	13-14	14-15	13-14	
	ACTUAL	ACTUAL	ADOPTED	UPDATE	UPDATE	CHANGE \$	CHANGE %
PERSONNEL SERVICES	2,828,740	2,962,873	3,351,800	2,344,015	2,392,065	(1,007,785)	-30.07%
SERVICE AND SUPPLIES	684,362	767,067	708,945	661,505	636,505	(47,440)	-6.69%
CAPITAL OUTLAY	23,929	7,625	10,000	10,000	10,000	-	0.00%
	3,537,031	3,737,565	4,070,745	3,015,520	3,038,570	(1,055,225)	-25.92%

POSITIONS	10-11	11-12	12-13	13-14	14-15	CHANGE	
						\$	%
PLANNING	6	6	6	7	7	1	16.67%
BUILDING INSPECTION	7	7	7	7	7	-	0.00%
ENGINEERING	8	9	9	0	0	(9)	-100.00%
ECONOMIC DEVELOPMENT	1	1	1	1	1	-	0.00%
TRAFFIC	0	0	0	0	0	-	-
	22	23	23	15	15	-8	-34.78%



Snapshot 13/14 - 14/15

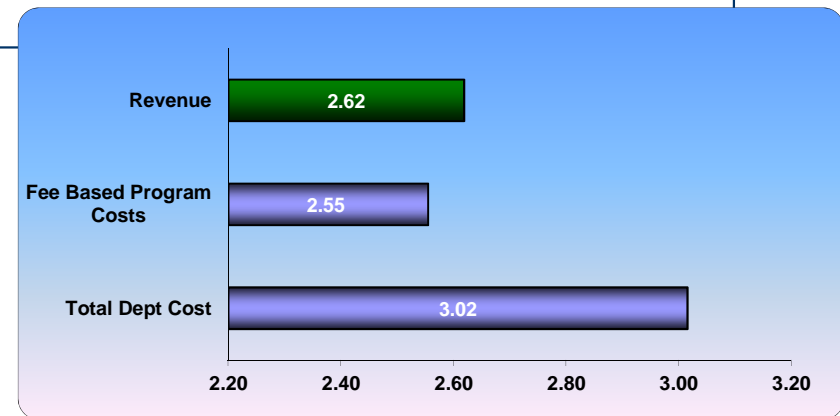
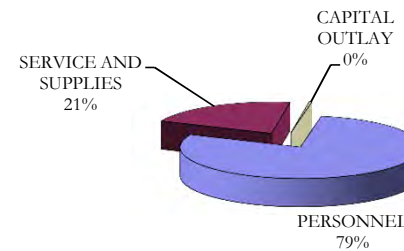
The major shift in dollars is due to the Community Development/Public Works reorganization noted on the preceding department introduction section

The presentation of fee based program revenue in the adjacent chart above is adjusted to display recovery goals net of engineering fees to be more representative of building and planning recovery percentages

This budget cycle reflects the hiring deferral of one unfunded Assistant Civil Engineer

The department manages millions of dollars in private development projects, coordinates the City-wide Capital Improvement Program adopted as part of this budget and maintains the City's General and Housing Plan. As such, contract cost dollars are variable and subject to swings in the housing market and trends and move in alignment with associated cost recovery revenue

The past several years have seen tremendous growth in activity, a trend that is expected to continue in the short to near term



Public Works

Maintain the City's infrastructure to the highest possible standards for the enjoyment and enrichment of community residents and visitors

PROGRAM EXPENDITURES	FUND	10-11	11-12	12-13	13-14	14-15	13-14	
		ACTUAL	ACTUAL	ADOPTED	PROPOSED	PROPOSED	CHANGE \$	CHANGE %
ADMINISTRATION	Gen	486,377	490,746	556,378	395,910	397,260	(160,468)	-28.84%
ENGINEERING	Gen	0	0	0	1,303,930	1,335,660	1,303,930	-
FLEET MAINTENANCE	Gen	112,180	108,755	114,728	116,840	117,580	2,112	1.84%
STREET MAINTENANCE	Gen	690,742	742,391	977,207	757,560	774,120	(219,647)	-22.48%
PARKS & STREET LANDSCAPING	Gen	1,728,578	1,802,963	1,981,318	2,038,560	2,110,520	57,243	2.89%
FACILITY MAINTENANCE	Gen	882,055	924,113	970,515	968,450	974,450	(2,065)	-0.21%
MAINTENANCE SERVICES		3,899,932	4,068,968	4,600,145	5,581,250	5,709,590	981,105	21.33%

The Public Works Department, created in FY 2012/13, is comprised of what were formerly the Maintenance Services Department and the Engineering Division. Engineering oversees capital improvement projects, provides knowledgeable counter service at City Hall, develops budget-appropriate solutions to street and facility improvement requirements, explores and takes advantage of appropriate financial grant opportunities and promoting Council goals in engineering projects. Maintenance Services maintains parks, streets, wastewater collection/storm drainage collection systems, building facilities, fleet and equipment.

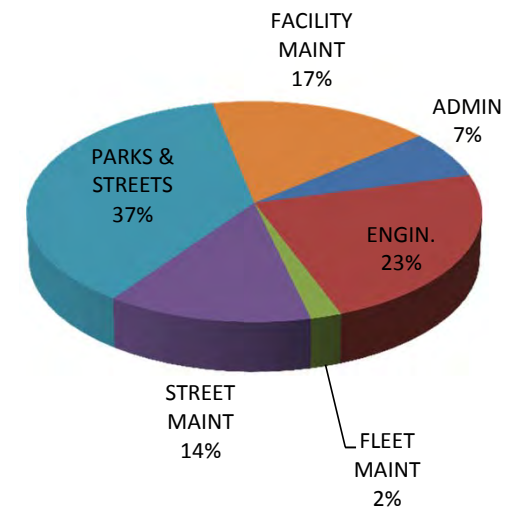
Fleet provides automotive/equipment maintenance for 71 vehicles City-wide

Streets maintains 104 miles of City streets to ensure safe conditions for motorists, bicyclists and pedestrians, responds to potholes, stop and yield sign repairs within 24 hours, inspects all storm drain outfalls, and addresses flow line and drainage problems

Parks maintains 52.5 acres of Parks and 42 acres of landscape boulevards

Sewer maintains 108 miles of sewage collection system and responds on a 24 hour basis to all residential and commercial users. This is accounted for in the Sewer Fund.

Facility Maintenance maintains 136,000 square feet of City buildings/facilities. It provides all preventative maintenance services on schedule and corrective maintenance on a priority basis and ensures buildings meet Fire



Resources

COST CATEGORY	10-11	11-12	12-13	13-14	14-15	13-14	
	ACTUAL	ACTUAL	ADOPTED	PROPOSED	PROPOSED	CHANGE \$	CHANGE %
PERSONNEL SERVICES	2,588,467	2,615,538	3,033,470	3,863,234	3,985,471	829,764	27.35%
SERVICE AND SUPPLIES	1,309,947	1,453,430	1,566,675	1,718,016	1,724,116	151,341	9.66%
CAPITAL OUTLAY	1,518	-	-	-	-	-	-
	3,899,932	4,068,968	4,600,145	5,581,250	5,709,587	981,105	21.33%



POSITIONS	10-11	11-12	12-13	13-14	14-15	CHANGE \$		CHANGE %	
ADMINISTRATION	3.0	3.0	3.0	3.0	3.0	-		0.00%	
ENGINEERING	0.0	0.0	0.0	9.0	9.0	9		-	
FLEET MAINTENANCE	2.0	2.0	2.0	2.0	2.0	-		0.00%	
STREET MAINTENANCE	8.0	8.0	8.0	7.5	7.5	(0.5)		-6.25%	
PARKS & STREET LANDSCAPING	12.5	12.5	12.5	13.0	13.0	0.5		4.00%	
FACILITY MAINTENANCE	4.0	4.0	4.0	4.0	4.0	-		0.00%	
	29.5	29.5	29.5	38.5	38.5	9.0		30.51%	



Snapshot 13/14 - 14/15

The single largest change in this budget is the department reorganization to a newly created Public Works department that now has absorbed the Engineering division - a transfer of \$1.3 million from Community Development

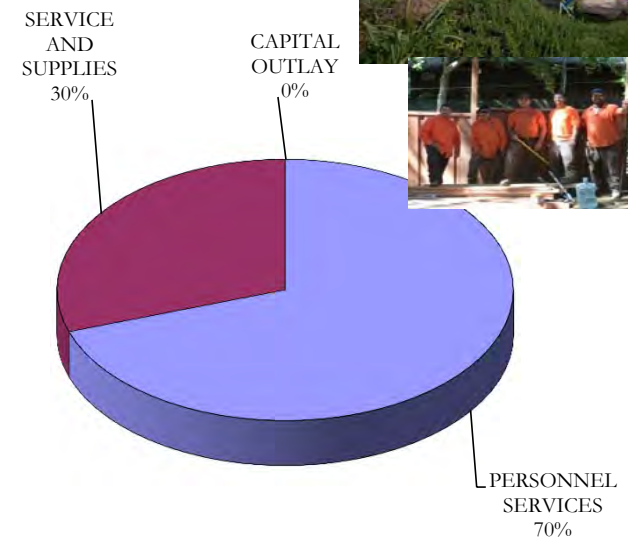
To assist in the area of general maintenance, the Capital Improvement Program (CIP) has been seeded with \$100,000 of annual general facilities repairs to address aging facilities. This department will manage such projects and expenditures through its Facilities program

This budget cycle reflects the unfunded hiring deferral of positions in the following areas:

- 1 Assistant Civil Engineer
- 3 Maintenance Workers
- 1 Maintenance Supervisor
- 1 Maintenance Fleet Facilitator

The Teamsters labor group, all of whom are staffed in the Maintenance Divisions of this department, recent ratified a three-year contract beginning July 2013. This contract, which phases in full employee paid CalPERS contributions by 2016, has been built into the 2013/15 budget

General materials and services budgets in this department remained relatively flat



Recreation

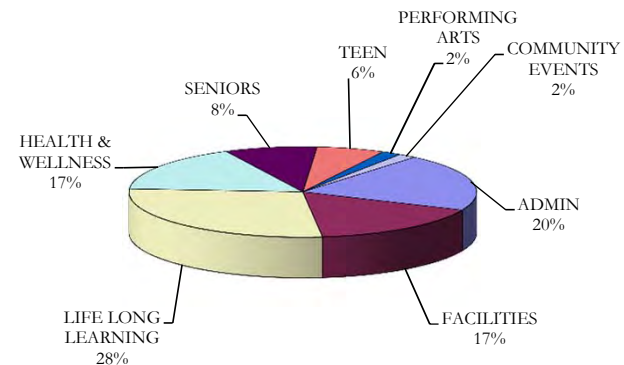
The Los Altos Recreation Department strives to enrich community members through active participation in life long learning, health and wellness, community involvement, and recreational activities

PROGRAM EXPENDITURES	FUND	10-11	11-12	12-13	13-14	14-15	13-14	
		ACTUAL	ACTUAL	ADOPTED	PROPOSED	PROPOSED	CHANGE \$	CHANGE %
ADMINISTRATION	Gen	392,087	405,395	416,788	443,380	441,930	26,593	6.38%
FACILITIES	Gen	327,543	347,697	365,990	359,390	361,450	(6,600)	-1.80%
LIFE LONG LEARNING	Gen	507,283	587,338	599,425	603,190	605,560	3,765	0.63%
HEALTH & WELLNESS	Gen	322,215	350,588	357,220	360,840	362,780	3,620	1.01%
SENIOR PROGRAMS	Gen	159,681	174,818	166,696	186,010	188,310	19,314	11.59%
TEEN PROGRAMS	Gen	121,388	138,509	133,730	136,840	139,080	3,110	2.33%
PERFORMING & VISUAL ARTS	Gen	53,381	42,769	39,474	39,470	39,470	(4)	-0.01%
COMMUNITY EVENTS	Gen	23,081	35,362	41,780	35,840	35,840	(5,940)	-14.22%
RECREATION		1,906,659	2,082,476	2,121,103	2,164,960	2,174,420	43,857	2.07%
FEE BASED PROGRAM REVENUE		1,715,539	1,748,230	1,757,927	1,759,100	1,811,800	1,173	0.07%
DIRECT RECOVERY PERCENTAGE		100%	93%	92%	91%	93%		

Recreation provides comprehensive multi-age recreation and leisure service programs including life-long-learning, health and wellness, seniors, teens, performing and visual arts, community events and facilities management. The Department operates in a professional, responsive and cost-effective manner with outstanding customer service while keeping pace with changing community needs and priorities.

The budget remained consistent with the prior year and the past year saw the full activation of the refurbished San Antonio facility for a full complement of programming at that location.

Revenues continue to strengthen, a testament to the innovation of the recreation team when one considers the aged state of the facilities and buildings within which they operate.

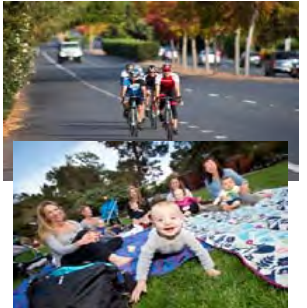


Resources

COST CATEGORY	10-11	11-12	12-13	13-14	14-15	12-13 Update	
	ACTUAL	ACTUAL	ADOPTED	PROPOSED	PROPOSED	CHANGE \$	CHANGE %
PERSONNEL SERVICES	970,910	998,650	1,011,670	1,007,464	1,020,984	(4,206)	-0.42%
SERVICE AND SUPPLIES	935,749	1,107,723	1,106,096	1,154,996	1,150,936	48,900	4.42%
CAPITAL OUTLAY	-	-	-	2,500	2,500	2,500	-
	1,906,659	2,106,373	2,117,766	2,164,960	2,174,420	47,194	0.02



POSITIONS	10-11	11-12	12-13	13-14	14-15	CHANGE \$	CHANGE %
ADMINISTRATION	1	1	1	1	1	0	-
FACILITIES	1	1	1	1	1	0	-
LIFE LONG LEARNING	2	2	2	2	2	0	-
HEALTH & WELLNESS	1	1	1	1	1	0	-
SENIOR PROGRAMS	1	1	1	1	1	0	-
TEEN PROGRAMS	1	1	1	1	1	0	-
PERFORMING & VISUAL ARTS	0	0	0	0	0	0	-
COMMUNITY EVENTS	0	0	0	0	0	0	-
	7	7	7	7	7	0	0.00



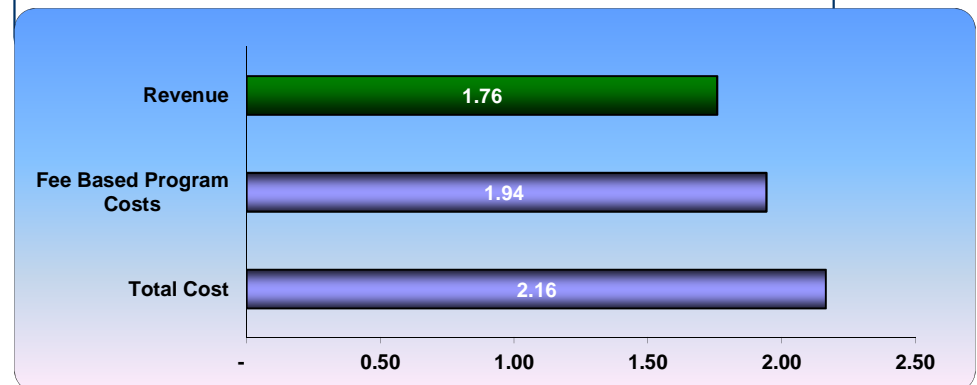
Snapshot 13/14 - 14/15

This budget cycle reflects the hiring deferral of one unfunded administrative support position.

In the FY 2012/13 term \$23,000 of part time dollars were transferred to Recreation to fund the transfer of volunteer duties to the department from administration

The Cost allocation plan proposes the implementation of a "market-based" revenue model to enhance the ability of the department to adapt to changing market conditions with program and facility pricing. Projected revenue levels reflect traditional collections and will be adjusted in the interim period for what is expected to be a positive impact with the change in the fee/pricing model.

The increase in the senior program budget reflects a modification in the construct of the contract/class billing system that now requires the full pass of sales through City systems. Revenue offsets have been adjusted accordingly.



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Other Services



Enterprise, Capital & Other Funds

PROGRAM EXPENDITURES	FUND	10-11 ACTUAL	11-12 ACTUAL	12-13 ADOPTED	13-14 PROPOSED	14-15 PROPOSED	Change \$	13-14 Change %
GENERAL CAPITAL PROJECTS	CIP	6,112,155	4,991,650	1,824,200	1,447,500	1,222,200	(376,700)	-21%
EQUIPMENT	Equip	230,386	127,893	130,000	300,000	135,000	170,000	131%
CAPITAL		6,342,541	5,119,543	1,954,200	1,747,500	1,357,200	(206,700)	-10.6%
SEWER SERVICES	Ent	3,130,235	3,644,771	3,609,955	3,622,310	3,722,242	12,355	0%
SEWER CAPITAL PROJECTS	Ent	1,239,673	741,299	1,644,000	1,818,330	1,684,188	174,330	11%
SOLID WASTE	Ent	716,600	341,449	440,311	440,310	449,120	(1)	0%
STORM DRAIN	Ent	199,808	212,627	257,475	257,480	257,480	5	0%
ENTERPRISE OPERATIONS		5,286,315	4,940,146	5,951,741	6,138,430	6,113,030	186,689	3.1%
SPECIAL REVENUE	Spec Rev	275,447	139,896	951,000	892,000	2,079,800	(59,000)	-6%
INTERNAL SERVICE	Int	1,055,723	1,053,254	1,179,000	1,185,000	1,185,000	6,000	1%
DEBT SERVICE	Debt	245,317	314,032	252,499	256,410	253,560	3,911	2%
TOTAL OTHER FUNDS		1,576,487	1,507,182	2,382,499	2,333,410	3,518,360	(49,089)	-2.1%
TOTAL		13,205,344	11,566,870	10,288,440	10,219,340	10,988,590	(69,100)	-0.7%

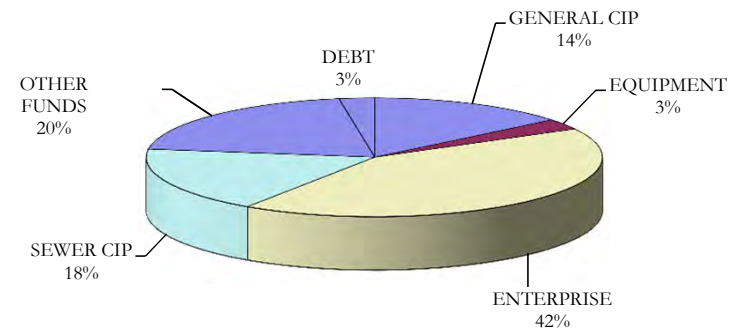
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This fund group is made up of several separate funds including the Capital Projects Fund, the Equipment Replacement Fund, Community Facility Renewal Fund, Enterprise, Internal Service and Debt Service Funds.

The Capital Projects Fund holds long-term capital funding reserves and accounts for all revenue and costs associated in managing the construction of new and replacement of City infrastructure. This fund targets the maintenance and replacement of all City facilities, roadways, parks, and general public right-of-way improvements. Finding funding sources for infrastructure remains a challenge for most cities which have limited ability to increase the level of revenue streams necessary for these material project costs.

Enterprise Funds include Sewer, Solid Waste and Storm Drain. Internal Service Funds include all Gas Tax, grant, State-provided funds, special revenue proceeds and debt funds.

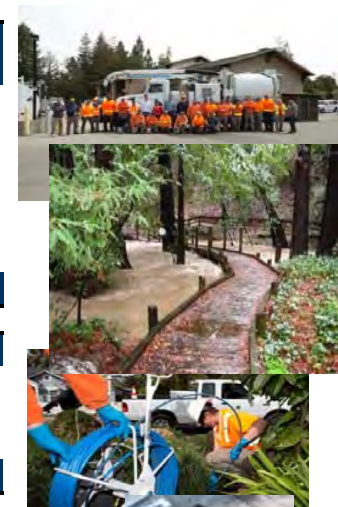
In the FY 2013/14, the Storm Water Fund will be reclassified from an Enterprise to a fully General Fund supported operation given the absence of an established assessment fee-based district model.



Resources

COST CATEGORY	10-11	11-12	12-13	13-14	14-15	13-14	
	ACTUAL	ACTUAL	ADOPTED	UPDATE	UPDATE	Change \$	Change %
PERSONNEL SERVICES	845,986	905,804	1,041,363	1,039,023	1,069,223	(2,340)	0%
SERVICE AND SUPPLIES	4,531,826	4,470,677	5,396,378	5,358,078	6,624,419	(38,300)	-1%
CAPITAL EQUIPMENT	230,386	143,408	130,000	300,000	135,000	170,000	131%
CIP CAPITAL PROJECTS	6,112,155	4,991,650	1,824,200	1,447,500	1,222,200	(376,700)	-21%
SEWER CAPITAL PROJECTS	1,239,673	741,299	1,644,000	1,818,330	1,684,188	174,330	11%
DEBT	245,317	314,032	252,499	256,410	253,560	3,911	2%
ENTERPISE COMBO	13,205,344	11,566,869	10,288,440	10,219,341	10,988,590	(69,099)	-0.67%

POSITIONS	10-11	11-12	12-13	13-14	14-15	Change \$		Change %	
SEWER	6.25	6.25	6.25	6.25	6.25	0	0%		
SOLID WASTE	0.25	0.25	0.25	0.25	0.25	0	0%		
STORM WATER	1.00	1.00	1.00	1.00	1.00	0	0%		
	7.50	7.50	7.50	7.50	7.50	0.00	0.00%		



Snapshot

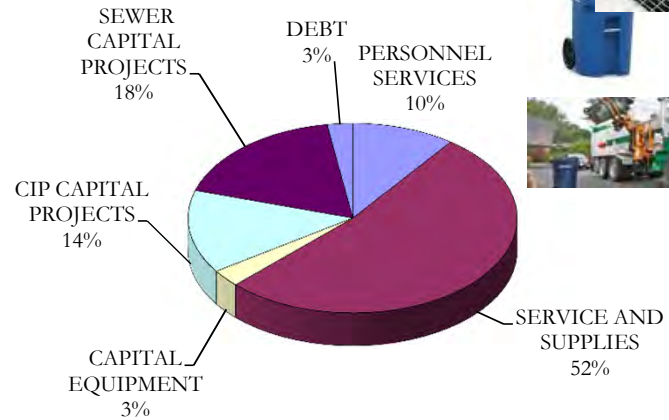
Capital Project expenditure levels change widely as they are variable based upon their allocation within the five-year CIP plan

Sewer service operating and capital projects costs, as presented, have been aligned with the newly adopted Sewer Master Plan, rate study revenue assumptions and capital needs. These projections match the Master Plan projections and will be evaluated annually against that benchmark

Solid Waste total costs are lower now that they are aligned with the new waste contract model

Storm Drain funds remain fairly level in the short term and are fully now dependent on General Fund transfers

No new debt issued in this biennial term



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Forecast



TEN YEAR FORECAST - ASSUMPTIONS

Revenue Assumptions

- 1 Major General Fund revenue sources will grow between 2 to 5% per year in the forecast term (10 years)
- 2 Interest earning rates will range from 1 to 3% in the near term and extend to 5% in the long term
- 3 No further State takeaways anticipated
- 4 Sales tax remains stable with no major retail relocations or additions taking place
- 5 Property Tax begins recovering at a normalized pace
- 6 Transient Occupancy Tax rates will remain at current levels
- 7 Storm Water Assessment District funding is assumed to be absent and costs to be absorbed into the General Fund
- 8 All recreation facilities are assumed to be available throughout the Civic Center redevelopment

Expenditure Assumptions

- 1 No increase in full-time positions and some vacancies filled over the forecast term
- 2 City-wide salary and benefits costs to be controlled within sustainable growth rates
- 3 Substantial PERS contribution rate hikes assumed and partially mitigated by phased employee contribution rates
- 4 Increases in health care assumed along with projected mitigating factors - the impact of new legislation unknown
- 5 Impact of the newly introduced second and third tier PERS plans projected be realized in later years
- 6 Newly established CalPERS reserve utilized within a five-year term
- 7 No debt issuance is anticipated beyond existing levels
- 8 Material and service costs are assumed to increase at CPI rates
- 9 Workers' Compensation and liability costs remain relatively stable in later years
- 10 Equipment and vehicle replacement costs assumed to remain at average levels for years 2 through 5

“The only reason for time is so that everything doesn't happen at once.”

Albert Einstein



TEN YEAR FORECAST - STRENGTHS - THREATS - OPPORTUNITIES

Strengths

- 1 Los Altos continues a cost-containment profile
- 2 Major Revenue sources - Property Tax - Sales Tax - Hotel Tax are relatively stable
- 3 Los Altos is characterized by a high level of safety and environmental consciousness
- 4 Los Altos is home to outstanding educational institutions
- 5 City staffing levels reflect operational efficiency
- 6 Pension reform is actively being put into place
- 7 Contract outsourcing is utilized where possible to take full advantage of external skill sets and specialized expertise
- 8 Los Altos remains highly rated from a credit quality perspective
- 9 Los Altos enjoys a tremendous amount of citizen participation, support and volunteerism
- 10 Los Altos is located in the heart of a robust California center of commerce and technology
- 11 The City enjoys a tradition of strong leadership, operational and financial management, and workforce collaboration

Threats

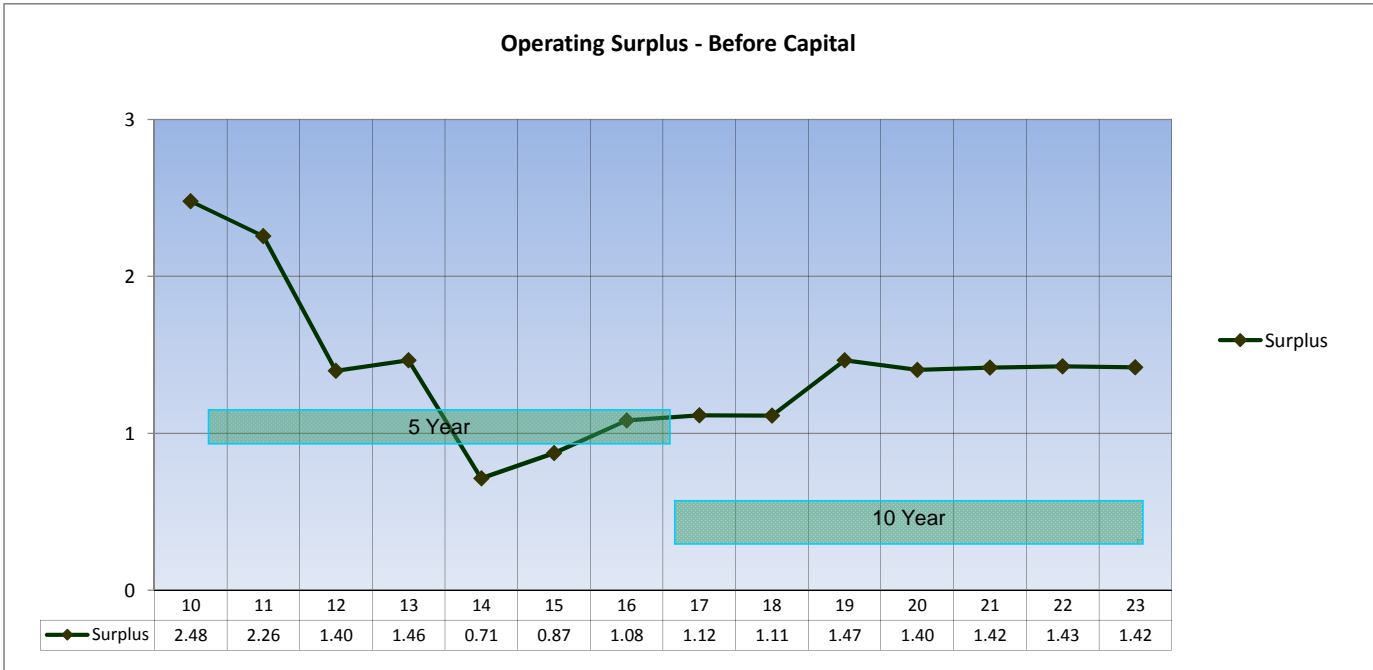
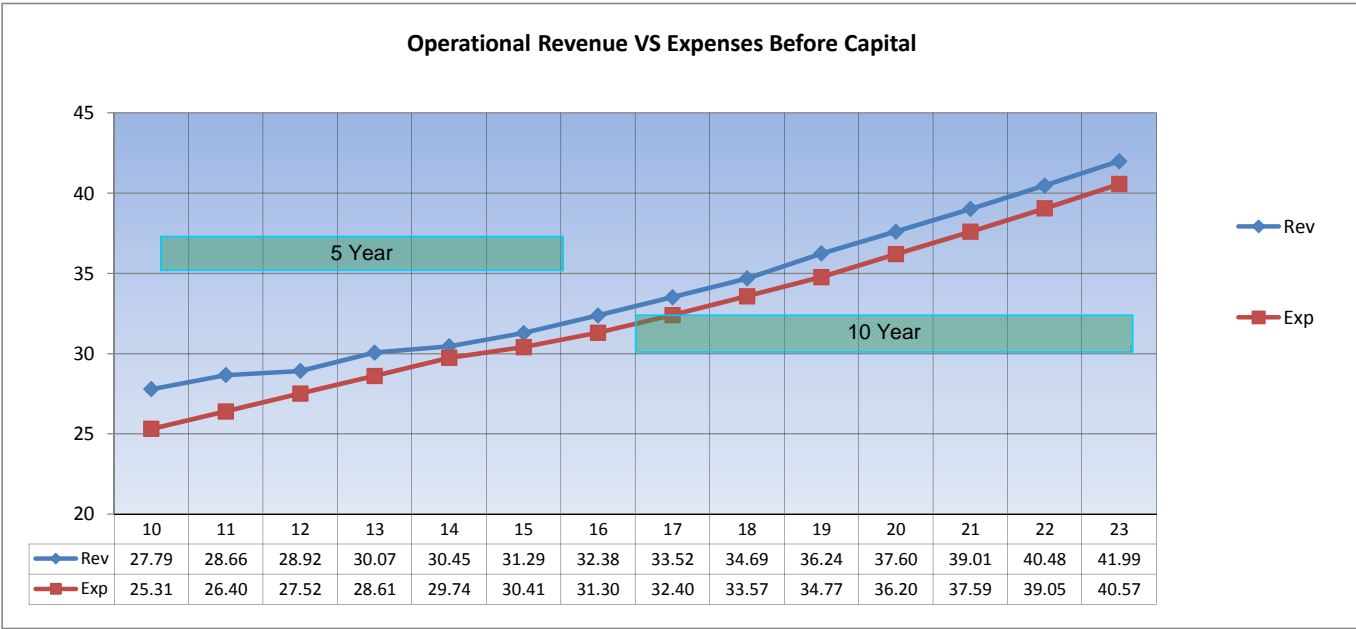
- 1 Local Government has limited influence on major income streams
- 2 The City remains susceptible to legislative revenue takeaways given budget weaknesses at the State level
- 3 Cost control, especially in the arena of labor and benefits, is a vital part of a long-term strategy
- 4 Potential increases in the cost of Fire Services is a major concern as the contract is set to expire in 2016
- 5 Reform of pension costs and models is foundational in the long-term
- 6 Developing an ongoing dedicated capital project funding source remains a challenge
- 7 Monitoring and enhancing City-wide cost recovery performance is a continuous effort
- 8 Facility maintenance and upgrading remains a substantial challenge as City facilities age and become operationally outdated
- 9 The financial model presumes normalized health care and insurance costs and equitable cost-sharing
- 10 Master plan-identified costs such as - Storm Water - Traffic Calming - Pedestrian Systems remain to be addressed

Opportunities

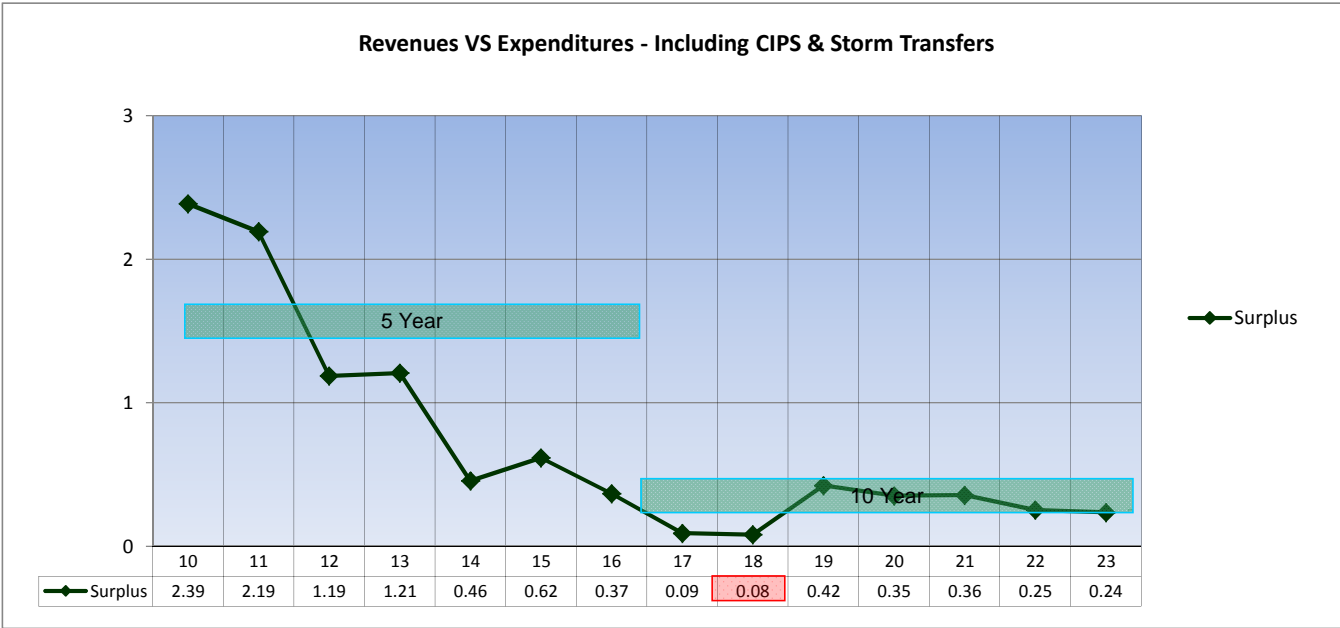
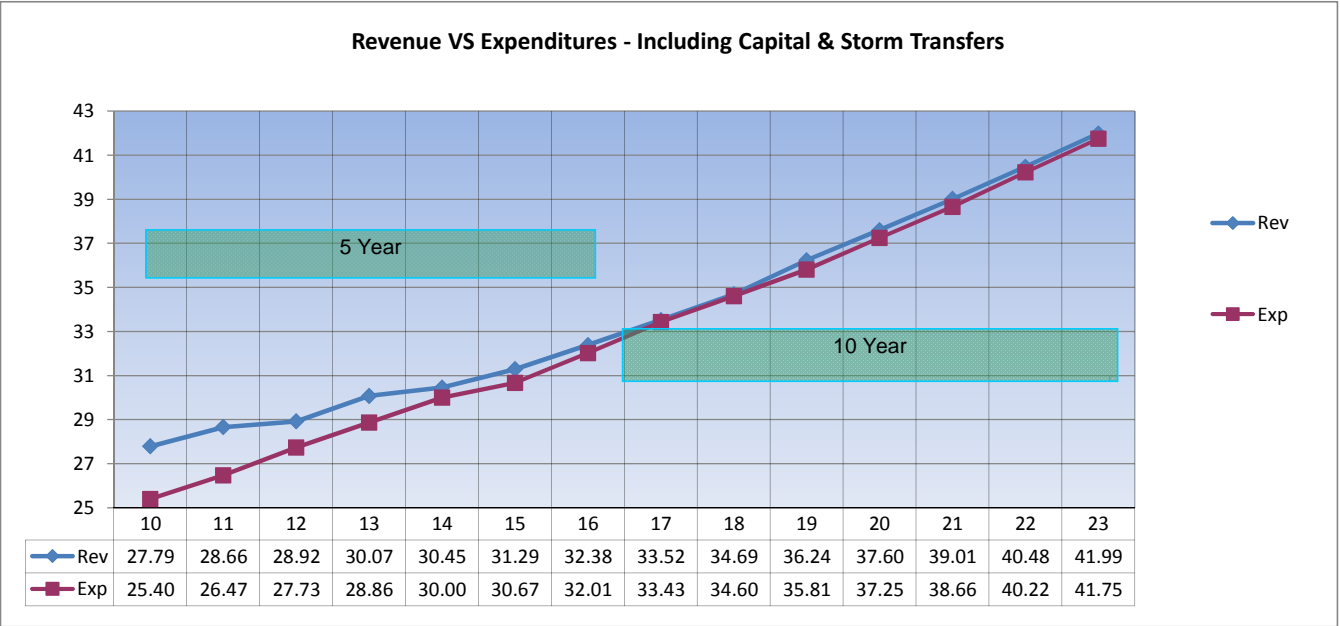
- 1 Continue to pursue cost-efficiency measures and develop sustainable levels of operation
- 2 Build upon community support for much needed facility improvement funding for safety - recreation - library - fields
- 3 Enhance technology to provide even better, faster and more accessible services
- 4 Continue in the efforts to create a vibrant downtown and integrated Civic Center
- 5 Continue economic development efforts City-wide with a focus on the City's commercial districts
- 6 Consider the viability of creating Business Improvement and/or Parking District funding and maintenance mechanisms
- 7 Pursue State or Federal grants wherever possible
- 8 Be fully responsive to consumer-driven activities through targeted marketing and facility upgrades
- 9 Study the viability of establishing a self-sustaining Storm Drain Assessment District to provide General Fund relief



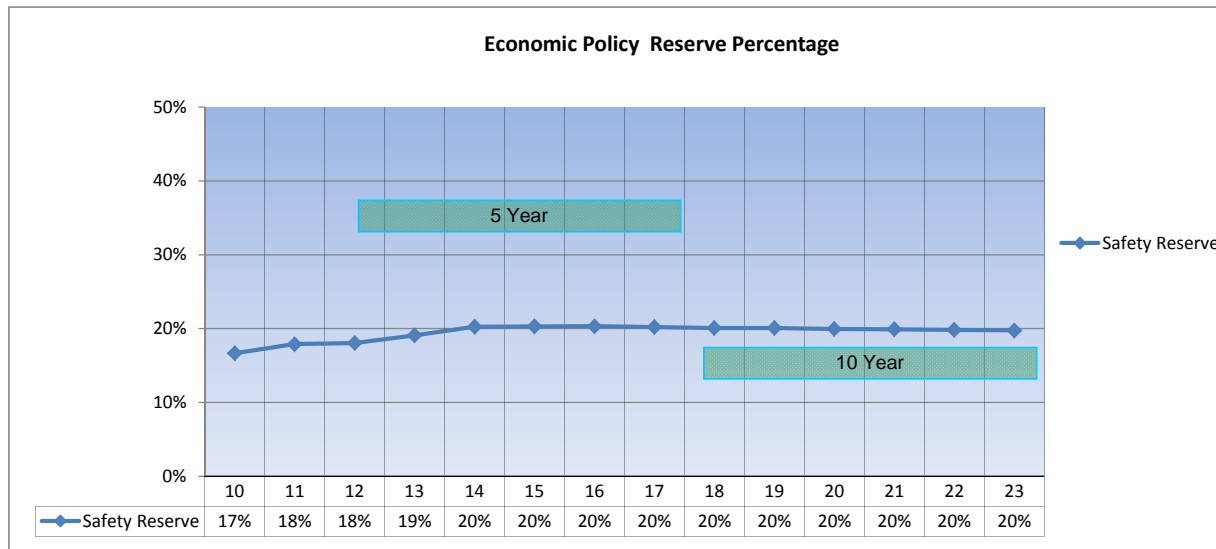
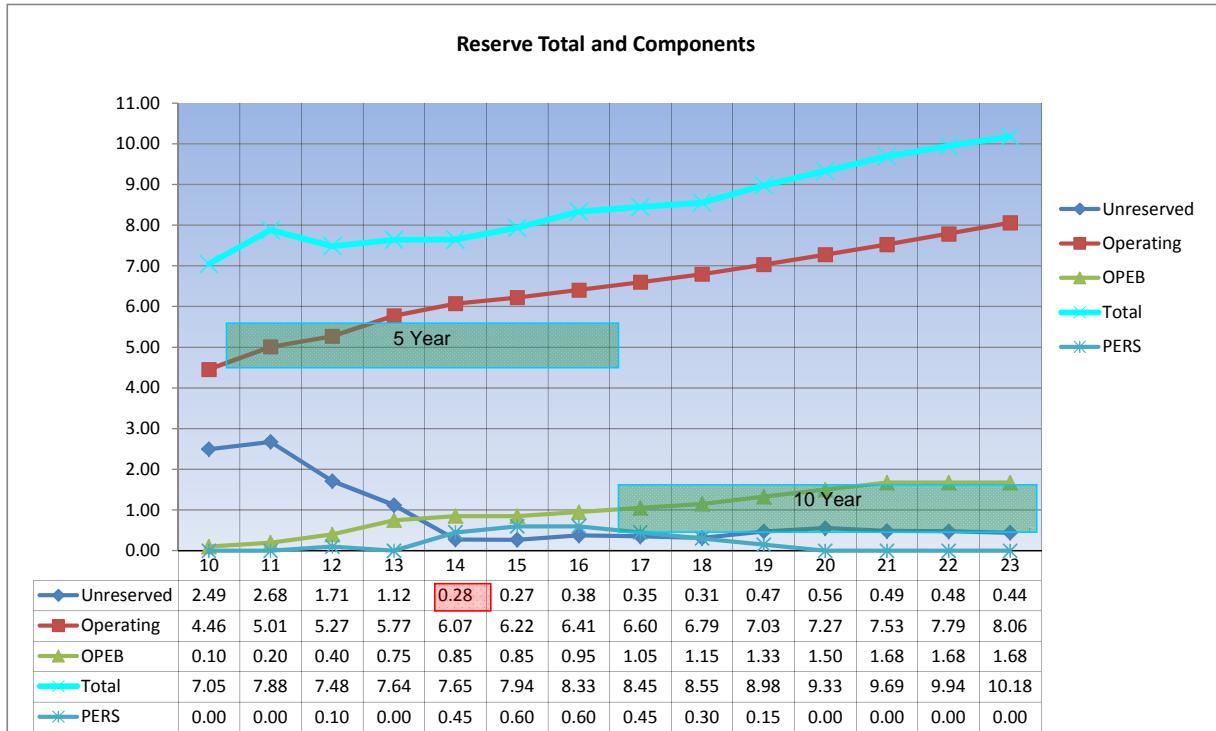
TEN YEAR FORECAST - OPERATIONAL PERFORMANCE



TEN YEAR FORECAST - TOTAL OUTLAYS



TEN YEAR FORECAST - RESERVES



Capital Improvement Program



FY 2013/14 to 2017/18



Capital Improvement Program (CIP)

FY 2013/14 - 2017/18

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CIP revenue sources
Glossary of terms

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Project by category & year
Project by category
Projects by funding source
Funded Projects
Projects - all years
Unscheduled & Unfunded projects

CAPITAL PROJECTS

Civic Facilities

Buildings
Parks/Trails
Parking Lots

Community Development

General
Infrastructure
Technology

Transportation

Pedestrian/Bicycle Safety
Streets/Roadways

Wastewater Systems

Sewer
Storm

Capital Improvement Program (CIP)

Guide to the five-year CIP

Introduction

The Capital Improvement Program (CIP) projects the City's capital investments over a five-year term. It is both a fiscal and strategic device that allows for the planning, scoping, prioritization and monitoring of all capital projects. The document quantifies and defines costs, funding sources, departmental responsibilities, project phases and timing. Each year the CIP is reviewed and updated as part of the City-wide financial planning and goal-setting process. At the same time, it sets a vision long term planning and preparation. It is also valuable as a community outreach and communications tool as it speaks to major tax dollar investments that are placed in direct and very visible City-wide infrastructure improvements. Such projects involve larger dollar expenditures that normally have a long useful life cycle.

The CIP includes five years of projected capital needs, the first year of which will be appropriated within the annual budget process. Dollars in the first year of the five-year CIP will be authorized for spending in the project planning, bidding and award process. The remaining four years of the CIP serve as a proposed financial plan subject to annual review.

How this Document is Organized

The CIP is broken down into three major sections. **The first section is a high level overview** that describes projects from a variety of informational perspectives. In this section, projects are presented by year, by category and by funding source. Each project has been assigned a categorical priority designed to support the City's overall goals. In doing so, capital projects have been assigned one of the four following priority classifications:

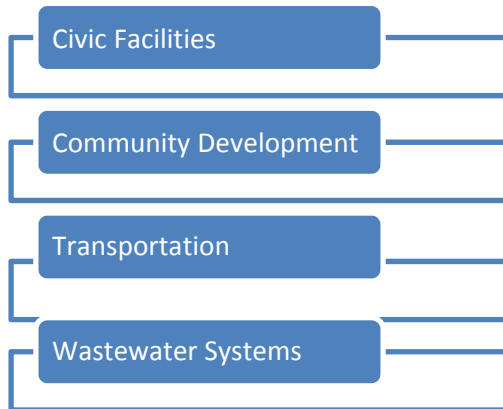
- ❖ Health & Safety
- ❖ Asset Preservation
- ❖ Efficiencies/Cost Savings
- ❖ Quality of Life

Capital Improvement Program (CIP)

Guide to the five-year CIP

The second section provides a detailed descriptions for each capital project within improvement area or category. These categories are designed to emphasize the particular infrastructure needs of Los Altos, as noted below:

Civic Facilities: Includes general upkeep, repair and replacement of parks, buildings and associated infrastructure and amenities in support of the wide variety of services the City provides to the community.



Community Development: Includes general infrastructure, civic planning, technology enhancements and facilities of a general service nature. Examples include bridges, lighting and median landscaping, technology, communications, master plan and special project studies.

Transportation: Includes roadway enhancements and improvements geared towards pedestrian and bicycle safety, and efficient traffic flow. Upgrade and maintenance is a core part of this category, as well as signal lighting, street striping, traffic calming measures and intersection improvements

Wastewater Systems: Includes improvements to maintain and improve essential sewer and storm water systems vital in the preservation of health and safety. This is a highly regulated and environmentally-sensitive area and exists in a self-sustaining fee-based model.

Capital Improvement Program (CIP)

Guide to the five-year CIP

Each of the project descriptions within the various service areas display projected costs for each of the next five years including the proposed allocation for FY 2013/14, planned costs for the following four years, a brief description of each project, the identified area of priority/benefit and a brief commentary of the status of ongoing and current expenditures. For projects where the operational cost impact is known, this information is also included in the description. Inflationary factors are also included where appropriate.

In this first year of implementation of the new format, individual project descriptions have focused on the newly proposed projects while legacy active project are primarily presented on a summary status listing. As this document evolves, all active and proposed projects will be developed into individual five-year project formats.

Other key documents included are:

- Revenue source definitions
- A listing of Unscheduled and Unfunded Projects
- A Glossary of terms

The Capital Improvement Program is an invaluable component of the City's efforts to provide a safe, healthy and attractive community.

Health & Safety

Transportation Improvements
Streets and Roadways
Pedestrian and Pathway
Improvements
Wastewater Systems
Safety Communications

Ensuring Quality of Life

Community Development
Technology & Infrastructure
Public Safety Communications
Civic Facilities
Recreation/Parks/Trails
Municipal Facilities
Parking Lots/Building/Planning

Asset Preservation

Road Resurfacing
Slurry Seal
Facility Maintenance

Efficiency

Technology
Geographic mapping
Long term planning

Operating & CIP Budgets

CIP Revenue Sources

How CIP projects are financed

When it comes to CIP projects, many cities like Los Altos, have had to develop a series of internal and external funding mechanisms. This is because local government resources are limited in nature. Many funding sources are restricted in use and subject to discretionary State subventions. Furthermore, local government revenues are highly sensitive to economic movement and prospects for increases are few and far between. As result, Los Altos has funded a core percentage of general service improvements from its General Fund placing such resources in direct competition with operational needs.

Wherever possible, the City seeks out external funding sources. These sources, which are restricted to specific application areas, are defined below:

RESTRICTED REVENUE FUNDS:

Roadways and Traffic

Gas Tax – Financing is provided by the City’s share of the State tax on gasoline, which can only be used for the research, planning, construction, improvement, maintenance, and operation of public streets and highways or public mass transit corridors.

Transportation Grants – Grant funding from State and Federal sources that can only be used for transportation improvement projects in the City’s rights-of-way. Grants of this type in the Silicon Valley have originated from such agencies as the Valley Transit Authority, Federal Stimulus Funds, and the Metropolitan Transit Commission, among others.

Operating & CIP Budgets

CIP Revenue Sources

Traffic Impact Fees - Developer fees in the form of Traffic Impact Fees (TIF) can assist in the area of traffic capacity and flow. TIF funds are generated through the increase in residential housing living units and can be applied to traffic impacts with a focus on enhancing traffic flow and calming measures. Such fees are designed to have developers contribute towards the impact of growth in the local jurisdiction.

State Traffic Development Act Funds - The Transportation Development Act (TDA) provides two major sources of funding for public transportation: the Local Transportation Fund (LTF) and the State Transit Assistance fund (STA). These funds are for the development and support of public transportation needs that exist in California and are allocated to areas of each County based on population, taxable sales and transit performance. The allocation of these funds is discretionary at the State level.

Community Facilities

Park-In-Lieu Fees - Funding for open space and parks and recreation facilities can be derived from State and Federal grants and/or mostly developer fees. Developer fees in this area, referred to as Park-in-lieu Fees (PIL), are generated based on the growth in the number of livable housing units and can be applied to the acquisition, design, construction or repair of parks and recreation properties and facilities.

ENTERPRISE FUNDS

Wastewater - Funding from the services rendered on a user surcharge basis to residents and businesses located in Los Altos and municipal service charges to Los Altos Hills for their pass-through use of the City's system. These revenues also support operation and maintenance of the of the utility systems. The capital portion is used for underground pipelines, diversion systems, pump stations and distribution channels. CIP project costs in this area are supported by a multi-year Master Plan for this substantial utility system.

Although the City also maintains storm water systems, those utility costs are not fee-based funded at this time and rely on General Fund transfers.

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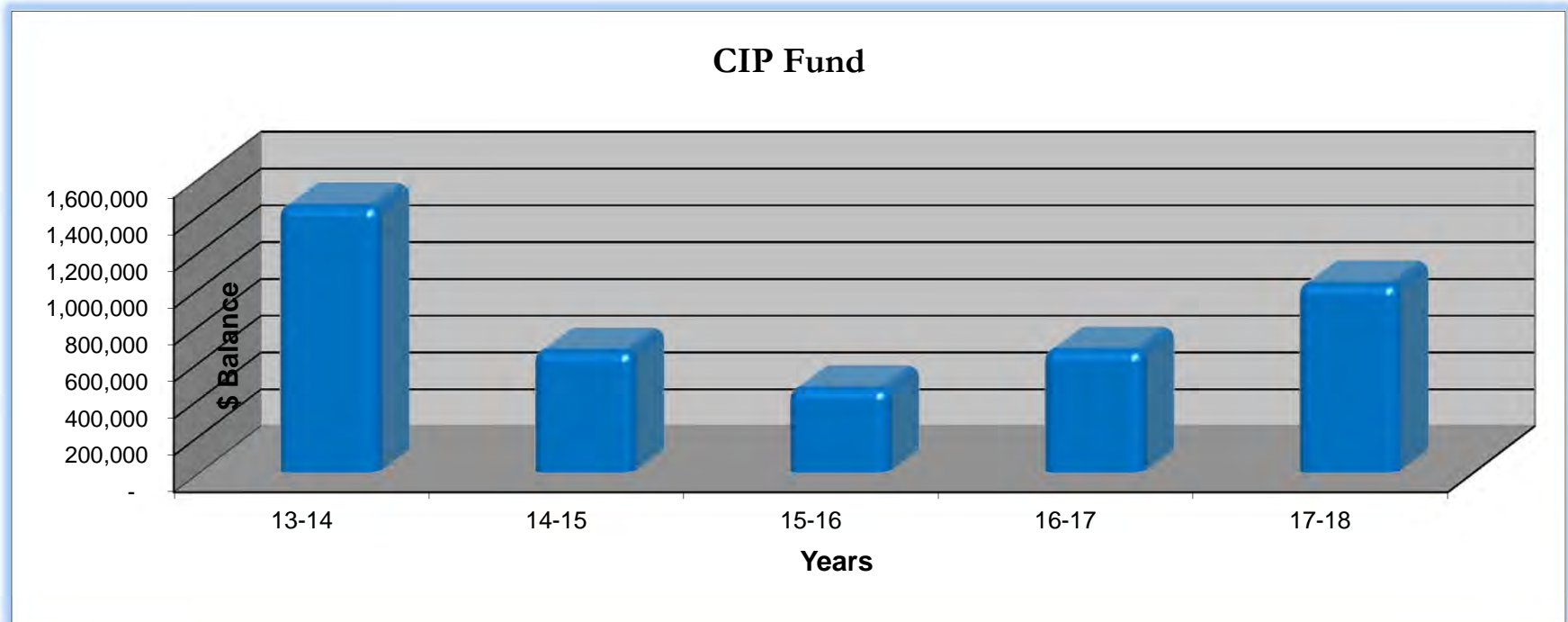
Project Summary Schedules



City of Los Altos

Five-Year CIP - Fund Balance Projections FY 2013/14 to 2017/18

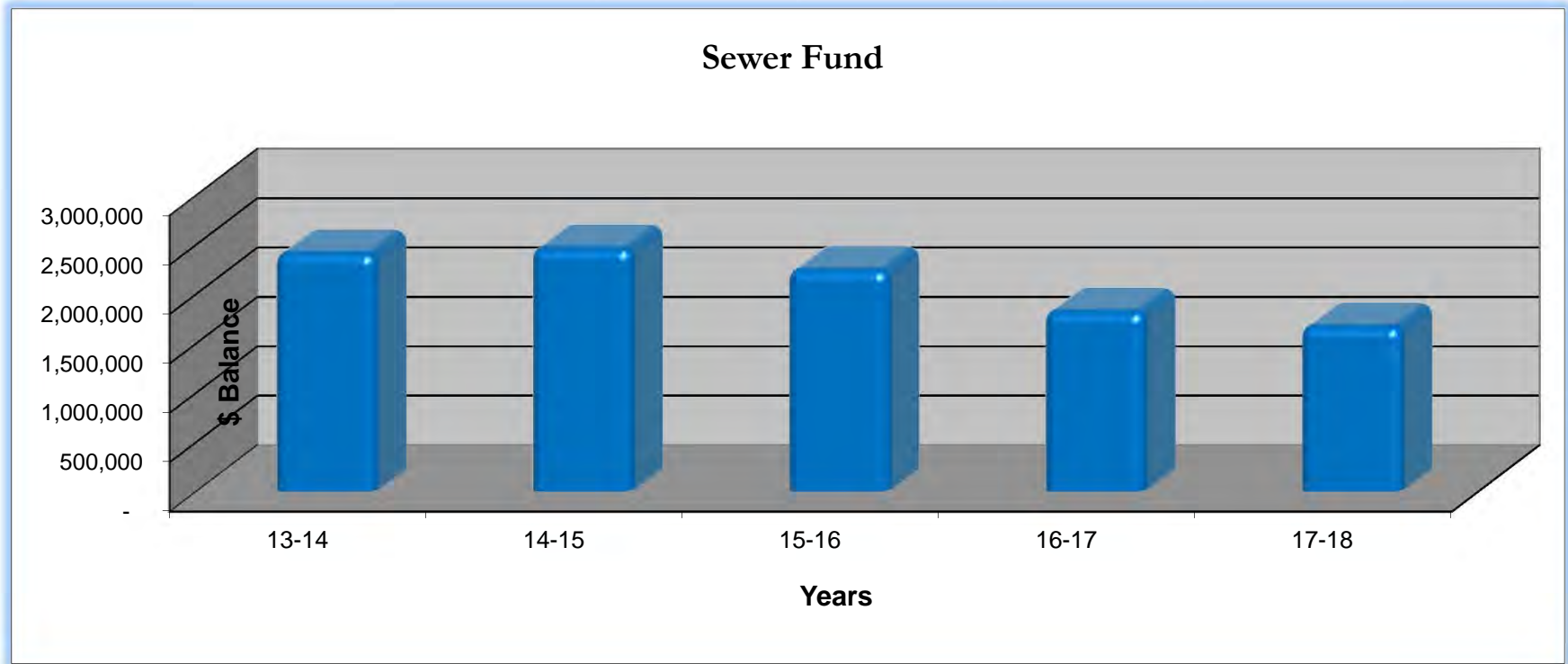
Capital Improvement Projects Fund	2013/14	2014/15	2015/16	2016/17	2017/18
Projected Beginning Balance	2,545,630	1,448,130	660,930	455,930	665,930
Less - Prior Year Active Projects	-	-	-	-	-
Revenue & Grants	200,000	85,000	85,000	85,000	85,000
Transfers In (out)	150,000	350,000	450,000	750,000	750,000
Capital Project Plan	(1,447,500)	(1,222,200)	(740,000)	(625,000)	(475,000)
Projected Ending Balance	1,448,130	660,930	455,930	665,930	1,025,930



City of Los Altos

Five-Year CIP - Fund Balance Projections FY 2013/14 to 2017/18

Sewer Fund	2013/14	2014/15	2015/16	2016/17	2017/18
Projected Beginning Balance	2,200,000	2,414,548	2,466,415	2,246,371	1,825,390
Less - Prior Year Active Projects	-	-	-	-	-
Net Income (adjusted for 2013 Rate Study)	2,032,878	1,736,055	1,403,126	1,547,224	1,748,394
Sewer Fund Project Plan	(1,818,330)	(1,684,188)	(1,623,170)	(1,968,205)	(1,900,333)
Projected Ending Balance	2,414,548	2,466,415	2,246,371	1,825,390	1,673,451



City of Los Altos

Five-Year CIP - Fund Balance Projections FY 2013/14 to 2017/18

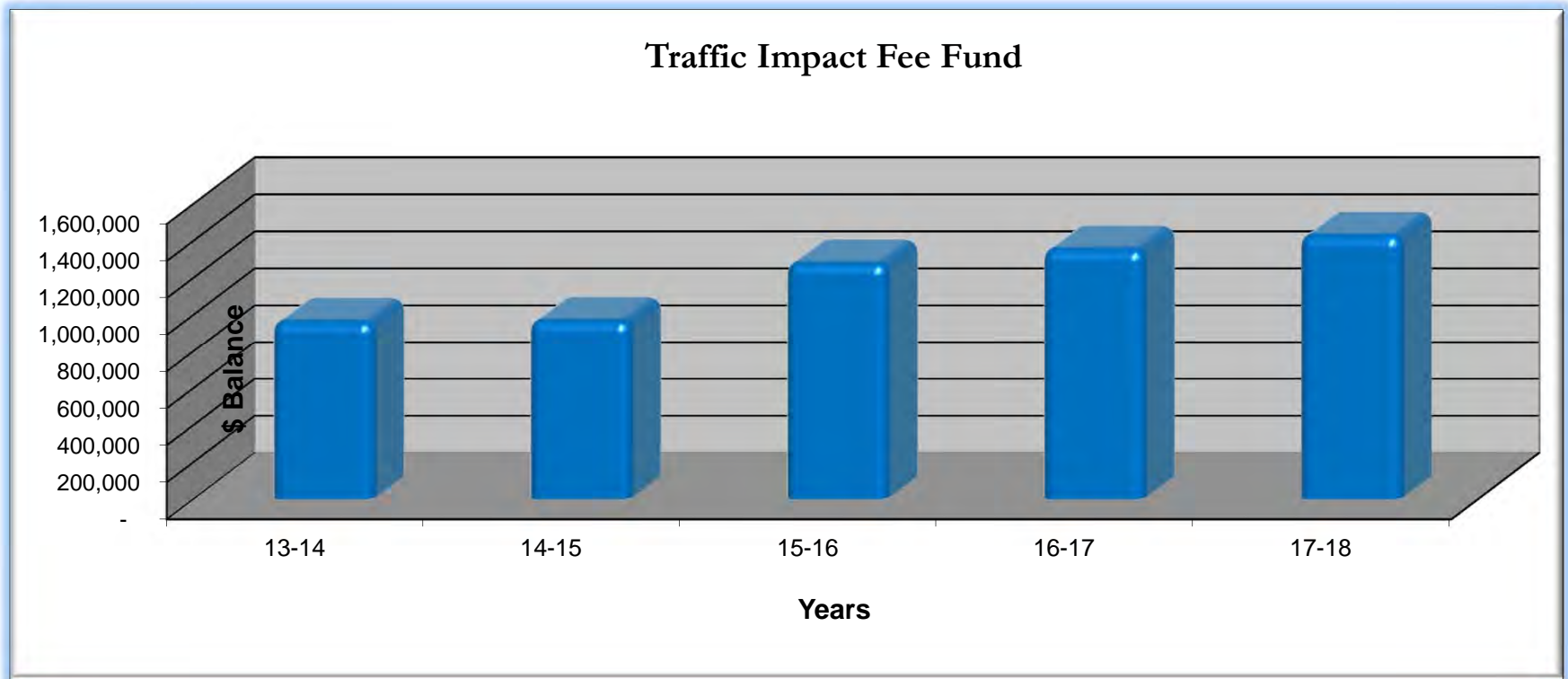
Park-In-Lieu Fund	2013/14	2014/15	2015/16	2016/17	2017/18
Projected Beginning Balance	4,494,734	4,577,734	4,942,734	5,017,734	5,092,734
Less - Prior Year Active Projects	-	-	-	-	-
Capital Project Plan	(282,000)	-	-	-	-
Income	365,000	365,000	75,000	75,000	75,000
Projected Ending Balance	4,577,734	4,942,734	5,017,734	5,092,734	5,167,734



City of Los Altos

Five-Year CIP - Fund Balance Projections FY 2013/14 to 2017/18

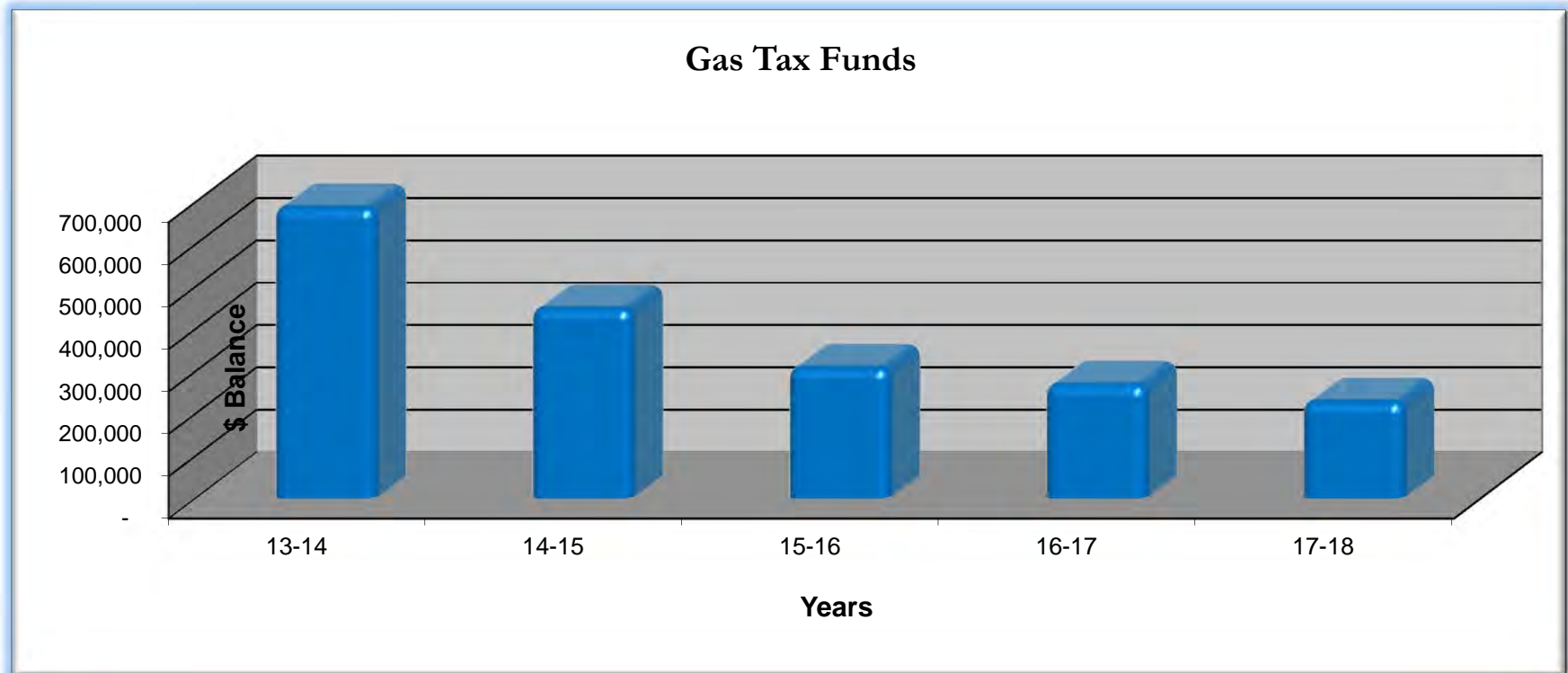
Traffic Impact Fee Fund	2013/14	2014/15	2015/16	2016/17	2017/18
Projected Beginning Balance	250,686	964,986	969,186	1,280,186	1,355,186
Less - Prior Year Active Projects	-	-	-	-	-
Capital Project Plan	-	-	236,000	-	-
Income	714,300	4,200	75,000	75,000	75,000
Projected Ending Balance	964,986	969,186	1,280,186	1,355,186	1,430,186



City of Los Altos

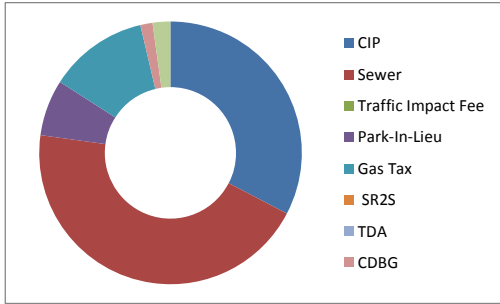
Five-Year CIP - Fund Balance Projections FY 2013/14 to 2017/18

Gs Tax Funds	2013/14	2014/15	2015/16	2016/17	2017/18
Projected Beginning Balance	783,081	688,881	449,781	309,781	269,781
Less - Prior Year Active Projects	-	-	-	-	-
Capital Project Plan	(500,000)	(645,000)	(550,000)	(450,000)	(450,000)
Transfers In (out)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)
Income	595,800	595,900	600,000	600,000	600,000
Projected Ending Balance	688,881	449,781	309,781	269,781	229,781



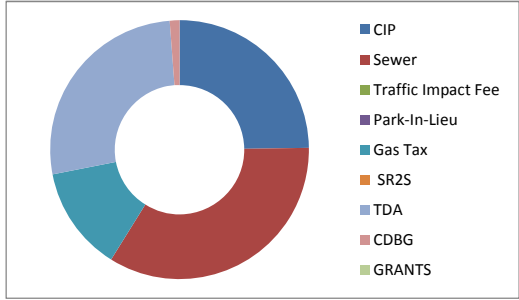
2013/14 CIP - Projects by Category and Year

Project	Proj #	CIP	Sewer	Traffic Impact Fee	Park-In-Lieu	Gas Tax	SR2S	TDA	CDBG	GRANTS	OTHER	TOTAL
Civic Facilities - Parks/Trails												
Covington Class I Pathway/Design	CF-01005	75,000										75,000
Redwood Grove Bank Stabilization (subject to grant funding)	CF-01001	-			282,000					90,000		372,000
Civic Facilities - Buildings												
Civic Center Redevelopment	CF-01002	200,000										200,000
Civic Facilities Capital Recovery Projects	CF-01003	175,000										175,000
Halsey House Renovation/Replacement Study (Grant Funded)	CF-01004										25,000	25,000
Community Development - General												
Housing Element Update	CD-01001	82,500										82,500
Commercial Wayfinding Sign Program	CD-01002	165,000										165,000
Public Art Projects	CD-01003	10,000										10,000
Transportation - Streets/Roadways												
Street Resurfacing	TS-01001	50,000				425,000						475,000
First Street Resurfacing (previously part of street resurfacing)	TS-01002	300,000										300,000
Street Striping	TS-01003					75,000						75,000
First Street South Plan Line	TS-01011	50,000										50,000
Transportation - Pedestrian/Bicycle Safety												
Concrete Repair	TS-01005	200,000										200,000
Traffic Sign Replacement	TS-01006	25,000										25,000
ADA Accessibility	TS-01008								60,000			60,000
Wastewater Systems - Sewers												
Repair Maintenance Problem Areas	WW-01001		599,302									599,302
Structural Reach Replacement, PCR (a)	WW-01002		540,741									540,741
Root Foaming	WW-01003		212,180									212,180
South Sewer Replacement	WW-01004		214,514									214,514
CIPP Corrosion Rehabilitation	WW-01005		145,502									145,502
Fats, Oils and Grease (FOG) Program	WW-01006		53,045									53,045
Geographic Information Systems (GIS) Update	WW-01008		53,045									53,045
TOTAL		\$1,332,500	\$1,818,330	\$0	\$282,000	\$500,000	\$0	\$0	\$60,000	\$90,000	\$25,000	\$4,107,830



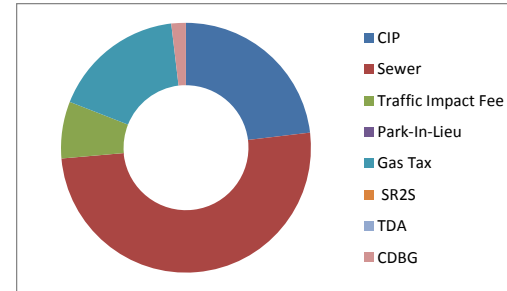
2014/15 CIP - Projects by Category and Year

Project		CIP	Sewer	Traffic Impact Fee	Park-In- Lieu	Gas Tax	SR2S	TDA	CDBG	GRANTS	OTHER	TOTAL
Civic Facilities - Parks & Trails												
Miramonte Avenue Path	CF-01006	331,200						1,324,800				1,656,000
Covington Class I Pathway/Construction	CF-01005	201,000										201,000
Civic Facilities - Buildings												
Civic Facilities Capital Recovery Projects	CF-01003	100,000										100,000
Community Development - General												
Special Projects and Studies	CD-01004	50,000										50,000
Transportation - Streets/Roadways												
Street Resurfacing	TS-01001	100,000				375,000						475,000
Street Slurry Seal	TS-01004	125,000										125,000
Street Striping	TS-01003					75,000						75,000
City Alley Resurfacing	TS-01009					195,000						195,000
Transportation - Pedestrian/Bicycle Safety												
Transportation Enhancements	TS-01013	25,000										25,000
Concrete Repair	TS-01005	200,000										200,000
Traffic Sign Replacement	TS-01006	25,000										25,000
Grant Road Bicycle Lane	TS-01012	65,000										65,000
ADA Accessibility	TS-01008								60,000			60,000
Wastewater Systems - Sewers												
Repair Maintenance Problem Areas	WW-01001		417,280									417,280
Structural Reach Replacement, PCR (a)	WW-01002		556,963									556,963
Root Foaming	WW-01003		227,507									227,507
South Sewer Replacement	WW-01004		333,226									333,226
CIPP Corrosion Rehabilitation	WW-01005		18,085									18,085
Fats, Oils and Grease (FOG) Program	WW-01006		54,636									54,636
Geographic Information Systems (GIS) Update	WW-01008		54,636									54,636
Sewer System Management Plan Update			21,855									21,855
TOTAL		\$1,222,200	\$1,684,188	\$0	\$0	\$645,000	\$0	\$1,324,800	\$60,000	\$0	\$0	\$4,936,188



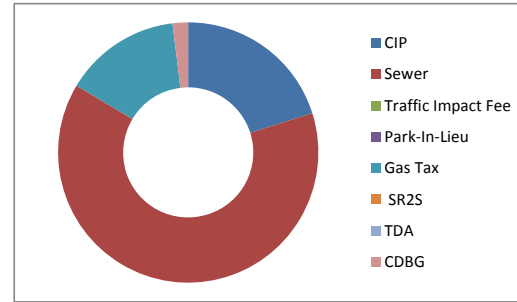
2015/16 CIP - Projects by Category and Year

Project		CIP	Sewer	Traffic Impact Fee	Park-In-Lieu	Gas Tax	SR2S	TDA	CDBG	GRANTS	OTHER	TOTAL
Civic Facilities - Parks/Trails												
Carmel Terrace Class I Pathway Design & Construction	CF-01007	365,000										365,000
Civic Facilities - Buildings												
Civic Facilities Capital Recovery Projects	CF-01003	100,000										100,000
Community Development - General												
Special Projects and Studies	CD-01004	50,000										50,000
Transportation - Streets/Roadways												
Street Resurfacing	TS-01001					475,000						475,000
Street Striping	TS-01003					75,000						75,000
San Antonio Road Left Turn Lane	TS-01010			236,000								236,000
Transportation - Pedestrian/Bicycle Safety												
Concrete Repair	TS-01005	200,000										200,000
Traffic Sign Replacement	TS-01006	25,000										25,000
ADA Accessibility	TS-01008							60,000				60,000
Wastewater Systems - Sewers												
Repair Maintenance Problem Areas	WW-01001		435,800									435,800
Structural Reach Replacement, PCR (a)	WW-01002		573,673									573,673
Root Foaming	WW-01003		225,102									225,102
CIPP Corrosion Rehabilitation	WW-01005		276,045									276,045
Fats, Oils and Grease (FOG) Program	WW-01006		56,275									56,275
Geographic Information Systems (GIS) Update	WW-01008		56,275									56,275
TOTAL		\$740,000	\$1,623,170	\$236,000	\$0	\$550,000	\$0	\$0	\$60,000	\$0	\$0	\$3,209,170



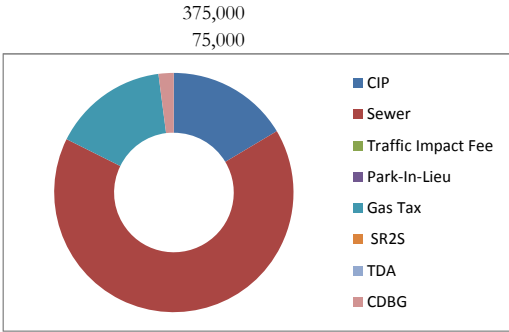
2016/17 CIP - Projects by Category and Year

Project		CIP	Sewer	Traffic Impact Fee	Park-In- Lieu	Gas Tax	SR2S	TDA	CDBG	GRANTS	OTHER	TOTAL
Civic Facilities - Buildings												
Civic Facilities Capital Recovery Projects	CF-01003	100,000										100,000
Community Development - General												
Special Projects and Studies	CD-01004	50,000										50,000
Transportation - Streets/Roadways												
Street Resurfacing	TS-01001	100,000				375,000						475,000
Street Slurry Seal	TS-01004	125,000										125,000
Street Striping	TS-01003					75,000						75,000
Transportation - Pedestrian/Bicycle Safety												
Transportation Enhancements	TS-01013	25,000										25,000
Concrete Repair	TS-01005	200,000										200,000
Traffic Sign Replacement	TS-01006	25,000										25,000
ADA Accessibility	TS-01008								60,000			60,000
Wastewater Systems - Sewers												
Repair Maintenance Problem Areas	WW-01001		523,652									523,652
Structural Reach Replacement, PCR (a)	WW-01002		590,882									590,882
Root Foaming	WW-01003		231,855									231,855
CIPP Corrosion Rehabilitation	WW-01005		276,045									276,045
Fats, Oils and Grease (FOG) Program	WW-01006		57,964									57,964
Structural Reach Replacement PCR (b)	WW-01007		206,658									206,658
Geographic Information Systems (GIS) Update	WW-01008		57,964									57,964
Sewer System Management Plan Update	WW-01009		23,185									23,185
TOTAL		\$625,000	\$1,968,205	\$0	\$0	\$450,000	\$0	\$0	\$60,000	\$0	\$0	\$3,103,205



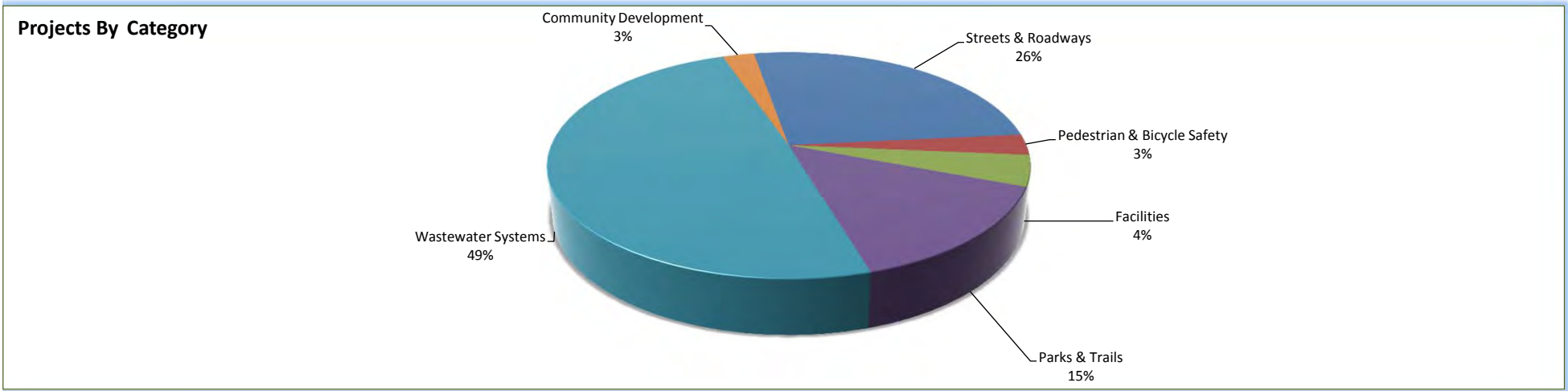
2017/18 CIP - Projects by Category and Year

Project		CIP	Sewer	Traffic Impact Fee	Park-In- Lieu	Gas Tax	SR2S	TDA	CDBG	GRANTS	OTHER	TOTAL
Civic Facilities - Buildings												
Civic Facilities Capital Recovery Projects	CF-01003	100,000										100,000
Community Development - General												-
Special Projects and Studies	CD-01004	50,000										50,000
Transportation - Streets/Roadways												-
Street Resurfacing	TS-01001	100,000										475,000
Street Striping	TS-01003											75,000
Transportation - Pedestrian/Bicycle Safety												-
Concrete Repair	TS-01005	200,000										200,000
Traffic Sign Replacement	TS-01006	25,000										25,000
ADA Accessibility	TS-01008											60,000
Wastewater Systems - Sewers												-
Structural Reach Replacement, PCR (a)	WW-01002		629,948									629,948
Root Foaming	WW-01003		238,810									238,810
CIPP Corrosion Rehabilitation	WW-01005		292,856									292,856
Fats, Oils and Grease (FOG) Program	WW-01006		59,703									59,703
Structural Reach Replacement PCR(b)	WW-01007		619,313									619,313
Geographic Information Systems (GIS) Update	WW-01008		59,703									59,703
TOTAL		\$475,000	\$1,900,333	\$0	\$0	\$450,000	\$0	\$0	\$60,000	\$0	\$0	\$2,885,333



Projects By Category - FY 2013/14 to 2017/18

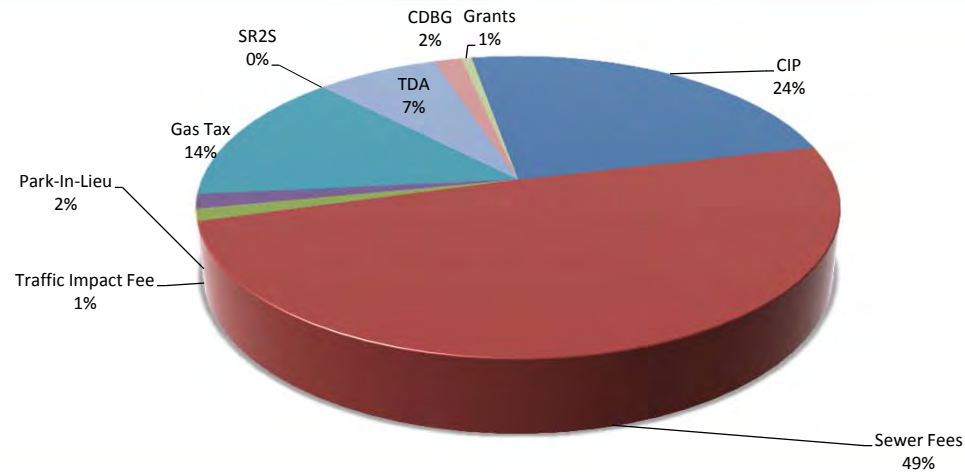
	Civic Facilities		Community Development	Transportation	Wastewater		
	Facilities	Parks	General	Streets & Roadways	Pedestrian & Bicycle Safety		Sewer
	Project Dollars by Service Area	\$800,000	\$2,669,000	\$457,500	\$4,781,000		\$540,000



Projects Funding Source - FY 2013/14 to 2017/18

Year	2013/14	2014/15	2015/16	2016/17	2017/18	Total
CIP	1,332,500	1,222,200	740,000	625,000	475,000	4,394,700
Sewer Fees	1,818,330	1,684,188	1,623,170	1,968,205	1,900,333	8,994,225
Traffic Impact Fee	-	-	236,000	-	-	236,000
Park-In-Lieu	282,000	-	-	-	-	282,000
Gas Tax	500,000	645,000	550,000	450,000	450,000	2,595,000
SR2S	-	-	-	-	-	-
TDA	-	1,324,800	-	-	-	1,324,800
CDBG	60,000	60,000	60,000	60,000	60,000	300,000
Grants	115,000	-	-	-	-	115,000
Total Dollars	\$4,107,830	\$4,936,188	\$3,209,170	\$3,103,205	\$2,885,333	\$18,241,725

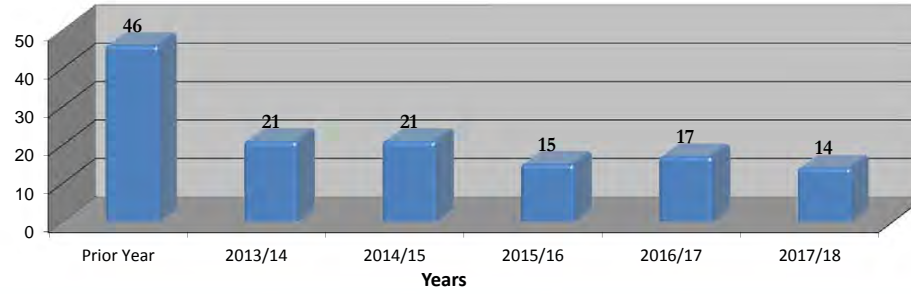
Projects By Funding Source



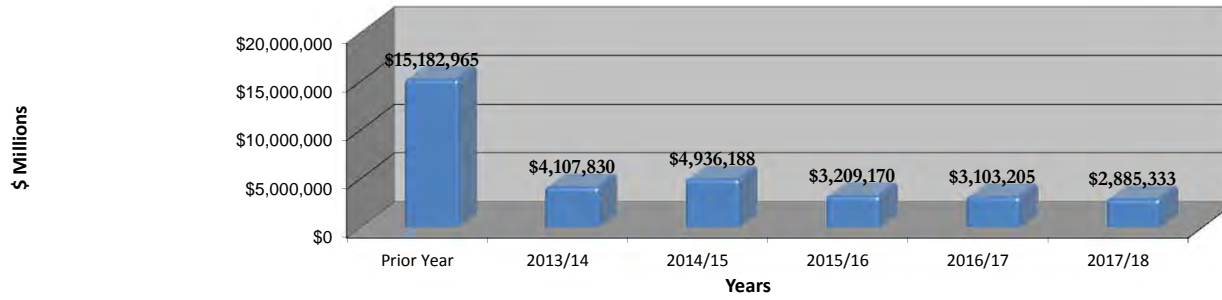
Projects all Years

Year	Prior Year	2013/14	2014/15	2015/16	2016/17	2017/18				Total
Prior Year Active Projects	15,182,965									15,182,965
Civic Facilities - Parks/Trails										
Redwood Grove Bank Stabilization		372,000								372,000
Carmel Terrace Class I Pathway Design & Construction				365,000						365,000
Covington Road Class I Pathway-Design & Construction		75,000								75,000
Covington Class I Pathway-Construction			201,000							201,000
Miramonte Avenue Pathway			1,656,000							1,656,000
Civic Facilities - Buildings										
Civic Center Redevelopment		200,000								200,000
City Facilities Capital Maintenance Projects		175,000	100,000	100,000	100,000	100,000				575,000
Halsey House Renovation/Replacement Study		25,000								25,000
Community Development - General										
Commercial Wayfinding Signage Program		165,000								165,000
Downtown Art Work		10,000								10,000
Housing Update		82,500								82,500
Special Projects and Studies Contingency			50,000	50,000	50,000	50,000				200,000
Transportation - Streets/Roadways										
Street Resurfacing		775,000	475,000	475,000	475,000	475,000				2,675,000
Slurry Seal			125,000		125,000	-				250,000
Street Striping		75,000	75,000	75,000	75,000	75,000				375,000
First Street South Plan Line		50,000								50,000
City Alley Resurfacing			195,000							195,000
Concrete Repair		200,000	200,000	200,000	200,000	200,000				1,000,000
San Antonio Road Left Turn Lane				236,000						236,000
Transportation- Pedestrian/Bicycle Safety										
Traffic Sign Replacement		25,000	25,000	25,000	25,000	25,000				125,000
ADA Accessibility		60,000	60,000	60,000	60,000	60,000				300,000
Traffic Enhancements Projects			25,000		25,000					50,000
Grant Road Bicycle Lane			65,000							65,000
Wastewater Systems - Sewers										
Repair Maintenance Problem Areas		599,302	417,280	435,800	523,652					1,976,034
Fats, Oils and Grease (FOG) Program		53,045	54,636	56,275	57,964	59,703				281,623
Geographic Information Systems (GIS) Update		53,045	54,636	56,275	57,964	59,703				281,623
Root Foaming		212,180	227,507	225,102	231,855	238,810				1,135,454
South Sewer Replacement		214,514	333,226							547,740
Structural Reach Replacement, PCR (a)		540,741	556,963	573,673	590,882	629,948				2,892,207
Structural Reach Replacement PCR(b)					206,658	619,313				825,971
CIPP Corrosion Rehabilitation		145,502	18,085	276,045	276,045	292,856				1,008,534
Sewer System Management Plan Update			21,855		23,185					45,040
Total Dollars	\$15,182,965	\$4,107,830	\$4,936,188	\$3,209,170	\$3,103,205	\$2,885,333	\$0	\$0	\$0	\$33,424,690
Total Project Count	46	21	21	15	17	14				134

Number of Projects By Year



Projects Dollars By Year



Funded Projects

					Funding Sources				
Description	Lead	Budget	Expended	Balance	PARK IN			STATUS	
					CIP	SEWER	LIEU		OTHER
Civic Facilities									
00922	First Street Utility Undergrounding - Phase I	D. Brees	2,734,000	2,326,458	407,542	965		406,577	In Construction
01316	Main Library Parking Lot	M. Bocalan	84,000	-	84,000	84,000		-	In Design or Study
01311	Skate Park (Skatable Art Work)	TBA	150,000	-	150,000	-		150,000	Not Started
Community Development									
00316	Financial System Upgrade	R. Morreale	315,000	238,739	76,261	76,261			In Construction
00921	Public Works/Finance Document Archiving	Jim/Russ	67,262	21,810	45,452	45,452			In Construction
00923	Police Records Mgmt & Dispatch System	T.Younis	1,064,000	430,734	633,266	-		633,266	In Construction
01027	First Street Streetscape Construction	J. Walgren	2,255,337	2,245,234	10,103	10,103		-	In Construction
01323	First Street Phase 1B	L. Lind	1,365,750	-	1,365,750	840,750		525,000	In Construction
01319	KMVT & LASD Broadcasting Capital Pilot	R. Morreale	13,200	-	13,200	13,200			In Construction
01317	IT Initiatives	R. Morreale	102,000	34,000	68,000	68,000			In Design or Study
01211	Climate Action Plan	Z. Dahl	75,000	52,586	22,414	22,414			In Design or Study
01218	Document Management Systems	Jon/Russ	35,000	-	35,000	35,000			Not Started
01313	Parking Management Plan	K.Kleinbaum	165,000	118,832	46,168	46,168			In Design or Study
01318	KMVT Increased Public Broadcasting Capital	R. Morreale	65,000	65,000	-	-			In Construction
Transportation									
00220	Fremont Avenue Bridge Replacement	V. Chen	2,160,000	487,550	1,672,450	173,970		1,498,480	In Design or Study
00325	Rehabilitate Portland Avenue Bridge	V. Chen	1,433,825	290,861	1,142,964	124,695		1,018,269	In Design or Study
00933	Miramonte Ave & Covington Road Traffic Signal	C. Novenario	250,000	36,675	213,325	213,325			In Design or Study
01012	Collector Street Traffic Calming	C. Novenario	222,900	80,280	142,620	-		142,620	In Design or Study
01008	San Antonio Road Construction (Streetscape)	V. Chen	1,468,000	24,182	1,443,818	1,443,818			In Construction
01023	First Street Utility Undergrounding - Phase II	D. Brees	240,000	9,542	230,458	230,458			In Design or Study
01118	Pedestrian Master Plan	C. Novenario	75,000	-	75,000	75,000			In Design or Study
01119	Portola Ave Sidewalk	K. Small	51,000	11,948	39,052	-		39,052	In Design or Study
01120	Grant Rd Pathway Bryant to Altamead	K. Small	88,803	10,253	78,550	16,710		61,840	In Design or Study
01219	Homestead Road Safety Improvements	K. Small	1,562,132	178,397	1,383,735	-		1,383,735	In Construction
01315	Speed Zone Survey	C. Novenario	66,000	7,280	58,720	58,720			In Design or Study
01320	Intersection Bicycle Loops	K. Small	115,000	-	115,000	115,000			In Design or Study
01321	University Milverton Ped Improvements	K. Small	36,000	-	36,000	36,000			In Construction
01322	Los Altos Gardens II Traffic Calming	K. Small	49,000	-	49,000			49,000	Complete (6/11/13)
01314	ADA Transition Plan	D. Brees	88,000	19,980	68,020	68,020			In Design or Study
Waste Water Systems									
00612	Sewer Metering Stations	L.Lind	236,150	233,142	3,008			3,008	In Construction
00717	Storm Drain System Master Plan	V. Chen	306,000	286,014	19,986	19,986			In Design or Study
01014	South Sewer Main Replacement - Phase I	A. Fairman	1,172,500	996,346	176,154		176,154		Complete
01104	Annual Sewer Main Repair	A. Fairman	517,720	41,308	476,412		476,412		In Construction
01114	Sewer Main Replacement - Phase II	A. Fairman	1,425,120	130,815	1,294,305		1,294,305		In Construction
01115	Fallen Leaf Lane Sewer Main Replacement	A. Fairman	574,248	62,258	511,990		511,990		In Construction

Funded Projects

					Funding Sources				
					PARK IN				
Decription	Lead	Budget	Expended	Balance	CIP	SEWER	LIEU	OTHER	STATUS
01117	Sewer Master Plan Update	L.Lind	150,000	149,286	714		714		Complete
01304	Annual Sewer Main Repair	A. Fairman	369,000	6,815	362,185		362,185		In Design or Study
01310	Sewer Collection System Upgrade	A. Fairman	943,000	17,555	925,445		925,445		In Design or Study
			22,089,947	8,613,880	13,476,067	3,818,015	3,747,205	-	5,910,847

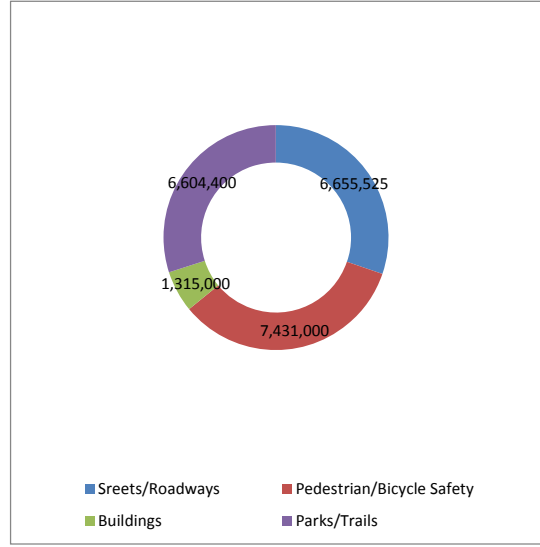
Aggregate prior appropriation for ongoing projects noted on individual 2013/14 - 2017/18 project sheets

1,706,897

15,182,965

Unscheduled & Unfunded Projects

Presented in Alphabetical Order	CIP	Sewer	Traffic Impact Fee	Park-In- Lieu	Gas Tax	SR2S	TDA	CDBG	GRANTS	TOTAL	
Civic Facilities- Buildings											
City-wide Wireless	750,000									750,000	
Downtown Parking Lots Slurry Seal	304,000									304,000	
MSC Living Wall and Storage Sheds	190,000									190,000	
Windimer Drainage Channel	71,000									71,000	
Civic Facilities - Parks/Trails											
Community Plaza Renovation	3,350,000									3,350,000	
McKenzie Park Renovation				430,000						430,000	
San Antonio Club Park	328,000									328,000	
Marymeade Park Renovation				300,000						300,000	
Redwood Grove Bridge Replacement	252,000									252,000	
Dog Park				227,000						227,000	
Grant Park Renovation				194,000						194,000	
Montclair Park Renovation	157,000									157,000	
Montclair Tennis Court Lights	98,400									98,400	
Heritage Oaks Park Renovation	64,000									64,000	
Recreation Plan (newly proposed)	60,000									60,000	
Springer Road Path – Berry Avenue	576,000									576,000	
Portland Avenue Pathway	346,000									346,000	
Neighborhood Pathways	222,000									222,000	
Transportation - Streets/Roadways											
First Street Design-Phase II	268,000									268,000	
First Street Construction Phase II	3,300,000									3,300,000	
San Antonio Road/W. Edith Intersection	1,500,000									1,500,000	
Loyola Corners Streetscape	1,265,525									1,265,525	
Foothill Expressway Landscaping	590,000									590,000	
Transportation- Pedestrian/Bicycle Safety											
Fremont Avenue Traffic Calming			2,650,000							2,650,000	
Grant Road Traffic Calming			2,035,000							2,035,000	
El Monte Avenue Traffic Calming	1,000,000									1,000,000	
Springer Road Traffic Calming	100,000					450,000				550,000	
Covington Road Bicycle Path	414,000									414,000	
St. Joseph Avenue Traffic Calming	35,000					311,000				346,000	
Springer Road Sidewalk	164,000									164,000	
Traffic Signal Battery Backup	132,000									132,000	
El Monte Avenue/Cuesta Drive Signal	100,000									100,000	
Miramonte Avenue Sidewalk Design	40,000									40,000	
Community Development- General											
Commercial Wayfinding Sign Program II	225,000									225,000	
Wastewater Systems - Sewers											
Shasta Street storm water improvements	150,000									150,000	
TOTAL	\$16,051,925	\$0	\$4,685,000	\$1,151,000	\$0	\$761,000	\$0	\$0	\$0	\$0	\$22,648,925



Project Detail Sheets



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Civic Facilities

Parks / Trails

Redwood Grove Bank Stabilization

PROJECT #: CF-01001

PRIORITY: Asset Preservation

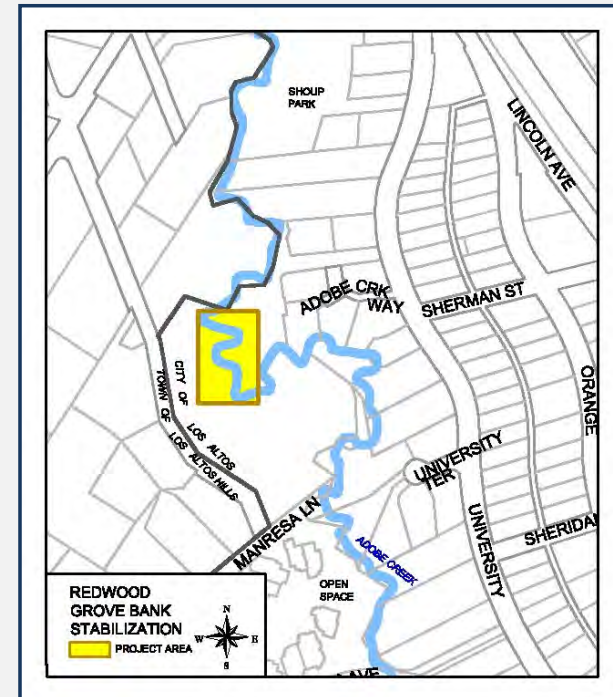
PROJECT LEAD: D. Brees

PROJECT ESTIMATES	Prior Appropriation	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
REDWOOD GROVE BANK STABILIZATION	0	372,000	0	0	0	0	372,000
FUNDING SOURCES							
PARKS IN-LIEU FEES	0	282,000	0	0	0	0	282,000
GRANTS	0	90,000	0	0	0	0	90,000
Total	\$ -	\$ 372,000	\$ -	\$ -	\$ -	\$ -	\$ 372,000

Project Description: Through a grant from the Santa Clara County Water District, the non-profit agency Acterra funded a bank stabilization plan to repair severe erosion along Adobe Creek adjacent to the footbridge within the Redwood Grove Nature Preserve.

The conceptual plans were completed by the Urban Creeks Council and Restoration Design Group with input from City Engineering staff. The project consists of earthwork, drainage and soil bioengineering to repair the eroded areas using environmentally appropriate techniques and materials and preventing future erosion. Additionally the existing footbridge and boardwalk will be relocated and replaced with an ADA-accessible footbridge and boardwalk throughout the grove. Native plants will be protected and augmented and interpretive elements will be included for park users.

*This project may qualify for Santa Clara Valley Water District grant funding



Project Details

Initial Funding Year	2013/14
Planned Start Date	12/31/2013
Target Completion Date	2014/15
Project Status	Not Started
Expended as of March 31, 2012	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Civic Facilities

Buildings

Civic Center Redevelopment

PROJECT #: CF-01002

PRIORITY: Asset Preservation

PROJECT LEAD: J. Walgren

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
CIVIC CENTER REDEVELOPMENT	0	200,000	0	0	0	0	200,000
FUNDING SOURCES							
CIP	0	200,000	0	0	0	0	200,000
GRANTS	0	0	0	0	0	0	0
Total	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000

Project Description:

The City continued to work in 2011 with a Task Force comprised of original Master Plan Advisory Committee members to develop an implementation Plan. As part of this process, an extensive public-speaking outreach effort was made along with a professional independent survey conducted in March 2012 to measure potential local bond financing support.

Poll results were presented to Council at the April 10, 2012 regular meeting and noted insufficient voter support for a successful bond measure of the specified amount. Although the poll results make the financing of Master Plan improvements impracticable, the need to repair or replace severely aged civic/safety facilities remains dire and both a financial and service area challenge. This project will provide funding to explore the various renovation/replacement alternatives including: (1) Pursue the Master Plan; (2) Construct a new Community Center at the Hillview location; (3) Renovate existing Civic Center facilities in place



Project Details

Initial Funding Year	2013/14
Planned Start Date	12/31/2013
Target Completion Date	In the year adopted
Project Status	Not Started
Expended as of March 31, 2012	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Civic Facilities

Buildings

Civic Facilities Capital Recovery Projects

PROJECT #: CF-01003

PRIORITY: Asset Preservation

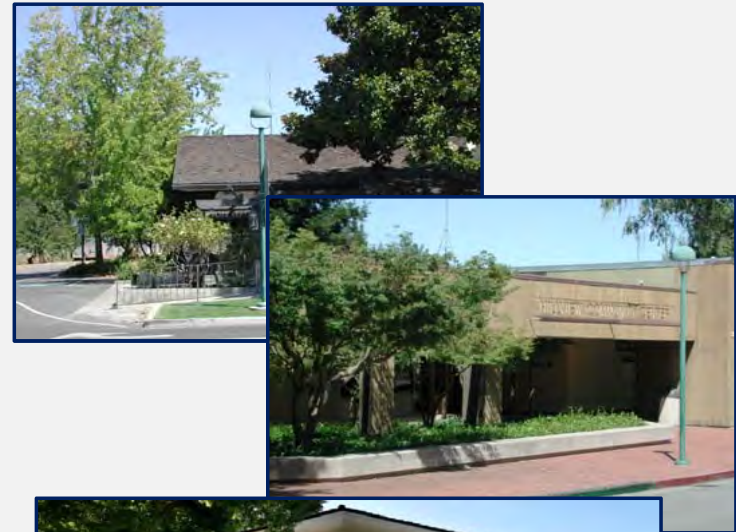
PROJECT LEAD: G. Fletcher

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
CITY FACILITIES CAPITAL RECOVERY PROJECTS	0	175,000	100,000	100,000	100,000	100,000	575,000
FUNDING SOURCES							
CIP	0	175,000	100,000	100,000	100,000	100,000	575,000
GRANTS	0	0	0	0	0	0	0
Total	\$ -	\$ 175,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 575,000

Project Description: This is a capital project for the repair, non-routine maintenance and general upkeep of City facilities throughout Los Altos.

Projects may include such items such as HVAC, roof systems, lighting, flooring, and/or other asset preservation activities. Initial funding dollars have been set at minimum levels to initiate an ongoing process that may be impacted by future facility developments.

Year one of this project, 2013/14, was augmented with \$75,000 from an existing capital project for general City Hall air conditioning.



Project Details

Initial Funding Year	2013/14
Planned Start Date	TBD
Target Completion Date	In the year adopted
Project Status	Not Started
Expended as of March 31, 2012	\$0
Expected impact on the operating budget	Lessen emergency repairs
Inflationary Factor Applied	0%

Civic Facilities

Buildings

Halsey House Renovation/Replacement

PROJECT #: CF-01004

PRIORITY: Asset Preservation

PROJECT LEAD: J. Walgren

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
HALSEY HOUSE RENOVATION/REPLACEMENT	0	25,000	0	0	0	0	25,000
FUNDING SOURCES							
CIP	0	0	0	0	0	0	0
OTHER FUNDING	0	25,000	0	0	0	0	25,000
Total	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000

Project Description: The Halsey House Nature Center at Redwood Grove has been closed since 2008 as a result of health and safety code concerns. This project will allocate funding to look at alternatives in restoring the functions of this facility to define the:

- A. Cost and benefits to renovate and reuse the existing Historic Landmark building
- B. Cost and benefits to replace the Halsey House with a purpose-designed facility

Funding for this study is contingent upon the acceptance of external grants and/or contributions.



Project Details

Initial Funding Year	TBD
Planned Start Date	TBD
Target Completion Date	In the year adopted
Project Status	Not Started
Expended as of March 31, 2012	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Civic Facilities

Parks/Trails

Covington Road Class I Pathway

PROJECT #: CF-01005

PRIORITY: Health & Safety

PROJECT LEAD: C. Novenario

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
COVINGTON ROAD CLASS I PATHWAY	0	75,000	201,000	0	0	0	276,000
FUNDING SOURCES							
CIP	0	75,000	201,000	0	0	0	276,000
GAS TAX	0	0	0	0	0	0	0
Total	\$ -	\$ 75,000	\$ 201,000	\$ -	\$ -	\$ -	\$ 276,000

Project Description: The comprehensive Blach Neighborhood Traffic Study prepared by Fehr & Peers in December 2010 identified a number of recommendations to improve and enhance vehicular, pedestrian, and bicycle traffic in the Blach School neighborhood area.

In order to enhance the pedestrian and bicycle safety of students accessing Blach Intermediate School, a new Class I pathway on the south side of Covington Road from Miramonte Avenue to Blach Intermediate School is recommended. This pathway would separate bicycle-pedestrian traffic from vehicular traffic and help to reduce wrong-way on-street bicycling.

The project is listed as a Tier 1 improvement, those that have the largest impact to students' safety and circulation. The total project is estimated to cost \$276,000. The design portion includes a necessary survey to ensure drainage of the street and pathway. The cost estimate for the project was prepared by Fehr & Peers.



Project Details

Initial Funding Year	2013/14
Planned Start Date	TBD
Target Completion Date	TBD
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Civic Facilities

Parks/Trails

Miramonte Avenue Path

PROJECT #: CF-01006

PRIORITY: Health & Safety

PROJECT LEAD: C. Novenario

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
MIRAMONTE AVENUE PATH	0	0	1,656,000	0	0	0	1,656,000
FUNDING SOURCES							
CIP	0	0	331,200	0	0	0	331,200
TDA Grant	0	0	1,324,800	0	0	0	1,324,800
Total	\$ -	\$ -	\$ 1,656,000	\$ -	\$ -	\$ -	\$ 1,656,000

Project Description: The Los Altos Bicycle Transportation Plan places a high priority project to upgrade the existing bicycle route (Class III) on Miramonte Avenue to a bicycle path (Class I) between Mountain View at the north end to Foothill Expressway at the south end. This project also includes drainage improvements along the street since it will have to be widened. Curb and gutter work is not included. The bicycle path project would have a regional impact on improving pedestrian and bicycle access by connecting the existing bicycle lane along Miramonte Avenue in Mountain View to Foothill Expressway.

The pathway connects the residential neighborhoods in Los Altos and unincorporated Santa Clara County with commercial centers in Mountain View. It may reduce traffic on Foothill Expressway and Miramonte Avenue by encouraging bicycling, reducing congestion in this corridor, and increasing capacity for pedestrians and bicyclists. The project is currently carried as a Tier II by VTA. Tier I status and Mountain View support is needed for TDA grant funding.



Project Details

Initial Funding Year	2014/15
Planned Start Date	TBD
Target Completion Date	TBD
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Civic Facilities

Parks/Trails

Carmel Terrace Class I Pathway

PROJECT #: CF-01007

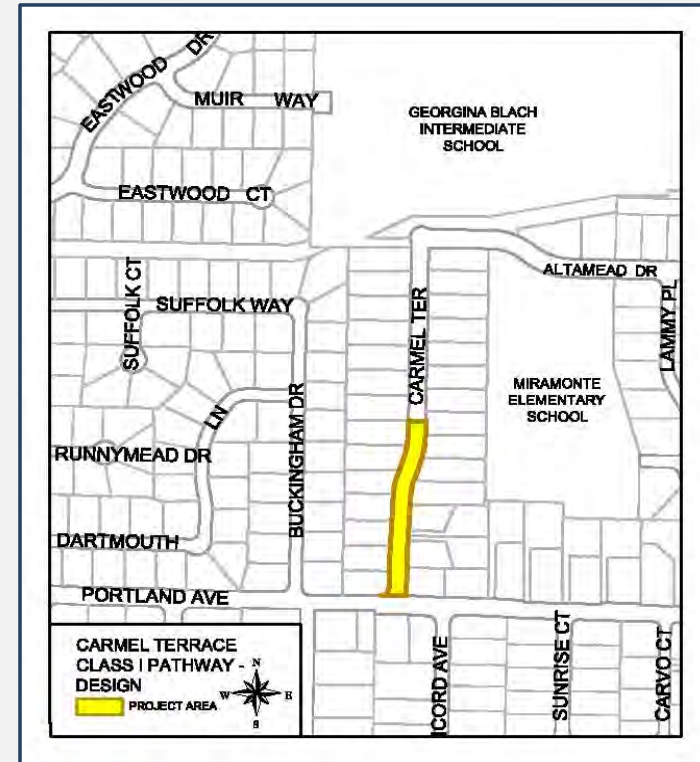
PRIORITY: Health & Safety

PROJECT LEAD: C. Novenario

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
CARMEL TERRACE CLASS I PATHWAY	0	0	0	365,000	0	0	365,000
FUNDING SOURCES							
CIP	0	0	0	365,000	0	0	365,000
GAS TAX	0	0	0	0	0	0	0
Total	\$ -	\$ -	\$ -	\$ 365,000	\$ -	\$ -	\$ 365,000

Project Description: The comprehensive Blach Neighborhood Traffic Study prepared by Fehr & Peers in December 2010 identified a number of recommendations to improve and enhance vehicular, pedestrian, and bicycle traffic in the Blach School neighborhood area.

To enhance the pedestrian and bicycle safety of students accessing Blach Intermediate School, a new Class I pathway on the west side of Carmel Terrace from Portland Avenue to Altamead Drive is recommended. A Class I pathway would separate bicycle/pedestrian traffic from vehicular traffic and help to reduce wrong-way on-street bicycling. This recommendation is listed as a Tier 1 improvement in the Fehr & Peers study, those that have the greatest impact to students' safety and circulation. An additional 25% markup is added to the cost estimates to address drainage work that will likely be needed if a pathway separate from the vehicle path of travel is decided upon. The City plans to apply for funding for the related construction with a Safe Routes to School grant.



Project Details

Initial Funding Year	2015/16
Planned Start Date	3/1/2016
Target Completion Date	TBD
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

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Community Development

General

Housing Element Update

PROJECT #: CD-01001

PRIORITY: Quality of Life

PROJECT LEAD: D. Kornfield

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
HOUSING ELEMENT UPDATE	0	82,500	0	0	0	0	82,500
FUNDING SOURCES							
CIP	0	82,500	0	0	0	0	82,500
GRANTS	0	0	0	0	0	0	0
Total	\$ -	\$ 82,500	\$ -	\$ -	\$ -	\$ -	\$ 82,500

Project Description: The Housing Element of the Los Altos General Plan is required by state law to be updated on a regular basis. The current Housing Element was adopted in 2009 and is required to be updated and submitted to the State of California Department of Housing and Community Development for certification by December 2014. The Housing Element provides for a range of housing types and opportunities, including affordable housing.



Project Details

Initial Funding Year	2013/14
Planned Start Date	12/1/2013
Target Completion Date	In the year adopted
Project Status	Not Started
Expended as of March 31, 2012	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Community Development

General

Commercial Wayfinding Sign Program

PROJECT #: CD-01002

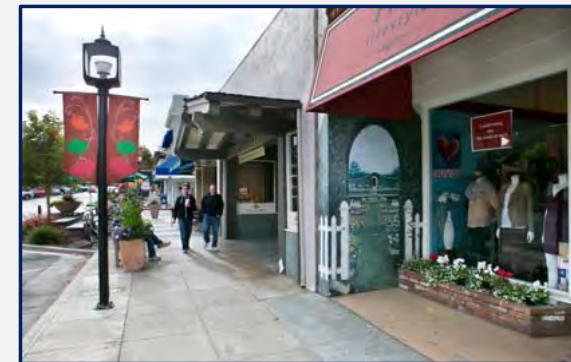
PRIORITY: Quality of Life

PROJECT LEAD: J. Walgren

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
COMMERCIAL WAYFINDING SIGN PROGRAM	0	165,000	0	0	0	0	165,000
FUNDING SOURCES							
CIP	0	165,000	0	0	0	0	165,000
GRANTS	0	0	0	0	0	0	0
Total	\$ -	\$ 165,000	\$ -	\$ -	\$ -	\$ -	\$ 165,000

Project Description: The City of Los Altos currently has a wayfinding sign system made up of a collection of different sign types and styles that have been developed over the course of several decades. The existing signs lack cohesion and are not comprehensive in nature. Not all destinations are signed for and there are no signs within the commercial districts that direct patrons to parking. This project would create a comprehensive wayfinding sign system to direct visitors to the commercial districts and civic destinations in Los Altos.

The wayfinding sign design and proposed placement are conceptual and will require further refinement prior to developing construction documents. As such, the design and construction cost estimate is preliminary for budgeting purposes. Phase 1 of the project includes the key directional signs for all of the commercial districts along Foothill Expressway, El Camino Real, San Antonio Road, and El Monte Avenue. Phase 1 also includes the parking directional signs in downtown and Loyola Corners. Phase 2 is yet to be scheduled.



Project Details

Initial Funding Year	2013/14
Planned Start Date	In the year adopted
Target Completion Date	2015/16
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Community Development

General

Public Arts Projects

PROJECT #: CD-01003

PRIORITY: Quality of Life

PROJECT LEAD: J. Maginot

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
PUBLIC ART PROJECTS	0	10,000	0	0	0	0	10,000
FUNDING SOURCES							
CIP	0	10,000	0	0	0	0	10,000
GENERAL FUND	0	0	0	0	0	0	0
Total	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000

Project Description: The Annual Arts project provides for the recruitment, acquisition, installation, identification and maintenance of the City's public art program. The primary purpose of the project is to bring new art to Los Altos as well as to maintain the public art currently in place in the City. Project funds could be utilized for construction of pedestals for sculptures, plaques identifying pieces of art, stipends for artists and maintenance of pieces of art owned by the City.

Future allocations will be proposed as identified in the upcoming years.



Project Details

Initial Funding Year	2013/14
Planned Start Date	In the year adopted
Target Completion Date	Ongoing
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Community Development

General

Special Projects and Studies

PROJECT #: CD-01004

PRIORITY: Quality of Life

PROJECT LEAD: M. Somers

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
SPECIAL PROJECTS AND STUDIES	100,000	0	0	50,000	50,000	50,000	250,000
FUNDING SOURCES							
CIP	100,000	0	0	50,000	50,000	50,000	250,000
STATE & FEDERAL GRANTS	0	0	0	0	0	0	0
Total	\$ 100,000	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000

Project Description: Infrastructure improvement projects and special studies, particularly land use and urban design studies, arise over the course of the fiscal year that may not have been anticipated at the time the Capital Improvement Program is adopted. This project description and funding source allows the City Manager to initiate projects and studies in a timely and efficient manner.



Project Details

Initial Funding Year	Annual ongoing
Planned Start Date	Annual Cycle
Target Completion Date	In the year adopted
Project Status	Ongoing
Expended as of March 31, 2013	\$12,397
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Transportation

Streets / Roadways

Street Resurfacing

PROJECT #: TS- 01001

PRIORITY: Asset Preservation

PROJECT LEAD: K. Small

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Planned	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
STREET RESURFACING	475,000	475,000	475,000	475,000	475,000	475,000	2,850,000
FUNDING SOURCES							
CIP	250,000	50,000	100,000	0	100,000	100,000	600,000
GAS TAX	225,000	425,000	375,000	475,000	375,000	375,000	2,250,000
Total	\$ 475,000	\$ 475,000	\$ 475,000	\$ 475,000	\$ 475,000	\$ 475,000	\$ 2,850,000

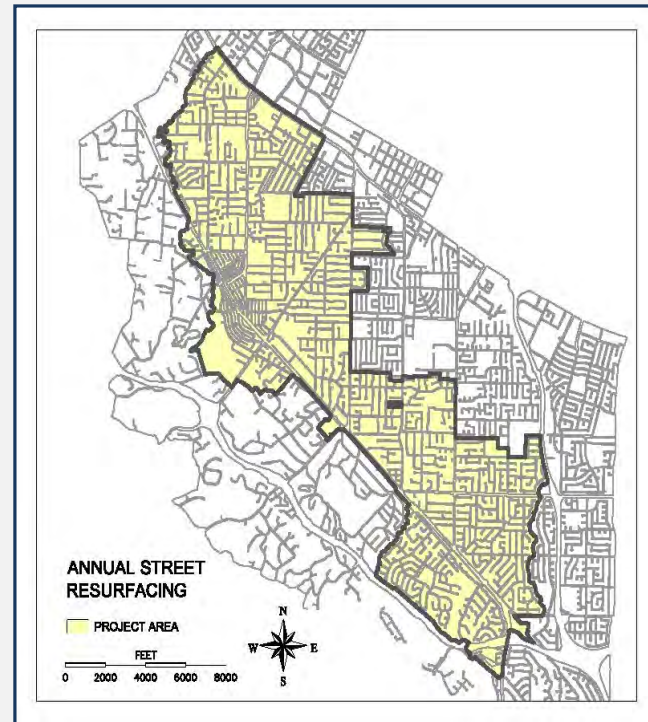
Project Description: The annual street resurfacing project places an overlay of asphalt concrete (AC) on existing street surfaces that are approaching the end of their useful life, as evidenced by cracking and minor pavement failures. Cutouts and repairs of pavement failures, grinding down pavement at outer edges and/or curbs may be included. Installation of pavement fabric in addition to pavement striping and stenciling after the resurfacing, repair of damaged curb and gutter or minor drainage improvements are also be included in this project.

Streets are selected for resurfacing in coordination with a Pavement Management Program (PMP) that provides a City-wide ranking of the condition of all the streets maintained by the City. The actual number of streets resurfaced is dependent upon both the condition of streets and the bidding climate. City policy is to expend the amount budgeted rather than resurface an exact number of miles of streets.

Existing year and FY 2013/14 include First Street Resurfacing costs.

Project Details

Initial Funding Year	Prior to 2013/14
Planned Start Date	Annual Cycle
Target Completion Date	In the year adopted
Project Status	Ongoing
Expended as of March 31, 2013	\$7,066
Expected impact on the operating budget	N/A
Inflationary factor applied	0%



Transportation

Streets / Roadways

First Street Resurfacing

PROJECT #: TS- 01002

PRIORITY: Asset Preservation

PROJECT LEAD: K. Small

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
FIRST STREET RESURFACING	0	300,000	0	0	0	0	300,000
FUNDING SOURCES							
CIP	0	300,000	0	0	0	0	300,000
TRAFFIC IMPACT FEES	0	0	0	0	0	0	0
Total	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000

Project Description: This project dedicates annual street resurfacing dollars to the tail end of Phase II First street improvements.

It places an overlay of asphalt concrete (AC) on existing street surfaces from and State Street to Edith after all sidewalk and other street adornments are completed both by the City and private developers(Safeway and Lennar Homes). The project naturally completes the phase I process that included the resurfacing from Main to State Street. Cutouts and repairs of pavement failures, grinding down pavement at outer edges and/or curbs may be included. Activities may also include the installation of pavement fabric in addition to pavement striping and stenciling after the resurfacing. Damaged curb, gutter and/or minor drainage improvements can also be included in this project.

This street improvement will assist in the City-wide effort to maintain a superior ranking of the condition of all the streets in the City.



Project Details

Initial Funding Year	2013/14
Planned Start Date	TBD
Target Completion Date	In the year adopted
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Transportation

Streets / Roadways

Street Striping

PROJECT #: TS- 01003

PRIORITY: Health & Safety

PROJECT LEAD: K. Small

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Planned	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
STREET STRIPING	75,000	75,000	75,000	75,000	75,000	75,000	450,000
FUNDING SOURCES							
CIP	0	0	0	0	0	0	0
GAS TAX	75,000	75,000	75,000	75,000	75,000	75,000	450,000
Total	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 450,000

Project Description: Each year, it is necessary to refresh the roadway striping and markers throughout the City. Visibility of pavement markings is important to preventing traffic accidents. This project provides for striping approximately 15% of the City streets with thermoplastic pavement striping each year.

Thermoplastic lasts for approximately seven to eight years before it needs to be refreshed. Therefore, this project allows the City to complete a complete striping cycle on an eight-year basis in accordance with requirements and to maintain the acceptable conditions.



Project Details

Initial Funding Year	Prior to 2013/14
Planned Start Date	Annual Cycle
Target Completion Date	In the year adopted
Project Status	Ongoing
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary factor applied	0%

Transportation

Streets / Roadways

Street Slurry Seal

PROJECT #: TS- 01004

PRIORITY: Asset Preservation

PROJECT LEAD: K. Small

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Planned	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
STREET SLURRY SEAL	125,000	0	125,000	0	125,000	0	375,000
FUNDING SOURCES							
CIP	125,000	0	125,000	0	125,000	0	375,000
GAS TAX	0	0	0	0	0	0	0
Total	\$ 125,000	\$ -	\$ 125,000	\$ -	\$ 125,000	\$ -	\$ 375,000

Project Description: This project slurry seals approximately 25% biennially or approximately 25 miles and may include cutout and repair of minor pavement failures, and installation of striping. The seal typically places a thin layer of sand and oil over City streets. Neighborhood streets should receive a surface treatment (slurry seal) other than an overlay every seven years. Sealing is a preventative maintenance treatment that prevents moisture from penetrating the pavement and softening the base material supporting the pavement.

Slurry seals have proven to be the best treatment for pavements in good condition based on life-cycle cost analysis because it extends the life of pavement for the least cost. Each application to streets in relatively good condition is expected to extend their useful life. Those streets selected for slurry sealing in any given year are chosen based on a City-wide ranking of the condition of all the streets that are maintained by the City. This process is done using the Pavement Management Program (PMP) developed by MTC.



Project Details

Initial Funding Year	Prior to 2013/14
Planned Start Date	Two-Year Cycle
Target Completion Date	In the year of cycle
Project Status	Ongoing
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary factor applied	0%

Transportation

Pedestrian / Bicycle Safety

Concrete Repair

PROJECT #: TS- 01005

PRIORITY: Health & Safety

PROJECT LEAD: M. Bocalan

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
CONCRETE REPAIR	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
FUNDING SOURCES							
CIP	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
GAS TAX	0	0	0	0	0	0	0
Total	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,200,000

Project Description: The annual concrete sidewalk and curb/gutter repair project is intended to address the highest priority repair locations. The primary focus is on the replacement of damaged sidewalks that represent hazards to pedestrians. Staff continually receives complaints from residents regarding cracks or uplifted sidewalks that could cause a “trip and fall” type accident.

This project provides for replacement of cracked or uplifted sidewalks throughout the City that cannot be patched or ground down.



Project Details

Initial Funding Year	Prior to 2013/14
Planned Start Date	Annual Cycle
Target Completion Date	In the year adopted
Project Status	Ongoing
Expended as of March 31, 2013	\$556
Expected impact on the operating budget	N/A
Inflationary factor applied	0%

Transportation

Pedestrian / Bicycle Safety

Traffic Sign Replacement

PROJECT #: TS- 01006

PRIORITY: Health & Safety

PROJECT LEAD: K. Small

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
TRAFFIC SIGNAL REPLACEMENT	50,000	25,000	25,000	25,000	25,000	25,000	175,000
FUNDING SOURCES							
CIP	50,000	25,000	25,000	25,000	25,000	25,000	175,000
GAS TAX	0	0	0	0	0	0	0
Total	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 175,000

Project Description: Agencies must conduct a signage assessment and maintain minimum levels of sign visibility. Signs degrade with time and the rules set within the Manual on Uniform Traffic Control Devices (MUTCD) set measurable retroreflectivity standards for signs to improve night time visibility to motorists. The compliance date for meeting the minimum retroreflectivity requirements for regulatory, warning, and ground-mounted guide signs is January 2015. Overhead guide signs and street name signs must be in compliance by January 2018.

There are approximately 8,000 traffic signs throughout the City including street name signs. Implementing the new requirements begins with conducting a sign inventory, a milestone that has been accomplished and stored digitally on the City's Geographic Information System (GIS). Non-compliant regulatory signs, such as STOP and Speed Limit signs (approximately 2,000) will be replaced first. These signs cost approximately \$100 to \$200 each excluding installation labor. This project presents a phased approach to compliance with the MUTCD sign requirements.



Project Details

Initial Funding Year	Prior to 2013/14
Planned Start Date	Annual Cycle
Target Completion Date	In the year adopted
Project Status	Ongoing
Expended as of March 31, 2013	\$47,651
Expected impact on the operating budget	N/A
Inflationary factor applied	0%

Transportation

Pedestrian / Bicycle Safety

Neighborhood Traffic Management Plan (NTMP)

PROJECT #: TS- 01007

PRIORITY: Quality of Life

PROJECT LEAD: C. Novenario

PROJECT ESTIMATES	Prior Appropriation	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
NEIGHBORHOOD TRAFFIC MANAGEMENT PLAN	75,000	0	0	0	0	0	75,000
FUNDING SOURCES							
CIP	75,000	0	0	0	0	0	75,000
GAS TAX	0	0	0	0	0	0	0
Total	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000

Project Description: The negative impacts of traffic, both congestion and speeding, are major areas of interest. Roadway capacity constraints and large volumes of traffic have resulted in noticeable increases in traffic congestion on arterials and collectors. Traffic calming measures include, but are not limited to, narrowing streets by installing chokers or “bulbs” at intersections, installing street tree chokers mid-block, installing speed tables at intersections, raising intersection grades, raising crosswalks at mid-block locations, varying surface treatments at intersections, roundabouts and traffic circles, chicanes, striping, signage modifications, and landscaping.

This project funds traffic engineering studies, the local match for grant-funded projects and minor traffic calming improvements or school commute improvements on various streets being evaluated for NTMP projects or school commutes. These projects are funded as identified and could provide minor traffic calming studies and improvements as directed by Council.



Project Details

Initial Funding Year	Prior to 2013/14
Planned Start Date	TBD
Target Completion Date	TBD
Project Status	As needed
Expended as of March 31, 2013	\$382
Expected impact on the operating budget	N/A
Inflationary factor applied	0%

Transportation

Pedestrian / Bicycle Safety

ADA Accessibility

PROJECT #: TS- 01008

PRIORITY: Health & Safety

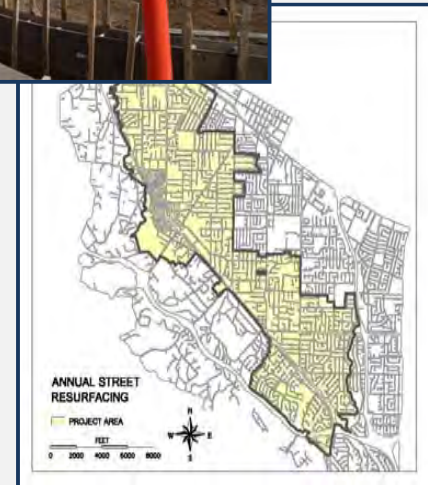
PROJECT LEAD: K. Small

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
ADA ACCESSIBILITY	384,261	60,000	60,000	60,000	60,000	60,000	684,261
FUNDING SOURCES							
CIP	0	0	0	0	0	0	0
COMMUNITY DEVELOPMENT BLOCK GRANT	384,261	60,000	60,000	60,000	60,000	60,000	684,261
Total	\$ 384,261	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 684,261

Project Description: This project will continue efforts to improve ADA accessibility at public facilities throughout the City. This would include ramps at various intersections throughout the City, correct existing sidewalks that have inadequate access for wheelchair facilities, ADA-compliant pedestrian push buttons at City street intersections and also improve accessibility by replacing pedestrian paths of travel that are uplifted, cracked, too narrow, or otherwise out of compliance with current ADA requirements.

Work will be based on a prioritization list developed by the City’s Bicycle/Pedestrian Advisory Commission. Efforts will be directed towards improving accessibility at locations needed by disabled individuals, with an emphasis on improving pedestrian and bicycle safety.

ADA compliance is a federal requirement and the City is refreshing and updating its compliance standards in this year.



Project Details

Initial Funding Year	Prior to 2013/14
Planned Start Date	Annual Cycle
Target Completion Date	In the year adopted
Project Status	Ongoing
Expended as of March 31, 2013	\$24,722
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Transportation

Streets / Roadways

City Alley Resurfacing

PROJECT #: TS- 01009

PRIORITY: Asset Preservation

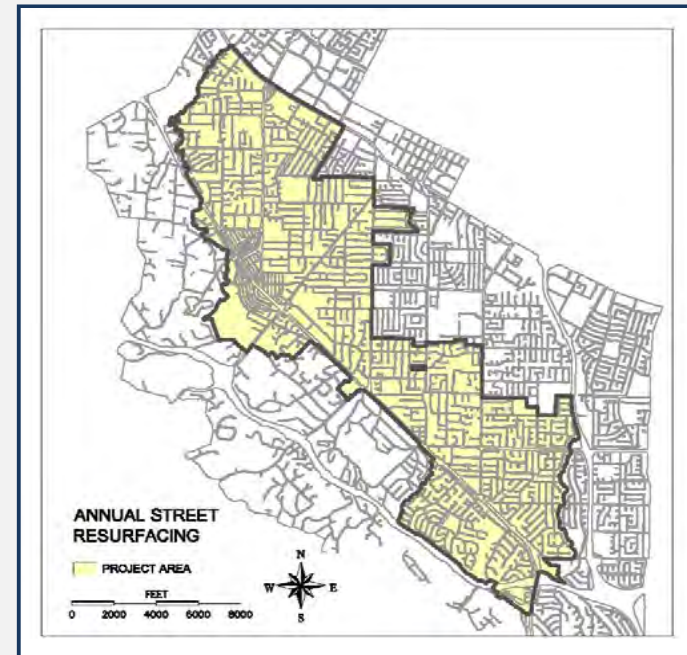
PROJECT LEAD: M. Bocalan

	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
PROJECT ESTIMATES							
CITY ALLEY RESURFACING	0	0	195,000	0	0	0	195,000
FUNDING SOURCES							
CIP	0	0	0	0	0	0	0
GAS TAX	0	0	195,000	0	0	0	195,000
Total	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ 195,000

Project Description: Existing alleyways within the City are in varying degrees of decay. Many have exceeded their useful life and must be replaced. This project will initiate a phased process of replacement and/or repair based on priority, the cost of the repair and the amount budgeted. Miscellaneous concrete work may be required for drainage swales and repairs to adjacent curb and gutters.

The project will reduce the effort required for patching of these alleys.

A funding alternative is to establish an assessment district for specific neighborhoods and/or businesses adjacent to and served by the alleys. Engineering costs to prepare such districts and establish a method of assigning costs to adjacent parcels will add to the total cost of the project, but may result in funding ultimately coming from private land owners. Should the private land owners not vote in favor of being assessed, and the additional study/engineering costs would be funded from Gas Tax funds for city accepted alleys.



Project Details

Initial Funding Year	2014/15
Planned Start Date	TBD
Target Completion Date	In the year adopted
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Transportation

Streets / Roadways

San Antonio Road Left Turn Lane

PROJECT #: TS- 01010

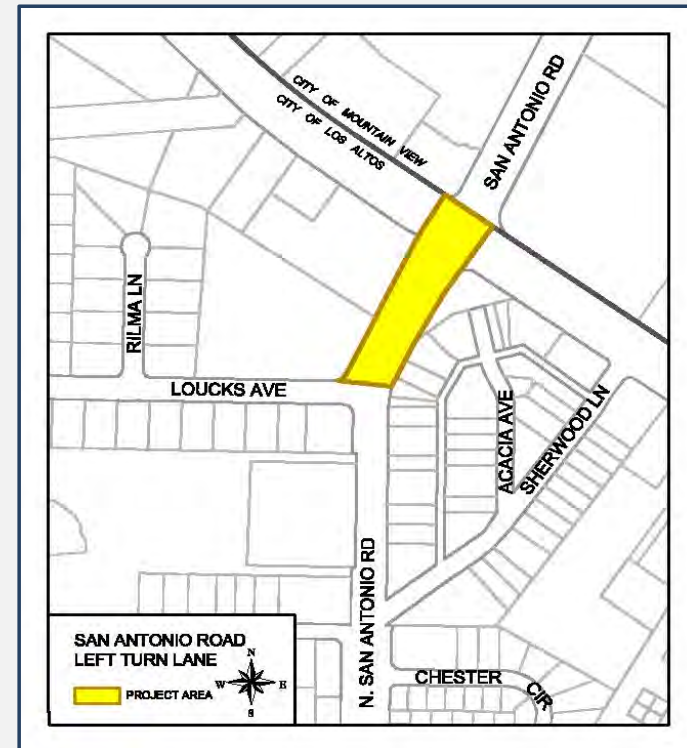
PRIORITY: Health & Safety

PROJECT LEAD: C. Novenario

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
SAN ANTONIO ROAD LEFT TURN LANE	0	0	0	236,000	0	0	236,000
FUNDING SOURCES							
CIP	0	0	0	0	0	0	0
TRAFFIC IMPACT FEES	0	0	0	236,000	0	0	236,000
Total	\$ -	\$ -	\$ -	\$ 236,000	\$ -	\$ -	\$ 236,000

Project Description: In 2005, City Council adopted the Traffic Impact Fee (TIF) program. The TIF program provides funding for projects that will accommodate future traffic demands caused by increased intensity of uses from various development projects throughout the City.

The TIF program includes a project to provide an additional left turn lane on northbound San Antonio Road at El Camino Real. Traffic at this intersection is predicted to grow from level of service D to E with future development. Adding a second northbound level turn lane will reduce delays and improve the level of service.



Project Details

Initial Funding Year	2015/16
Planned Start Date	TBD
Target Completion Date	TBD
Project Status	Not started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Transportation

Streets / Roadways

First Street South Plan Line

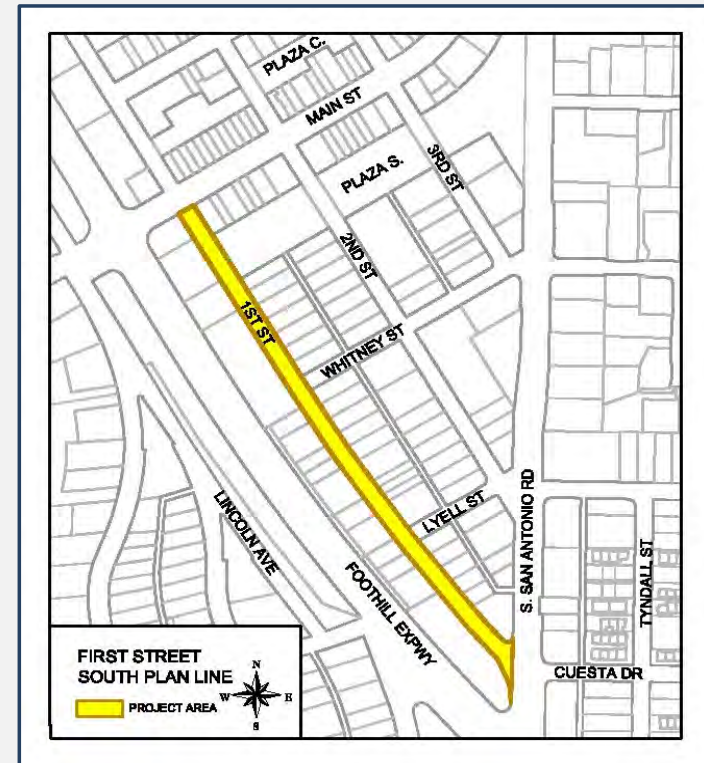
PROJECT #: TS- 01011

PRIORITY: Asset Preservation

PROJECT LEAD: J. Gustafson

	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
PROJECT ESTIMATES							
FIRST STREET SOUTH PLAN LINE	0	50,000	0	0	0	0	50,000
FUNDING SOURCES							
CIP	0	50,000	0	0	0	0	50,000
GAS TAX	0	0	0	0	0	0	0
Total	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000

Project Description: The project will establish a plan line along the street frontage that will facilitate consistent development and defined utility locations in a base map format with underground utility connection points identified. The project will identify the location for future sidewalk along the street, design street light system, and identify possible location for a storm drain main along First Street where none exists today. It presumes the existing curb line will remain in place and street tree planting will occur at the back of existing/new sidewalks and/or on private property. The project will also identify a routing of a new utility trench to hold undergrounded utilities and determine if existing water and gas utilities must be relocated. The project provides design development drawings that will support the planned Rule 20A utility undergrounding project and expected redevelopment of First Street private parcels over the next five to ten years.



Project Details

Initial Funding Year	2013/14
Planned Start Date	In planned year
Target Completion Date	In planned year
Project Status	Not started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Transportation

Streets / Roadways

Grant Road Bicycle Lane

PROJECT #: TS- 01012

PRIORITY: Health & Safety

PROJECT LEAD: C. Novenario

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
GRANT ROAD BICYCLE LANE	0	0	65,000	0	0	0	65,000
FUNDING SOURCES							
CIP	0	0	65,000	0	0	0	65,000
TDA Grant	0	0	0	0	0	0	0
Total	\$ -	\$ -	\$ 65,000	\$ -	\$ -	\$ -	\$ 65,000

Project Description: The Bicycle Transportation Plan recommends the creation of a Class II bicycle lane on Grant Road along the frontage of Foothill Expressway. Class II bicycle lanes are for the exclusive use of bicycles with certain exceptions. For instance, right-turning vehicles must merge into the bicycle lane prior to turning, and pedestrians are allowed to use the bicycle lane when there is no adjacent sidewalk. This will require one or more of the following modifications to the frontage road: 1) Converting existing shoulder to bicycle lanes; 2) Pavement widening in narrow locations for 4-6 ft. wide bicycle lanes; 3) Restriping existing roadway width for bicycle lanes.



Project Details

Initial Funding Year	2014/15
Planned Start Date	TBD
Target Completion Date	TBD
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Transportation

Pedestrian / Bicycle Safety

Transportation Enhancements

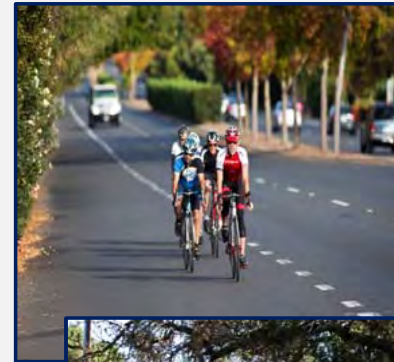
PROJECT #: TS- 01013

PRIORITY: Health and Safety

PROJECT LEAD: C. Novenario

PROJECT ESTIMATES	Prior Appropriation	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
TRANSPORTATION ENHANCEMENTS	0	0	25,000	0	25,000	0	50,000
FUNDING SOURCES							
CIP	0	0	25,000	0	25,000	0	50,000
GAS TAX	0	0	0	0	0	0	0
Total	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 50,000

Project Description: This project will fund various traffic engineering studies, provide the local match for grant-funded projects, and provide minor traffic calming improvements or school commute improvements on various streets being evaluated for improved traffic, bicycle, and pedestrian transit enhancement. Work in this project may include deployment of traffic volume and speed counters, level of service analysis, recording pedestrian or bicycle counts, evaluating turning movements, preparing trip origin and destination studies, developing signal timing modifications, and also preparation of supporting material for grant applications. This project also could provide funding for minor traffic calming studies and improvements as directed by Council.



Project Details

Initial Funding Year	2014/15
Planned Start Date	TBD
Target Completion Date	TBD
Project Status	Not started
Expended as of March 31, 2013	N/A
Expected impact on the operating budget	N/A
Inflationary factor applied	0%

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Wastewater Systems

Sewer

Repair Maintenance Problem Areas

PROJECT #: WW-01001

PRIORITY: Health & Safety

PROJECT LEAD: A. Fairman

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
REPAIR MAINTENANCE PROBLEM AREAS	0	599,302	417,281	435,800	523,652	0	1,976,035
FUNDING SOURCES							
CIP	0	0	0	0	0	0	0
SEWER	0	599,302	417,281	435,800	523,652	0	1,976,035
Total	\$ -	\$ 599,302	\$ 417,281	\$ 435,800	\$ 523,652	\$ -	\$ 1,976,035

Project Description: The 2013 Sanitary Sewer Master Plan Update recommended replacement of segments of pipes located at various locations throughout the City that are included in the 30-day focused cleaning schedule that have severe sags. Such sags can cause accumulation of debris and grease which necessitates frequent cleaning. This project includes four phases to replace all pipes that are currently receiving 30-day focused cleaning.



Project Details

Initial Funding Year	2013/14
Planned Start Date	9/30/2013
Target Completion Date	Five year plan
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	Lessen emergency repairs
Inflationary Factor Applied	0%

Wastewater Systems

Sewer

Structural Reach Replacement, PCR (a)

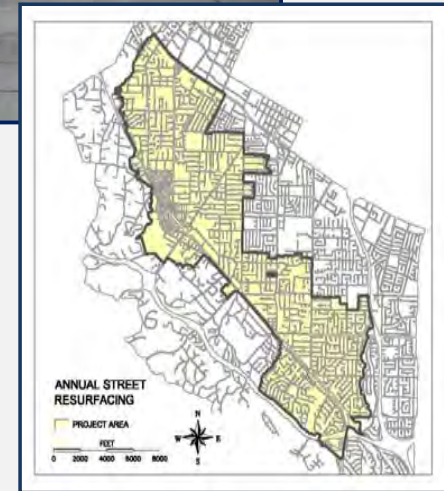
PROJECT #: WW-01002

PRIORITY: Health & Safety

PROJECT LEAD: A. Fairman

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
STRUCTURAL REACH REPLACEMENT, PCR (a)	0	540,741	556,963	573,672	590,882	629,948	2,892,206
FUNDING SOURCES							
CIP	0	0	0	0	0	0	0
SEWER	0	540,741	556,963	573,672	590,882	629,948	2,892,206
Total	\$ -	\$ 540,741	\$ 556,963	\$ 573,672	\$ 590,882	\$ 629,948	\$ 2,892,206

Project Description: The 2013 Sanitary Sewer Master Plan Update recommended replacement of segments of pipes at various locations throughout the City that typically have multiple moderate-to-severe structural defects (Pipe Condition Rating A). Costs are based on the open-trench method of repair because defects include sags which are difficult to correct using trenchless repair methods. The areas selected for replacement were identified in closed circuit video inspections accomplished from 2007 through 2010. This project has five phases beginning in FY 2013/14 to repair these segments.



Project Details

Initial Funding Year	2013/14
Planned Start Date	9/30/2013
Target Completion Date	Five year plan
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Wastewater Systems

Sewer

Root Foaming

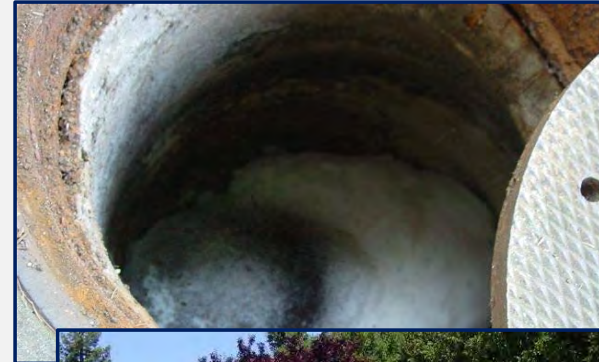
PROJECT #: WW-01003

PRIORITY: Health & Safety

PROJECT LEAD: M. Bocalan

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
ROOT FOAMING	332,000	212,180	227,507	225,102	231,855	238,810	1,467,454
FUNDING SOURCES							
CIP	0	0	0	0	0	0	0
SEWER	332,000	212,180	227,507	225,102	231,855	238,810	1,467,454
Total	\$ 332,000	\$ 212,180	\$ 227,507	\$ 225,102	\$ 231,855	\$ 238,810	\$ 1,467,454

Project Description: The Sewer Master Plan Update recommends that an annual project be performed to chemically remove invasive tree roots within sewer mains. Chemical root removal products currently on the market provide protection from future root growth for two to three years following application.



Project Details

Initial Funding Year	2013/14
Planned Start Date	9/30/2013
Target Completion Date	Five year plan
Project Status	Not Started
Expended as of March 31, 2013	\$535
Expected impact on the operating budget	Lessen emergency repairs
Inflationary Factor Applied	0%

Wastewater Systems

Sewer

South Sewer Replacement

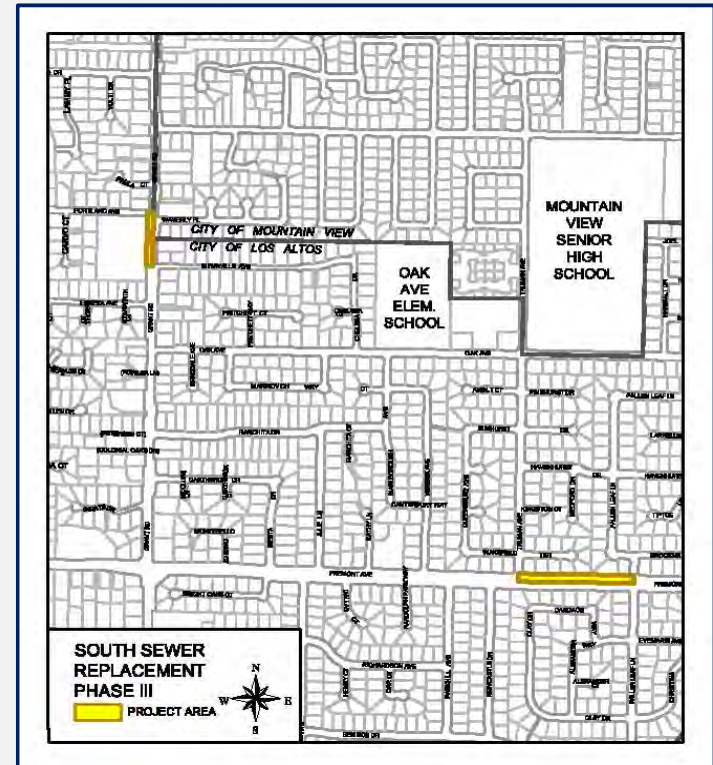
PROJECT #: WW-01004

PRIORITY: Health & Safety

PROJECT LEAD: M. Bocalan

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
SOUTH SWER REPLACEMENT	0	214,514	333,226	0	0	0	547,740
FUNDING SOURCES							
CIP	0	0	0	0	0	0	0
SEWER	0	214,514	333,226	0	0	0	547,740
Total	\$ -	\$ 214,514	\$ 333,226	\$ -	\$ -	\$ -	\$ 547,740

Project Description: The 2005 Sewer Master Plan identified approximately 8400 linear feet of sewer pipe that needed to be upsized. During the initial construction of this project in 2012 a portion had to be deferred to a future phase due to several utility conflicts. This project completes replacement of the pipe sections identified in the 2005 Sewer Master Plan described as “South Sewer Replacement Phase 1” which is capacity-related work and South Sewer Main Replacement Phase 2 following completion of Phase 1.



Project Details

Initial Funding Year	2013/14
Planned Start Date	TBD
Target Completion Date	2014/15
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Wastewater Systems

Sewer

CIPP Corrosion Rehabilitation

PROJECT #: WW-01005

PRIORITY: Health & Safety

PROJECT LEAD: A. Fairman

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
CIPP CORROSION REHABILITATION	0	145,502	18,085	276,045	276,045	292,856	1,008,533
FUNDING SOURCES							
CIP	0	0	0	0	0	0	0
SEWER	0	145,502	18,085	276,045	276,045	292,856	1,008,533
Total	\$ -	\$ 145,502	\$ 18,085	\$ 276,045	\$ 276,045	\$ 292,856	\$ 1,008,533

Project Description: This project consists of several phases of work to repair pipe corrosion using the cured-in-place pipe (CIPP) repair method for the trunk sewer. Phases 2 and 3 are identified in this project. The total length to be rehabilitated is approximately 20,000 lineal feet and pipe sizes range from 24-inch to 42-inch. The work is in the largest pipe diameter sections in the system that deliver sewage to the Palo Alto Regional Water Quality Control Plant. The trunk sewer rehabilitation is divided into several phases to be more manageable and provide flexibility to rehabilitate the reaches that are most corroded as determined from future, more in-depth inspections of the trunk sewer pipe.



Project Details

Initial Funding Year	2013/14
Planned Start Date	10/1/2013
Target Completion Date	2017/18
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	Lessen emergency repairs
Inflationary Factor Applied	0%

Wastewater Systems

Sewer

Fats, Oils and Grease (FOG) Program

PROJECT #: WW-01006

PRIORITY: Health & Safety

PROJECT LEAD: M. Bocalan

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
FATS,OILS and GREASE (FOG) PROGRAM	0	53,045	54,636	56,275	57,964	59,703	281,623
FUNDING SOURCES							
CIP	0	0	0	0	0	0	0
SEWER	0	53,045	54,636	56,275	57,964	59,703	281,623
Total	\$ -	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 59,703	\$ 281,623

Project Description: A sound fats, oil and grease (FOG) program is critical to the operation of a sewer system. This project provides funding for inspections and follow-up and to educate customers on best management practices to prevent sewer back-ups resulting from FOG being deposited into drains and ultimately to the sewage collection system.



Project Details

Initial Funding Year	2013/14
Planned Start Date	2/1/2014
Target Completion Date	Ongoing
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Wastewater Systems

Sewer

Structural Reach Replacement PCR (b)

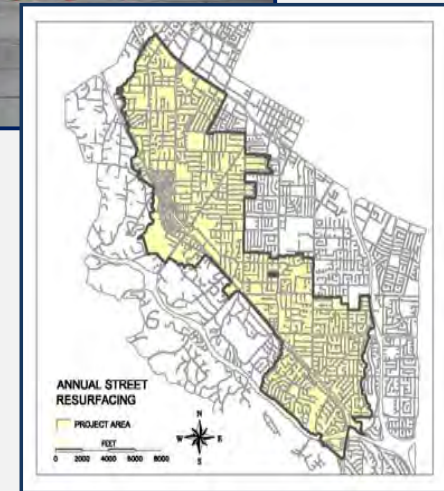
PROJECT #: WW-01007

PRIORITY: Health & Safety

PROJECT LEAD: A. Fairman

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
STRUCTURAL REACH REPLACEMENT, PCR (b)	0	0	0	0	206,658	619,313	825,971
FUNDING SOURCES							
CIP	0	0	0	0	0	0	0
SEWER	0	0	0	0	206,658	619,313	825,971
Total	\$ -	\$ -	\$ -	\$ -	\$ 206,658	\$ 619,313	\$ 825,971

Project Description: The 2013 Sanitary Sewer Master Plan Update recommended replacement of segments of pipes at various locations throughout the City that typically have multiple moderate to severe structural defects, but the number of defects in the pipe segments in this project were found to be more scattered than those sections identified as Pipe Condition Rating (PCR) (a). Initiating this project is planned after structural reaches of PCR (a) have been completed. This project is one of several phased contracts to required repair these segments.



Project Details

Initial Funding Year	2016/17
Planned Start Date	2/1/2017
Target Completion Date	Ongoing
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Wastewater Systems

Sewer / Stormwater

Geographic Information Systems (GIS) Update

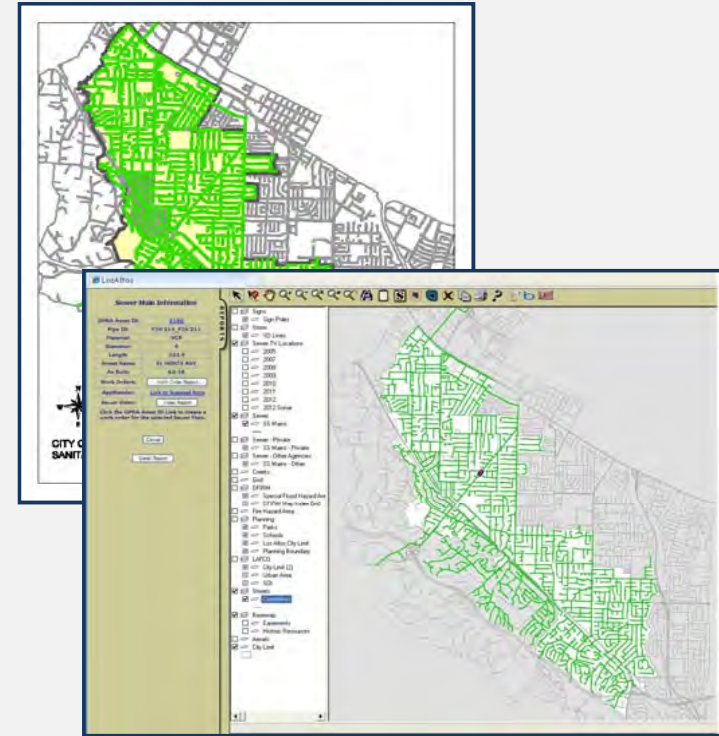
PROJECT #: WW-01008

PRIORITY: Efficiency/Cost savings

PROJECT LEAD: K. Small

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
GEOGRAPHIC INFORMATION SYSTEMS (GIS) UPDATE	0	53,045	54,636	56,275	57,964	59,703	281,623
FUNDING SOURCES							
CIP	0	0	0	0	0	0	0
SEWER	0	53,045	54,636	56,275	57,964	59,703	281,623
Total	\$ -	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 59,703	\$ 281,623

Project Description: Current and updated maps are critical to the operation and maintenance of the collection system. The maps are used when maintenance crews respond to sewer problem calls, and by engineers designing capital projects. This project will update the City's GIS with information from new capital projects, inspection and maintenance data.



Project Details

Initial Funding Year	2013/14
Planned Start Date	10/1/2013
Target Completion Date	Ongoing
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

Wastewater Systems

Sewer

Sewer System Management Plan Update

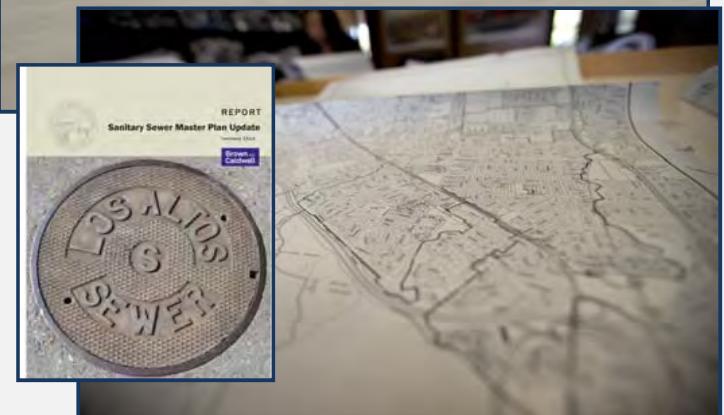
PROJECT #: WW-01009

PRIORITY: Health and Safety

PROJECT LEAD: A. Fairman

PROJECT ESTIMATES	Prior Appropriations	2013/14 Proposed	2014/15 Proposed	2015/16 Planned	2016/17 Planned	2017/18 Planned	Total
BIENNIAL SEWER SYSTEM MANAGEMENT PLAN UPDATE	0	0	21,885	0	23,185	0	45,070
FUNDING SOURCES							
CIP	0	0	0	0	0	0	0
SEWER	0	0	21,885	0	23,185	0	45,070
Total	\$ -	\$ -	\$ 21,885	\$ -	\$ 23,185	\$ -	\$ 45,070

Project Description: In accordance with State requirements, this project will update the City of Los Altos Sewer System Management Plan. The updating is typically done biennially by a sewer management consultant. Update of the SSMP will be based on State Water Resources Control Board general waste discharge requirements.



Project Details

Initial Funding Year	2014/16
Planned Start Date	3/1/2014
Target Completion Date	12/31/2014
Project Status	Not Started
Expended as of March 31, 2013	\$0
Expected impact on the operating budget	N/A
Inflationary Factor Applied	0%

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Appendices



Personnel Allocation Summary

Legislative & Administration	09-10	10-11	11-12	12-13	13-14	14-15
City Manager	1	1	1	1	1	1
Special Projects Mgr	1	1	1	-	-	-
Public Information Coordinator	-	-	-	1	1	1
City Clerk	1	1	1	1	1	1
Deputy City Clerk	-	1	1	1	1	1
Executive Assistant	1	0	0	1	1	1
Office Assistant II	0.75	0.75	0.75	0	-	-
Total FTE	4.75	4.75	4.75	5	5	5

Finance & Technology	09-10	10-11	11-12	12-13	13-14	14-15
Finance Director	1	1	1	1	1	1
Financial Services Mgr	1	1	1	1	1	1
Accounting Technician	1	0	0	0	0	0
Accounting Technician I	-	1	1	1	1	1
Accounting Technician II	-	2	2	2	2	2
Acct Office Asst I	2	1	1	1	1	1
Acct Office Asst II	1	0	0	0	0	0
Info Technology Mgr	1	1	1	1	1	1
Info Technology Analyst	1	1	1	1	1	1
Total FTE	8	8	8	8	8	8

Human Resources	09-10	10-11	11-12	12-13	13-14	14-15
Assistant City Mgr	-	1	1	1	1	1
Human Resources Mgr (Senior)	1	0	0	0	0	0
Human Resources Mgr	0	0	1	1	1	1
Human Resources Tech	1	1	0	0	0	0
Total FTE	2	2	2	2	2	2

Personnel Allocation Summary

Public Safety	09-10	10-11	11-12	12-13	13-14	14-15
Police Chief	1	1	1	1	1	1
Police Captain	1	1	1	1	1	1
Police Service Mgr	1	1	1	1	1	1
Executive Assistant	1	1	1	1	1	1
Police Sergeant	6	6	6	6	6	6
Police Agent	5	6	6	6	6	6
Police Officer	17	16	16	16	16	16
Community Serv Offer	5	5	5	5	5	5
Lead Communications Offer	1	1	1	1	1	1
Communications Offer	5	5	5	5	5	5
Lead Record Specialist	1	1	1	1	1	1
Records Specialists	3	3	3	3	3	3
Transportation Engineer	1	1	1	0	0	0
Total FTE	48	48	48	47	47	47

Personnel Allocation Summary

Community Development	09-10	10-11	11-12	12-13	13-14	14-15
Assistant City Manager	1	1	1	1	1	1
Special Projects Mgr	-	-	-	1	1	1
Public Works Dir	-	-	-	-	-	-
Asst Public Works Dir	-	-	-	-	-	-
Engineering Srv Mgr	1	1	1	1	0	0
Planning Services Mgr	1	1	1	1	1	1
Senior Planner	-	-	1	1	1	1
Associate Planner	1	1	0	0	0	0
Assistant Planner	2	2	2	2	2	2
Executive Assistant	3	3	3	3	2	2
Building Official	1	1	1	1	1	1
Building Inspector	4	4	4	4	4	4
Building Technician	1	1	1	1	1	1
Economic Development Manager	1	1	1	1	1	1
Assoc Civil Engineer	2	2	2	2	0	0
Asst Civil Engineer	2	2	2	2	0	0
Engineering Tech	2	2	2	2	0	0
Senior Engineer	1	1	1	1	0	0
Junior Civil Engineer	1	1	1	1	0	0
Transportation Projects Manager	-	1	1	1	0	0
Total FTE	24	25	25	26	15	15

Personnel Allocation Summary

Public Works	09-10	10-11	11-12	12-13	13-14	14-15
Engineering Srv Mgr	0	0	0	0	1	1
Executive Assistant	0	0	1	1	2	2
Assoc Civil Engineer	0	0	0	0	2	2
Asst Civil Engineer	0	0	0	0	2	2
Engineering Tech	0	0	0	0	2	2
Senior Engineer	0	0	0	0	1	1
Junior Civil Engineer	0	0	0	0	1	1
Transportation Projects Manager	-	0	0	0	1	1
Maint Services Mgr	1	1	1	1	1	1
Maint Supervisor	3	3	4	4	4	4
Office Assistant II	1	1	0	0	0	0
Equipment Mechanic	1	1	1	1	1	1
Fleet Facilitator	1	1	1	1	1	1
Maint Lead Worker	6	6	5	5	5	5
Maint Worker I	9	9	9	9	9	9
Maint Worker II	11	11	11	11	11	11
Maint Tech	2	2	2	2	2	2
Total FTE	35	35	35	35	46	46

Recreation	09-10	10-11	11-12	12-13	13-14	14-15
Recreation Director	1	1	1	1	1	1
Recreation Supervisor	1	1	1	1	1	1
Sr. Recreation Supervisor	1	1	1	1	1	1
Office Assistant II	1	1	1	1	1	1
Recreation Coordinator	3	3	3	3	3	3
Total Full Time	7	7	7	7	7	7

Grand Total - All Funds	128.75	129.75	129.75	130	130	130
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Operating & CIP Budgets

Glossary of Terms

Accrual Basis of Accounting - the method of accounting under which transactions are recognized when they occur regardless of the timing of related cash flows.

ADA - Americans with Disabilities Act

Administrative Charge - a transfer of monies to the General Fund to reimburse the General Fund for work performed in other funds by an employee whose salary is budgeted in the General Fund.

Appropriation - an authorization made by the City Council that permits City departments to make expenditures of governmental resources. All appropriations that have not been expended or lawfully encumbered return to the original fund. The City Council may increase or decrease appropriations by majority vote. The City Manager may transfer appropriations within a department. All increases or transfers between funds or specific capital projects must be approved by the City Council.

Appropriations Limit - as a governmental entity in the State of California, the City is subject to the Gann Spending Limit Initiative, which limits the amount of annual appropriations of tax proceeds. See City Financial Information to review the calculation.

AQMD - Air Quality Management District

Assessed Valuation - the dollar value assigned to real estate or other property, by Santa Clara County for the purpose of levying property taxes.

Asset - resources owned or held that have an economic value.

Balanced Budget - a budget in which income (revenue) is equal to expenditures.

Beginning Fund Balance - The balance of a fund including restricted, assigned, committed and unassigned values carrying over into the following year.

Bond - a written promise to pay a designated amount (called the principal) at a specific date in the future, together with periodic interest at a specified rate. In the Financial Plan, these payments are identified as debt service. Bonds are usually used to obtain long-term financing for capital improvements.

Glossary of Terms

Bond Rating - an opinion of a credit rating agency as to a debt issuer's overall financial capacity to meet its financial commitments as they come due. It is a measure of risk associated with a debt issuer's ability to pay its debt.

Budget / Operating - a fiscal plan detailing current operating programs, including an estimate of adopted expenditures and the means to finance them.

CARB - California Air Resources Board

CalPERS - California Public Employees' Retirement System

CalTrans - California Department of Transportation

Capital Improvement (also, Capital Project) - refers to a specific project in the CIP. The City budgets at the project level. Capital projects are major projects (water lines, streets, parks, buildings, etc.) having a long-term nature/life, constructed or acquired for the public good.

Capital Improvement Program (CIP) - a five-year fiscal plan detailing the amount and timing of anticipated capital expenditures. Council adopts the first year of the CIP and approves the entire five-year plan in concept. It is updated annually with the adoption of the budget.

Capital outlay - These expenditures result in the acquisition of, or addition of, capital assets or infrastructure. They may occur in an operating program (e.g., the purchase of computers) or a capital project (e.g., land acquisition). Conversely, a capital project may have other categories of expense (e.g., labor costs for administrative personnel working on the project or other operating costs for materials and/or supplies that are not capital items).

Capital Projects funds - established to account for resources used for the acquisition and construction of capital facilities by the City, except those financed by proprietary funds. The individual funds comprising this grouping include the Capital Projects Fund, Real Property Proceeds Fund, and the Community Facilities Renewal Fund and other dedicated special revenue funds. These and other funds (including Special Revenue, Enterprise and General Fund) comprise the funding sources for the CIP.

Cash Basis of Accounting - a basis of accounting under which revenue and expenses are recognized when cash is received and cash is paid.

Glossary of Terms

Community Development Block Grant (CDBG) - a federally funded program, the main objective of which is the development of viable urban communities through the provision of decent housing, a suitable living environment and economic opportunity, principally for low to moderate income persons.

Comprehensive Annual Financial Report (CAFR) - the audited annual financial report of a government, which encompasses all funds.

Consumer Price Index (CPI) - an index that tracks the prices of a specified set of goods and services purchased by consumers, providing a measure of inflation (often considered a cost-of-living index).

Cost Recovery - the extent to which costs are attributed directly to a service or program, as well as a reasonable share of indirect costs related to the service or program, that are recovered through charges for fees, charges or other revenues.

Debt Service - the repayment of principal and/or interest on borrowed funds.

Debt Service Funds - governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Department - a major administrative unit of the City, which indicates overall management responsibility for an operation or a group of related operations within a functional area, and the organizational level at which the budget is adopted and controlled.

Depreciation - a non-cash expense representing the systemic and rational allocation of the cost of a capital asset over its useful life.

Division - an organizational unit that indicates management responsibility for an operation or group of related operations within a functional area, subordinate to the department level of the organization.

Encumbrance - commitment related to unperformed contracts for goods or services.

Glossary of Terms

Enterprise Funds - funds established to account for the operations and financing of self-supporting activities of a governmental unit that renders services on a user charge basis to the general public, similar to private business enterprises. The following funds operate the Wastewater Fund on an enterprise basis.

Expenditure - the payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense - charges incurred (whether paid immediately or accrued) for operations, maintenance, interest or other charges.

Fiscal Year (FY) - the fiscal year for the City begins on July 1 of each year and ends on June 30 of the following year. It is designated by the calendar year in which it ends.

FTE (Full-Time Equivalent) - the equivalent of a full-time position for one year, based on 1.0 FTE equaling 2,080 hours.

Function - an operational grouping of related departments.

Fund - an independent fiscal and accounting entity with a self-balancing set of accounts.

Fund Balance Classifications - Fund balance is defined as the difference between assets and liabilities. Beginning in FY 2010/11, the City is required to reclassify fund balances into the following five categories to comply with the Governmental Accounting Standards Board Statement (GASB) No. 54, Fund Balance and Governmental Fund Types.

Nonspendable - This is a portion of fund balance not available for appropriations by its nature or external restriction. Examples are inventories and donations that require intact principal values.

Spendable - Restricted: The restricted portion of fund balance is subject to externally enforceable legal restrictions. Examples are Gas Tax revenues and grant proceeds.

Committed - The committed portion of fund balance is constrained by the limitations imposed through formal City Council action. Only formal City Council action can remove or modify a previously committed amount.

Glossary of Terms

Assigned - The Assigned portion of fund balance is established for intended use by either the City Council or its designee, such as the City Manager. No formal City Council action is needed to remove the intended use. GAAP required reserves, such as the Other Post-Employment Benefits (OPEB) reserve, belong to this category. The Fiscal Policy and State Revenue Stabilization policy balances belong to this category.

Unassigned - The Unassigned portion of fund balance is that remaining after the non-spendable, the restricted, the committed, and the assigned fund balances are identified and recorded.

General Fund - this fund is one of five governmental fund types and typically serves as the chief operating fund of a government. The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

Generally Accepted Accounting Principles (GAAP) - the conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements.

General Obligation Bonds - bonds that are issued and secured by either the full faith and credit of the issuing government or by a promise to levy property taxes in an unlimited amount, as necessary to pay debt service, or both. General obligation bonds of local agencies are typically only payable from ad valorem property taxes.

Geographic Information System (GIS) - a computer system capable of integrating, storing, editing, analyzing, sharing, and displaying geographically-referenced information.

GFOA - Government Finance Officers Association

Governmental Funds - funds generally used to account for tax-supported activities. There are five different types of governmental funds. Los Altos' governmental funds include the General Fund, Other General Purpose funds, Special Revenue funds, Debt Service funds and Capital Projects funds.

Grant - a contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending on the grant.

Glossary of Terms

Indirect Cost - a cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Infrastructure - the physical assets of a government (e.g., streets, sewers, public buildings and parks).

Internal Service Funds - used to account for the financing of centralized services to different funds and City departments on a cost reimbursement basis (including replacement costs). Internal Service funds of the City include Workers' Compensation, Liability and Dental Insurance.

Modified Accrual Basis of Accounting - the basis of accounting, according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Objective - a specific, measurable goal, formally established at the division level of the organization.

Personnel Services - a budget category used to capture the costs associated with employing full-time and part-time employees.

Proprietary Fund - funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: Enterprise funds and Internal Service funds.

Operating Expenditure - personnel, materials and services, and capital outlay - expenses required for a department to function.

Operating Reserves - unrestricted funds, usually accumulated over several years, that are available for appropriation (also see Unreserved Fund Balance).

Operating Revenues - funds the government receives as income to pay for ongoing operations, such as taxes, fees from specific services, interest earnings, and grant revenues.

Glossary of Terms

Pay-as-you-go Basis - a term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

Revenue - sources of income financing the operations of government.

RFP - Request for Proposal

Special Revenue Funds - used to account for the revenue derived from specific taxes or other earmarked revenue sources (other than for major capital projects) that are restricted by law or administrative action for expenditures to be used for specific purposes.

Structural Deficit - a fiscal imbalance created when ongoing expenditures exceed ongoing revenues.

Structural Reductions - measures that either decrease or eliminate ongoing costs or generate new, ongoing revenues.

Transient Occupancy Tax (TOT) - a tax on hotel, motel and timeshare stays of less than 30 days. The rate is currently 11%.

Triple Flip - in March 2004, California voters approved the Governor's budget measure which called for (among other things) the implementation of the "Triple Flip" to generate a dedicated revenue stream for bond repayment. One-quarter of sales tax revenues are re-directed by the State and replaced with an equal amount of property tax revenues. Because the basis for the calculation of this replacement revenue will continue to be the amount of taxable sales generated, the City records this replacement revenue in the sales tax category.

User Charges - the payment of a fee for direct receipt of a public service by the party who benefits from the service.

Unreserved Fund Balance (also known as unrestricted fund balance) - the portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.