



## DISCUSSION ITEMS

### Agenda Item # 12

## AGENDA REPORT SUMMARY

**Meeting Date:** June 12, 2018

**Subject:** Fiscal Year 2018-19 Operating Budget and Fiscal Year 2019-23 Capital Improvement Plan

**Prepared by:** Sharif Etman, Administrative Services Director

**Approved by:** Chris Jordan, City Manager

**Attachment(s):**

1. Proposed Operating Budget (Revenue and Expenses) for FY 2018/19
2. 5-year Capital Improvement Plan for FY 2019-23
3. Resolution 2018-18 adopting the Operating Budget for FY 2018/19
4. Resolution 2018-19 adopting the 5-year Capital Improvement Plan for FY 2019-23
5. Resolution 2018-20 establishing the FY 2018/19 Transient Occupancy Tax
6. Resolution 2018-21 establishing the FY 2018/19 Utility User's Tax
7. FY 2018/19 Appropriations (Gann) Limit Calculation Worksheet and Resolution 2018-22

**Initiated by:**

Staff

**Previous Council Consideration:**

May 22, 2018 – Budget study session

June 27, 2017 – FY 2017/18 & FY 2018/19 Operating Budgets and 5-year CIP

**Fiscal Impact:**

Approving the FY 2018/19 Operating Budget and 5-year CIP plan will provide proper appropriation for all the City's operating and capital needs.

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- Does the Council approve the proposed FY 2018/19 operating budget and 5-year FY 2019-23 Capital Improvement Plan?

**Summary:**

- Property Tax revenue continues to remain strong and has increased over original estimates from a year ago
- Community Development fees and revenue is also trending higher due to increased construction and development activity throughout the City
- Most other revenue sources however, remain flat or stagnant



**Subject:** Fiscal Year 2018-19 Operating Budget and Fiscal Year 2019-23 Capital Improvement Plan

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- Expenses are in line with projections and only slight increases are projected. One additional position is being proposed
- The Capital Improvement Plan includes three new projects and the increased \$9.7M in approved project budget for the community center. It also reflects two defunded projects for the Grant Park Kitchen and MSC Fuel Dispensing Station Overhead Canopy

**Staff Recommendation:**

Adopt Resolution No. 2018-18, adopting FY 2018/19 Operating Budget; adopt Resolution No. 2018-19, adopting the 5-year FY 2019-23 Five-Year Capital Improvement Program; adopt Resolution No. 2018-20 establishing the FY 2018/19 Transient Occupancy Tax; adopt Resolution No. 2018-21 establishing the FY 2018/19 Utility Users Tax; and adopt Resolution No. 2018-22 establishing the FY 2018/19 Appropriations Limit



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### **Purpose**

To adopt the FY 2018/19 Operating Budget and 5-year Capital Improvement Plan and required resolutions

### **Background**

The City Council adopted the FY 2017/18 and FY 2018/19 budget on June 27, 2017, which appropriated funds for the 2017/18 fiscal year and adopted the financial plan for the 2018/19 fiscal year. The budget also included the Capital Improvement Plan for fiscal years 2018-22. During this interim year budget cycle, it is necessary to adjust the operating and capital budget and bring forward the revised budget for appropriation in June 2018.

### **Discussion/Analysis**

The FY 2018/19 Operating Budget contains the funding recommendations for all City programs and services, including those that utilize funds from the City's enterprise and special revenue funds. The Capital Improvement Plan (CIP) is included as a planning tool with appropriations requests presented for the first year only.

### **Operating Budget**

The General Fund is the City's main operating fund. Strong economic growth led by property tax revenues and community development fees provide for an optimistic General Fund budget for the upcoming fiscal year. Overall General Fund revenues are expected to rise by 6% in FY 2018/19 over FY 2017/18. Important revenue trends are as follows:

- Property Taxes, which account for over 50% of the FY 2018/19 General Fund revenue budget are expected to increase by 6.5% over fiscal year 2017/18. This is higher than the original 5.5% estimate adopted in the budget. \$770,000 in increased revenue (9% from original budget) has been added to the revised budget.
- Sales Tax is the second largest revenue source at 8% of the total General Fund Revenue. Sales Tax continues to remain flat with only a slight change of 1% over the FY 2017/18 budget.
- Transient Occupancy Tax (TOT) accounts for 6.5% of the General Fund revenue and is anticipated to grow by a modest 3% in the coming fiscal year. There is consideration by the Council to raise the current TOT tax rate from 11% to a maximum of 14% which could possibly generate up to \$700,000 a year more in revenue.

The FY 2018/19 General Fund operating expenditure budget increases 6% over the prior year adopted budget to a total of \$38,255,842 before transfers. The majority of this increase comes from increases in City personnel costs which account for 67% of the total expenditure budget.



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The FY 2018/19 revenue over expenses is estimated to be \$2.6M. This estimated amount is subject to change based on the amount of debt payment needed to fund the Community Center project and the remainder needed to fund the current CIP projects.

The proposed budget recommends an addition of one full-time employee, as well as cost of living adjustments, MOU obligations, and anticipated increases for City retirement contributions. The proposed personnel changes are:

- Addition of a Deputy City Clerk position
  - Given the volume of public records requests (which continues to increase both in terms of the number and the scale), and to provide for adequate back-up for a critical position, the proposed budget reinstates the position of Deputy City Clerk.

With this recommended change, the City will have 134 FTE (full-time equivalent) positions from the current level of 133.

The continued economic boom in the Bay Area is equating to continued revenue growth for the City's property tax and Community Development revenue. It is with cautious optimism that we can fund our current needs and continue to prepare for the CalPERS unfunded liability increases while taking on limited debt to fund the Community Center project. We are also aware that a downturn in the economy is inevitable and must prepare accordingly and not spend or borrow beyond our means.

### **November General Election**

The City Council is considering placing one or two tax measures (Transient Occupancy Tax increase and Cannabis Tax) on the November 2018 ballot. Preliminary estimates from the Registrar of Voters are that each measure will cost approximately \$50,000.

### **CalPERS**

The Financial Commission has formed a subcommittee to analyze the significant increase in our CalPERS unfunded liability and recommend a strategy to best mitigate the increases beginning this

fiscal year. The subcommittee will recommend options to Council later this summer on how best to utilize the \$4M currently set aside in our CalPERS fund.

### **New Public Arts Fund**

The Public Arts Fund helps create diverse interactive and exciting art experiences for the community through public art. Funds are restricted to the implementation of the Los Altos Public Art Program, including the acquisition, placement, maintenance and promotion of temporary and permanent art on public property throughout the City. If adopted by Council, the ordinance will impose a fee equal to 1% of the cost of the development; up to a maximum of \$200,000.



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### **Affordable Housing Impact Fee and Housing Mitigation Fund**

On May 8, 2018, the City Council held a discussion on an affordable housing impact fee. This fee, which would apply to multi-family residential projects and non-residential projects, acquires funds for enhancing and providing affordable housing. It is anticipated that the funds may help leverage affordable housing opportunities in the future. As structured, the draft ordinance implementing the fee still provides applicants with an opportunity to provide affordable housing on the site of their project in-line with the City's current affordable housing inclusionary regulations. The ordinance is scheduled to come back to the City Council for further consideration. All Housing Impact Fees shall be placed in the City's Housing Mitigation Fund and used to support the development of affordable housing within the City and region.

### **Capital Improvement Plan**

The five-year FY 2019-23 Capital Improvement Plan identifies current and future capital projects and their associated funding sources. The projects outlined in the first year are proposed for full funding with the future years are presented with projects for planning purposes only.

The FY 2019-23 Proposed Capital Improvement Plan includes three new projects along with the updated budget of \$34.7M for the Community Center. The updated total for five years is \$104M from various funding sources.

The Financial Commission has formed a project financing subcommittee to explore options to fund the Community Center project. Ten million dollars has been identified as the amount needed to borrow to fully fund the project. The Community Center Project is being funded primarily by CIP funds, Park in-Lieu funds and cash acquired from the loan. The Financial Commission subcommittee will present options to Council for approval.

The three new projects proposed are:

- Intersection Access Barrier Removal - \$280,000 (CDBG funds)
  - The proposed FY 2018/19 Community Development Block Grant Capital Improvement Program contingency project will make improvements to four interchanges located on Los Altos Avenue, Estrellitta Way, Grant Road, and Jordan Avenue. The intersections are to be improved to provide better pedestrian access to nearby schools, downtown Los Altos, bus routes, and connection with the City of Palo Alto. The improvements include replacement or installation of curb ramps, new crosswalks, and removal of access barriers. These improvements will enhance pedestrian safety and overall pedestrian access by improving visibility and connectivity.
  - The CDBG CIP funds will be used to assist those considered a "Presumed Benefit"; a category of people who are presumed to be low-income, such as seniors, severely



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disabled adults, victims of domestic abuse, etc. by installing curb cuts, widening sidewalks, etc. which will remove a barrier impeding disabled access.

- Enterprise Asset Management System - \$300,000 (\$150,000 CIP, \$150,000 Sewer Fund)
  - The Public Works Department is responsible for the maintenance and improvement of parks, buildings, bridges, streets, traffic signals and wastewater/storm drain collection systems. Department is seeking to implement an Enterprise Asset Management (EAM) system which will consolidate the work order processes and integrate inventory control, surplus, preventative and predictive maintenance scheduling, asset management, and capital asset data to produce effective resource and workflow management and reporting. The EAM will be tightly integrated with the City's GIS; provide an intuitive user interface; convert, migrate or integrate information from existing software; create and track work orders and provide real-time tracking and reports to effectively manage all City assets.
  
- Veteran's Community Plaza Sunshades - \$60,000 CIP
  - This item was discussed at the May 18, 2018 budget study session. The direction from Council was to include this amount for new sunshades in front of the Veteran's Community Plaza.

Proposed additions to the Equipment Replacement Fund include:

- Multiple purpose vehicle – Police Department
  - Replacement of multi-purpose utility vehicle, currently used for equipment/personnel transportation for special events, Crisis Response Unit, Firearms (Range) Division and Training Division.
- Support Services Vehicle – Police Department
  - Replacement of Support Services Vehicle (Court Liaison). This vehicle will replace a 12-year-old vehicle (2006 Ford Taurus) which, due to age and mileage, will increase projected maintenance costs.

The two de-funded CIP projects are:

- Grant Park Kitchen
- MSC Fuel Station Dispensing Station Overhead Canopy

The closed CIP projects during FY17/18:

- Covington Bicycle and Pedestrian Improvements
- Park Hydration Station Installation
- City Hall HVAC System Upgrades
- Grant Park Community Center Improvement Project



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- City Hall Roof Replacement
- Commercial Wayfinding Sign Program
- Illuminated Crosswalk Replacement
- Speed Feedback Sign at Fremont
- W. Edith Avenue/University Avenue Crosswalk Improvements (School Route Project)
- University Ave/Lincoln Crosswalk Improvements (School Route Project)

**Required Actions**

A variety of resolutions are required to formalize the Operating Budget and Capital Improvement Program adoption. These resolutions, included as Attachments 3 through 7, serve to:

- Adopt the Operating Budget (Resolution No. 2018-18) and Capital Improvement Program (Resolution No. 2018-19)
- Affirm the Transient Occupancy Tax with no change (Resolution No. 2018-20)
- Affirm the Utility Users Tax Rate with no change (Resolution No. 2018-21)
- Approve the annual State Required Appropriations/GANN spending limit (Resolution No. 2018-22)

Adoption of the Operating Budget provides appropriation of all FY 2018/19 Operating expenditures and transfers as well as capital projects funding requests in FY 2018/19.

**Staff Recommendation:**

Move to approve the FY 2018/19 Operating Budget and FY 2019-23 CIP Plan and subsequent resolutions including the TOT tax, and UUT rate.

| <b>GENERAL FUND</b>                                      | <b>2017-18<br/>BUDGET<br/>ADOPTED</b> | <b>2017-18<br/>YEAR END<br/>PROJECTED</b> | <b>2018-19<br/>BUDGET<br/>ADOPTED</b> | <b>2018-19<br/>PROPOSED<br/>BUDGET</b> |
|--|---------------------------------------|---|---------------------------------------|--|
| <b>Revenues</b>  |                                       |   |                                       |  |
| Taxes  | 29,890,900                            | 30,688,600                                | 31,062,500                            | 31,901,300                             |
| Income   | 219,000                               | 278,000                                   | 234,000                               | 274,000                                |
| Fees   | 8,310,700                             | 8,440,500                                 | 8,370,800                             | 8,576,300                              |
| Miscellaneous Revenue                                    | 130,400                               | 154,000                                   | 130,400                               | 130,400                                |
| <b>Total General Fund Revenue</b>                        | <b>38,551,000</b>                     | <b>39,561,100</b>                         | <b>39,797,700</b>                     | <b>40,882,000</b>                      |
| Transfers In/One-Time Revenue                            | 160,000                               | 160,000                                   | 160,000                               | 160,000                                |
| <b>Total General Fund<br/>Revenue/Transfers In</b>       | <b>\$ 38,711,000</b>                  | <b>\$ 39,721,100</b>                      | <b>\$ 39,957,700</b>                  | <b>\$ 41,042,000</b>                   |
| <b>Expenditures</b>                                      |                                       |   |                                       |  |
| Legislative  | 253,930                               | 246,312                                   | 255,349                               | 254,772                                |
| Executive  | 2,200,193                             | 2,134,187                                 | 2,235,789                             | 2,176,949                              |
| Administrative Services                                  | 3,399,129                             | 3,297,155                                 | 3,201,104                             | 3,348,345                              |
| Public Safety  | 17,437,509                            | 16,914,384                                | 18,613,174                            | 18,666,245                             |
| Community Development                                    | 2,863,734                             | 2,777,822                                 | 2,954,415                             | 2,941,809                              |
| Recreation and Community Services                        | 2,486,192                             | 2,411,606                                 | 2,384,730                             | 2,773,793                              |
| Public Works   | 8,093,793                             | 7,850,979                                 | 8,313,980                             | 8,092,212                              |
| <b>Total General Fund Expenditures</b>                   | <b>36,734,480</b>                     | <b>35,632,445</b>                         | <b>37,958,540</b>                     | <b>38,254,126</b>                      |
| Transfers Out  | 166,060                               | 170,000                                   | 171,880                               | 171,880                                |
| <b>Total General Fund<br/>Expenditures/Transfers Out</b> | <b>\$ 36,900,540</b>                  | <b>\$ 35,802,445</b>                      | <b>\$ 38,130,420</b>                  | <b>\$ 38,426,006</b>                   |
| <b>Revenues over Expenditures</b>                        | <b>\$ 1,810,460</b>                   | <b>\$ 3,918,655</b>                       | <b>\$ 1,827,280</b>                   | <b>\$ 2,615,994</b>                    |





Fiscal Year 2019-23 Proposed Capital Improvement Program Summary

| Project #                 | Project Name                                | Funding Sources            | Prior Appropriations | 2018/19 Budget | 2019/20 Budget | 2020/21 Budget | 2021/22 Budget | 2022/23 Budget | Total        |
|---------------------------|---|----------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|--------------|
| CD-01009                  | Walter Singer Bust Relocation               | CIP                        | \$ 10,000            |                |                |                |                |                | \$ 10,000    |
| CD-01010                  | Foothill Expressway Median Trees            | CIP                        | \$ 49,500            |                |                |                |                |                | \$ 49,500    |
| CD-01013                  | Downtown Vision                             | CIP                        | \$ 125,057           |                |                |                |                |                | \$ 125,057   |
|                           |   | General Fund               | \$ 174,943           |                |                |                |                |                | \$ 174,943   |
| CD-01014                  | Downtown Parking                            | Downtown Parking Fund      | \$ 100,000           |                |                |                |                |                | \$ 100,000   |
| CD-01016                  | Public Arts Master Plan                     | CIP                        | \$ 50,000            |                |                |                |                |                | \$ 50,000    |
| CD-01020                  | Climate Action Plan Implementation Program  | CIP                        | \$ 25,000            |                |                |                |                |                | \$ 25,000    |
| <b>Technology</b>         |   |                            |                      |                |                |                |                |                |              |
| CD-01006                  | Police Records Management & Dispatch System | Equipment Replacement Fund | \$ 1,064,000         |                |                |                |                |                | \$ 1,064,000 |
| CD-01008                  | IT Initiatives                              | Equipment Replacement Fund | \$ 100,000           |                |                |                |                |                | \$ 100,000   |
|                           |   | Technology Fund            | \$ 2,597,557         |                |                |                |                |                | \$ 2,597,557 |
| CD-01019                  | Public Works Electronic Document Management | CIP                        | \$ 70,949            | \$ 35,000      |                |                |                |                | \$ 105,949   |
| CD-01021                  | Community Chamber AV Equipment              | PEG Fees                   | \$ 623,000           |                |                |                |                |                | \$ 623,000   |
|                           |   | CIP                        | \$ 50,000            |                |                |                |                |                | \$ 50,000    |
| CD-01022                  | Asset Management System                     | CIP                        |                      | \$ 150,000     |                |                |                |                | \$ 150,000   |
|                           |   | Sewer                      |                      | \$ 150,000     |                |                |                |                | \$ 150,000   |
| <b>Storm Drain System</b> |   |                            |                      |                |                |                |                |                |              |
| CD-01012                  | Annual Storm Drain Improvements             | CIP                        | \$ 1,000,000         | \$ 300,000     | \$ 300,000     | \$ 300,000     | \$ 300,000     | \$ 300,000     | \$ 2,500,000 |
| <b>Transportation</b>     |   |                            |                      |                |                |                |                |                |              |
| <b>Streets and Roads</b>  |   |                            |                      |                |                |                |                |                |              |
| TS-01001                  | Street Resurfacing                          | CIP                        | \$ 2,656,530         | \$ 250,000     | \$ 250,000     | \$ 250,000     | \$ 250,000     | \$ 250,000     | \$ 3,906,530 |
|                           |   | Gas Tax                    | \$ 1,425,000         | \$ 350,000     | \$ 350,000     | \$ 350,000     | \$ 350,000     | \$ 350,000     | \$ 3,175,000 |
|                           |   | Road Maint. & Acct Act     | \$ 300,000           | \$ 150,000     | \$ 500,000     | \$ 500,000     | \$ 500,000     | \$ 500,000     | \$ 2,450,000 |
|                           |   | Measure B                  |                      |                | \$ 550,000     | \$ 550,000     | \$ 550,000     | \$ 550,000     | \$ 2,200,000 |
|                           |   | VRF                        | \$ 550,000           | \$ 550,000     |                |                |                |                | \$ 1,100,000 |

**Fiscal Year 2019-23 Proposed Capital Improvement Program Summary**

| <b>Project #</b>                            | <b>Project Name</b>   | <b>Funding Sources</b> | <b>Prior Appropriations</b> | <b>2018/19 Budget</b> | <b>2019/20 Budget</b> | <b>2020/21 Budget</b> | <b>2021/22 Budget</b> | <b>2022/23 Budget</b> | <b>Total</b> |
|---|---|------------------------|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------|
| TS-01002                                    | First Street Resurfacing  | CIP                    | \$ 300,000                  |                       |                       |                       |                       |                       | \$ 300,000   |
| TS-01003                                    | Street Striping   | Gas Tax                | \$ 391,544                  | \$ 100,000            | \$ 100,000            | \$ 100,000            | \$ 100,000            | \$ 100,000            | \$ 891,544   |
|   |   | CIP                    | \$ 8,456                    |                       |                       |                       |                       |                       | \$ 8,456     |
| TS-01004                                    | Street Slurry Seal  | Gas Tax                | \$ 750,000                  | \$ 250,000            | \$ 250,000            | \$ 250,000            | \$ 250,000            | \$ 250,000            | \$ 2,000,000 |
|   |   | CIP                    | \$ 151,670                  |                       |                       |                       |                       |                       | \$ 151,670   |
| TS-01008                                    | Annual ADA Improvements (Streets and Roadways)                        | CIP                    | \$ 150,000                  | \$ 75,000             | \$ 75,000             | \$ 75,000             | \$ 75,000             | \$ 75,000             | \$ 525,000   |
| TS-01009                                    | City Alley Resurfacing  | Gas Tax                | \$ 295,000                  | \$ 100,000            |                       | \$ 100,000            |                       | \$ 100,000            | \$ 595,000   |
| TS-01056                                    | Fremont Asphalt Concrete Overlay                                      | OBAG                   | \$ 336,000                  |                       |                       |                       |                       |                       | \$ 336,000   |
|   |   | CIP                    | \$ 179,000                  |                       |                       |                       |                       |                       | \$ 179,000   |
| <b><i>Pedestrian and Bicycle Safety</i></b> |   |                        |                             |                       |                       |                       |                       |                       |              |
| TS-01005                                    | Concrete Repair   | CIP                    | \$ 400,000                  | \$ 200,000            | \$ 200,000            | \$ 200,000            | \$ 200,000            | \$ 200,000            | \$ 1,400,000 |
| TS-01006                                    | Traffic Sign Replacement  | CIP                    | \$ 25,000                   | \$ 25,000             |                       |                       |                       |                       | \$ 50,000    |
| TS-01007                                    | Neighborhood Traffic Management Plan                                  | CIP                    | \$ 75,000                   |                       |                       |                       |                       |                       | \$ 75,000    |
|   |   | Traffic Impact Fees    | \$ 75,000                   | \$ 75,000             | \$ 75,000             | \$ 75,000             | \$ 75,000             | \$ 75,000             | \$ 450,000   |
|   |   | Donations              | \$ 7,000                    |                       |                       |                       |                       |                       | \$ 7,000     |
| TS-01013                                    | Transportation Enhancements   | CIP                    | \$ 50,000                   |                       |                       | \$ 25,000             |                       |                       | \$ 75,000    |
| TS-01018                                    | Foothill Expressway Improvement between El Monte Ave & San Antonio Rd | Traffic Impact Fees    | \$ 440,000                  |                       |                       |                       |                       |                       | \$ 440,000   |
|   |   | VRF                    | \$ 52,000                   |                       |                       |                       |                       |                       | \$ 52,000    |
|   |   | CIP                    | \$ 270,000                  |                       |                       |                       |                       |                       | \$ 270,000   |
| TS-01022                                    | Collector Street Traffic Calming                                      | Traffic Impact Fees    | \$ 222,900                  | \$ 500,000            |                       |                       |                       |                       | \$ 722,900   |
| TS-01030                                    | El Monte/Springer Intersection Improvements                           | Traffic Impact Fees    | \$ 100,000                  | \$ 211,000            |                       |                       |                       |                       | \$ 311,000   |
| TS-01033                                    | Miramonte Ave Path  | CIP                    | \$ 331,200                  | \$ 250,000            |                       |                       |                       |                       | \$ 581,200   |

**Fiscal Year 2019-23 Proposed Capital Improvement Program Summary**

| Project # | Project Name   | Funding Sources     | Prior Appropriations | 2018/19 Budget | 2019/20 Budget | 2020/21 Budget | 2021/22 Budget | 2022/23 Budget | Total        |
|-----------|--|---------------------|----------------------|----------------|----------------|----------------|----------------|----------------|--------------|
|           |  | OBAG                |                      | \$ 1,000,000   |                |                |                |                | \$ 1,000,000 |
| TS-01036  | Miramonte Ave/Berry Ave Intersection Improvements (School Route Project)           | CIP                 | \$ 250,000           |                |                |                |                |                | \$ 250,000   |
| TS-01037  | San Antonio Road/West Portola Avenue Improvements (School Route Project)           | Traffic Impact Fees | \$ 167,125           | \$ 670,000     | \$ -           |                |                |                | \$ 837,125   |
| TS-01038  | El Monte Ave Sidewalk Gap Closure - Edith Ave to Almond Ave (School Route Project) | CIP                 | \$ 191,000           |                |                |                |                |                | \$ 191,000   |
|           |  | CDBG                |                      | \$ 303,933     |                |                |                |                | \$ 303,933   |
| TS-01039  | Arboretum Drive Speed Feedback Sign (School Route Project)                         | CIP                 | \$ 30,000            |                |                |                |                |                | \$ 30,000    |
| TS-01040  | Fremont Ave/Truman Ave Intersection Improvements (School Route Project)            | Traffic Impact Fees | \$ 40,000            |                |                |                |                |                | \$ 40,000    |
| TS-01041  | Los Altos Ave/Santa Rita School Crossing Improvements (School Route Project)       | CIP                 | \$ 40,000            |                |                |                |                |                | \$ 40,000    |
| TS-01042  | Los Altos Ave/W. Portola Ave Crosswalk Improvements (School Route Project)         | CIP                 | \$ 77,000            |                |                |                |                |                | \$ 77,000    |
| TS-01043  | Santa Rita Avenue Bike Boulevard (School Route Project)                            | CIP                 | \$ 65,000            |                |                |                |                |                | \$ 65,000    |
| TS-01044  | El Monte Walkway Improvement (School Route Project)                                | CIP                 | \$ 200,500           |                |                |                |                |                | \$ 200,500   |
| TS-01045  | Covington Rd at Riverside Ave Pedestrian Improvements (School Route Project)       | CIP                 | \$ 45,000            |                |                |                |                |                | \$ 45,000    |
| TS-01046  | Springer Road/Fremont Ave Pedestrian Improvements (School Route Project)           | CIP                 | \$ 112,500           |                |                |                |                |                | \$ 112,500   |

**Fiscal Year 2019-23 Proposed Capital Improvement Program Summary**

| Project # | Project Name   | Funding Sources       | Prior Appropriations | 2018/19 Budget | 2019/20 Budget | 2020/21 Budget | 2021/22 Budget | 2022/23 Budget | Total        |
|-----------|--|-----------------------|----------------------|----------------|----------------|----------------|----------------|----------------|--------------|
| TS-01047  | Grant Rd/Morton Ave Pedestrian Improvements (School Route Project) | CIP                   | \$ 80,000            |                |                |                |                |                | \$ 80,000    |
| TS-01048  | Bicycle Count Stations (School Route Project)                      | CIP                   |                      | \$ 143,000     |                |                |                |                | \$ 143,000   |
| TS-01049  | Traffic Signal Control Upgrades                                    | VRF-ITS               | \$ 363,000           |                |                |                |                |                | \$ 363,000   |
| TS-01050  | Carmel Terrace Sidewalk Gap Closure Project                        | CIP                   |                      | \$ 350,000     |                |                |                |                | \$ 350,000   |
| TS-01051  | University Ave/Milverton Rd Sidewalk Gap Closure Project           | CIP                   |                      | \$ 55,000      |                |                |                |                | \$ 55,000    |
| TS-01052  | Annual Bicycle/Pedestrian Access Improvements                      | CIP                   |                      | \$ 350,000     | \$ 350,000     | \$ 350,000     | \$ 350,000     | \$ 350,000     | \$ 1,750,000 |
|           |  | TDA Article III Grant |                      | \$ 50,000      | \$ 50,000      | \$ 50,000      | \$ 50,000      | \$ 50,000      | \$ 250,000   |
|           |  | Traffic Impact Fees   |                      | \$ 100,000     | \$ 100,000     | \$ 100,000     | \$ 100,000     | \$ 100,000     | \$ 500,000   |
| TS-01053  | Traffic Sign Battery Backup Systems                                | CIP                   | \$ 250,000           |                |                |                |                |                | \$ 250,000   |
| TS-01054  | Crosswalk Improvements at St. Joseph Ave and Deodora Dr            | CIP                   | \$ 150,000           |                |                |                |                |                | \$ 150,000   |
| TS-01055  | Fremont Ave Pedestrian Bridge Rehabilitation                       | CIP                   | \$ 250,000           |                |                |                |                |                | \$ 250,000   |
| TS-01057  | In-Road Light System Maintenance                                   | CIP                   | \$ 75,000            |                |                |                |                |                | \$ 75,000    |
| TS-01058  | Intersection Access Barrier Removal                                | CDBG                  |                      | \$ 280,000     |                |                |                |                | \$ 280,000   |

Fiscal Year 2019-23 Proposed Capital Improvement Program Summary

| Project #                    | Project Name                             | Funding Sources            | Prior Appropriations | 2018/19 Budget | 2019/20 Budget | 2020/21 Budget | 2021/22 Budget | 2022/23 Budget | Total          |
|------------------------------|--|----------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>TOTAL</b>                 |  |                            | \$ 24,778,931        | \$ 14,424,433  | \$ 16,135,000  | \$ 19,060,000  | \$ 4,735,000   | \$ 4,835,000   | \$ 83,968,364  |
| <i>Wastewater</i>            |  |                            |                      |                |                |                |                |                |                |
| <i>Sewer</i>                 |  |                            |                      |                |                |                |                |                |                |
| WW-01001                     | Sewer System Repair Program              | Sewer                      | \$ 1,707,728         | \$ 600,000     | \$ 610,000     | \$ 620,000     | \$ 630,000     | \$ 640,000     | \$ 4,807,728   |
| WW-01002                     | Structural Reach Replacement             | Sewer                      | \$ 2,454,129         | \$ 800,000     | \$ 800,000     | \$ 800,000     | \$ 800,000     | \$ 800,000     | \$ 6,454,129   |
| WW-01003                     | Root Foaming                             | Sewer                      | \$ 1,029,136         | \$ 274,000     | \$ 281,000     | \$ 288,000     | \$ 295,000     | \$ 305,000     | \$ 2,472,136   |
| WW-01004                     | South Sewer Replacement                  | Sewer                      | \$ 938,495           |                |                |                |                |                | \$ 938,495     |
| WW-01005                     | CIPP Corrosion Replacement               | Sewer                      | \$ 1,303,568         | \$ 320,000     | \$ 333,000     | \$ 340,000     | \$ 350,000     | \$ 360,000     | \$ 3,006,568   |
| WW-01006                     | Fats, Oils, Grease Program (FOG)         | Sewer                      | \$ 232,464           | \$ 60,000      | \$ 62,000      | \$ 64,000      | \$ 66,000      | \$ 68,000      | \$ 552,464     |
| WW-01008                     | GIS Updates                              | Sewer                      | \$ 275,681           | \$ 60,000      | \$ 62,000      | \$ 64,000      | \$ 66,000      | \$ 68,000      | \$ 595,681     |
| WW-01009                     | Sewer System Management Plan Update      | Sewer                      | \$ 24,000            | \$ 26,000      |                | \$ 28,000      |                | \$ 28,000      | \$ 106,000     |
| WW-01010                     | SCVWD Sewer Main                         | Sewer                      | \$ 65,000            |                |                |                |                |                | \$ 65,000      |
| WW-01011                     | Sanitary Sewer Video Inspection          | Sewer                      |                      | \$ 380,000     | \$ 400,000     |                |                |                | \$ 780,000     |
| <b>TOTAL</b>                 |  |                            | \$ 8,030,202         | \$ 2,520,000   | \$ 2,548,000   | \$ 2,204,000   | \$ 2,207,000   | \$ 2,269,000   | \$ 19,778,202  |
| <i>Equipment Replacement</i> |  |                            |                      |                |                |                |                |                |                |
|                              | Marked Patrol Vehicles (3)               | Equipment Replacement Fund |                      | \$ 145,000     |                |                |                |                | \$ 145,000     |
|                              | Support Services Vehicle (court vehicle) | Equipment Replacement Fund |                      | \$ 30,000      |                |                |                |                | \$ 30,000      |
|                              | Multi-Purpose Utility Vehicle            | Equipment Replacement Fund |                      | \$ 65,000      |                |                |                |                | \$ 65,000      |
| <b>TOTAL</b>                 |  |                            |                      | \$ 240,000     | \$ -           | \$ -           | \$ -           | \$ -           | \$ 240,000     |
| <b>GRAND TOTAL</b>           |  |                            | \$ 32,809,132        | \$ 17,184,433  | \$ 18,683,000  | \$ 21,264,000  | \$ 6,942,000   | \$ 7,104,000   | \$ 103,986,565 |

**New CIP projects for FY 2019-23**

| Project #    | Project Name                        | Funding Sources | Prior Appropriations | 2018/19 Budget    | 2019/20 Budget | 2020/21 Budget | 2021/22 Budget | 2022/23 Budget | Total             |
|--------------|-------------------------------------|-----------------|----------------------|-------------------|----------------|----------------|----------------|----------------|-------------------|
| CD-01022     | Asset Management System             | CIP             |                      | \$ 150,000        |                |                |                |                | \$ 150,000        |
|              |                                     | Sewer           |                      | \$ 150,000        |                |                |                |                | \$ 150,000        |
| TS-01058     | Intersection Access Barrier Removal | CDBG            |                      | \$ 280,000        |                |                |                |                | \$ 280,000        |
| <b>TOTAL</b> |                                     |                 |                      | <b>\$ 580,000</b> | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ 580,000</b> |

**Updated CIP projects for FY19-23**

| Project # | Project Name   | Funding Sources        | Prior Appropriations | 2018/19 Budget | 2019/20 Budget | 2020/21 Budget | 2021/22 Budget | 2022/23 Budget | Total         |
|-----------|--|------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|---------------|
| CF-01009  | Annual Pathway Rehabilitation  | in-Lieu Park Fund      | \$ 75,000            | \$ 50,000      | \$ 50,000      | \$ 50,000      | \$ 50,000      | \$ 50,000      | \$ 325,000    |
| CF-01002  | Los Altos Community Center Redevelopment   | CIP                    | \$ 3,273,500         | \$ 1,626,500   | \$ 11,400,000  | \$ 14,000,000  |                |                | \$ 30,300,000 |
|           |  | General Fund           | \$ 400,000           |                |                |                |                |                | \$ 400,000    |
|           |  | in-Lieu Park Fund      |                      | \$ 4,000,000   |                |                |                |                | \$ 4,000,000  |
| CF-01017  | Annual Park Improvement Project  | in-Lieu Park Fund      | \$ 400,000           | \$ 100,000     | \$ 250,000     | \$ 250,000     | \$ 250,000     | \$ 250,000     | \$ 1,500,000  |
| CF-01003  | Annual Civic Facilities Improvement Project  | CIP                    | \$ 1,625,000         | \$ 1,200,000   | \$ 1,200,000   | \$ 1,200,000   | \$ 1,200,000   | \$ 1,200,000   | \$ 7,625,000  |
| CF-01010  | Annual ADA Improvements (Facilities)   | CIP                    | \$ 225,000           | \$ 75,000      | \$ 75,000      | \$ 75,000      | \$ 75,000      | \$ 75,000      | \$ 600,000    |
| CD-01003  | Public Arts Projects   | CIP                    | \$ 40,000            | \$ 10,000      | \$ 10,000      | \$ 10,000      | \$ 10,000      | \$ 10,000      | \$ 90,000     |
| CD-01012  | Annual Storm Drain Improvements  | CIP                    | \$ 1,000,000         | \$ 300,000     | \$ 300,000     | \$ 300,000     | \$ 300,000     | \$ 300,000     | \$ 2,500,000  |
| CF-01019  | Sun Shades Veteran's Comm. Plaza   | CIP                    |                      | \$ 60,000      |                |                |                |                | \$ 60,000     |
| TS-01001  | Street Resurfacing   | CIP                    | \$ 2,656,530         | \$ 250,000     | \$ 250,000     | \$ 250,000     | \$ 250,000     | \$ 250,000     | \$ 3,906,530  |
|           |  | Gas Tax                | \$ 1,425,000         | \$ 350,000     | \$ 350,000     | \$ 350,000     | \$ 350,000     | \$ 350,000     | \$ 3,175,000  |
|           |  | Road Maint. & Acct Act | \$ 300,000           | \$ 500,000     | \$ 500,000     | \$ 500,000     | \$ 500,000     | \$ 500,000     | \$ 2,800,000  |
|           |  | Measure B              |                      |                | \$ 550,000     | \$ 550,000     | \$ 550,000     | \$ 550,000     | \$ 2,200,000  |
|           |  | VRF                    | \$ 550,000           | \$ 550,000     |                |                |                |                | \$ 1,100,000  |
| TS-01003  | Street Striping  | Gas Tax                | \$ 391,544           | \$ 100,000     | \$ 100,000     | \$ 100,000     | \$ 100,000     | \$ 100,000     | \$ 891,544    |
|           |  | CIP                    | \$ 8,456             |                |                |                |                |                | \$ 8,456      |
| TS-01004  | Street Slurry Seal   | Gas Tax                | \$ 750,000           | \$ 250,000     | \$ 250,000     | \$ 250,000     | \$ 250,000     | \$ 250,000     | \$ 2,000,000  |
|           |  | CIP                    | \$ 151,670           |                |                |                |                |                | \$ 151,670    |
| TS-01008  | Annual ADA Improvements (Streets and Roadways)                                     | CIP                    | \$ 150,000           | \$ 75,000      | \$ 75,000      | \$ 75,000      | \$ 75,000      | \$ 75,000      | \$ 525,000    |
| TS-01005  | Concrete Repair  | CIP                    | \$ 400,000           | \$ 200,000     | \$ 200,000     | \$ 200,000     | \$ 200,000     | \$ 200,000     | \$ 1,400,000  |
| TS-01007  | Neighborhood Traffic Management Plan   | CIP                    | \$ 75,000            |                |                |                |                |                | \$ 75,000     |
|           |  | Traffic Impact Fees    | \$ 75,000            | \$ 75,000      | \$ 75,000      | \$ 75,000      | \$ 75,000      | \$ 75,000      | \$ 450,000    |
|           |  | Donations              | \$ 7,000             |                |                |                |                |                | \$ 7,000      |
| TS-01022  | Collector Street Traffic Calming   | Traffic Impact Fees    | \$ 222,900           | \$ 500,000     |                |                |                |                | \$ 722,900    |
| TS-01038  | El Monte Ave Sidewalk Gap Closure - Edith Ave to Almond Ave (School Route Project) | CIP                    | \$ 191,000           |                |                |                |                |                | \$ 191,000    |
|           |  | CDBG                   |                      | \$ 470,000     |                |                |                |                | \$ 470,000    |

**Fiscal Year 2019-23 Proposed Capital Improvement Program Summary**

| <b>Funding Source</b>          | <b>Prior Appropriations</b> | <b>2018/19 Budget</b> | <b>2019/20 Budget</b> | <b>2020/21 Budget</b> | <b>2021/22 Budget</b> | <b>2022/23 Budget</b> | <b>Total Project Funding</b> |
|--------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------------|
| CIP/General Fund               | 15,955,349                  | 6,584,500             | 14,360,000            | 17,185,000            | 2,960,000             | 2,960,000             | 60,004,849                   |
| Community Develop. Block Grant | 0                           | 583,933               | 0                     | 0                     | 0                     | 0                     | 583,933                      |
| Downtown Parking Fund          | 100,000                     | 0                     | 0                     | 0                     | 0                     | 0                     | 100,000                      |
| Equipment Replacement Fund     | 1,164,000                   | 240,000               | 0                     | 0                     | 0                     | 0                     | 1,404,000                    |
| Gas Tax                        | 2,470,000                   | 800,000               | 700,000               | 800,000               | 700,000               | 800,000               | 6,270,000                    |
| in-Lieu Park Fund              | 475,000                     | 4,150,000             | 300,000               | 300,000               | 300,000               | 300,000               | 5,825,000                    |
| Measure B                      | 0                           | 0                     | 550,000               | 550,000               | 550,000               | 550,000               | 2,200,000                    |
| Other Funding                  | 7,000                       | 0                     | 0                     | 0                     | 0                     | 0                     | 7,000                        |
| Sewer Fund                     | 8,030,202                   | 2,670,000             | 2,548,000             | 2,204,000             | 2,207,000             | 2,269,000             | 19,928,202                   |
| TDA Article III Grant          | 0                           | 50,000                | 50,000                | 50,000                | 50,000                | 50,000                | 250,000                      |
| Technology Reserve             | 2,597,557                   | 0                     | 0                     | 0                     | 0                     | 0                     | 2,597,557                    |
| Traffic Impact Fees            | 1,045,025                   | 1,556,000             | 175,000               | 175,000               | 175,000               | 175,000               | 3,301,025                    |
| Vehicle Registration Fee       | 965,000                     | 550,000               | 0                     | 0                     | 0                     | 0                     | 1,515,000                    |
| <b>Total</b>                   | <b>\$ 32,809,132</b>        | <b>\$ 17,184,433</b>  | <b>\$ 18,683,000</b>  | <b>\$ 21,264,000</b>  | <b>\$ 6,942,000</b>   | <b>\$ 7,104,000</b>   | <b>\$ 103,986,565</b>        |

Sun Shades Veteran's Comm. Plaza



## CIP CLOSED PROJECTS FY2017/18

### Summary of Savings by Fund

|                |           |                     |
|----------------|-----------|---------------------|
| CIP            | \$        | 543,672.28          |
| In Lieu Park   | \$        | 510,399.44          |
| Traffic Impact | \$        | 168,431             |
| <b>TOTAL</b>   | <b>\$</b> | <b>1,222,502.88</b> |

| Project # | Project Name  | Funding Sources       | Prior Appropriations | YTD Expenditures | SAVINGS       |
|-----------|---|-----------------------|----------------------|------------------|---------------|
| CF-01005  | Covington Bicycle and Pedestrian Improvements                                   | CIP                   | \$ 446,000           | \$ 398,584.04    | \$ 47,415.96  |
| CF-01015  | Park Hydration Station Installation   | in-Lieu Park Fund     | \$ 40,000            | \$ 29,159.56     | \$ 10,840.44  |
| CF-01007  | City Hall HVAC System Upgrades  | CIP                   | \$ 946,158           | \$ 797,818.39    | \$ 148,339.61 |
| CF-01008  | Sun Shades Veteran's Comm. Plaza  | in-Lieu Park Fund     | \$ 674,344           | \$ 174,785       | \$ 499,559    |
| CF-01014  | City Hall Roof Replacement  | CIP                   | \$ 330,000           | \$ 160,616       | \$ 169,384    |
| CD-01002  | Commercial Wayfinding Sign Program  | CIP                   | \$ 165,000           | \$ 136,230       | \$ 28,770     |
| TS-01031  | Illuminated Crosswalk Replacement   | Traffic Impact Fees   | \$ 493,620           | \$ 345,189       | \$ 148,431    |
| TS-01032  | Speed Feedback Sign at Fremont  | Traffic Impact Fees   | \$ 20,000            | \$ -             | \$ 20,000     |
| TS-01034  | W. Edith Avenue/University Avenue Crosswalk Improvements (School Route Project) | TDA Article III Grant | \$ 45,429.00         | \$ 45,429.00     | \$ -          |
|           |   | CIP                   | \$ 250,764.00        | \$ 229,168.00    | \$ 21,596     |
| TS-01035  | University Ave/Lincoln Crosswalk Improvements (School Route Project)            | CIP                   | \$ 250,618.00        | \$ 122,451.25    | \$ 128,167    |
|           |   | CDBG                  | \$ 170,000.00        | \$ 170,000.00    | \$ -          |

**\$ 1,222,502.88**

**RESOLUTION NO. 2018-18**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
ADOPTING THE FY 2018/19 OPERATING BUDGET**

**WHEREAS**, it has been determined that the adoption of a biennial Operating Budget is an effective and prudent management tool; and

**WHEREAS**, the Council has reviewed the FY 2018/19 Operating Budget at a public study session held on May 22, 2018; and

**WHEREAS**, salary increases of 3.2% for non-represented City employees are included in the 2018/19 budget; and

**WHEREAS**, increases in salary ranges are to take effect in the first full pay period in July 2018.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos hereby determine that:

1. The City of Los Altos FY 2018/19 Operating Budget has been presented and reviewed by City Council with regard to the approval of estimated revenues, appropriations, capital projects, and transfers for all City funds in accordance with adopted Financial and Investment Policies; and
2. City programs, services, and activities will be provided and maintained within the confines of this Financial Plan/Biennial Operating Budget in a manner consistent with adopted Financial Policies; and
3. Funds are deemed appropriated for those purposes and in amounts contained in said Financial Plan/Biennial Operating Budget and the City Manager is authorized to approve appropriations and transfers of these funds to the extent allowed by law and Financial Policies in implementing the work programs incorporated within the adopted budget; and
4. This budget includes the maintenance of an Operating Reserve of 20%; and
5. Encumbrances (obligated contract commitments), active capital improvement projects, and active grant awards that have not been completed or received at the end of each fiscal year shall be carried forward and re-appropriated into the next fiscal year.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 12th day of June, 2018 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Jean Mordo, MAYOR

Attest:

---

Jon Maginot, CMC, CITY CLERK

**RESOLUTION NO. 2018-19**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
ADOPTING THE FY 2019-23 FIVE-YEAR CAPITAL IMPROVEMENT  
PROGRAM**

**WHEREAS**, the Council has reviewed the FY 2019-23 Capital Improvement Program at a public study session held on May 22, 2018; and

**WHEREAS**, modifications and/or adjustments identified in the aforementioned public meetings are incorporated within the five-year CIP before the Council.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Los Altos hereby:

1. Adopt the FY 2018/19 – 2022/23 Five-Year Capital Improvement Program submitted as presented for those respective fiscal years; and appropriate funds, for all respective funds, for those CIP projects identified within the 2018/19 fiscal year; and
2. Authorize the City Manager to proceed with those FY 2018/19 projects identified for implementation or the commencement of planning for them.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 12<sup>th</sup> day of June, 2018 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Jean Mordo, MAYOR

Attest:

---

Jon Maginot, CMC, CITY CLERK

**RESOLUTION NO. 2018-20**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
REAFFIRMING THE FY 2018/19 TRANSIENT OCCUPANCY TAX RATE**

**WHEREAS**, on Tuesday, November 6, 2001 the voters approved an increase in the Transient Occupancy Tax from 8% to a maximum of 11%;

**WHEREAS**, the Los Altos Municipal Code requires that each year, following adoption of the City's budget, the City Council will determine the rate to be charged for the Transient Occupancy Tax, and shall set that rate in an amount not to exceed the rate authorized by the ordinance; and

**WHEREAS**, the City Council adopted the budget on June 12, 2018.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos hereby authorizes the following:

1. Adopt the Transient Occupancy Tax of 11% pursuant to Section 3.36.020; and
2. Maintain this rate to fund general governmental operational expenses as necessary.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 12<sup>th</sup> day of June, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Jean Mordo, MAYOR

Attest:

---

Jon Maginot, CMC, CITY CLERK

**RESOLUTION NO. 2018-21**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
REAFFIRMING THE FY 2018/19 UTILITY USERS TAX RATE**

**WHEREAS**, the rate of tax for each of the Utility Users Taxes imposed in Section 3.40.070, 3.40.090, and 3.40.110, of the Los Altos Municipal Code does hereby remain fixed and levied at 3.5 percent until further action of the City Council; and

**WHEREAS**, the Los Altos Municipal Code requires that each year, following adoption of the City's budget, the City Council will determine the rate to be charged for the Utility Users Tax and shall set that rate in an amount not to exceed the rate authorized by the ordinance; and

**WHEREAS**, the City Council adopted the budget on June 12, 2018.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos hereby authorizes:

1. The rate of tax for each of the utility users taxes imposed in Sections 3.40.070, 3.40.090, and 3.40.110, of the Los Altos Municipal Code does hereby remain fixed and levied at 3.5 percent until further action of the City Council; and
2. Maintain this rate to fund general governmental operational expenses as necessary.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 12<sup>th</sup> day of June, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Jean Mordo, MAYOR

Attest:

---

Jon Maginot, CMC, CITY CLERK

**RESOLUTION NO. 2018-22**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
ESTABLISHING THE FY 2018/19 APPROPRIATIONS LIMIT**

**WHEREAS**, California Constitutional Article 13B limits the total annual appropriations of cities; and

**WHEREAS**, it is the desire of this Council to establish its appropriations limit pursuant to Article 13B.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos hereby determines that said City's appropriations limit (as attached), pursuant to Article 13B of the California Constitution using the annual percent change in population for Santa Clara County and the percent change in California for per capita personal income, is as follows:

|            |                   |
|------------|-------------------|
| FY 2018/19 | <b>35,088,412</b> |
|------------|-------------------|

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 12<sup>th</sup> day of June, 2018 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Jean Mordo, MAYOR

Attest:

---

Jon Maginot, CMC, CITY CLERK

**GANN LIMIT CALCULATION - FY2018-19**

|                                 | DESCRIPTION                 | AMOUNT            | TAXES             | "NON-TAXES"      |
|---------------------------------|-----------------------------|-------------------|-------------------|------------------|
| <b>GENERAL FUND</b>             |                             |                   |                   |                  |
| <b>TAXES</b>                    |                             |                   |                   |                  |
|                                 | Property Tax                | 21,137,200        | 21,137,200        | 0                |
|                                 | Sales Tax                   | 3,301,400         | 3,301,400         | 0                |
|                                 | Off Hwy Veh Fees            | 13,000            | 13,000            | 0                |
|                                 | Utility Users Tax           | 2,680,000         | 2,680,000         | 0                |
|                                 | Business License Tax        | 500,000           | 500,000           | 0                |
|                                 | Documentary Trans.          | 535,000           | 535,000           | 0                |
|                                 | Building Dev. Tax           | 190,600           | 190,600           | 0                |
|                                 | Transient Occ. Tax          | 2,705,300         | 2,705,300         | 0                |
| <b>LICENSES/PERMITS</b>         |                             |                   |                   |                  |
|                                 | Engineering Fees            | 195,700           |                   | 195,700          |
|                                 | Building Permits            | 973,400           |                   | 973,400          |
|                                 | Electrical Permits          | 273,000           |                   | 273,000          |
|                                 | Plumb/Mech Permits          | 175,100           |                   | 175,100          |
|                                 | Plan Checking               | 543,300           |                   | 543,300          |
|                                 | Other Comm Dev Fees         | 570,900           |                   | 570,900          |
| <b>CHARGE FOR SERVICE</b>       |                             |                   |                   |                  |
|                                 | Police Fees                 | 252,000           |                   | 252,000          |
|                                 | Expressway Landscape.       | 25,000            |                   | 25,000           |
|                                 | Street Sweeping             | 5,500             |                   | 5,500            |
|                                 | Signal Agreements           | 2,600             |                   | 2,600            |
|                                 | Special Event Appl          | 5,000             |                   | 5,000            |
|                                 | Weed Abatement              | 0                 |                   | 0                |
|                                 | Fire Dept Fees              | 0                 |                   | 0                |
|                                 | Sale of Publications        | 0                 |                   | 0                |
| <b>RECREATION FEES</b>          |                             |                   |                   |                  |
|                                 | Recreation Fees             | 2,176,000         |                   | 2,176,000        |
| <b>FRANCHISE FEES</b>           |                             |                   |                   |                  |
|                                 | Franchise Fees              | 2,066,500         |                   | 2,066,500        |
| <b>USE OF MONEY/PROPERTY</b>    |                             |                   |                   |                  |
|                                 | Rental Income               | 24,000            |                   | 24,000           |
|                                 | Auction                     | 10,300            |                   | 10,300           |
| <b>FINES/FORFEITURES</b>        |                             |                   |                   |                  |
|                                 | Traffic Fines               | 60,000            |                   | 60,000           |
|                                 | Parking Citations           | 100,000           |                   | 100,000          |
|                                 | Admin Citations             | 6,000             |                   | 6,000            |
| <b>ENTERPRISE/CAPITAL ADMIN</b> |                             |                   |                   |                  |
|                                 | Sewer Admin.                | 824,700           |                   | 824,700          |
|                                 | Solid Waste Admin.          | 93,800            |                   | 93,800           |
| <b>MISCELLANEOUS</b>            |                             |                   |                   |                  |
|                                 | Misc./Other                 | 49,000            |                   | 49,000           |
|                                 | CDBG Admin Reimb            | 0                 |                   | 0                |
|                                 | Mandated Cost Reimbursement | 5,000             |                   | 5,000            |
|                                 | Arrest Tow Fees             | 0                 |                   | 0                |
| SUBTOTAL                        |                             | <b>39,499,301</b> | <b>31,062,500</b> | <b>8,436,801</b> |
|                                 | Interest                    | 210,000           | 165,145           | 44,855           |
| <b>GENERAL FUND TOTAL</b>       |                             | <b>39,709,301</b> | <b>31,227,645</b> | <b>8,481,656</b> |

|                         |
|-------------------------|
| <b>CAPITAL PROJECTS</b> |
|-------------------------|



**GANN LIMIT CALCULATION - FY2018-19**

| DESCRIPTION                    | AMOUNT           | TAXES    | "NON-TAXES"      |
|--------------------------------|------------------|----------|------------------|
| SLES Police Grants             | 0                |          | 0                |
| Other Capital Grants           | 55,200           |          | 55,200           |
| Vehicle Impound Fees           | 20,000           |          | 20,000           |
| In Lieu Park Land              | 1,668,500        |          | 1,668,500        |
| Transportation Development Act | 0                |          | 0                |
| Downtown Parking Fund          | 40,000           |          | 40,000           |
| Traffic Impact Fee             | 903,599          |          | 903,599          |
| Safe Routes to School          | 0                |          | 0                |
| Community Contributions        | 0                |          | 0                |
| Prop 1B Grants                 | 0                |          | 0                |
| CDBG                           | 79,600           |          | 79,600           |
| <b>GAS TAX FUNDS</b>           |                  |          |                  |
| Gas Tax                        | 1,251,054        |          | 1,251,054        |
| <b>SUBTOTAL</b>                | <b>4,017,953</b> | <b>0</b> | <b>4,017,953</b> |

**GRAND TOTAL** 43,727,254 31,227,645 12,499,609

|  |  |
|--|--|
| Total City Governmental Revenue        | 43,727,254   |
| Less: Non Proceeds of taxes            | (12,499,609)   |
| Proceeds of Taxes                      | 31,227,645   |
| Exclusions: Debt Service before Prop 4 | 0  |
| Add: Excess User Fees                  | 0  |
| Appropriations Subject to Limitation   | 31,227,645   |
| <b>2018-19 Appropriations Limit</b>    | <b>35,088,412</b>  |
| Dollars under limit                    | 3,860,766  |
| Percent under limit                    | <span style="border: 1px solid black; padding: 2px;">11.00%</span> |

**Appropriations Limit Calculation**

|                                    |  |
|------------------------------------|--|
| 2017-18 Appropriations Limit       | <span style="border: 1px solid black; padding: 2px;">33,514,461</span> |
| Change in Calif. per capita income | 1.0367   |
| Change in population in County     | 1.0099   |
| Change Factor                      | 1.0470   |
|                                    | <span style="border: 1px solid black; padding: 2px;">35,088,412</span> |