



DATE: March 18, 2013

AGENDA ITEM # 1

TO: Financial Commission

FROM: Russell J. Morreale, Staff Liaison

SUBJECT: Commission Minutes

RECOMMENDATION:

Election of Commission Chair & Vice Chair

BACKGROUND

On an annual each city Commission holds an election of new Officers, in this case the Commission Chair and Vice Chair. These elections are typically held in the first two meetings of the calendar year.

DISCUSSION

As the Commission ponders the nominations and ultimate election vote, the listing of current Officers below may be of assistance in the process.

Name	Term	Term Expiration
David Byrne, Chair	1st	2014
Donald Korn, Vice Chair	2nd	2014
Robin Dickson	1st	2016
Kevin Thompson	2nd	2014
Roger Sievers	1st	2016
Les Poltrack	1st	2016
Harold Guthart	1st	2016
Russell Morreale	N/A	Liaison



DATE: March 18, 2013

AGENDA ITEM # 2

TO: Financial Commission
FROM: Russell J. Morreale, Staff Liaison
SUBJECT: Commission Minutes

RECOMMENDATION:

Approve minutes of the regular meeting of January 28, 2013

DISCUSSION

Attached are the draft action minutes for the meeting of January 28, 2013 for review and approval.

Attachments:

- A. Minutes for the Regular Meeting of January 28, 2013

Attachment A

Minutes for the Regular Meeting of January 28, 2013



**FINANCIAL COMMISSION
REGULAR MEETING MINUTES**

**5:00 P.M., Monday, January 28, 2013
Neutra House
181 Hillview Avenue, Los Altos, California**

Call to Order

The meeting was called to order at 5:35 P.M.

Roll Call

Commissioners present: Chair David Byrne, Vice Chair Donald Korn, Robin Dickson, Les Poltrack, Roger Sievers and Kevin Thompson.

Commissioners absent: Harold Guthart, with notice

Also Present: Russell Morreale, Los Altos Finance Director and Staff Liaison

Pledge of Allegiance

The Pledge to the Flag was conducted

Public Comment

None

Consent Items

1. Approval of Minutes

With a first motion from Chair Byrne and a second from Commissioner Sievers, the minutes of December 17, 2012 were approved with unanimous agreement.

Discussion

2. Investment Portfolio Update

Investment advisor, Carlos Oblites of PFM Asset Management, provided an update of the City's portfolio performance through the Fourth Quarter of 2012. This reporting updated the investment performance through December 31, 2012 as a precursor to Council reporting. The Commission discussed the report and asked a number of questions as well as reaffirming the direction of remaining paced and prudent in placing investments in line with defined benchmarks.

3. Pension alternatives and Options Study

The pension study subcommittee members, as presented by Vice Chair Korn, provided an update on the status of the study. Liaison Morreale also shared with the Commission recently released

CALPERS actuarial valuation materials disclosing the much anticipated unfunded liability and Hypothetical Valuation amounts for the City of Los Altos as well as all California participating agencies.

3.2013 Meeting Calendar

The meeting calendar for 2013 was approved unanimously with a motion from Commissioner Thompson and a second from Commissioner Dickson.

Commission Reports:

None

Adjournment

The meeting was adjourned at approximately 6:30 P.M. with general consensus

Respectfully Submitted,
Russell J. Morreale
Staff Liaison to the Financial Commission



DATE: March 18, 2013

AGENDA ITEM # 3

TO: Financial Commission
FROM: Russell J. Morreale, Staff Liaison
SUBJECT: FY 2012/13 Mid-Year Budget Update

RECOMMENDATION:

Accept a presentation of the mid-year Budget update as presented to City Council

BACKGROUND

On an annual basis an update is presented to City Council on the status of the operating budget and CIP. This is typically referred to as the Mid-Year Budget Update.

DISCUSSION

On February 26, 2013, City Council was updated with the status of the City's financial condition at mid-year FY 2012/13 with a focus on both the operating budget and Capital Improvement Plan (CIP). The attachments illustrate the content of the presentation as a basis for discussion as the City embarks on the development of the next two-year budget cycle.

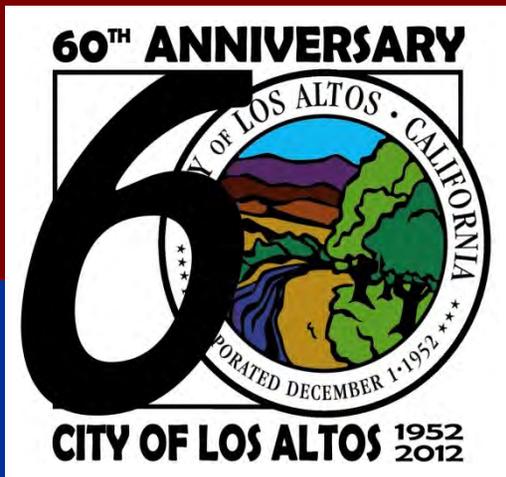
Attachments:

- A. Mid-Year Operating Budget Review Presentation
- B. Mid-Year CIP Status Update

Attachment A

Mid-Year Operating Budget Review Presentation

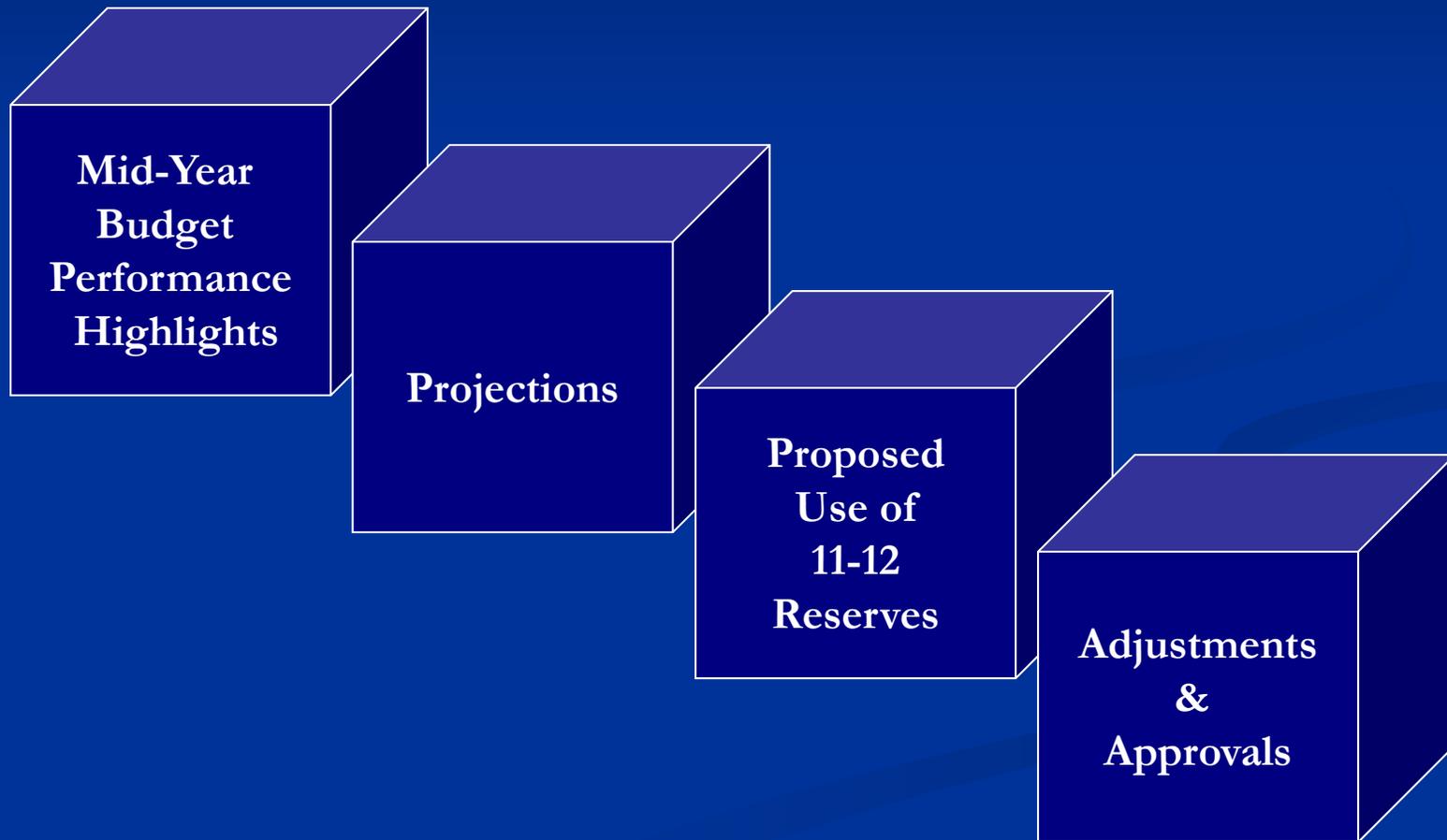
2012-2013 Mid-Year Operating Budget Review



February 26, 2013

City of Los Altos

Presentation Topics



Mid-Year Budget Highlights

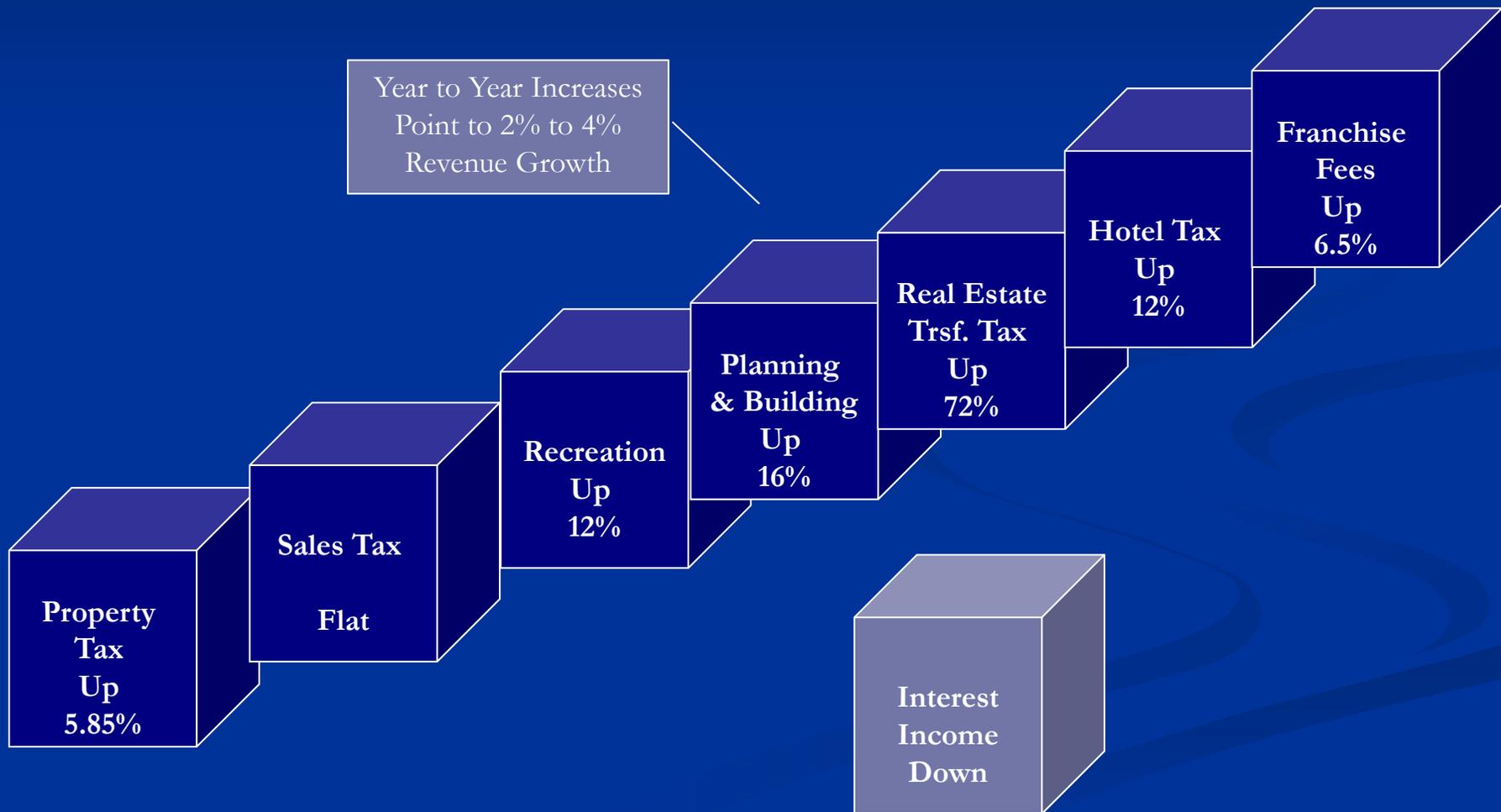
- City remains within budget projections
- Key general revenues trending at 1-2% growth
- Department expenses under budget – 9%
- Proposed use of \$650K of 11-12 Surplus
- Safety and Technology adjustments being requested
- Surplus margins tightening
- \$300K storm direct Gen. Fund expense anticipated
- Economic challenges remain to be dealt with

Departments “Within Budget”

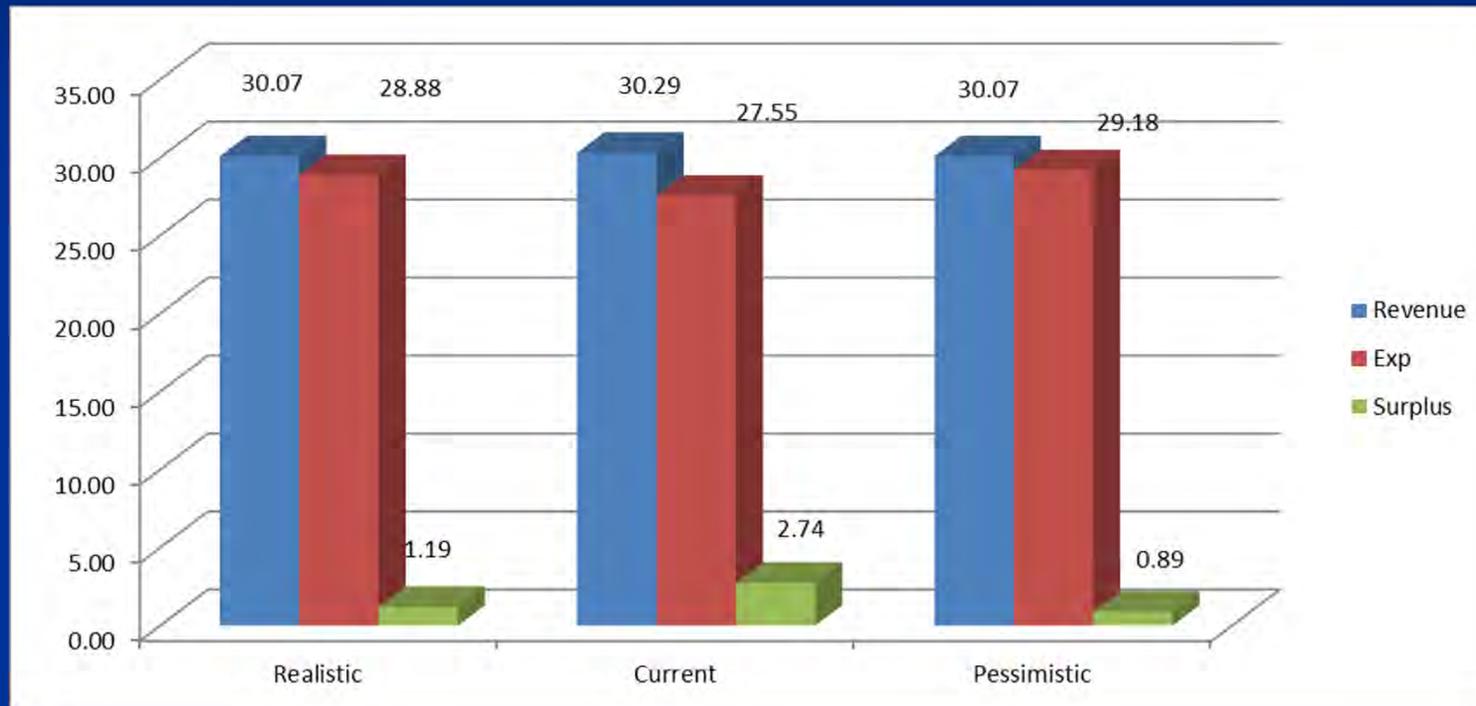
DEPT / DIVISION EXPENDITURES	ORIGINAL BUDGET	ADJUSTED BUDGET	Y-T-D ACTUAL	PRIOR YR Y-T-D ACTUAL	% USED
LEGISLATIVE & ADMINISTRATION	1,544,027	1,574,247	659,868		41.92%
FINANCE & TECHNOLOGY	2,148,260	2,103,523	703,173		33.43%
HUMAN RESOURCES	724,915	727,547	226,975		31.20%
PUBLIC SAFETY	14,590,636	14,603,317	5,894,771		40.37%
COMMUNITY DEVELOPMENT	4,070,245	4,078,140	1,882,784		46.17%
MAINTENANCE SERVICES	4,600,146	4,656,574	1,950,041		41.88%
RECREATION	2,121,103	2,124,500	1,020,319		48.03%
GENERAL FUND	29,799,332	29,867,847	12,337,932	12,757,033	41.31%

8.7% Under
At
Mid Year

Operating Revenues



2012-2013 Projection



	Assumptions		
	Realistic	Current	Pessimistic
Revenue	0-1% Growth	1.5% Growth	0-1% Growth
Exp	96%	92%	98%
Surplus	1.19 M	2.74 M	.89 M

Proposed Use of Reserves

- \$650,000
- Fortify reserves as scheduled
- Capital Improvement Plan (CIP) funding
- PERS Side fund pay-downs (Full pay off near)
- OPEB reserves
- Operating budget adjustments

<i>Proposed Reserve Transfers</i>	<i>2012 Balance</i>	<i>Original Plan</i>	<i>Proposed Plan</i>	<i>Reclass</i>	<i>2013 Balance</i>
Operating Fiscal Reserve	4,200,000	150,000	150,000	1,025,000	5,375,000
State Budget Stabilization Reserve	1,025,000	0	0	-1,025,000	0
OPEB Reserve	400,000	100,000	100,000		500,000
PERS Reserve (Side Fund Paydown)	100,000	0	150,000		250,000
CIP Funding		215,000	250,000		
Total	\$5,725,000	\$465,000	\$650,000	\$0	\$6,125,000

Mid Year Adjustments

General Fund

- Staff reallocation -Public Information Coordinator (\$0)
- Technology Requests: (\$75k)
 - Safety Dual Authentication Mandate
 - Network Upgrades
 - Contract network services
 - Hardware upgrades

Mid Year Adjustments

Equipment Replacement Fund (\$94K)

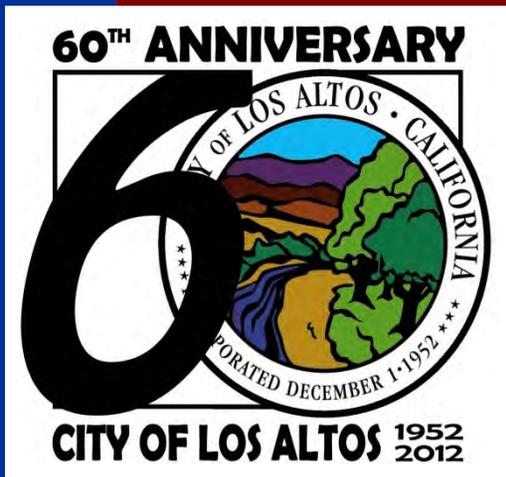
- 2 safety vehicle replacements
- Carry Forward of Mobile Data Terminals (10 Patrol Car Computers)

Challenge Indicators



- Sluggish regional/national economy
- Inelastic revenue base
- Change in pension accounting practices
- Pension costs & discount rates changes
- Aging facilities

Questions and Comments



Attachment B
Mid-Year CIP Status Update



DATE: February 26, 2013

AGENDA ITEM #12

TO: City Council

FROM: Marcia Somers, City Manager
Russell J. Morreale, Finance Director

SUBJECT: Fiscal Year 2012/13 Mid-Year Capital Improvement Program (CIP) Status Update

RECOMMENDATION:

Receive the Capital Improvement Program Mid-Year Summary Status Report as of December 31, 2012

SUMMARY:

Estimated Fiscal Impact:

Amount: None

Budgeted: Not Applicable

Public Hearing Notice: Not Applicable

Previous Council Consideration: Not Applicable

CEQA Status: Not Applicable

Attachment:

1. Capital Improvement Program Status Report - December 31, 2012

BACKGROUND

On a periodic basis, a report on the status of the City's capital projects is provided to Council as well distributed to staff internally. The attached report brings this reporting up to date through December 31, 2012, a point in time that is important as it coincides with the mid-year operating budget review.

This mid-year report places focus on both project status and budget performance as a basis for fiscal accountability and reporting.

DISCUSSION

The *Capital Improvement Program Mid-Year Status Report* (Attachment 1), presents the total inventory of active projects, by year, category and funding source, as well as a count of how many projects have been completed to date. Status highlights at mid-year include:

- Forty-eight (48) projects are open and active. This number includes 20 new projects adopted and added as part of the FY 2012/13 CIP. The total remaining CIP appropriations for the current active projects equals \$14.6 million, of which 30% in the CIP Fund, 28% in the Sewer Fund, and 42% subject to outside funding.
- It is noteworthy that 16 projects have been completed over the past six months. This is consistent with the trend noted in the FY 2011/12 Comprehensive Annual Financial Report and audit presented earlier this year.
- This report currently identifies approximately \$1.2 million that can be returned to the CIP and Sewer Funds at year-end due to projects that were completed under the appropriated budget amounts. These funds will then be available for CIP projects in future years.

This report also displays additional information including: estimated target completion dates; lead staff assignments; and project status codes (in design, in construction, etc.) The FY 2013/14-2017/18 CIP document will include all the format modifications presented at the Annual Council Retreat on January 12, 2013.

FISCAL IMPACT

None

PUBLIC CONTACT

Posting of the meeting agenda serves as notice to the general public.

Capital Improvement Program Summary Status Report December 31, 2012 Mid-Year

Active Projects - Budget Status					
Fiscal Year	Count	% Count	Project Budget	Balance Remaining	% Expended
12-13	20	42%	4,175,200	4,031,724	3%
11-12	6	13%	1,405,304	1,162,136	17%
10-11	8	17%	2,880,108	2,474,615	14%
09-10	5	10%	5,961,837	2,527,881	58%
08-09	4	8%	4,215,262	1,448,135	66%
06-07	1	2%	306,000	20,396	93%
05-06	1	2%	236,150	3,008	99%
02-03	2	4%	1,748,825	1,219,225	30%
Prior	1	2%	2,160,000	1,672,450	23%
	48	100%	23,088,686	14,559,570	37%

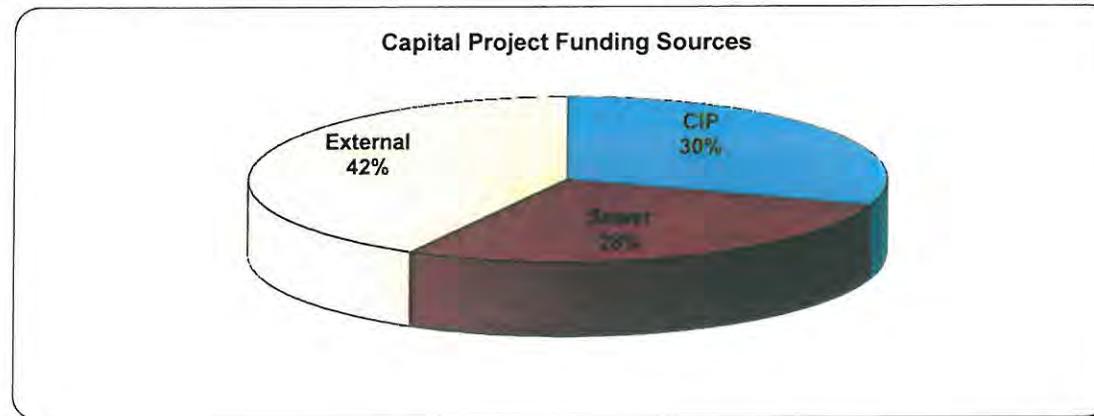
Distribution By Year

Active Projects Balance - Funding Sources			
CIP	Sewer	External	Total
1,590,745	1,643,979	797,000	4,031,724
81,170	-	1,080,966	1,162,136
84,832	2,094,572	295,211	2,474,615
1,875,903	332,132	319,845	2,527,881
370,918	-	1,077,217	1,448,135
20,396	-	-	20,396
-	-	3,008	3,008
200,956	-	1,018,269	1,219,225
173,970	-	1,498,480	1,672,450
4,398,890	4,070,683	6,089,997	14,559,570
30%	28%	42%	100%

Distribution By Type

Annual	8	17%	902,111	810,836	10%
Streets	18	38%	12,634,769	6,741,756	47%
Facilities	1	2%	1,350,000	1,330,655	1%
Parks	2	4%	485,500	483,955	0%
Sewer	9	19%	5,508,844	4,073,691	26%
Other	10	21%	2,207,462	1,118,677	49%
	48	100%	\$23,088,686	\$14,559,570	37%

Number of Projects Completed Per Period	
Past Six	16
Past Nine Months	21
Past Year	29
Eighteen Months	44
Twenty Four Months	53
Average Per Month	2



Capital Improvement Program Detail Status Report

December 31, 2012 Mid-Year

SERVICE CATEGORY	CIP #	PROJECT TITLE	PROJECT ADOPTION YEAR	PROJECT LEAD	BUDGET	EXPENDED INCEPTION TO DATE	BALANCE	TARGET COMPLETION DATE	% SPENT	% PROJECT	STATUS	COMMENTS	CIP	SEWER	EXTERNAL
OPEN & ACTIVE PROJECTS															
Traffic & Streets	00220	Fremont Avenue Bridge Replacement	2002	V. Chen	2,160,000	487,550	1,672,450	Aug-14	23%	28%	ID	In Design	173,970	0	1,498,480
	00325	Rehabilitate Portland Avenue Bridge	2003	V. Chen	1,433,825	290,861	1,142,964	Aug-15	20%	25%	ID	In Design & environmental studies	124,695	0	1,018,269
	00933	Miramonte Ave & Covington Road Traffic Signal	2009	C. Novenario	250,000	30,882	219,118	TBD	12%	5%	ID	In Design-pending rescoping per Council	219,118	0	0
	00922	First Street Utility Undergrounding - Phase I	2009	D. Brees	2,834,000	2,326,458	507,542	Oct-10	82%	95%	IC	Restoration work in coordination w/streetscape work	100,965	0	406,577
	01012	Collector Street Traffic Calming	2010	C. Novenario	400,000	80,155	319,845	TBD	20%	2%	ID	Project to be re-scoped	0	0	319,845
	01023	First Street Utility Undergrounding - Phase II	2010	D. Brees	240,000	9,542	230,458	May-14	4%	3%	ID	UUD Formation completed - awaiting PGE approval	230,458	0	0
	01027	First Street Streetscape Construction (Formerly First Street)	2010	J. Walgren	2,799,337	2,484,546	314,791	Nov-13	89%	40%	IC	Phase1A completed - Phase 1B designed for Bid	314,791	0	0
	01118	Pedestrian Master Plan	2011	C. Novenario	75,000	0	75,000	TBD	-	5%	ID	In Design	75,000	0	0
	01119	Portola Ave Sidewalk	2011	K. Small	51,000	11,948	39,052	TBD	23%	21%	ID	In Design - pending further analysis and scoping	0	0	39,052
	01120	Grant Rd Pathway Bryant to Altamead	2011	K. Small	88,803	8,278	80,525	Feb-14	9%	28%	ID	In Design	9,832	0	70,693
	01219	Homestead Road Safety Improvements	2012	K. Small	1,026,804	162,793	864,011	Nov-13	16%	32%	IB	In the Bid process	0	0	864,011
	01301	Annual St Resurfacing	2013	K. Small	775,000	0	775,000	Aug-13	-	0%	ID	In Design	550,000	0	225,000
	01302	Annual St Striping	2013	K. Small	75,000	0	75,000	TBD	-	0%	NS	Not Started	0	0	75,000
	01309	Biennial Street Slurry Seal	2013	K. Small	125,000	0	125,000	Aug-13	-	0%	ID	In Design	125,000	0	0
	01315	Speed Zone Survey	2013	C. Novenario	66,000	0	66,000	May-13	-	0%	ID	In Design	66,000	0	0
	01316	Main Library Parking Lot	2013	M. Bocalan	84,000	0	84,000	Feb-14	-	0%	NS	Not Started	84,000	0	0
	01320	Intersection Bicycle Loops	2013	C. Novenario	115,000	0	115,000	Feb-14	-	0%	NS	Not Started	115,000	0	0
	01321	University Milverton Ped Improvements	2013	G. Fletcher	36,000	0	36,000	Aug-13	-	10%	ID	In Design	36,000	0	0
18					12,634,769	5,893,013	6,741,756		47%				2,224,829	0	4,516,928
Infrastructure	01008	San Antonio Road Construction (Streetscape)	2010	V. Chen	1,350,000	19,345	1,330,655	May-13	1%	0%	IC	In Construction	1,330,655	0	0
1					1,350,000	19,345	1,330,655		1%				1,330,655	0	0
Parks	01214	Shoup Redwood Grove	2012	TBA	103,500	1,545	101,955	TBD	1%	0%	NS	Not Started	0	0	101,955
	01311	Skate Park (Skatable Art Work)	2013	TBA	382,000	0	382,000	TBD	-	0%	NS	Not Started	0	0	382,000
2					485,500	1,545	483,955		0%				0	0	483,955
Sewer	00612	Sewer Metering Stations	2006	L. Lind	236,150	233,142	3,008	Aug-13	99%	97%	IC	In Construction	0	0	3,008
	01014	South Sewer Main Replacement - Phase I	2010	A. Fairman	1,172,500	843,013	329,487	May-13	72%	92%	IC	In Construction	0	332,132	0
	01104	Annual Sewer Main Repair	2011	A. Fairman	510,586	38,373	472,213	Nov-13	8%	36%	ID	In Design	0	469,568	0
	01114	Sewer Main Replacement - Phase II	2011	A. Fairman	1,260,905	116,328	1,144,577	Nov-13	9%	36%	ID	In Design	0	1,144,577	0
	01115	Fallen Leaf Lane Sewer Main Replacement	2011	A. Fairman	534,703	54,989	479,714	Nov-13	10%	36%	ID	In Design	0	479,714	0
	01117	Sewer Master Plan Update	2011	L. Lind	150,000	149,286	714	May-13	100%	95%	ID	In Design	0	714	0
	01304	Annual Sewer Main Repair	2013	A. Fairman	369,000	0	369,000	Feb-14	-	3%	ID	In Design	0	369,000	0
	01305	Annual Sewer Root Foaming	2013	M. Bocalan	332,000	0	332,000	Aug-13	-	10%	IB	In the Bid process	0	332,000	0
	01310	Sewer Collection System Upgrade	2013	A. Fairman	943,000	21	942,979	Feb-14	0%	0%	ID	In Design	0	942,979	0
9					5,508,844	1,435,153	4,073,691		26%				0	4,070,683	3,008
Other Projects	00316	Financial System Upgrade	2003	R. Morreale	315,000	238,739	76,261	Aug-14	76%	76%	IC	Business licensing complete - Grant tracking in roll out	76,261	0	0
	00717	Storm Drain System Master Plan	2007	V. Chen	306,000	285,604	20,396	Nov-13	93%	85%	ID	In Design	20,396	0	0
	00921	Public Works/Finance Document Archiving	2009	Jim/Russ	67,262	16,428	50,834	TBD	24%	82%	IC	In Progress	50,834	0	0
	00923	Police Records Mgmt & Dispatch System	2009	T. Younis	1,064,000	393,360	670,640	May-14	37%	20%	IC	Vendor agreement signed, project underway	0	0	670,640
	01211	Climate Action Plan	2012	Z. Dahl	75,000	31,180	43,821	May-13	42%	10%	ID	Project underway	43,821	0	0
	01218	Document Management Systems	2012	Jon/Russ	35,000	0	35,000	Aug-15	-	40%	NS	Not Started	35,000	0	0
	01313	Parking Management Plan	2013	K. Kleinbaum	165,000	58,475	106,525	May-13	35%	10%	ID	In Design	106,525	0	0
	01318	KMVT Increased Public Broadcasting Capital	2013	R. Morreale	65,000	65,000	0	Feb-13	100%	75%	IC	Funded and equipment purchased and being installed	0	0	0
	01319	KMVT & LASD Broadcasting Capital Pilot	2013	R. Morreale	13,200	0	13,200	Feb-13	-	75%	IC	Project launch planned for this quarter	13,200	0	0
	01317	IT Initiatives	2013	R. Morreale	102,000	0	102,000	May-14	-	25%	ID	Web site in Design and Implementation	102,000	0	0
10					2,207,462	1,088,785	1,118,677		49%				448,037	0	670,640
Annual Projects	01107	Annual ADA Accessibility	2011	K. Small	209,111	23,645	185,466	Aug-13	11%	26%	IB	In the bid process	0	0	185,466
	01207	Annual ADA Accessibility	2012	M. Bocalan	115,000	0	115,000	Nov-13	-	5%	ID	In Design	0	0	115,000
	01212	Traffic Sign Replacement	2012	K. Small	50,000	47,651	2,349	Nov-13	95%	50%	IC	Project Underway	2,349	0	0
	01303	Annual Concrete Repair	2013	M. Bocalan	200,000	0	200,000	Aug-13	-	10%	ID	In Design	200,000	0	0
	01306	Annual ADA Accessibility	2013	M. Bocalan	115,000	0	115,000	Nov-13	-	10%	ID	In Design	0	0	115,000
	01307	Annual NTMP	2013	C. Novenario	75,000	0	75,000	TBD	-	0%	NS	Not Started	75,000	0	0
	01314	ADA Transition Plan	2013	D. Brees	88,000	19,980	68,020	Nov-13	23%	25%	ID	In Design and planning roll out	68,020	0	0
	01308	Annual Special Projects and Studies	2013	J. Walgren	50,000	0	50,000	Nov-13	-	0%	NS	Not Started	50,000	0	0
B					902,111	91,275	810,836		10%				395,369	0	415,466
48					23,088,686	8,529,117	14,559,570		37%				4,398,890	4,070,683	6,089,997

Capital Improvement Program Detail Status Report December 31, 2012 Mid-Year

SERVICE CATEGORY	CIP #	PROJECT TITLE	PROJECT ADOPTION YEAR	PROJECT LEAD	BUDGET	EXPENDED INCEPTION TO DATE	BALANCE	TARGET COMPLETION DATE	% SPENT	% PROJECT	STATUS	COMMENTS	CIP	SEWER	EXTERNAL
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Status Codes
NS-Not Started
IB-In the Bid Process
ID-In Design or Under Study
IC- In Active Construction
OH-On Hold funding preserved
CP-Completed - Pending Final Review
CL-Closed- Return dollars to fund balance
XX-Cancelled - Return dollars to fund balance

Scope - This Schedule presents those Capital projects that have been adopted in a current or prior budget years

Funding Sources
CIP - Project is to be funded using the City's available Capital Improvement Fund balance in line with adopted Capital projects
Sewer - Project is to be funded using the City's rate driven Sewer enterprise operations
Restricted - Project is funded through state or federal restricted funding, grants, donations and/or contributions

FUNDED - ON HOLD

00408	City Hall HVAC System	2004	129,891	51,945	77,946	Funded On Hold	40%	100%	OH	On Hold Pending Civic Center Improvements	77,946	0	0
00936	Redwood Grove/Nature Center	2009	198,000	59,341	138,660	Funded On Hold	0%	20%	OH	Pending Council Discussion & Action	138,660	0	0
00709	Grant Park Jogging Trail	2007	15,000	0	15,000	Funded On Hold	-	0%	OH	Pending Park Master Plan Project	15,000	0	0
00805	Parallel Sewer Main on Magdalena Ave	2008	282,000	14,607	267,393	Funded On Hold	5%	0%	OH	Pending Amendment of Agreement with Los Altos Hills	0	267,393	0
4			624,891	125,892	498,999		20%				231,606	267,393	0

Capital Improvement Program Status Report
 Projects Completed this Reporting Period
 December 31, 2012 Mid-Year

COMPLETED JULY 1, 2012 - DECEMBER 31, 2012		PROJECT ADOPTION YEAR	PROJECT LEAD	BUDGET	EXPENDED INCEPTION TO DATE	BALANCE	TARGET COMPLETION DATE	% SPENT	%	PHASE	% PROJECT	STATUS
00816	First Street Streetscape Design	2008	D. Brees	607,950	554,657	53,293	Nov-12	91%		100%	100%	CP
00817	Loyola Corners Streetscape Design	2008	D. Brees	230,790	156,942	73,848	-	68%		100%	100%	CP
00930	Demolition of 400 Main Street	2009	M. Bocalan	288,000	244,130	43,870	Oct-10	85%		100%	100%	CP
01116	NPDES Compliance Design	2011	M. Bocalan	105,000	47,634	57,366	Dec-12	45%		100%	100%	CP
01122	Traffic Signs Replacement	2011	K. Small	50,000	48,500	1,500	Sep-12	97%		100%	100%	CP
01201	Annual Street Resurfacing	2012	A. Fairman	450,000	329,898	120,102	Sep-12	73%		100%	100%	CP
01202	Annual Street Striping	2012	K. Small	75,000	60,191	14,809	Sep-12	80%		100%	100%	CP
01203	Annual Concrete Repair	2012	A. Fairman	200,000	183,587	16,413	Aug-12	92%		100%	100%	CP
01204	Annual Sewer Main Repairs	2012	A. Fairman	369,000	282,858	86,142	Dec-12	77%		100%	100%	CP
01205	Annual Sewer Main Video	2012	M. Bocalan	379,000	282,948	96,052	Jul-12	75%		100%	100%	CP
01206	Annual Sewer Root Foaming	2012	M. Bocalan	332,000	146,702	185,298	Jul-12	44%		100%	100%	CP
01208	Annual NTMP Projects	2012	C. Novenario	75,000	20,249	54,751	Jun-12	27%		100%	100%	CP
01209	Annual Special Projects and Studies	2012	J. Walgren	50,000	10,397	39,603	Dec-12	61%		100%	100%	CP
01210	Sewer Collection System Upgrade	2012	A. Fairman	942,000	556,288	385,712	Dec-12	59%		100%	100%	CP
01216	In Pavement Crosswalk Lighting Systems	2012	K. Small	143,000	116,329	26,671	Oct-12	81%		100%	100%	CP
01312	NPDES Compliance	2013	M. Bocalan	225,390	187,151	38,239	Dec-12	83%		100%	100%	CP
16				4,522,130	3,228,460	1,293,670						



DATE: March 18, 2013

AGENDA ITEM # 4

TO: Financial Commission
FROM: Russell J. Morreale, Staff Liaison
SUBJECT: Five Year Capital Improvement Program (CIP) Presentation

RECOMMENDATION:

- a. Receive a presentation of the newly updated CIP reporting format
- b. Discussion of the FY 2014/18 CIP Planning and budget process

BACKGROUND

At this time of year the City begins the development of its Biennial budget and Five-Year Capital Program (CIP)

DISCUSSION

This particular year the City has opted to update its CIP document format with an eye on making the document for user-friendly, informative and continuing the process of informational transparency. This aligns nicely with community based updates made to the Operating budget in recent years. This proposed format is attached for your discussion and comment.

Furthermore, Finance and Community Development is reaching out to all Commissions to garner thoughts and ideas existing and proposed CIP project plans. The attached outreach document communicates staff's desire to engage the Commissions in this important budgetary planning model.

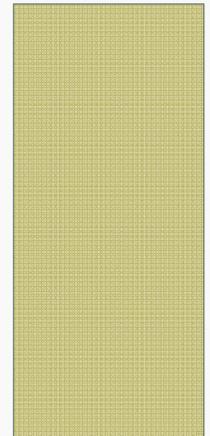
Attachments:

- A. CIP Reinvented Presentation
- B. FY 2014/18 Memorandum to Los Altos Commissions

Attachment A
CIP Reinvented Presentation

CIP REINVENTED

PROPOSED 2014-2018 PLAN



GOALS OF THE PROCESS

- Community Based
- Clear and Updated
- Pleasing to the Eye - Visual
- Project Based
- Long Term View in line with the budget
- Versatile and readable
- Comprehensive
 - Marriage of Status Reports and CIP Plan at Adoption

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APPENDIX

Project listing by number

Project listing by name

Unscheduled projects

Revenue Definitions

Transportation

Streets & Roadways

Annual Street Resurfacing

PROJECT #: TS- 01001

PRIORITY: Ongoing

PROJECT LEAD: Kathy Small

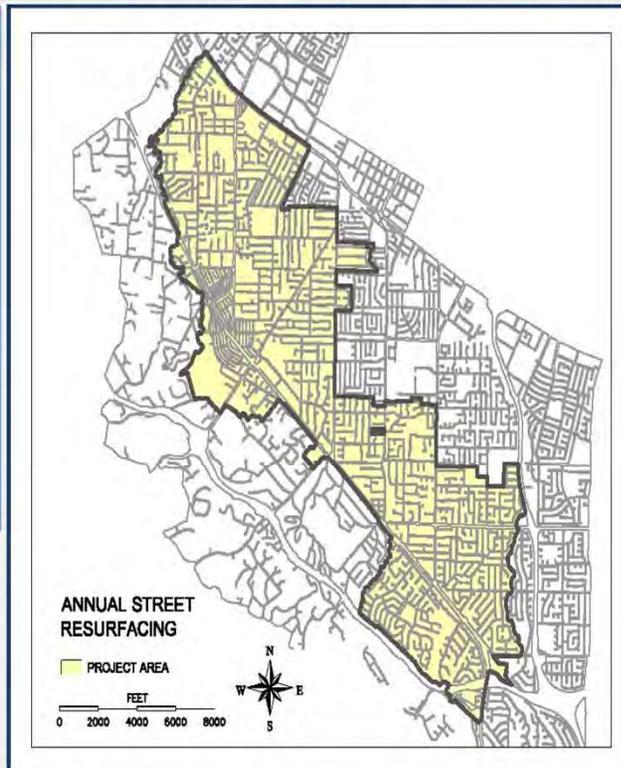
PROJECT ESTIMATES	Prior Appropriation	2013/14 Proposed	2014/15 Planned	2015/16 Planned	2016/17 Planned	2017/18 Planned
ANNUAL STREET RESURFACING	775,000	475,000	475,000	475,000	475,000	475,000
FUNDING SOURCES						
CIP	550,000	250,000	250,000	250,000	250,000	250,000
GAS TAX	225,000	225,000	225,000	225,000	225,000	225,000
Total	\$ 775,000	\$ 475,000	\$ 475,000	\$ 475,000	\$ 475,000	\$ 475,000

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. This project may include cutout and repair of pavement failures and grinding down the pavement at the outer edges or at curbs in preparation for resurfacing. It may also include the installation of pavement fabric in addition to pavement striping and stenciling after the resurfacing. Any damaged curb and gutter or minor drainage improvements will also be included in the project.

Streets are selected for resurfacing on 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 maximize the resurfacing coverage based on available funds beyond specifically identified street mileage when possible.

Project Details

Initial Funding Year	Annual on-going
Planned Start Date	Annual Cycle
Target Completion Date	In the year adopted
Project Status	Ongoing
Expended as of March 31, 2012	\$224,000
Expected impact on the operating budget	\$ -
Inflationary Factor Applied	0%



Transportation

Pedestrian and Bicycle Safety

Grant Road Bicycle Lane

PROJECT #: TP- 01011

PRIORITY: To be determined

PROJECT LEAD: To be assigned

PROJECT ESTIMATES	Prior Appropriation	2013/14 Proposed	2014/15 Planned	2015/16 Planned	2016/17 Planned	2017/18 Planned
Grant Road Bicycle Lane	0	0	65,000	0	0	0
FUNDING SOURCES						
CIP	0	0	65,000	0	0	0
	0	0	0	0	0	0
Total	\$ -	\$ -	\$ 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 extending from Homestead Road to St. Joseph Avenue.

Class II bicycle lanes are for the exclusive use of bicycles with certain exceptions. For instance, right-turning vehicles must merge into the 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; and 4) daytime only bicycle lanes.

Project Details

Initial Funding Year	2014/15
Planned Start Date	TBD
Target Completion Date	TBA
Project Status	Planned Not Adopted
Expended as of March 31, 2012	\$0
Expected impact on the operating budget	\$ -
Inflationary Factor Applied	0%



Attachment B

FY 2014/18 Memorandum to Los Altos Commissions



MEMORANDUM

DATE: February 22, 2013

TO: City of Los Altos Advisory Commissions

FROM: James Walgren, Assistant City Manager

SUBJECT: FY 2013/14 – 2017/2018 CAPITAL IMPROVEMENT PROGRAM

BACKGROUND

The City of Los Altos implements a five-year Capital Improvement Program (CIP), which is reviewed and updated each fiscal year. The City Council supports use of a systematic process to gather input from City Commissions regarding potential new CIP projects before staff presents a draft FY 2013/14 – 2017/18 CIP document to the City Council for adoption.

In addition, state law requires that the Planning and Transportation Commission review the CIP to find that it is consistent with the City's General Plan.

DISCUSSION

Commission review of the five-year CIP will be done in a two-step process. In March 2013, the Commissions will receive and review the current status of active CIP projects. Also at the March meetings, Commissions will discuss potential new projects that relate to their areas of responsibility. Staff will conduct preliminary review of the project ideas and provide related feedback at follow-up April meetings, when the Commissions can have focused discussions on identifying and prioritizing their CIP recommendations to the Council.

Staff will then evaluate the financial and resource needs, as well as feasibility, related to the Commissions' CIP recommendations. All recommendations will be evaluated in the budget development process which staff undertakes to develop its recommendations regarding new, deferred, modified or deleted CIP projects. It is planned that this information will be presented to the Council at a study session in late May.

Given the City's conservative fiscal policies, capital project priorities have traditionally been focused on health and safety issues as well as core responsibilities such as street, utilities and infrastructure maintenance and repair. There may be, however, other improvements that would contribute towards enhancing the overall quality of life that go beyond these more routine activities.

When the Commissions deliberate on this matter, it is suggested that the following be done as part of the discussions:

- Review existing CIP projects in the Commission's area of responsibilities and recommend which ones could/should be re-prioritized to different years
- Identify projects that may no longer meet a community need and could be eliminated either from the scheduled or unscheduled list of projects
- Identify unscheduled projects that may be placed in the new five-year schedule
- Recommend new projects

A list of current projects and the list of unscheduled projects are attached for your information and reference. At this point, the only planned fifth year projects are those related to annual infrastructure maintenance.

The complete five-year Capital Improvement Program, with project descriptions, can be viewed at www.ci.los-altos.ca.us/finance/cip. Please feel free to contact me at (650) 947-2635 or at jvalgren@losaltosca.gov if you have any questions.

Attachments:

1. Active CIP project status dated February 22, 2013
2. Current five-year planned CIP projects
3. Unscheduled CIP projects

City of Los Altos
Capital Improvement Program Project Status
December 31, 2012

CIP #	PROJECT TITLE	Project Lead	Target Completion Date	Actual Completion Date	STATUS			
					Complete	In Construction	In Bid Process	In Design or Study

CIP #	PROJECT TITLE	Project Lead	Target Completion Date	Actual Completion Date
-------	---------------	--------------	------------------------	------------------------

ACTIVE PROJECTS

CIP #	PROJECT TITLE	Project Lead	Target Completion Date	Actual Completion Date
Community Development				
-Infrastructure				
01209	Special Projects and Studies	J. Walgren	Completed	12/31/2012
01308	Special Projects and Studies	J. Walgren	Nov-13	
00816	First Street Streetscape Design	D. Brees	Completed	11/13/2012
00817	Loyola Corners Streetscape Design	D. Brees	Completed	On Hold
00922	First Street Utility Undergrounding - Phase I	D. Brees	Nov-13	
00930	Demolition of 400 Main Street	M. Bocalan	Completed	10/26/2010
01008	San Antonio Road Streetscape Construction	V. Chen	May-13	
01023	First Street Utility Undergrounding - Phase II	D. Brees	May-14	
01027	First Street Streetscape Construction	J. Walgren	Nov-13	
01211	Climate Action Plan	Z. Dahl	May-13	
01313	Parking Management Plan	K. Kleinbaum	May-13	
01314	ADA Transition Plan	D. Brees	Nov-13	
-Technology				
00316	Financial System Upgrade	R. Morreale	Aug-14	
00921	Public Works/Finance Document Archiving	Gustf/Morreale	TBD	
00923	Police Records Mgmt & Dispatch System	T. Younis	May-14	
01218	Document Management Systems	Morreale/Magnot	Aug-15	
01317	IT Initiatives	R. Morreale	May-14	
01318	KMVT Increased Public Broadcasting Capital	R. Morreale	Feb-13	
01319	KMVT & LASD Broadcasting Capital Pilot	R. Morreale	Feb-13	
Civic Facilities				
-Parks and Trails				
01214	Shoup Redwood Grove	TBA	TBD	
01311	Skate Park (Skatable Art Work)	TBA	TBD	
-Buildings				
-Parking Lots				
Transportation				
-Streets and Roadways				
01201	Street Resurfacing	A. Fairman	Completed	9/11/2012
01202	Street Striping	K. Small	Completed	9/25/2012
01301	Street Resurfacing	K. Small	Aug-13	
01302	Street Striping	K. Small	TBD	
01309	Street Slurry Seal	K. Small	Aug-13	
00220	Fremont Avenue Bridge Replacement	V. Chen	Aug-14	
00325	Rehabilitate Portland Avenue Bridge	V. Chen	Aug-15	
-Pedestrian and Bicycle Safety				
01107	ADA Accessibility	K. Small	Aug-13	
01203	Concrete Repair	A. Fairman	Completed	8/28/2012
01207	ADA Accessibility	M. Bocalan	Nov-13	
01208	NTMP Projects	C. Novenario	Completed	6/30/2012
01303	Concrete Repair	M. Bocalan	Aug-13	

City of Los Altos
Capital Improvement Program Project Status
December 31, 2012

CIP #	PROJECT TITLE	Project Lead	Target Completion Date	Actual Completion Date	STATUS				
					Complete	In Construction	In Bid Process	In Design or Study	Not Started
ACTIVE PROJECTS									
01306	ADA Accessibility	M. Bocalan	Nov-13						
01307	NTMP	C. Novenario	TBD				X		
01122	Traffic Signs Replacement	K. Small	Completed	9/1/2012	X				
01212	Traffic Sign Replacement	K. Small	Nov-13			X			
00933	Miramonte Ave & Covington Road Traffic Signal	C. Novenario	TBD				X		
01012	Collector Street Traffic Calming	C. Novenario	TBD				X		
01118	Pedestrian Master Plan	C. Novenario	TBD				X		
01119	Portola Ave Sidewalk	K. Small	TBD				X		
01120	Grant Rd Pathway Bryant to Altamend	K. Small	Feb-14				X		
01216	In Pavement Crosswalk Lighting Systems	K. Small	Completed	10/23/2012	X				
01219	Homestead Road Safety Improvements	K. Small	Nov-13			X			
01315	Speed Zone Survey	C. Novenario	May-13				X		
01316	Main Library Parking Lot	M. Bocalan	Feb-14					X	
01320	Intersection Bicycle Loops	K. Small	Feb-14					X	
01321	University Milverton Ped Improvements	K. Small	Aug-13				X		
Wastewater Systems									
-Sewer									
01104	Sewer Main Repairs	A. Fairman	Nov-13				X		
01204	Sewer Main Repairs	A. Fairman	Completed	12/11/2012	X				
01205	Sewer Main Video	M. Bocalan	Completed	7/24/2012	X				
01206	Sewer Root Foaming	M. Bocalan	Completed	7/24/2012	X				
01304	Sewer Main Repairs	A. Fairman	Feb-14				X		
01305	Sewer Root Foaming	M. Bocalan	Aug-13			X			
00612	Sewer Metering Stations	L. Lind	Aug-13			X			
01014	South Sewer Main Replacement - Phase I	A. Fairman	May-13			X			
01114	Sewer Main Replacement - Phase II	A. Fairman	Nov-13				X		
01115	Fallen Leaf Lane Sewer Main Replacement	A. Fairman	Nov-13				X		
01117	Sewer Master Plan Update	L. Lind	May-13				X		
01210	Sewer Collection System Upgrade	A. Fairman	Completed	12/11/2012	X				
01310	Sewer Collection System Upgrade	A. Fairman	Feb-14				X		
-Storm									
00717	Storm Drain System Master Plan	V. Chen	Nov-13				X		
01116	NPDES Compliance Design	M. Bocalan	Completed	12/11/2012	X				
01312	NPDES Compliance	M. Bocalan	Completed	12/11/2012	X				
# of Projects					16	11	3	28	6
64									64

Five-Year Capital Improvement Program FY 2012-2013 to 2016-2017

Capital Projects Fund	Prior Year	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Total
Prior Year Active Projects	14,838,664						14,838,664
Annual ADA Accessibility		115,000	115,000	115,000	115,000	115,000	575,000
Annual Concrete Repair		200,000	200,000	200,000	200,000	200,000	1,000,000
Annual NTMP		75,000	75,000	75,000	75,000	75,000	375,000
Annual Sewer Main Repair		369,000	369,000	369,000	369,000	369,000	1,845,000
Annual Sewer Main Video		379,000	379,000	379,000	379,000	379,000	1,516,000
Annual Sewer Root Foaming		332,000	332,000	332,000	332,000	332,000	1,328,000
Annual Special Projects and Studies		50,000	50,000	50,000	50,000	50,000	250,000
Annual Street Resurfacing		775,000	775,000	475,000	475,000	475,000	2,975,000
Annual Street Striping		75,000	75,000	75,000	75,000	75,000	375,000
ADA Transition Plan (New)		88,000					88,000
Biennial Street Slurry Seal		125,000					125,000
Civic Center Facilities (New)							
Intersection Bicycle Loops (Reinstated to 12-13)		115,000					115,000
IT Initiatives (FY11-12 Roll Forward)		102,000					102,000
KMVT Increased Public Broadcasting Capital (New)(PEG)		65,000					65,000
KMVT & LASD Broadcasting Capital Pilot (New)(PEG)		13,200					13,200
Main Library Parking Lot (New)		84,000					84,000
University Milverton Ped Improvements (From Unscheduled)		36,000					36,000
NPDES Compliance (Construction)		190,000					190,000
Parking Management Plan (New)		165,000					165,000
Sewer Collection System Upgrade		943,000	1,000,000			1,000,000	2,943,000
Skate Park		382,000					382,000
Speed Zone Survey (New)		66,000					66,000
Covington Road Class I Pathway-Design			75,000				75,000
First Street Design-Phase II			268,000				268,000
Redwood Grove Bank Stabilization (New)			372,000				372,000
Traffic Sign Replacement			25,000	25,000	25,000	25,000	100,000
City Alley Resurfacing			195,000				195,000
Covington Class I Pathway-Construction			201,000				201,000
Grant Road Bicycle Lane			65,000				65,000
Marymeade Park Renovation			269,400				269,400
McKenzie Park Renovation			390,360				390,360
Miramonte Avenue Path			1,656,000				1,656,000
Sewer Main Corrosion Rehabilitation (Split over 2 years)			603,000	603,000			1,206,000
Carmel Terrace Class I Pathway Construction			280,000	280,000			560,000
San Antonio Road Left Turn Lane			85,000	85,000			170,000
Total Dollars	14,838,664	4,365,200	4,110,000	5,095,760	3,299,000	2,716,000	34,424,624
Total Project Count	47	22	14	16	14	10	123

Unscheduled - No Priority Assigned

Presented in Alphabetical Order	CLIP	Sewer	Impact Fee	Parks-In-Lieu	Gas Tax	SR2S	TDA	CDBG	PARKING	TOTAL
Community Plaza Renovation	3,350,000									3,350,000
Covington Road Bicycle Path	414,000									414,000
Dog Park (Moved to unscheduled from 12-13)			227,000							227,000
Downtown Parking Lots Slurry Seal	304,000									304,000
El Monte Avenue Traffic Calming	1,000,000									1,000,000
El Monte Avenue/Cuesta Drive Signal	100,000									100,000
City Facility Repairs	95,000									95,000
First Street Construction Phase II	3,300,000									3,300,000
Foothill Expressway Landscaping	590,000									590,000
Fremont Avenue Traffic Calming			2,650,000							2,650,000
Grant Park Renovation				194,000						194,000
Grant Road Traffic Calming			2,035,000							2,035,000
Heritage Oaks Park Renovation	64,000									64,000
Loyola Corners Streetscape	\$1,265,525									\$1,265,525
Miramonte Avenue Sidewalk Design	40,000									40,000
Montclair Park Renovation	157,000									157,000
Montclair Tennis Court Lights	98,400									98,400
MSC Living Wall and Storage Sheds	190,000									190,000
Neighborhood Pathways	222,000									222,000
Portland Avenue Pathway	346,000									346,000
Recreation Plan (newly proposed)	60,000									60,000
Redwood Grove Bridge Replacement	252,000									252,000
San Antonio Club Park (Added 12-13)	328,000									328,000
San Antonio Road/W. Edith Intersection	1,500,000									1,500,000
Springer Road Path - Berry Avenue	576,000									576,000
Springer Road Sidewalk	164,000									164,000
Springer Road Traffic Calming	100,000									100,000
St. Joseph Avenue Traffic Calming	35,000					450,000				550,000
Traffic Signal Battery Backup	132,000					311,000				346,000
Windmer Drainage Channel	71,000									71,000
SVU city Wide Wireless	750,000									750,000
TOTAL	\$15,503,925	\$0	\$4,685,000	\$421,000	\$0	\$761,000	\$0	\$0	\$0	\$21,370,925



DATE: March 18, 2013

AGENDA ITEM # 5

TO: Financial Commission
FROM: Russell J. Morreale, Staff Liaison
SUBJECT: Pension Alternatives and Options Study

RECOMMENDATION:

Receive an update of the ad hoc pension Subcommittee status

BACKGROUND

As part of its FY 2012/13 work-plan, the Financial Commission is tasked with presenting pension benefit options that maybe available to the City as it navigates future fiscal strategies. This project has been underway for several months and involves a number of milestones including data gathering, analysis, professional outreach and final report generation.

DISCUSSION

This item provides the ad hoc subcommittee an opportunity to share the most recent developments in the Pension Study project as a basis for discussion and questions.