



City of
LOS ALTOS

PROPOSED

OPERATING BUDGET

FY 2023-24

**CAPITAL IMPROVEMENT & MAJOR
MAINTENANCE PROGRAM**

FY 2024-28



Mission Statement

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

ELECTED OFFICIALS



ELECTED OFFICIALS

Sally Meadows

Mayor

Jonathan Weinberg

Vice Mayor

Pete Dailey

Councilmember

Neysa Fligor

Councilmember

Lynette Lee Eng

Councilmember

TERM EXPIRATION

November 2024

November 2024

November 2026

November 2026

November 2024

ADMINISTRATIVE STAFF

Appointed by City Council

City Manager
City Attorney

Gabriel Engeland
Jolie Houston

Executive Team

Assistant City Manager
Assistant to the City Manager
City Clerk
Development Services Director
Environmental Services and Utilities Director
Finance Services Director
Human Resources Director
Parks & Recreation Director
Police Chief
Public Information Officer
Public Works Director

Jon Maginot
Anthony Carnesecca
Melissa Thurman
Nick Zornes
Aida Fairman
June Du
Irene Barragan
Manuel Hernandez
Angela Averiett
Sonia Lee
Jim Sandoval

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BUDGET MESSAGE



DATE: June 13, 2023

TO: Mayor, City Council, and Citizens of Los Altos

FROM: Gabriel Engeland, City Manager

SUBJECT: Budget Message for FY 2024 Operating Budgets and Five-year FY 2024-28 Capital Improvement and Major Maintenance Plan (CIMMP)

Honorable Mayor and Members of the Los Altos City Council:

Introduction

“Clarity affords focus” - Thomas Leonard

The FY 2023/24 Operating Budgets and Five-year FY 2024-28 Capital Improvement and Major Maintenance Plan (CIMMP) are the result of months of preparation by the Council, Finance Commission, and Staff. This budget cycle has been conducted under very different circumstances compared to just the prior cycle. Changes to the financial environment have proven to be swift over the past several years and require evermore focus. This has been driven in large part by the pandemic, which caused all entities to reevaluate how they conduct business and react more nimbly to changing conditions.

The FY 2023/24 Operating Budgets will provide more focus for both the Council and Staff. One of the mechanisms to increase focus will be the implementation of a one-year budget cycle rather than the traditional two-year budget cycle as has been past practice. This will allow the City to react more expeditiously to changing conditions.

On behalf of the Staff, I am privileged to present you the FY 2023/24 Operating Budgets and Five-year FY 2024-28 Capital Improvement and Major Maintenance Plan (CIMMP).

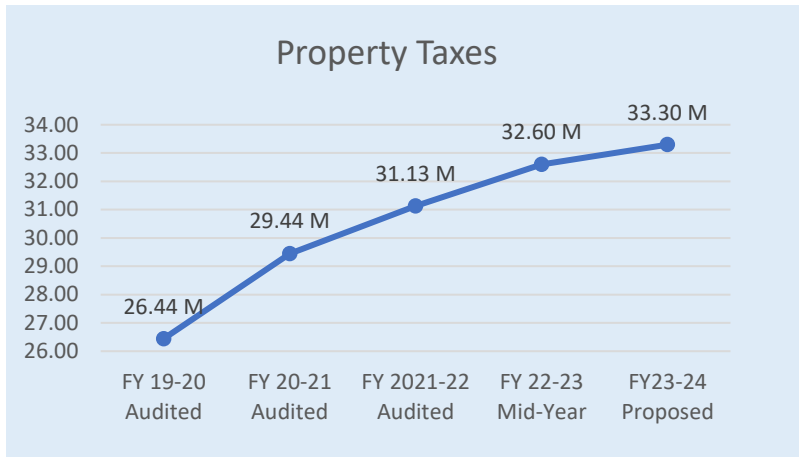
Citywide Revenues

The FY 2024 proposed Citywide revenue is \$71.11 million, of which, \$53.6 million, 75%, are from the General Fund. The top five revenues for the City are property tax, utility user fee, charges for services, sales tax, and licenses and permits. Those revenues represent 79.64% of the total City’s revenues.

BUDGET MESSAGE

Property Tax

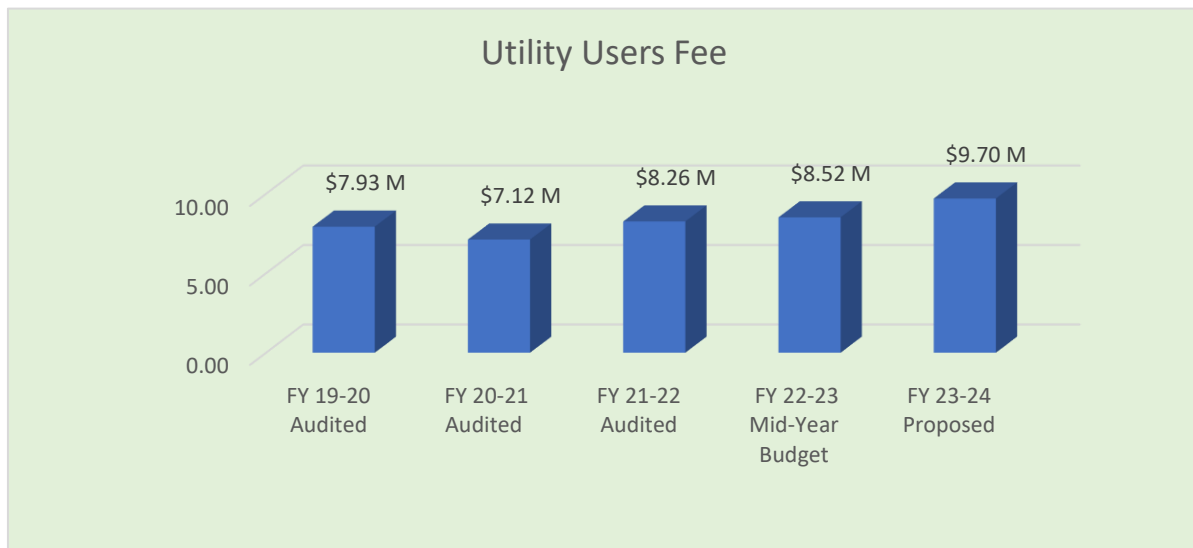
As the largest source of revenue, property tax is estimated at \$33.3 million in FY24, a 2% increase compared with FY23. The estimated revenue is based on the HDL consultant projection and County's property-assessed value report. The property tax revenues are shared with County, schools, and other agencies. The City's share of the property tax is 11.66%. The \$33.3 million includes secured



and unsecured property tax, Supplemental property tax, homeowner tax relief, ERAF, and document transfer tax.

Utility User Fee

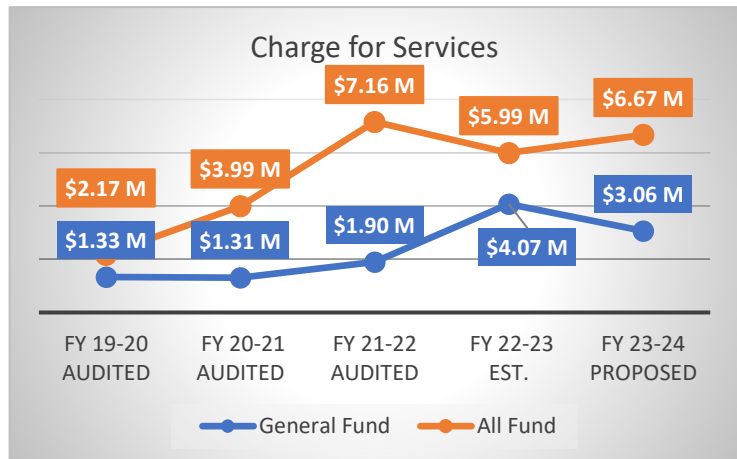
The City provides sewer services for both residential and commercial customers within the City's limits. This revenue is recorded in the enterprise fund and charges were updated every five years per Prop 218 sewer rate study. In FY24, the City is expected to receive \$9.7 million in revenue, including the charges on the property tax roll, not on the property tax roll, and sewer connection fee.



BUDGET MESSAGE

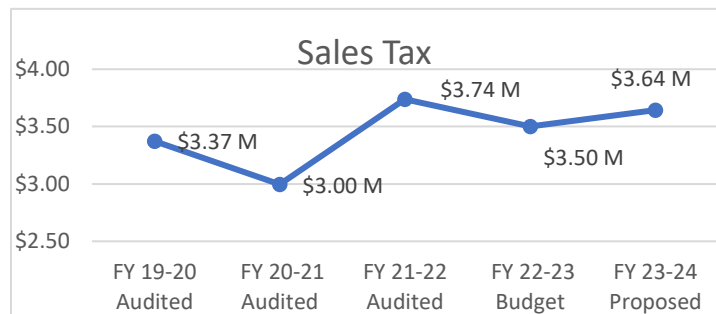
Charge for Services

Charges for services are the third revenue source for the City. It includes a plan review fee, engineering review fee, building inspection fee, traffic impact fee, in lieu park land fee, public art fee, and other miscellaneous fees. The revenue projection is estimated by the development services department based on the forecast housing and economic development projects. In FY24, the City is expecting to receive \$6.67 million in revenue, \$3.01 million from General Fund, and \$3.61 million from Special Revenue Funds. The General Fund revenue projection decreased by \$1 million by comparing with FY23. This is mainly due to the catch-up from the two years during the pandemic.



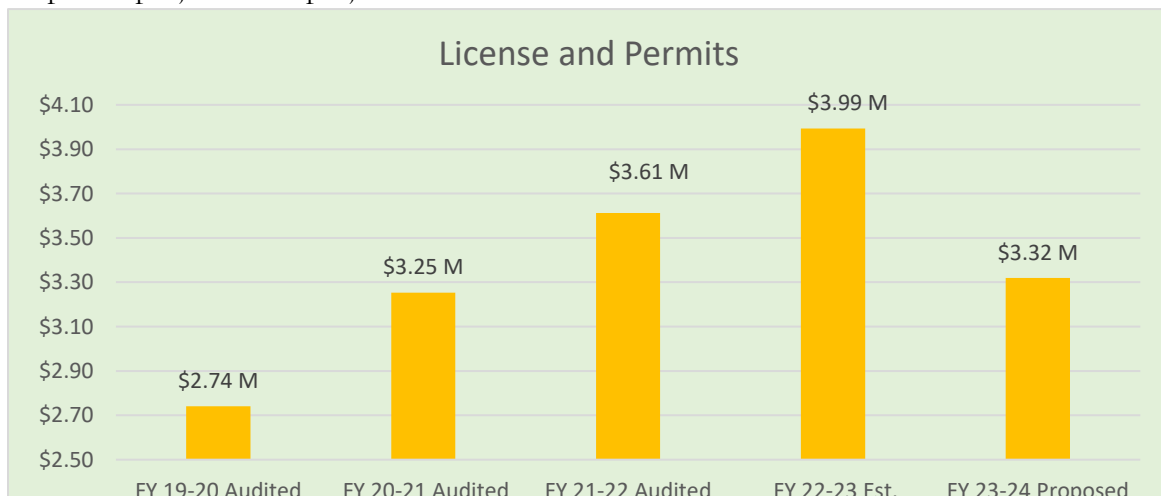
Sales Tax

The sales tax is projected at \$3.6 million in FY24. The City receives 1% Bradley Burns share out the 9.125% sales tax rate. The sales tax revenue is fully recovered from the pandemic but is still subject to economic volatility. The proposed revenue is fairly flat by comparison with FY23.



License and Permits

Licenses and Permits are the fifth revenue source for the City. The proposed revenues for FY24 is \$3.32 million, representing 4.67% of total revenue. This revenue is also the main source for the City's General Fund. As same as the charge for services, the revenue is tied to the current economic development projects. The projection is lower than FY23 estimation and FY22 actuals.



BUDGET MESSAGE

Citywide Expenditures

The FY 24 Proposed expenditure for the City is \$94.87 million, including \$65.04 million for operating and \$29.84 million for Capital Improvement and Major Maintenance Program. The Non-negotiable cost are projected at \$37.09 million, 57.03% of the budget. It includes salary and benefits, insurance, CalPERS unfunded accrual liability, debt services, and utilities.

Salary and Benefit

The cost of salaries and benefits is projected at \$29.2 million, representing 44.89% of the operating expenditure budget. By comparing the FY23 projection, there is a \$2.12 million increase. The City is also proposing to add an additional six FTEs to provide better services internally and externally. They are listed below:

1. City Manager’s Office: Council Support
2. Development Services Department: Housing Manager
3. Park, Recreation & Community Services Department: Facilities Attendant Coordinator
4. Human Resources Department: Payroll Technician
5. Public Safety department: Emergency Operations Coordinator (Split with LAH)
6. Environmental Services & Utilities Department: Senior Engineer (Sewer)

Insurance

The City participates Bay Cities Join Power Insurance risk pool. The cost of general liability insurance and workers compensation premium are \$1.31 million and \$0.875 million respectively, with a total of \$2.185 million; an increase of \$0.52 million compared with FY23.

CalPERS unfunded accrual liability (UAL) and other post-employment benefits (OPEB)

The City is striving to lower the UAL and OPEB costs by contributing additional discretionary payments to CalPERS. In FY23, the City established a separate fund reserve for future additional payments. The current funding status for UAL is 103% for PEPRA plans (Safety and Miscellaneous), and 76% for Classic plans (Safety and Miscellaneous). The funding status for OPEB is at 104%. In FY24, the City’s UAL payment is \$3.24 million. The City’s General Fund will also contribute \$0.5 million to the reserve.

Long-Term Debt Obligations

As of June 30, 2022, the City had a total assessed property value of \$20,232,626,606, which gives the City’s debt limit capacity of \$758,723,498. The detailed debt obligation is listed in Appendix 5: Debt Limit/Obligation.

	Outstanding	FY23-24 Budget	
	Balance	Principal	Interest
	as of 6-30-2023		
2004 Certificate of Participation	\$ 610,000	\$ 140,000	\$ 25,925
Direct Borrowing-Community Center Lease	8,679,040	423,355	198,735
Total Debt Service	\$ 9,289,040	\$ 563,355	\$ 224,660

BUDGET MESSAGE

General Fund

The proposed General Fund revenue is \$53.67 million and the proposed expenditure is \$51.16 million, with the transfer out of \$0.76 million to the internal services fund, which gives us a \$1.74 million net change. The City’s fiscal policy reserve requirement is 20% of the General Fund operating expenditures. After meeting the fiscal policy reserve requirement, the General Fund has a surplus of 0.24 million.

General Fund Summary (in million)			
	FY 2021-22 Audited	FY 22-23 Mid-Year Amended	FY 23-24 Proposed
Revenues	51.79	51.93	53.67
Expenditures	43.95	50.50	51.16
Net	7.84	1.43	2.51
Transfer Out	13.05	2.08	0.76
Allocation to Reserve			1.5
Surplus/ (Shortfall)	-4.97	-0.42	0.24

The estimated unassigned unrestricted General Fund beginning balance is \$7.3 million, with \$0.24 million surpluses, and the available unassigned unrestricted General Fund balance on June 30, 2024, is \$7.54 million. The staff is proposing to fund a facility reserve for the aging city facilities and replenish the Internal Services fund and Equipment Replacement Fund with the list below. The total of those transfers is \$3 million, and the estimated General Fund unassigned unrestricted ending balance after the transfers is \$4.5 million.

General Fund Fiscal Policy Reserve		
Current Budgeted Expenditures		51,161,309
	20%	10,232,262
Current Reserve 1/1/2023		8,757,349
	Short Fall	1,474,913
Transfer to Reserve		(1,500,000)
Reserve at 7/1/2023	\$	10,257,349

- Facility Reserve: \$1 million
- PERS & OPEB Reserve: \$0.5 million
- Dental Fund: \$0.5 million
- General liability Fund: \$0.5 million
- Equipment Replacement Fund: \$0.5 million

The Capital Improvement and Major Maintenance Program (CIMMP)

The City of Los Altos prepares the Capital Budget as part of the Operating Budget, which appropriates funds for specific programs and projects. The Capital Improvement Program budget is reviewed annually to enable the City Council to reassess projects in the program.

A capital project typically involves the purchase or construction of major fixed assets such as land, buildings, and any permanent improvement including additions, replacements, and major alterations having a long-life expectancy. Additionally, capital projects may apply to 1) expenditures that take place over two or more years and require continuing appropriations beyond a single fiscal year; 2) systematic acquisitions over an extended period of time, or 3) scheduled replacement of specific elements of physical assets. Generally, only those items costing \$10,000 or more are considered as capital projects.

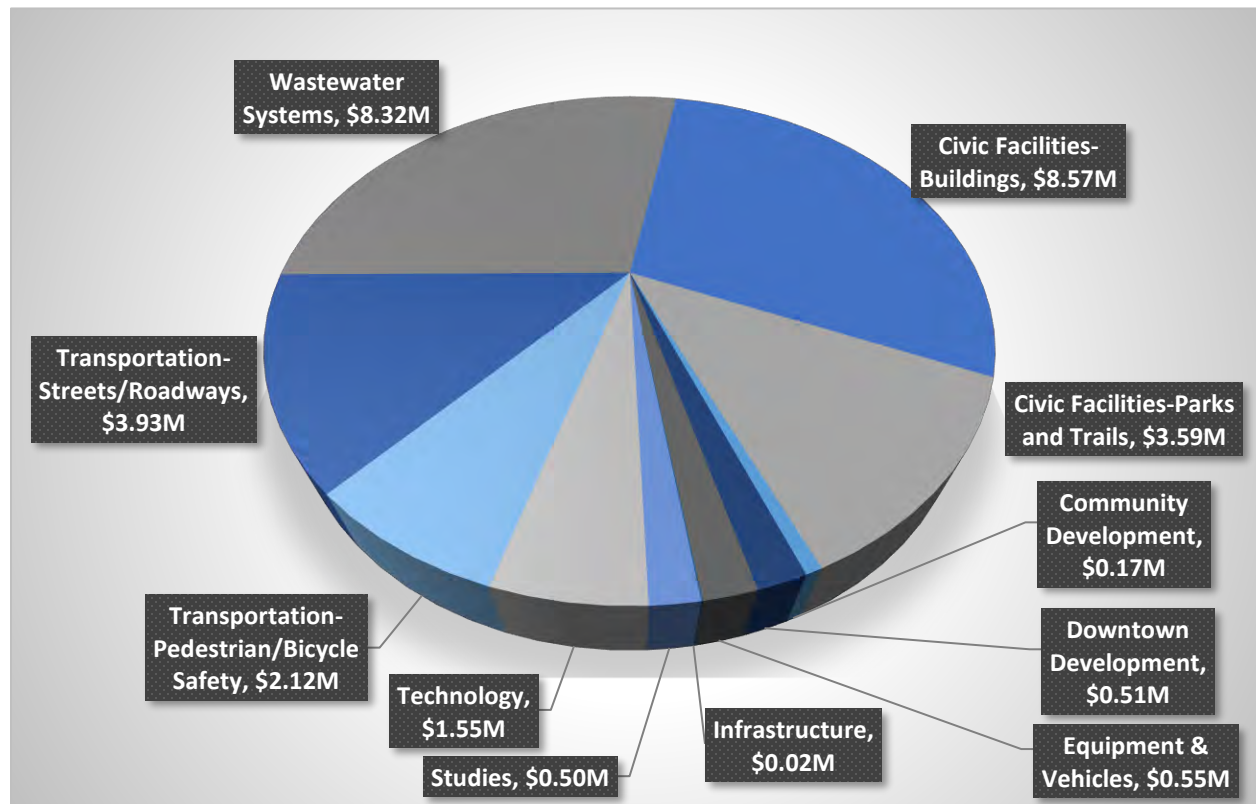
In FY24, the City also identifies projects in the Major Maintenance Program. Those projects mainly apply 1) upgrade and maintain buildings & transportation corridors at current, competitive standards; 2) address code and safety issues, mechanical, electrical, and plumbing systems, exterior and structural

BUDGET MESSAGE

shortcomings, cosmetics, and immediate landscape issues; 3) dollars should extend the life of whatever is being corrected for the cycle of life designated for the building (typically ten years).

In FY 2023-24, the City appropriates \$29.8 million, for 71 projects in Capital Improvement and Major Maintenance Program with the categories below. All Capital Improvement projects are nonrecurring capital expenditures, and all Major Maintenance Projects are recurring expenditures. The detailed of each projects are listed in the CIMMP section.

- Civic Facilities-Buildings
- Civic Facilities-Parks and Trails
- Community Development
- Downtown Development
- Equipment & Vehicles
- Infrastructure
- Studies
- Technology
- Transportation-Pedestrian/Bicycle Safety
- Transportation-Streets/Roadways
- Wastewater Systems



BUDGET MESSAGE

In Summary:

Financially, the City continues to focus on fiscal sustainability while working to balance the need to increase levels of services throughout the City.

Auditors have again conferred an “Unmodified Audit Opinion” on our financial statements which is the highest rating that can be obtained.

General Fund reserves are set at the minimum required level and Internal Services Funds are replenished from the drawdown in previous years.

There will be a concentrated focus on increasing performance in the following areas:

- Business development throughout the City
- Focus on UUT and business license collection efforts
- Updating of fee schedules
- Identification of operational/procedural efficiencies.

The City will continue to face challenges regarding:

- Escalating CalPERS pension costs that will continue to increase due to decreasing discount rates and unfunded accrued liabilities that will increase without additional payments.
- Increase in health care costs
- Increase in insurance costs
- Competitive salaries for the local market
- Inflation concerns

Conclusion:

The City is cognizant of the challenges it faces as we move forward. Due to the dynamic nature of the budget environment and the cyclical nature of the economy, the City will need to carefully and continuously evaluate the projects, priorities, and costs to ensure the City continues to move forward in a positive and fiscally responsible manner.

This budget was the work of the Council, Finance Commission, City’s executive team, and staff at all levels, who endeavor to achieve the mission of Los Altos which is “to foster and maintain the city of Los Altos as a great place to live and to raise a family.” The Executive Team would like to offer a special thanks to the Finance team, who worked tirelessly to put this budget together. It is the staff’s hope that you find the information provided to be a clear narrative of the annual revenues and expenditures that comprise the City budget.

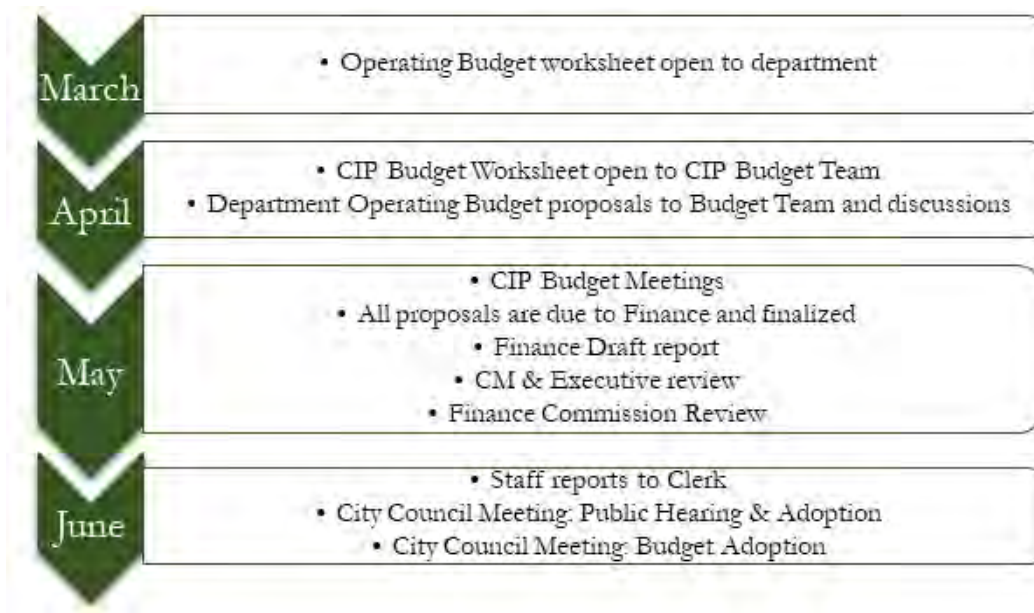
Respectfully submitted,

Gabriel Engeland

BUDGET PROCESS

Budget Process & Calendar

The City of Los Altos operates on a fiscal year basis that begins on July 1 of each year and ends the following year on June 30. The City Manager's Office and Finance Department manage the budget process with support from each operating department. The preparation of the budget takes place between March and June. The budget is presented to the City Council to allow for public hearings and the City Council adopts the annual budget before June 30 of each year. The budget is adopted through the passage of a resolution. The budget represents the maximum authorized expenditures for the year and cannot legally be exceeded except by subsequent amendments of the budget by the City Council. The City Manager is authorized to make any amendments or transfers of appropriations within the same department. Any amendments to the total level of appropriations for a fund or transfers between funds must be approved by the City Council. See the detailed budget preparation calendar for the City of Los Altos on the next page for details on this process.



Basis of Accounting and Budget

Developed on a program basis with fund level authority, the operating budget represents services and functions provided by the City in alignment with the resources allocated during the fiscal year. The Capital Budget is funded and defined by its' approved projects, with ongoing or incomplete projects re-appropriated into the following fiscal year.

Basis of Accounting and Budget refers to the timing factor concept in recognizing transactions. This basis is a key component of the overall financial system because the budget determines the accounting system. For example, if the budget anticipates revenues on a cash basis, the accounting system must record only cash revenues as receipts. If the budget uses an accrual basis, accounting must do likewise. This consistency is also reflected in the City's Annual Comprehensive Financial Report (ACFR), the State Controller's Annual Cities Report, and all other report documents.

Government budgets and accounting uses a mix of accounting methods. A hybrid cash and accrual accounting system known as 'Modified Accrual Basis' recognizes revenues when measurable and available.

The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 45 days after the fiscal year-end.

Licenses, property taxes and taxpayer assessed tax revenues (e.g., franchise taxes, sales taxes, and transient occupancy tax) are all considered susceptible to accrual and so are recognized as revenues in the period earned/collected. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Expenditures are recorded when the liability is incurred. Claims, judgments, compensated absences, and principal and interest on general long-term debt are recognized as expenditures to the extent they have matured.

The Modified Accrual Basis is used for governmental types of funds, while the full accrual basis accounting method is used for proprietary funds. Governmental Funds consist of the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

Under this basis, revenues are estimated for the period if they are susceptible to accrual, e.g. amounts can be determined and will be collected within the current period. Principal and interest on general long-term debt are budgeted as expenditures when due, whereas other expenditures are budgeted for liabilities expected to be incurred during the current period.

Proprietary fund budgets are adopted using the full accrual basis of accounting whereby revenue budget projections are developed recognizing revenues expected to be earned during the period, and expenditures are developed for expenses anticipated to be incurred in the fiscal year.

COMMUNITY PROFILE

Location

Los Altos, incorporated as a general law city in December of 1952, is located 37 miles south of San Francisco. Los Altos is bordered by Los Altos Hills, Palo Alto, Mountain View, Sunnyvale, and Cupertino.

Los Altos City Hall
1 North San Antonio Road
Los Altos, CA 94022

Phone: (650) 947-2700
Fax: (650) 947-2701
administration@losaltosca.gov
www.losaltosca.gov

The City of Los Altos is seven square miles with seven distinct commercial areas and is home to approximately 30,000 people. The city incorporated to preserve the rural atmosphere and small town feel and to prevent annexation from neighboring cities. The commercial districts are bustling neighborhood retail areas, characterized by tree-lined streets and a village atmosphere. Los Altos is celebrating its 70th anniversary starting in December 2022 through this year.

The City of Los Altos operates as a Council-Manager form of government. Council Members are elected at-large to four-year terms and are responsible for determining City policies and service standards. The City Council in turn appoints the City Manager to oversee the daily operation of the city organization.

Demographics

Population	31,625 ¹
Total Households	10,557 ¹
Median Household Income	\$240,094 ¹
Average Household Size	2.90 ¹
Median Age	45.7 ¹
Population aged 65+	18.8% ¹
School Enrollment (K-8)	3,390 ³
School Enrollment (9-12)	4,563 ⁴

Sources:

(1) U.S. Census Bureau 2020, (2) City Data, (3) Los Altos Unified School District, (4) Mountain View Los Altos Unified High School District

COMMUNITY PROFILE

Commissions & Committees

Complete Streets Commission

COMMISSIONER	TERM	TERM EXPIRATION
Suzanne Ambiel	1st	September 2024
Stacy Banerjee	2nd	September 2026
Tom Gschneider	1st	September 2026
Steve Katz	Partial	September 2024
Nadim Maluf	2nd	September 2026
Cynthia O'Yang	1st	September 2024
Suresh Venkatraman	1st	September 2024

Staff Liaison: Marisa Lee (Public Works)

Environmental Commission

COMMISSIONER	TERM	TERM EXPIRATION
Bruno Delagneau	1st	September 2024
Tom Hecht	1st	September 2026
Raashina Humayan	1st	September 2024
Shiaoping Lu	1st	September 2026
Laura Tekslar	2nd	September 2024
Carl van Reis	1st	September 2026
Don Weiden	2nd	September 2026
Pete Dailey		Council Representative

Staff Liaison: Tania Katbi & Casey Leedom (ESUD)



COMMUNITY PROFILE

Financial Commission

COMMISSIONER	TERM	TERM EXPIRATION
John Claras	1st	September 2025
Mark Frey	1st	September 2023
Gary Kalbach	2nd	September 2025
Kuljeet Kalkat	2nd	September 2023
Martha McClatchie	2nd	September 2023
Anthony “Tony” Richmond	2nd	September 2025
Art Whipple	Partial	September 2023

Staff Liaison: June Du (Finance)

Historical Commission

COMMISSIONER	TERM	TERM EXPIRATION
Jonathan “Ted” Adams	1st	September 2026
Russell Bartlett	2nd	September 2024
Liza Coe	1st	September 2026
Larry Lang	2nd	September 2024
Kirk B. Paige	1st	September 2024

Staff Liaison: Naz Healy & Jia Liu (Development Services)

Library Commission

COMMISSIONER	TERM	TERM EXPIRATION
Pierre Bedard	1st	September 2025
Carolle Carter	1st	September 2025
Julie Crane	1st	September 2025
Christine Fawcett (Los Altos Hills)	1st	September 2023
Nelvin Gee	1st	September 2023
Freddie Wheeler	1st	September 2023
Sally Meadows		Council Representative

Staff Liaison: MaryJo Price (Parks & Recreation)

Parks & Recreation Commission

COMMISSIONER	TERM	TERM EXPIRATION
Teresa Morris	1st	September 2025
Jeanine Valadez	1st	September 2025
Cyndie Wang	1st	September 2025
Yong Yeh	1st	September 2023
Neysa Fligor		Council Representative

Staff Liaison: Manny Hernandez (Parks & Recreation)

COMMUNITY PROFILE

Planning Commission

COMMISSIONER	TERM	TERM EXPIRATION
Mehrus Ahi	2nd	September 2026
Joe Beninato	1st	September 2026
Kate Disney	1st	September 2026
Shelley Doran	1st	September 2024
Susan Mensinger	1st	September 2024
Richard Roche	1st	September 2024
Eric Steinle	1st	September 2024
Jonathan Weinberg		Council Representative

Staff Liaison: Steve Golden (Development Services)

Public Arts Commission

COMMISSIONER	TERM	TERM EXPIRATION
Janet Corrigan	1st	September 2025
Theresa Couture	1st	September 2025
Lucy Janjigian	Partial	September 2023
Jenna Moore	1st	September 2025
Dana Tasic	Partial	September 2023
Monica Waldman	2nd	September 2023
Pete Dailey		Council Representative

Staff Liaison: Jon Maginot (City Manager's Office)

Senior Commission

COMMISSIONER	TERM	TERM EXPIRATION
Jim Basiji (Los Altos Hills)	2nd	September 2023
William Buchholz	2nd	September 2025
Jayne Cohen	1st	September 2024
Tony Li	1st	September 2023
Chris Nagao	2nd	September 2024
Kevin O'Reilly	2nd	September 2024
Lynette Lee Eng		Council Representative

Staff Liaison: Jaime Chew & Candace Avina (Parks & Recreation)



COMMUNITY PROFILE

Youth Commission

COMMISSIONER	TERM	TERM EXPIRATION
Serina Cao	1st	June 2024
Humza Dalal	1st	June 2024
Boladale Erogbogbo	3rd	June 2023
Talinn Hatti	1st	June 2024
Lauren Jene	1st	June 2023
Caroline Ma	1st	June 2024
Hanna Mills	1st	June 2023
Rohan Parikh	1st	June 2023
Juliana Stueve	1st	June 2023
Aarthi Venkatrama	1st	June 2024
Sander Vonk	1st	June 2024
Lynette Lee Eng		Council Representative

Staff Liaison: Angel Rodriguez (City Manager's Office)

Joint Community Volunteer Service Awards Commission

COMMISSIONER	TERM	TERM EXPIRATION
Neysa Fligor (Los Altos)		Council Representative
Cheryl Caligaris (Los Altos)	1st	September 2023
Laurel Iverson (Los Altos)	1st	September 2023
Rebecca Lowell (Los Altos)	1st	September 2025
Rita Patel (Los Altos)	1st	September 2025
Dennis Young (Los Altos)	2nd	September 2023
Kavita Tankha (Los Altos Hills)		Council Representative
Jennifer Duarte (Los Altos Hills)	1st	January 2027
Donald Mattson (Los Altos Hills)	2nd	January 2027
Sandy Mingia (Los Altos Hills)	2nd	January 2027
Lakshmi Ramgopal (Los Altos Hills)	2nd	March 2025
Kelly Davis (Los Altos Hills)	1 st	January 2027

North County Library Authority

MEMBER	REPRESENTING AGENCY	TERM EXPIRATION
Aarti Johri	Los Altos Hills	March 2027
Cindy Hill	Library Commission	December 2024
Sally Meadows	Los Altos City Council	December 2024
Lisa Schmidt	Los Altos Hills	December 2024
Pete Dailey	Los Altos City Council	December 2024

Staff Liaison: Angel Rodriguez (City Manager's Office)



COUNCIL GOALS & STRATEGIES

The City Council Strategic Goals highlight those areas identified by the Council for emphasis and focus. The City Council will accomplish these goals by engaging the community and making decisions which are equitable, sustainable, and fiscally prudent. The City Council will ensure that appropriate resources are allocated to maintain Los Altos as a great place to live and work, including providing a work culture and environment that supports recruitment and retention of exceptional employees to provide City services.

The City Council creates the strategic goals by participating in an interactive annual City Council retreat where they work amongst themselves and the City Manager to determine their strategic goals for the year that rise above the daily operations provided by City services. The Council determines the strategic priorities for the year by identifying the important objectives for the city government to accomplish in the coming year and identifying over-arching themes across those objectives that fall into larger goal categories.

City Council plans to accomplish these strategic goals through the prioritization of funding towards specific programs and projects called out in various City Council adopted plans. For example, the City budget incorporates a number of items from the Downtown Vision in the Capital Improvement Projects budget that will be completed in the coming year and allow the City Council to achieve their strategic goal regarding Business Communities.

Asset Management

The City of Los Altos will set clear expectations through the budget process and allocate the necessary funding to support the maintenance and improvement of City facilities and infrastructure.

Business Communities

The City of Los Altos will support the different business communities in an effort to help them thrive, including implementing specific projects and/or elements of the Downtown Vision Plan and launching initiatives to bolster the other business communities.

Community Safety

The City of Los Altos will continue to provide the high-quality public safety services that the Community values. This will be achieved by implementing the City's policies as expressed in the Complete Streets Master Plan and other plans which support improving public safety, transportation safety and emergency preparedness services.

Environmental Sustainability

The City of Los Altos will be a leader in environmental sustainability through education, and adopting and implementing policies, initiatives and practices identified in the City's Climate Action and Adaptation Plan.

Housing

The City of Los Altos will implement the programs and policies of the Housing Element Update to support the creation of housing that is safe, diverse, and affordable for all income levels to meet the needs of the Community and seek to increase and protect its green space.

Neighborhood Safety Infrastructure

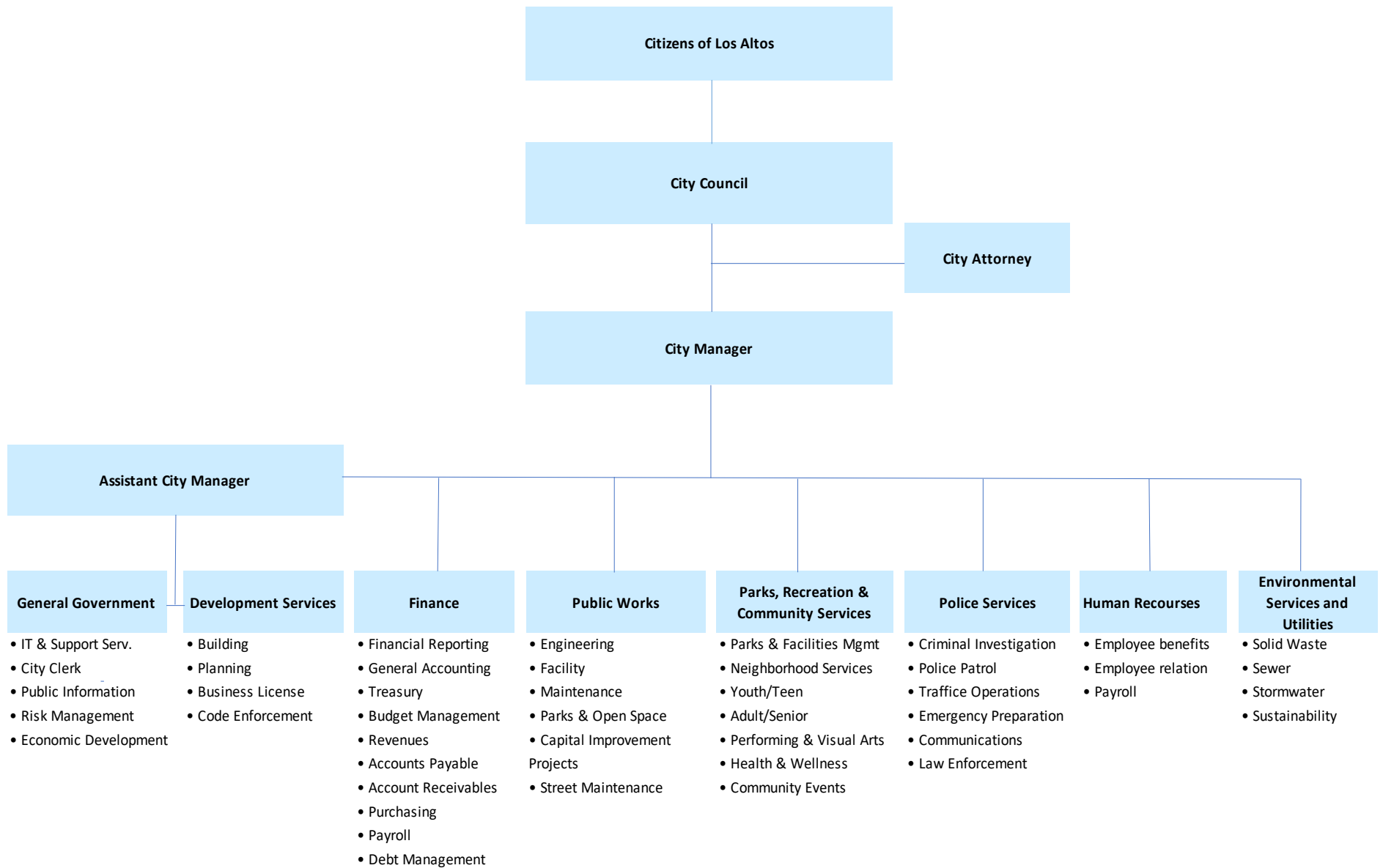
This strategic goal has been identified by the City Council, but the Council ad-hoc committee is working through the exact language for this item.



CITY ORGANIZATION

- Organization Chart – Citywide by Function
- Authorized Positions – Summary

Organization Chart – Citywide By Function



Authorized Positions – Summary

Department Authorized Position Title	Final Positions FY2020-21	Final Positions FY2021-22	Adopted Positions FY2022-23	Proposed Positions FY2023-24	Position Changes FY2023-24
Mayor/City Council					
Mayor	1.00	1.00	1.00	1.00	-
City Council	1.00	1.00	1.00	1.00	-
City Council	1.00	1.00	1.00	1.00	-
City Council	1.00	1.00	1.00	1.00	-
City Council	1.00	1.00	1.00	1.00	-
Mayor/City Council Total	5.00	5.00	5.00	5.00	-
Executive					
City Manager	1.00	1.00	1.00	1.00	-
Assistant City Manager	1.00	1.00	1.00	1.00	-
Deputy City Manager	1.00	-	-	-	-
City Clerk	1.00	1.00	1.00	1.00	-
Assistant to the City Manager	-	-	1.00	1.00	-
Public Information Officer	-	1.00	1.00	1.00	-
Assistant City Clerk	-	-	1.00	1.00	-
Deputy City Clerk	-	1.00	-	-	-
City Council Assistant	-	-	-	1.00	1.00
Economic Development Coordinator	-	1.00	-	-	-
Public Information Coordinator	1.00	1.00	1.00	1.00	-
Executive Assistant	1.00	-	-	-	-
Information Technology Manager	1.00	1.00	1.00	1.00	-
Network Systems Administrator	-	1.00	1.00	1.00	-
Information Technology Analyst	1.00	1.00	1.00	1.00	-
Information Technology Technician	1.00	-	1.00	1.00	-
Executive Total	9.00	10.00	11.00	12.00	1.00
Human Resources					
Human Resources Director	-	-	1.00	1.00	-
Human Resources Manager	1.00	1.00	1.00	1.00	-
Human Resources Analyst	1.00	2.00	2.00	2.00	-
Human Resources Technician	-	1.00	1.00	2.00	1.00
Human Resources Total	2.00	4.00	5.00	6.00	1.00
Finance					
Finance Director	1.00	1.00	1.00	1.00	-
Finance Manger	1.00	1.00	1.00	1.00	-
Senior Accountant	-	-	3.00	3.00	-
Accounting Tech I/II	3.00	3.00	2.00	2.00	-
Accounting Clerk	-	-	1.00	1.00	-
Finance Total	5.00	5.00	8.00	8.00	-

Department Authorized Position Title	Final Positions FY2020-21	Final Positions FY2021-22	Adopted Positions FY2022-23	Proposed Positions FY2023-24	Position Changes FY2023-24
Development Services					
Development Services Director	1.00	1.00	1.00	1.00	-
Building Official	1.00	1.00	1.00	1.00	-
Senior Building Inspector	1.00	1.00	1.00	1.00	-
Building Inspector	3.00	3.00	2.00	2.00	-
Permit Technician	-	2.00	3.00	4.00	1.00
Development Services/Housing Manager	-	-	-	1.00	1.00
Planning Services Manager	1.00	1.00	1.00	1.00	-
Senior Planner	1.00	2.00	2.00	2.00	-
Associate Planner	1.00	3.00	2.00	2.00	-
Assistant Planner	2.00	-	-	-	-
Economic Development Coordinator	1.00	-	-	-	-
Sustainability Coordinator	1.00	1.00	-	-	-
Office Assistant I/II	-	-	1.00	-	(1.00)
Executive Assistant	2.00	1.00	-	-	-
Management Analyst I	-	-	1.00	1.00	-
Code Enforcement Officer	-	-	1.00	1.00	-
Development Services Total	16.00	16.00	16.00	17.00	1.00
Police Department					
Police Chief	1.00	1.00	1.00	1.00	-
Police Captain	2.00	2.00	1.00	2.00	1.00
Police Sergeant	6.00	7.00	7.00	7.00	-
Police Officer	17.00	16.00	16.00	16.00	-
Police Agent	6.00	6.00	6.00	6.00	-
Police Services Manager	1.00	1.00	1.00	-	(1.00)
Police Records Supervisor	1.00	1.00	1.00	1.00	-
Records Specialist	3.00	2.00	3.00	3.00	-
Lead Communications Officer	1.00	1.00	1.00	1.00	-
Communications Officer	5.00	5.00	6.00	6.00	-
Community Service Officer	3.00	3.00	2.00	2.00	-
Executive Assistant	1.00	1.00	1.00	1.00	-
Emergency Operations Coordinator	-	-	-	1.00	1.00
Police Total	47.00	46.00	46.00	47.00	1.00
Environmental Services & Utilities*					
Utilities and Environmental Director	-	-	1.00	1.00	-
Senior Engineer	-	-	1.00	2.00	1.00
Assistant Civil Engineer	-	-	1.00	1.00	-
Sustainability Manager	-	-	1.00	1.00	-
Sustainability Coordinator	-	-	1.00	1.00	-
Management Analyst I/II	-	-	1.00	1.00	-
Maintenance Supervisor	-	-	1.00	1.00	-
Senior Wastewater Maintenance Worker	-	-	1.00	1.00	-
Wastewater Maintenance Worker II	-	-	1.00	1.00	-
Wastewater Maintenance Worker I	-	-	3.00	3.00	-
Environmental Services & Utilities Total	-	-	12.00	13.00	1.00

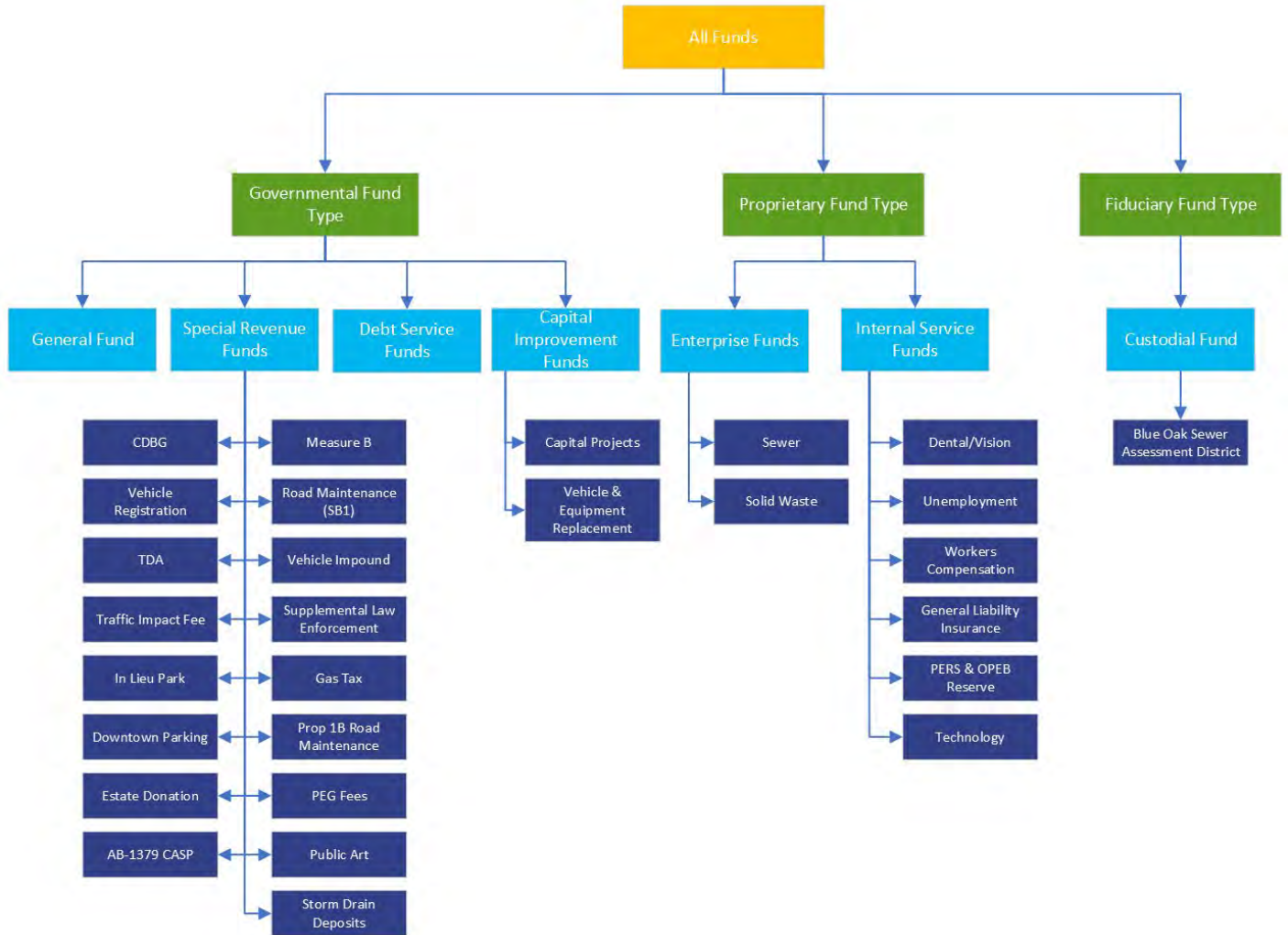
* New department created in FY 2022-23

Department Authorized Position Title	Final Positions FY2020-21	Final Positions FY2021-22	Adopted Positions FY2022-23	Proposed Positions FY2023-24	Position Changes FY2023-24
Engineering **					
Engineering Services Director	1.00	1.00	-	-	-
Special Projects Manager	1.00	-	-	-	-
Projects Manager	1.00	-	-	-	-
Executive Assistant	1.00	1.00	-	-	-
Civil Engineer	-	1.00	-	-	-
Assoc Civil Engineer	-	2.00	-	-	-
Junior Engineer	-	1.00	-	-	-
Sustainability Coordinator	-	-	-	-	-
Sustainability Specialist	-	-	-	-	-
Asst Civil Engineer	4.00	3.00	-	-	-
Construction Inspector	1.00	1.00	-	-	-
GIS Technician	-	1.00	-	-	-
Management Analyst	-	-	-	-	-
Engineering Services Manager	1.00	2.00	-	-	-
Senior Engineer	2.00	1.00	-	-	-
Transportation Services Manager	1.00	1.00	-	-	-
Engineering Technician	1.00	-	-	-	-
Engineering Total	14.00	15.00	-	-	-
Public Works					
Public Works Director	-	-	1.00	1.00	-
Capital Improvement Projects Manager	-	-	1.00	1.00	-
Engineering Services Manager	-	-	1.00	1.00	-
Transportation Services Manager	-	-	1.00	1.00	-
Special Projects Manager	-	-	1.00	1.00	-
Associate Civil Engineer	-	-	1.00	1.00	-
Assistant Civil Engineer	-	-	1.00	1.00	-
Construction Inspector	-	-	1.00	1.00	-
Junior Engineer	-	-	-	1.00	1.00
Executive Assistant	-	-	1.00	-	(1.00)
Maintenance Supervisor	-	-	1.00	1.00	-
Maintenance Lead Worker	-	-	1.00	1.00	-
Maintenance Technician	-	-	1.00	1.00	-
Maintenance Worker I/II	-	-	3.00	3.00	-
Public Works Total	-	-	15.00	15.00	-

** Engineering Department was dissolved in FY2022-23 and restructured into Public Works Department

Department Authorized Position Title	Final Positions FY2020-21	Final Positions FY2021-22	Adopted Positions FY2022-23	Proposed Positions FY2023-24	Position Changes FY2023-24
Parks & Recreation					
Parks & Recreation Director	1.00	1.00	1.00	1.00	-
Recreation Director	1.00	1.00	-	-	-
		1.00	1.00	1.00	-
Recreation Manager	1.00				
Recreation Supervisor	1.00	2.00	2.00	2.00	-
Recreation Coordinator	3.00	5.00	5.00	5.00	-
Executive Assistant	1.00	1.00	1.00	1.00	-
Office Assistant II	-	1.00	1.00	1.00	-
Clerical Assistant II	1.00	-	-	-	-
Facilities Attendant Coordinator	-	-	-	1.00	1.00
Facility Coordinator	1.00	-	-	-	-
Maintenance Supervisor	4.00	4.00	2.00	2.00	-
Maintenance Leadworker	6.00	6.00	4.00	4.00	-
	-	1.00	1.00		-
Senior Maintenance Technician				1.00	
Maintenance Technician	2.00	1.00	1.00	1.00	-
Maintenance Worker I/II	8.00	17.00	10.00	10.00	-
Equipment Mechanic	1.00	1.00	1.00	1.00	-
	31.00			31.00	1.00
Parks & Recreation Total		42.00	30.00		
Total full-time FTEs (not include City Council)	124.00	138.00	143.00	149.00	6.00

FUND STRUCTURE



Fund Accounting

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific activity. The City maintains the following fund types which are all subject to appropriation.

Governmental Fund Types

General Fund

The primary operating fund of the City and accounts for all financial resources, except those required to be accounted for in another fund.

Special Revenue Funds

Accounts for the proceeds of specific revenue sources (other than special assessments, expendable trusts or capital projects) that are restricted by law or administrative action to expenditures for specified purpose.

Capital Projects Funds

Are used to account for and report financial resources restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Proprietary Fund Types

Enterprise Funds

Account for operations in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges.

Internal Service Funds

Account for the financing of goods and services provided by one City department or agency to other departments or agencies of the City, or to other government units on a cost-reimbursement basis (including depreciation).

Fiduciary Fund Types

Custodial Fund

Account for assets held by the City as trustee or agent for individuals, private organizations, other governmental units and/or other funds. These funds are custodial in nature (assets correspond with liabilities) and do not involve measurement of results of operations.

Major Budgetary Fund

A fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10% of the revenues or expenditures of the appropriated budget are considered major budgetary funds for reporting purposes.

The City identifies General Fund, Capital Project Fund, In Lieu Park Fee Fund, Enterprise Funds as major funds.

CITYWIDE BUDGET

- Citywide Summaries
 - Fund Balance and Summaries
 - Citywide Budget Summary – All Funds
 - Governmental Funds – Fund Balance Schedule
 - Summary of Activities by Fund (Trend)
 - Major Fund – General Fund
 - Major Fund – Parking In-Lieu Fund
 - Major Fund – Capital Project Funds
 - Major Fund – Enterprise Funds
 - Non-Major Fund – Special Revenue Funds
 - Non-Major Fund – Debt Service Funds
 - Non-Major Fund – Internal Service Funds
 - Activities by Fund (FY 2023-24)
 - Capital Project Funds
 - Debt Service Funds
 - Special Revenue Funds
 - Enterprise Funds
 - Internal Service Funds
- Revenues
 - Major Recurring Revenue Descriptions/Assumptions
 - Citywide Revenue by Fund
- Expenditures
 - Expenditures Summary by Fund
 - General Fund Expenditure by Activities and Divisions

Citywide Summaries

Fund Balance and Summaries

The City's Fund Balances represent accumulated funds available to be spent in the future. The City's financial policy has set the General Fund fiscal policy reserve ratio at 20% of the annual appropriation of the general fund's operating expenditures. The City has gradually recovered from the COVID-19 pandemic impact with a 20.05% fiscal policy reserve balance on July 1, 2023.

Fiscal Year	Reserve Balance	Budgeted Expenditure	% of the Reserve
2021	7,649,169	43,368,305	17.64%
2022	8,757,359	47,092,815	18.60%
2023	8,757,359	48,258,136	18.15%
2024	10,257,349	51,161,309	20.05%

In FY24, the General Fund balance is projected to be reduced by \$3,411,964 or 17.9%. The reduction is mainly due to a one-time \$2.3 million contribution to the Internal Services Fund and \$3.2 million for the capital improvement project.

The Special Revenue Fund balance is the main funding source for the capital project. The projected fund balance decrease of 6,223,497 or 49.5% is mostly due to funding capital improvement projects related to transportation, streets/road, and parks.

The Capital Project Fund balance is funded by the general fund contributions. In FY24, the existing and newly proposed General Fund funded project cost is 11 million. Staff will propose the general fund contribution once the City completed its FY23 annual audit in January 2024.

Enterprise Fund balance is estimated to decrease by \$9,649,153. This is mainly due to the capital improvement cost increase for City's sewer projects and the joint projects led by the City of Palo Alto. In FY24, the Enterprise fund will also replace one of the oldest Vac-Con trucks for the sewer maintenance division. The Enterprise Fund fund balance will gradually recover from FY25 to FY28 per the sewer rate study.

	Estimated Fund Balances as of 07/01/2023	Increases	Decreases	Estimated Ending Fund Balance as of 6/30/2024	Change in Fund Balance \$	Change in Fund Balance %
General Funds	\$19,508,809	\$53,666,153	\$(57,078,117)	\$16,096,845	\$(3,411,964)	-17.5%
Special Revenue Funds	12,568,457	5,965,587	(12,189,084)	6,344,960	(6,223,497)	-49.5%
Capital Project Funds	11,592,311	13,338,494	(24,242,473)	688,332	(10,903,979)	-94.1%
Debt Service Funds	370,388	788,016	(788,016)	370,388	-	0.0%
Enterprise Funds	29,273,297	10,718,178	(20,367,331)	19,624,144	(9,649,153)	-33.0%
Internal Service Funds	8,085,201	7,452,221	(7,484,746)	8,052,676	(32,525)	-0.4%
Total	\$81,398,463	\$91,928,649	\$(122,149,767)	\$51,177,345	\$(30,221,118)	-37.1%

Projected FY22-23 Activities

FUND	Fund Balances as of 07/01/2022*	Revenue	Transfer In	Total Available Resources	Expenditures	Capital Expenditures	Debt Services	Transfer Out	Total Uses	Estimated Fund Balances as of 06/30/2023
RESERVE FUND										
Fiscal Policy Reserve	8,757,349			8,757,349					-	8,757,349
Facility Reserve	-									-
Grant Reimbursement Fund	290,145			290,145						290,145
Vets Memorial	8,615			8,615						8,615
General Fund	8,982,563	54,282,309	210,000	63,474,872	(50,440,743)	-		(2,581,429)	(53,022,172)	10,452,700
Total General Fund:	18,038,672	54,282,309	210,000	72,530,981	(50,440,743)	-	-	(2,581,429)	(53,022,172)	19,508,809
ENTERPRISE FUNDS										
Sewer Fund	25,106,154	8,627,396		33,733,550	(7,235,083)	(905,032)	(232,000)	(201,000)	(8,573,115)	25,160,434
Solid Waste Fund	5,176,731	924,828		6,101,559	(1,930,996)			(57,700)	(1,988,696)	4,112,863
Storm Drain Fund	-			-						-
Total Enterprise Funds:	30,282,885	9,552,223	-	39,835,108	(9,166,079)	(905,032)	(232,000)	(258,700)	(10,561,811)	29,273,297
CAPITAL IMPROVEMENT FUNDS										
Capital Projects Fund	11,850,959		3,306,917	15,157,876		(4,007,472)		(48,000)	(4,055,472)	11,102,405
Equipment Replacement Fund	683,947		348,000	1,031,947		(542,041)			(542,041)	489,906
Total Capital Improvement Funds:	12,534,906	-	3,654,917	16,189,823	-	(4,549,513)	-	(48,000)	(4,597,513)	11,592,311
INTERNAL SERVICE FUNDS										
Dental/Vision Insurance Fund	5,253	351,951	520,000	877,204	(351,951)				(351,951)	525,253
Unemployment Insurance Fund	96,698			96,698	(15,000)				(15,000)	81,698
Workers Compensation Fund	5,134,027		857,000	5,991,027	(458,266)				(458,266)	5,532,760
General Liability Insurance Fund	422,279	80,907	800,000	1,303,186	(1,236,798)				(1,236,798)	66,389
PERS & OPEB Reserve Fund	292,614		258,700	551,314						551,314
Technology Fund	1,278,768	160,000		1,438,768				(110,982)	(110,982)	1,327,786
Total Internal Service Funds:	7,229,640	592,858	2,435,700	10,258,198	(2,062,015)	-	-	(110,982)	(2,172,997)	8,085,201
SPECIAL REVENUE FUNDS										
Measure B	417,694			417,694				(317,779)	(317,779)	99,915
Road Maintenance (SB1)	326,707	615,000		941,707				(376,000)	(376,000)	565,707
Vehicle Impound Fund	(7,309)	12,000		4,691						4,691
Supplemental Law Enforcement Fund	207,292	144,733		352,025				(100,000)	(100,000)	252,025
Gas Tax Fund	1,814,963	840,057		2,655,020				(1,946,973)	(1,946,973)	708,047
Prop 1B Road Maintenance	(1,361)		1,361							
PEG Fees	225,746	100,000		325,746				(86,681)	(86,681)	239,065
Public Art Fund	498,290	100,000		598,290	(130,000)			(78,300)	(208,300)	389,990
Storm Drain Deposits	56,086			56,086						56,086
CDBG Fund	-			-						-
Vehicle Registration Fund	1,152,610	181,792		1,334,402				(348,218)	(348,218)	986,184
TDA Fund	88,358			88,358				(4,331)	(4,331)	84,027
Traffic Impact Fee Fund	(226,984)	27,569		(199,415)						(199,415)
In Lieu Park Fund	8,350,611	927,200		9,277,811				(798,551)	(798,551)	8,479,260
Downtown Parking Fund	900,290	70,000		970,290	(45,000)			(40,000)	(85,000)	885,290
Estate Donation Fund	17,584			17,584						17,584
AB-1379 CASP Fee	-			-						-
Total Special Revenue Funds:	13,820,577	3,018,351	1,361	16,840,289	(175,000)	-	-	(4,096,832)	(4,271,832)	12,568,457
DEBT SERVICE FUND										
General Obligation Bond	370,388		171,875	542,263			(171,875)		(171,875)	370,388
Community Center Lease	-		622,090	622,090			(622,090)		(622,090)	-
Total Debt Service Fund:	370,388	-	793,965	1,164,353	-	-	(793,965)	-	(793,965)	370,388
ALL FUNDS TOTAL	82,277,068	67,445,741	7,095,943	156,818,752	(61,843,837)	(5,454,545)	(1,025,965)	(7,095,943)	(75,420,290)	81,398,462

Proposed FY23-24 Activities

FUND	Estimated Fund Balances as of 07/01/2023	Pending CIP PO Rollover	Revenue	Transfer In	Total Available Resources	Expenditures	Capital Expenditures	Debt Services	Transfer Out	Total Expenditures	Estimated Fund Balances as of 06/30/2024	Estimated Fund Balances Changes
RESERVE FUND												
Fiscal Policy Reserve	8,757,349			1,500,000	10,257,349					-	10,257,349	1,500,000
Facility Reserve (New)	-			1,000,000	1,000,000					-	1,000,000	1,000,000
Grant Reimbursement Fund	290,145				290,145	-	-			-	290,145	-
Vets Memorial	8,615				8,615					-	8,615	-
General Fund	10,452,700	(3,154,808)	53,666,153	-	60,964,044	(51,161,309)	-		(5,262,000)	(56,423,309)	4,540,735	(5,911,964)
Total General Fund:	19,508,809	(3,154,808)	53,666,153	2,500,000	72,520,154	(51,161,309)	-	-	(5,262,000)	(56,423,309)	16,096,845	(3,411,964)
ENTERPRISE FUNDS												
Sewer Fund	25,160,434	(80,426)	9,713,500		34,793,508	(8,735,642)	(8,423,265)	(229,344)	(500,000)	(17,888,251)	16,905,257	(8,255,177)
Solid Waste Fund	4,112,863		1,004,678		5,117,541	(2,398,654)				(2,398,654)	2,718,887	(1,393,976)
Storm Drain Fund	-		-		-	-	-			-	-	-
Total Enterprise Funds:	29,273,297	(80,426)	10,718,178	-	39,911,049	(11,134,296)	(8,423,265)	(229,344)	(500,000)	(20,286,905)	19,624,144	(9,649,153)
CAPITAL IMPROVEMENT FUNDS												
Capital Projects Fund	11,102,405	(2,400,000)	1,210,000	11,128,494	21,040,899		(20,869,494)			(20,869,494)	171,405	(10,931,000)
Equipment Replacement Fund	489,906		-	1,000,000	1,489,906	(181,200)	(545,000)		(246,779)	(972,979)	516,927	27,021
Total Capital Improvement Funds:	11,592,311	(2,400,000)	1,210,000	12,128,494	22,530,805	(181,200)	(21,414,494)	-	(246,779)	(21,842,473)	688,332	(10,903,979)
INTERNAL SERVICE FUNDS												
Dental/Vision Fund	525,253		489,602	500,000	1,514,855	(489,602)				(489,602)	1,025,253	500,000
Unemployment Fund	81,698				81,698					-	81,698	-
Workers Compensation Fund	5,532,760				5,532,760	(875,000)				(875,000)	4,657,760	(875,000)
General Liability Insurance Fund	66,389		1,310,000	500,000	1,876,389	(1,310,000)				(1,310,000)	566,389	500,000
PEERS & OPEB Reserve Fund	551,314		3,240,619	500,000	4,291,933	(3,240,619)				(3,240,619)	1,051,314	500,000
Technology Fund	1,327,786		150,000	762,000	2,239,786	(666,161)			(903,364)	(1,569,525)	670,261	(657,525)
Total Internal Service Funds:	8,085,201	-	5,190,221	2,262,000	15,537,422	(6,581,382)	-	-	(903,364)	(7,484,746)	8,052,676	(32,525)
SPECIAL REVENUE FUNDS												
Measure B	99,915	(99,915)	675,000		675,000				(675,000)	(675,000)	-	(99,915)
Road Maintenance (SB1)	565,707	(565,707)	782,816		782,816				(782,816)	(782,816)	-	(565,707)
Vehicle Impound Fund	4,691		15,000		19,691					-	19,691	15,000
Supplemental Law Enforcement Fund	252,025		130,000		382,025					-	382,025	130,000
Gas Tax Fund	708,047	(110,904)	902,857		1,500,000				(1,500,000)	(1,500,000)	0	(708,047)
Prop 1B Road Maintenance	-		-		-					-	-	-
PEG Fees	239,065		97,000		336,065				(297,340)	(297,340)	38,725	(200,340)
Public Art Fund	389,990		500,000		889,990				(189,578)	(189,578)	700,412	310,422
Storm Drain Deposits	56,086				56,086					-	56,086	-
CDBG Fund	-		-		-					-	-	-
Vehicle Registration Fund	986,184	(37,135)			949,049				(949,049)	(949,049)	-	(986,184)
TDA Fund	84,027		46,000		130,027				(129,734)	(129,734)	293	(83,734)
Traffic Impact Fee Fund	(199,415)		950,000	600,000	1,350,585				(1,336,834)	(1,336,834)	13,751	213,166
In Lieu Park Fund	8,479,260	(9,056)	1,200,000		9,670,204				(5,346,016)	(5,346,016)	4,324,188	(4,155,072)
Downtown Parking Fund	885,290		66,914		952,204				(160,000)	(160,000)	792,204	(93,086)
Estate Donation Fund	17,584				17,584					-	17,584	-
AB-1379 CASP Fee	-		-		-					-	-	-
Total Special Revenue Funds:	12,568,457	(822,717)	5,365,587	600,000	17,711,327	-	-	-	(11,366,367)	(11,366,367)	6,344,960	(6,223,497)
DEBT SERVICE FUND												
General Obligation Bond	370,388			165,925	536,313			(165,925)		(165,925)	370,388	-
Community Center Lease	-			622,091	622,091			(622,091)		(622,091)	-	-
Total Debt Service Fund:	370,388	-	-	788,016	1,158,404	-	-	(788,016)	-	(788,016)	370,388	-
ALL FUNDS TOTAL	81,398,462	(6,457,951)	76,150,139	18,278,510	169,369,160	(69,058,188)	(29,837,759)	(1,017,360)	(18,278,510)	(118,191,817)	51,177,344	(30,221,119)

Fiscal Policy Reserve Requirement : 10,232,262
 Fiscal Policy Reserve Balance: 10,257,349

CITYWIDE SUMMARIES

Citywide Budget Summary - All Funds

	FY2020-21 Audited	FY2021-22 Audited	FY 2022-23 Estimated	FY 2023-24 Proposed	Changes
Revenues					
Property Taxes	29,444,741	31,130,850	32,600,000	33,296,344	696,344
Sales Tax	2,996,325	3,738,113	3,500,000	3,642,770	142,770
Franchise Fee	2,214,947	2,339,195	2,466,884	2,492,484	25,601
Transit Occupancy Tax	662,132	1,778,966	1,660,000	1,887,809	227,809
Utility Users Tax	2,917,251	3,093,784	2,811,385	2,770,650	(40,735)
Other Taxes	25,970	6,814	26,112	41,970	15,858
Charges for Services	4,907,316	7,159,959	5,989,556	6,671,508	681,952
Recreation	271,410	1,133,955	1,605,898	1,627,200	21,302
Licenses and Permits	3,252,766	3,611,569	3,993,401	3,318,999	(674,402)
Intergovernmental	2,755,150	1,638,655	1,790,790	2,689,913	899,123
Grants and Donations	4,380,476	4,809,812	207,792	1,456,684	1,248,892
Fines and Forfeitures	165,005	192,158	235,447	192,100	(43,347)
Interest Income	246,762	(1,802,159)	447,300	300,000	(147,300)
Utility Users Fee	7,119,518	8,259,857	8,572,396	9,703,500	1,131,104
Miscellaneous Revenue	393,568	1,842,605	1,538,782	6,058,208	4,519,425
Total Revenues	61,753,336	68,934,132	67,445,742	76,150,139	8,704,397
Resources					
Transfers In	32,596,250	19,352,211	7,095,943	15,778,510	(3,573,701)
Transfers Out	32,596,250	19,352,211	7,095,943	15,778,510	(3,573,701)
Bond Proceeds	10,000,000	-	-	-	-
Total Finance Resource	71,753,336	68,934,132	67,445,742	76,150,139	8,704,397
Expenditures					
Salary and Benefits	24,039,610	23,976,530	27,031,084	29,198,650	5,222,120
CalPERS Payment	2,783,677	9,746,003	3,332,460	3,240,619	(6,505,384)
Insurance	2,080,805	3,687,275	2,212,015	2,185,000	(1,502,275)
Utilities, Phone & Internet	1,226,489	1,288,307	1,287,622	1,451,896	163,589
Professional Services	17,537,483	18,774,204	23,733,489	23,595,908	4,821,704
Maintenance and Supplies	1,605,834	1,943,053	2,734,774	3,028,634	1,085,582
Other Expense	703,921	1,007,917	1,100,687	6,187,481	5,179,564
Total Expenditures	49,977,819	60,423,288	61,432,131	68,888,188	8,464,900
Debt Service	977,968	1,040,212	1,025,966	1,017,360	(22,852)
Debt Issurance	98,700	-	-	-	-
Capital Outlay	50,700	128,542	411,708	170,000	41,458
CIMMP Project	23,416,265	6,986,828	5,454,545	29,837,759	22,850,931
	-	-	-	-	-
Total Use of Resources	74,521,452	68,578,870	68,324,350	99,913,307	8,483,506
Annual Surplus (Shortfall)	(2,768,116)	355,262	(878,609)	(23,763,168)	220,891
Est. Fund Balance , Beginning of Year	83,605,777	80,837,662	82,277,068	81,398,459	(878,609)
CIP Carryover				6,457,951	
Est. Fund Balance, End of Year	80,837,662	81,192,924	81,398,459	51,177,341	(30,221,119)

CITYWIDE SUMMARIES

Governmental Funds - Fund Balance Schedule

Fund No.	Fund Name/Fund Balance Name	FY 2021-22 Audited (*)	FY 2022-23 Estimated	FY 2023-24 Proposed
Nonspendable				
00001	Prepaid & Inventory	214,134	-	-
	Total Nonspendable	214,134	-	-
Restricted				
00004	Measure B	417,694	99,915	-
00007	Road Maintenance (SB1)	326,707	565,707	-
00011	Vehicle Impound Fund	(7,309)	4,691	19,691
00013	Supplemental Law Enforcement Fund	207,292	252,025	382,025
00014	Gas Tax Fund	1,814,963	708,047	-
00019	Prop 1B Road Maintenance	(1,361)	-	-
00020	PEG Fees	225,746	239,065	38,725
00021	Public Art Fund	498,290	389,990	700,412
00022	Storm Drain Deposits	56,086	56,086	56,086
00023	CDBG Fund	-	-	-
00024	Vehicle Registration Fund	1,152,610	986,184	-
00025	TDA Fund	88,358	84,027	293
00026	Traffic Impact Fee Fund	(226,984)	(199,415)	13,751
00027	In Lieu Park Fund	8,350,611	8,479,260	4,324,188
00028	Downtown Parking Fund	900,290	885,290	792,204
00029	Estate Donation Fund	17,584	17,584	17,584
00060	Grants Fund-ARP Act	-	-	-
00064	AB-1379 CASP Fee	-	-	-
00073	General Obligation Bond	370,388	370,388	370,388
00074	Community Center Lease	-	-	-
	Total Restricted	14,190,965	12,938,845	6,715,348
Assigned				
00001	Fiscal Policy Reserve	8,757,349	8,757,349	10,257,349
00001	Facility Reserve		-	1,000,000
00001	Vets Memorial	8,615	8,615	8,615
00003	PERS & OPEB Reserve Fund	292,614	-	-
00061	Technology Fund	1,278,768	-	-
00062	Capital Projects Fund	11,850,959	11,102,405	171,405
00065	Equipment Replacement Fund	683,947	489,906	516,927
	Total Assigned	22,872,252	20,358,275	11,954,296
Unassigned				
00001	General Fund	8,768,429	10,452,700	4,540,735
00005	Grant Reimbursement Fund	290,145	290,145	290,145
	Total Unassigned	9,058,574	10,742,845	4,830,880
Total Governmental Fund Balance, End of Year		46,335,925	44,039,964	23,500,524

Note:

(*)The City reclassified Fund 61, Technology Fund, and Fund 3, PERS & OPEB Reserve Fund, as Internal Service Funds in FY2022-23.

CITYWIDE SUMMARIES

Summary Of Activities By Fund -Major Fund- General Funds

	FY2020-21 Audited	FY2021-22 Audited	FY2022-23 Estimated	FY2023-24 Proposed	Changes
Revenues					
Property Taxes	29,396,050	31,082,857	32,600,000	33,296,344	696,344
Sales Tax	2,996,325	3,738,113	3,500,000	3,642,770	142,770
Franchise Fee	2,214,947	2,339,195	2,466,884	2,492,484	25,601
Transit Occupancy Tax	662,132	1,778,966	1,660,000	1,887,809	227,809
Utility Users Tax	2,917,251	3,093,784	2,811,385	2,770,650	(40,735)
Other Taxes	-	-	-	-	-
Charges for Services	2,225,421	1,897,811	4,071,071	3,058,800	(1,012,271)
Recreation	271,410	1,133,955	1,605,898	1,627,200	21,302
Licenses and Permits	3,239,260	3,544,000	3,763,401	3,128,999	(634,402)
Intergovernmental	102,545	87,209	91,000	102,240	11,240
Grants and Donations	3,987,996	3,901,016	16,000	200,684	184,684
Fines and Forfeitures	158,369	179,466	223,447	177,100	(46,347)
Interest Income	160,804	(965,396)	382,300	300,000	(82,300)
Utility Users Fee	-	-	-	-	-
Miscellaneous Revenue	110,524	228,417	1,090,924	981,073	(109,851)
Total Revenues	48,443,034	52,039,394	54,282,309	53,666,153	(616,156)
Resources					
Transfers In	146,176	522,614	210,000	-	(210,000)
Transfers Out	17,648,572	13,022,689	2,581,429	2,762,000	180,571
Interdepartmental (In)	-	-	-	-	-
Interdepartmental (Out)	-	-	-	-	-
Bond Proceeds	100,000	-	-	-	-
Total Finance Resource	31,040,638	39,539,319	51,910,880	50,904,153	(1,006,727)
Expenditures					
Salary and Benefits	21,248,351	22,852,119	24,144,734	26,102,418	1,957,684
CalPERS Payment	2,666,665	3,099,876	3,174,161	2,884,594	(289,567)
Insurance	1,029	4,000	-	1,166,219	1,166,219
Utilities, Phone & Internet	1,199,716	1,265,865	1,213,367	1,428,488	215,121
Professional Services	13,456,052	13,819,044	17,972,339	16,400,540	(1,571,799)
Maintenance and Supplies	1,529,242	1,846,006	2,605,424	1,918,883	(686,541)
Other Expense	662,374	995,396	919,012	1,090,167	171,155
Total Expenditures	40,763,429	43,882,306	50,029,035	50,991,309	962,273
Debt Service	13,053	49,445	-	-	-
Debt Issuance	20,790	-	-	-	-
Capital Outlay	50,700	-	411,708	170,000	(241,708)
Total Use of Resources	40,847,972	43,931,750	50,440,743	51,161,309	720,565
Annual Surplus (Shortfall)	(9,807,334)	(4,392,432)	1,470,137	(257,156)	(1,727,294)
Est. Fund Balance , Beginning of Year	32,238,437	22,431,104	18,038,672	19,508,809	1,470,137
Prior Year adjustment					
CIP Carryover				3,154,808	3,154,808
Est. Fund Balance, End of Year	22,431,104	18,038,672	19,508,809	16,096,845	(3,411,964)

CITYWIDE SUMMARIES

Summary Of Activities By Fund -Major Fund- In Lieu Park Fund

	FY2020-21 Audited	FY2021-22 Audited	FY2022-23 Estimated	FY2023-24 Proposed	Changes
Revenues					
Property Taxes	-	-	-	-	-
Sales Tax	-	-	-	-	-
Franchise Fee	-	-	-	-	-
Transit Occupancy Tax	-	-	-	-	-
Utility Users Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Charges for Services	1,541,500	3,757,600	927,200	1,200,000	272,800
Recreation	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Grants and Donations	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Interest Income	19,048	(231,751)	-	-	-
Utility Users Fee	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-
Total Revenues	1,560,548	3,525,849	927,200	1,200,000	272,800
Resources					
Transfers In	-	-	-	-	-
Transfers Out	1,300,000	917,515	798,551	5,346,016	4,547,465
Bond Proceeds	-	-	-	-	-
Total Finance Resource	260,548	2,608,334	128,649	(4,146,016)	(4,274,665)
Expenditures					
Salary and Benefits	-	-	-	-	-
CalPERS Payment	-	-	-	-	-
Insurance	-	-	-	-	-
Utilities, Phone & Internet	-	-	-	-	-
Professional Services	-	38,000	-	-	-
Maintenance and Supplies	-	-	-	-	-
Other Expense	-	-	-	-	-
Total Expenditures	-	38,000	-	-	-
Debt Service	-	-	-	-	-
Debt Issurance	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Use of Resources	-	38,000	-	-	-
Annual Surplus (Shortfall)	260,548	2,570,334	128,649	(4,146,016)	(4,274,665)
Est. Fund Balance , Beginning of Year	5,519,728	5,780,277	8,350,611	8,479,260	128,649
CIP Carryover	-	-	-	9,056	9,056
Est. Fund Balance, End of Year	5,780,277	8,350,611	8,479,260	4,324,188	(4,155,072)

CITYWIDE SUMMARIES

Summary Of Activities By Fund -Major Fund- Capital Improvement Funds

	FY2020-21 Audited	FY2021-22 Audited	FY2022-23 Estimated	FY2023-24 Proposed	Changes
Revenues					
Property Taxes	-	-	-	-	-
Sales Tax	-	-	-	-	-
Franchise Fee	-	-	-	-	-
Transit Occupancy Tax	-	-	-	-	-
Utility Users Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Charges for Services	-	-	-	-	-
Recreation	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Grants and Donations	87,397	182,785	-	1,210,000	1,210,000
Fines and Forfeitures	-	-	-	-	-
Interest Income	-	-	-	-	-
Utility Users Fee	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-
Total Revenues	87,397	182,785	-	1,210,000	1,210,000
Resources					
Transfers In	30,537,813	8,288,994	3,654,917	12,128,494	8,473,577
Transfers Out	-	797,119	48,000	246,779	198,779
Bond Proceeds	-	-	-	-	-
Total Finance Resource	30,625,209	7,674,660	3,606,917	13,091,715	9,484,798
Expenditures					
Salary and Benefits	-	-	-	-	-
CalPERS Payment	-	-	-	-	-
Insurance	-	-	-	-	-
Utilities, Phone & Internet	-	-	-	-	-
Professional Services	-	-	-	-	-
Maintenance and Supplies	-	-	-	181,200	181,200
Other Expense	-	-	-	-	-
Total Expenditures	-	-	-	181,200	181,200
Debt Service	-	-	-	-	-
Debt Issurance	-	-	-	-	-
Capital Outlay	23,118,941	7,011,894	4,549,513	21,414,494	16,864,981
Total Use of Resources	23,118,941	7,011,894	4,549,513	21,595,694	17,046,181
Annual Surplus (Shortfall)	7,506,268	662,766	(942,596)	(8,503,979)	(7,561,383)
Est. Fund Balance , Beginning of Year	4,365,872	11,872,140	12,534,906	11,592,310	(942,596)
CIP Carryover	-	-	-	2,400,000	2,400,000
Est. Fund Balance, End of Year	11,872,140	12,534,906	11,592,310	688,331	(10,903,979)

CITYWIDE SUMMARIES

Summary Of Activities By Fund -Major Fund- Enterprise Funds

	FY2020-21 Audited	FY2021-22 Audited	FY2022-23 Estimated	FY2023-24 Proposed	Changes
Revenues					
Property Taxes	-	-	-	-	-
Sales Tax	-	-	-	-	-
Franchise Fee	-	-	-	-	-
Transit Occupancy Tax	-	-	-	-	-
Utility Users Tax	-	-	-	-	-
Other Taxes	25,970	6,814	26,112	41,970	15,858
Charges for Services	834,932	921,975	863,716	962,708	98,992
Recreation	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Grants and Donations	-	44,027	10,000	-	(10,000)
Fines and Forfeitures	-	-	-	-	-
Interest Income	47,267	(471,308)	65,000	-	(65,000)
Utility Users Fee	7,119,518	8,259,857	8,572,396	9,703,500	1,131,104
Miscellaneous Revenue	6,506	22,469	15,000	10,000	(5,000)
Total Revenues	8,034,193	8,783,835	9,552,223	10,718,178	1,165,955
Resources					
Transfers In	-	23,939	-	-	-
Transfers Out	-	692,614	258,700	500,000	241,300
Bond Proceeds	-	-	-	-	-
Total Finance Resource	8,034,193	8,115,160	9,293,523	10,218,178	924,655
Expenditures					
Salary and Benefits	805,769	1,877,601	2,886,350	3,096,232	209,882
CalPERS Payment	117,012	146,127	158,299	356,024	197,725
Insurance	-	400,000	200,000	143,781	(56,219)
Utilities, Phone & Internet	13,186	22,441	29,255	23,408	(5,847)
Professional Services	4,028,601	4,859,572	5,711,151	7,195,368	1,484,217
Maintenance and Supplies	76,592	97,047	129,350	262,390	133,040
Other Expense	22,486	387,991	51,675	57,093	5,418
Total Expenditures	5,063,645	7,790,779	9,166,079	11,134,296	1,968,216
Debt Service	174,965	201,284	232,000	229,344	(2,656)
Debt Insurance	-	-	-	-	-
Transfer to CIP	-	-	905,032	8,423,265	7,518,233
Total Use of Resources	5,238,610	7,992,063	10,303,111	19,786,905	9,483,793
Annual Surplus (Shortfall)	2,795,582	123,097	(1,009,588)	(9,568,727)	(8,559,140)
Est. Fund Balance , Beginning of Year	27,364,206	30,159,788	30,282,885	29,273,297	(1,009,588)
CIP Carryover				80,426	80,426
Est. Fund Balance, End of Year	30,159,788	30,282,885	29,273,297	19,624,144	(9,649,153)
Nonspendable Fund Balance		15,356,092	15,356,092	15,356,092	

CITYWIDE SUMMARIES

Summary Of Activities By Fund - Non-Major Fund - Special Revenue Fund

	FY2020-21 Audited	FY2021-22 Audited	FY2022-23 Estimated	FY2023-24 Proposed	Changes
Revenues					
Property Taxes	-	-	-	-	-
Sales Tax	-	-	-	-	-
Franchise Fee	-	-	-	-	-
Transit Occupancy Tax	-	-	-	-	-
Utility Users Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Charges for Services	1,846,963	4,340,174	1,054,769	2,650,000	1,595,231
Recreation	-	-	-	-	-
Licenses and Permits	13,506	67,569	70,000	40,000	(30,000)
Intergovernmental	2,652,605	1,551,445	1,699,790	2,587,673	887,883
Grants and Donations	305,083	681,983	181,792	46,000	(135,792)
Fines and Forfeitures	6,636	12,692	12,000	15,000	3,000
Interest Income	28,501	(365,384)	-	-	-
Utility Users Fee	-	-	-	-	-
Miscellaneous Revenue	10,755	11,078	-	26,914	26,914
Total Revenues	4,864,049	6,299,557	3,018,351	5,365,587	2,347,236
Resources					
Transfers In	-	534,579	1,361	600,000	598,639
Transfers Out	4,002,816	4,209,975	4,096,832	11,366,367	7,269,535
Bond Proceeds	-	-	-	-	-
Total Finance Resource	861,232	2,624,161	(1,077,120)	(5,400,780)	(4,323,660)
Expenditures					
Salary and Benefits	-	-	-	-	-
CalPERS Payment	-	-	-	-	-
Insurance	-	-	-	-	-
Utilities, Phone & Internet	13,587	-	45,000	-	(45,000)
Professional Services	-	-	-	-	-
Maintenance and Supplies	-	-	-	-	-
Other Expense	-	-	130,000	-	(130,000)
Total Expenditures	13,587	-	175,000	-	(175,000)
Debt Service	460	-	-	-	-
Debt Insurance	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Use of Resources	14,047	-	175,000	-	(175,000)
Annual Surplus (Shortfall)	847,185	2,624,161	(1,252,120)	(5,400,780)	(4,148,660)
Est. Fund Balance , Beginning of Year	10,349,232	11,196,416	13,820,577	12,568,457	(1,252,120)
CIP Carryover		-	-	822,717	822,717
Est. Fund Balance, End of Year	11,196,416	13,820,577	12,568,457	6,344,960	(6,223,497)

CITYWIDE SUMMARIES

Summary Of Activities By Fund -Non-Major Fund - Debt Service Fund

	FY2020-21 Audited	FY2021-22 Audited	FY2022-23 Estimated	FY2023-24 Proposed	Changes
Revenues					
Property Taxes	-	-	-	-	-
Sales Tax	-	-	-	-	-
Franchise Fee	-	-	-	-	-
Transit Occupancy Tax	-	-	-	-	-
Utility Users Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Charges for Services	-	-	-	-	-
Recreation	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Grants and Donations	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Interest Income	9,373	188	-	-	-
Utility Users Fee	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-
Total Revenues	9,373	188	-	-	-
Resources					
Transfers In	867,400	789,490	793,965	788,016	(5,949)
Transfers Out	9,900,000	-	-	-	-
Bond Proceeds	9,900,000	-	-	-	-
Total Finance Resource	876,773	789,678	793,965	788,016	(5,949)
Expenditures					
Salary and Benefits	-	-	-	-	-
CalPERS Payment	-	-	-	-	-
Insurance	-	-	-	-	-
Utilities, Phone & Internet	-	-	-	-	-
Professional Services	-	-	-	-	-
Maintenance and Supplies	-	-	-	-	-
Other Expense	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Debt Service	789,490	792,841	793,966	788,016	(5,950)
Debt Insurance	77,910	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Use of Resources	867,400	792,841	793,966	788,016	(5,950)
Annual Surplus (Shortfall)	9,373	(3,163)	(1)	-	1
Est. Fund Balance , Beginning of Year	364,179	373,551	370,388	370,387	(1)
CIP Carryover	-	-	-	-	-
Est. Fund Balance, End of Year	373,551	370,388	370,387	370,387	-

CITYWIDE SUMMARIES

Summary Of Activities By Fund -Non-Major Fund - Internal Service Fund

	FY2020-21 Audited	FY2021-22 Audited	FY2022-23 Estimated	FY2023-24 Proposed	Changes
Revenues					
Property Taxes	-	-	-	-	-
Sales Tax	-	-	-	-	-
Franchise Fee	-	-	-	-	-
Transit Occupancy Tax	-	-	-	-	-
Utility Users Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Charges for Services	-	-	-	-	-
Recreation	-	-	-	-	-
Licenses and Permits	-	-	160,000	150,000	(10,000)
Intergovernmental	-	-	-	-	-
Grants and Donations	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Interest Income	-	-	-	-	-
ISF Contribution	-	-	-	5,040,221	5,040,221
Miscellaneous Revenue	273,028	1,580,647	432,858	-	(432,858)
Total Revenues	273,028	1,580,647	592,858	5,190,221	4,597,363
Resources					
Transfers In	1,037,108	9,485,196	2,435,700	2,262,000	(173,700)
Transfers Out	-	629,814	110,982	903,364	792,382
Bond Proceeds	-	-	-	-	-
Total Finance Resource	1,310,136	10,436,028	2,917,577	6,548,857	3,631,280
Expenditures					
Salary&Benefits (Dental/ Vision)	-	-	-	489,602	489,602
CalPERS Payment	-	6,500,000	-	3,240,619	3,240,619
Insurances	2,079,776	3,283,275	2,012,015	2,185,000	172,985
Utilities, Phone & Internet	-	-	-	-	-
Professional Services	52,830	54,237	50,000	-	(50,000)
Software Subscriptions	-	-	-	666,161	666,161
Other Expense	-	-	-	-	-
Total Expenditures	2,132,606	9,837,512	2,062,015	6,581,382	4,519,367
Total Use of Resources	2,132,606	9,837,512	2,062,015	6,581,382	4,519,367
Annual Surplus (Shortfall)	(822,470)	598,516	855,561	(32,525)	(888,087)
Est. Fund Balance , Beginning of Year *	7,453,594	6,631,124	7,229,640	8,085,201	855,561
Transfer to CIP		-	-		-
Est. Fund Balance, End of Year	6,631,124	7,229,640	8,085,201	8,052,676	(32,525)

Note: (*) In FY2022-23 the City reclassified PERS Reserved Fund and Technology Reserve from General Fund to Internal Service Fund

CITYWIDE SUMMARIES

Activities by Fund - Capital Improvement Funds FY 2023-24 Proposed

	Capital Projects	Equipment Replacement	Total Capital Improvement Funds
Revenues			
Property Taxes	-	-	-
Sales Tax	-	-	-
Franchise Fee	-	-	-
Transit Occupancy Tax	-	-	-
Utility Users Tax	-	-	-
Other Taxes	-	-	-
Charges for Services	-	-	-
Recreation	-	-	-
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Grants and Donations	1,210,000	-	1,210,000
Fines and Forfeitures	-	-	-
Interest Income	-	-	-
Utility Users Fee	-	-	-
Miscellaneous Revenue	-	-	-
Total Revenues	1,210,000	-	1,210,000
Resources			
Transfers In	11,128,494	1,000,000	12,128,494
Transfers Out	-	246,779	246,779
Interdepartmental (In)	-	-	-
Interdepartmental (Out)	-	-	-
Bond Proceeds	-	-	-
Total Finance Resource	12,338,494	753,221	13,091,715
Expenditures			
Salary and Benefits	-	-	-
CalPERS Payment	-	-	-
Insurance	-	-	-
Utilities, Phone & Internet	-	-	-
Professional Services	-	-	-
Maintenance and Supplies	-	181,200	181,200
Other Expense	-	-	-
Total Expenditures	-	181,200	181,200
Debt Service	-	-	-
Debt Issuance	-	-	-
CIP Project Expenditures	20,869,494	545,000	21,414,494
Total Use of Resources	20,869,494	726,200	21,595,694
Annual Surplus (Shortfall)	(8,531,000)	27,021	(8,503,979)
Est. Fund Balance , Beginning of Year	11,102,405	489,906	11,592,311
CIP Carryover	2,400,000	-	2,400,000
	-	-	-
Est. Fund Balance, End of Year	171,405	516,927	688,332

CITYWIDE SUMMARIES

Activities by Fund - Debt Service Funds FY 2023-24 Proposed

	General Obligation Bond	Community Center Lease	Total Debt Service Funds
Revenues			
Property Taxes	-	-	-
Sales Tax	-	-	-
Franchise Fee	-	-	-
Transit Occupancy Tax	-	-	-
Utility Users Tax	-	-	-
Other Taxes	-	-	-
Charges for Services	-	-	-
Recreation	-	-	-
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Grants and Donations	-	-	-
Fines and Forfeitures	-	-	-
Interest Income	-	-	-
Utility Users Fee	-	-	-
Miscellaneous Revenue	-	-	-
Total Revenues	-	-	-
Resources			
Transfers In	165,925	622,091	788,016
Transfers Out	-	-	-
Interdepartmental (In)	-	-	-
Interdepartmental (Out)	-	-	-
Bond Proceeds	-	-	-
Total Finance Resource	165,925	622,091	788,016
Expenditures			
Salary and Benefits	-	-	-
CalPERS Payment	-	-	-
Insurance	-	-	-
Utilities, Phone & Internet	-	-	-
Professional Services	-	-	-
Maintenance and Supplies	-	-	-
Other Expense	-	-	-
Total Expenditures	-	-	-
Debt Service	165,925	622,091	788,016
Debt Issuance	-	-	-
Capital Outlay	-	-	-
Total Use of Resources	165,925	622,091	788,016
Annual Surplus (Shortfall)	-	-	-
Est. Fund Balance , Beginning of Year	370,388	-	370,388
CIP Carryover			-
Transfer to CIP			-
Est. Fund Balance, End of Year	370,388	-	370,388

CITYWIDE SUMMARIES

Activities by Fund - Special Revenue Funds FY 2023-24 Proposed

	Measure B	Road Maintenance (SB1)	Vehicle Impound	Supplemental Law Enforcement	Gas Tax	Prop 1B Road Maintenance	PEG Fees	Public Art	Storm Drain Deposits
Revenues									
Property Taxes	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-
Franchise Fee	-	-	-	-	-	-	-	-	-
Transit Occupancy Tax	-	-	-	-	-	-	-	-	-
Utility Users Tax	-	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	500,000	-
Recreation	-	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	675,000	782,816	-	130,000	902,857	-	97,000	-	-
Grants and Donations	-	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	15,000	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-
Utility Users Fee	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-
Total Revenues	675,000	782,816	15,000	130,000	902,857	-	97,000	500,000	-
Resources									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	675,000	782,816	-	-	1,500,000	-	297,340	189,578	-
Interdepartmental (In)	-	-	-	-	-	-	-	-	-
Interdepartmental (Out)	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Total Finance Resource	-	-	15,000	130,000	(597,143)	-	(200,340)	310,422	-
Expenditures									
Salary and Benefits	-	-	-	-	-	-	-	-	-
CalPERS Payment	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Utilities, Phone & Internet	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-
Maintenance and Supplies	-	-	-	-	-	-	-	-	-
Other Expense	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Debt Insurance	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Use of Resources	-	-	-	-	-	-	-	-	-
Annual Surplus (Shortfall)	-	-	15,000	130,000	(597,143)	-	(200,340)	310,422	-
Est. Fund Balance , Beginning of Year	99,915	565,707	4,691	252,025	708,047	-	239,065	389,990	56,086
CIP Carryover	99,915	565,707			110,904				
Transfer to CIP									
Est. Fund Balance, End of Year	-	-	19,691	382,025	-	-	38,725	700,412	56,086

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CITYWIDE SUMMARIES

Activities by Fund - Special Revenue Funds FY 2023-24 Proposed

	CDBG	Vehicle Registration	TDA	Traffic Impact Fee	In Lieu Park	Downtown Parking	Estate Donation	AB-1379 CASP	Total Special Revenue Funds
Revenues									
Property Taxes	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-
Franchise Fee	-	-	-	-	-	-	-	-	-
Transit Occupancy Tax	-	-	-	-	-	-	-	-	-
Utility Users Tax	-	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	950,000	1,200,000	-	-	-	2,650,000
Recreation	-	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	40,000	-	-	40,000
Intergovernmental	-	-	-	-	-	-	-	-	2,587,673
Grants and Donations	-	-	46,000	-	-	-	-	-	46,000
Fines and Forfeitures	-	-	-	-	-	-	-	-	15,000
Interest Income	-	-	-	-	-	-	-	-	-
Utility Users Fee	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	26,914	-	-	26,914
Total Revenues	-	-	46,000	950,000	1,200,000	66,914	-	-	5,365,587
Resources									
Transfers In	-	-	-	600,000	-	-	-	-	600,000
Transfers Out	-	949,049	129,734	1,336,834	5,346,016	160,000	-	-	11,366,367
Interdepartmental (In)	-	-	-	-	-	-	-	-	-
Interdepartmental (Out)	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Total Finance Resource	-	(949,049)	(83,734)	213,166	(4,146,016)	(93,086)	-	-	(5,400,780)
Expenditures									
Salary and Benefits	-	-	-	-	-	-	-	-	-
CalPERS Payment	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Utilities, Phone & Internet	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-
Maintenance and Supplies	-	-	-	-	-	-	-	-	-
Other Expense	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Debt Insurance	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Use of Resources	-	-	-	-	-	-	-	-	-
Annual Surplus (Shortfall)	-	(949,049)	(83,734)	213,166	(4,146,016)	(93,086)	-	-	(5,400,780)
Est. Fund Balance , Beginning of Year	-	986,184	84,027	(199,415)	8,479,260	885,290	17,584	-	12,568,456
CIP Carryover		37,135			9,056				822,717
Transfer to CIP									-
Est. Fund Balance, End of Year	-	-	293	13,751	4,324,188	792,204	17,584	-	6,344,959

CITYWIDE SUMMARIES

Activities by Fund - Enterprise Funds FY 2023-24 Proposed

	Sewer	Solid Waste	Total Enterprise Funds
Revenues			
Property Taxes	-	-	-
Sales Tax	-	-	-
Franchise Fee	-	-	-
Transit Occupancy Tax	-	-	-
Utility Users Tax	-	-	-
Other Taxes	-	41,970	41,970
Charges for Services	-	962,708	962,708
Recreation	-	-	-
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Grants and Donations	-	-	-
Fines and Forfeitures	-	-	-
Interest Income	-	-	-
Utility Users Fee	9,703,500	-	9,703,500
Miscellaneous Revenue	10,000	-	10,000
Total Revenues	9,713,500	1,004,678	10,718,178
Resources			
Transfers In	-	-	-
Transfers Out	500,000	-	500,000
Bond Proceeds	-	-	-
Total Finance Resource	9,213,500	1,004,678	10,218,178
Expenditures			
Salary and Benefits	2,174,157	922,075	3,096,232
CalPERS Payment	248,837	107,188	356,024
Insurance	100,493	43,288	143,781
Utilities, Phone & Internet	23,408	-	23,408
Professional Services	5,991,927	1,203,441	7,195,368
Maintenance and Supplies	158,850	103,540	262,390
Other Expense	37,970	19,123	57,093
Total Expenditures	8,735,642	2,398,654	11,134,296
Debt Service	229,344	-	229,344
Debt Issuance	-	-	-
Capital Outlay	-	-	-
Total Use of Resources	8,964,986	2,398,654	11,363,640
Annual Surplus (Shortfall)	248,514	(1,393,976)	(1,145,462)
Est. Fund Balance , Beginning of Year	25,160,434	4,112,863	29,273,297
CIP Carryover	80,426	-	80,426
Transfer to CIP	8,423,265	-	8,423,265
Est. Fund Balance, End of Year	16,905,257	2,718,887	19,624,144

CITYWIDE SUMMARIES

Activities by Fund - Internal Service Funds FY 2023-24 Proposed

	Dental/Vision Insurance	Unemployment Insurance	Workers Compensation	General Liability Insurance	PERS & OPEB Reserve	Technology	Total Internal Service Funds
Revenues							
Property Taxes	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-
Franchise Fee	-	-	-	-	-	-	-
Transit Occupancy Tax	-	-	-	-	-	-	-
Utility Users Tax	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	150,000	150,000
Intergovernmental	-	-	-	-	-	-	-
Grants and Donations	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-
ISF Contribution	489,602	-	-	1,310,000	3,240,619	-	5,040,221
Miscellaneous Revenue	-	-	-	-	-	-	-
Total Revenues	489,602	-	-	1,310,000	3,240,619	150,000	5,190,221
Resources							
Transfers In	500,000	-	-	500,000	500,000	762,000	2,262,000
Transfers Out	-	-	-	-	-	903,364	903,364
Interdepartmental (Out)	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-
Total Finance Resource	989,602	-	-	1,810,000	3,740,619	8,636	6,548,857
Expenditures							
Salary and Benefits	489,602	-	-	-	-	-	489,602
CalPERS Payment	-	-	-	-	3,240,619	-	3,240,619
Insurance	-	-	875,000	1,310,000	-	-	2,185,000
Utilities, Phone & Internet	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-
Maintenance and Supplies	-	-	-	-	-	666,161	666,161
Other Expense	-	-	-	-	-	-	-
Total Expenditures	489,602	-	875,000	1,310,000	3,240,619	666,161	6,581,382
Debt Service	-	-	-	-	-	-	-
Debt Issuance	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Use of Resources	489,602	-	875,000	1,310,000	3,240,619	666,161	6,581,382
Annual Surplus (Shortfall)	500,000	-	(875,000)	500,000	500,000	(657,525)	(32,525)
Est. Fund Balance , Beginning of Year	525,253	81,698	5,532,760	66,389	551,314	1,327,786	8,085,200
CIP Carryover							-
Transfer to CIP							-
Est. Fund Balance, End of Year	1,025,253	81,698	4,657,760	566,389	1,051,314	670,261	8,052,675

Revenues

Major Recurring Revenue Descriptions and Assumptions

The City relies on several major recurring revenue sources for its annual budget. The most significant of these revenue sources, based on the percentage of the total revenue budget, are:

1. Property Taxes
2. Utility Users Fees
3. Charges for Services
4. Sales Tax
5. Licenses and Permits

These major recurring revenue sources represent 79.64% of the City’s total revenues.

Major Recurring Revenues	FY2019-20 (Audited)	FY2020-21 (Audited)	FY2021-22 (Audited)	FY2022-23 (Estimated)	FY2023-24 (Proposed)	% of Total Revenues
Property Tax	26,442,156	29,444,741	31,130,850	32,600,000	33,296,344	46.82%
Utility Users Fees	7,929,669	7,119,518	8,259,857	8,572,396	9,703,500	13.65%
Charges For Services	2,173,948	3,988,816	7,159,959	5,989,556	6,671,508	9.38%
Sales Tax	3,373,391	2,996,325	3,738,113	3,500,000	3,642,770	5.12%
Licenses & Permits	2,740,119	3,252,766	3,611,569	3,993,401	3,318,999	4.67%
Total Major Revenues	42,659,283	46,802,166	53,900,348	54,655,353	56,633,121	79.64%

Property Taxes

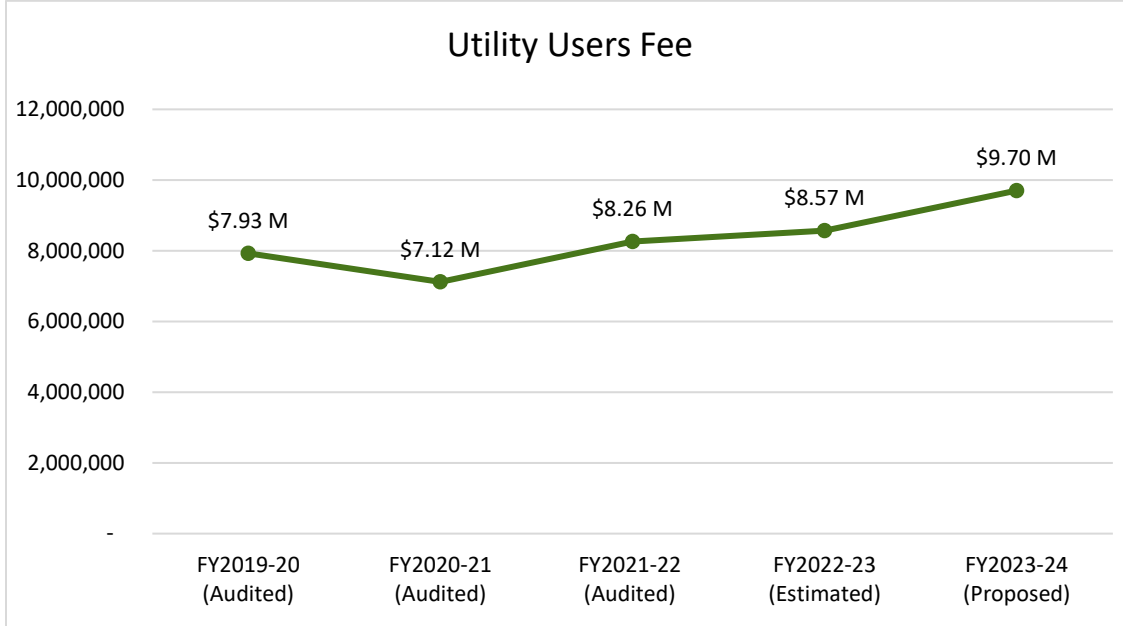
A property tax is a levy on the assessed value of real property and improvements. The general property tax is levied by the county, equal to 1% of the assessed value, often called the 1% general tax levy or countywide rate. Proposition 13, a law approved by California voters in 1978, brought two significant changes: 1) the amount of tax owed is a maximum of 1% of a property’s assessed value, and 2) that the assessed value can only increase a maximum of 2% each year unless ownership changes, in which case the prevailing market value assessment is used as the basis for taxation. California property taxes are collected by the County Tax Collector and are then transferred to the County Auditor for distribution to multiple local governmental entities.

Property Taxes revenue is the largest revenue to the General Fund. Staff works with a property tax consultant firm in projecting Property Taxes revenue, considering those factors including the CCPI adjustment per Prop 13, transfers of ownership between tax years, and new construction projects completed between reporting years. Some of the elements are guesstimates based on trends and other information that may or may not be borne out in the data when it is released by the counties, such as Prop 8 value restorations, supplemental apportionments, redemption apportionments (delinquent or prior year payments), unitary revenue and adjustments applied after the close of the tax roll such as successful appeal impacts. The estimated property taxes revenue for FY 2023-24 is \$33,296,344, which represents a 2% increase from FY 2022-23 estimated budget.



Utility User Fees

The City of Los Altos provides wastewater services for commercial customers and residents within the city limits and surrounding areas. The utility services fees collected are categorized as Enterprise Fund and it is the second largest City’s total annual revenue source. Based on the user-approved utility user fees study, the projected utility user fee revenue will be \$9,703,500 in FY2023-24. This projection represents an approximately 13% increase compared to FY2022-23 estimated revenue.

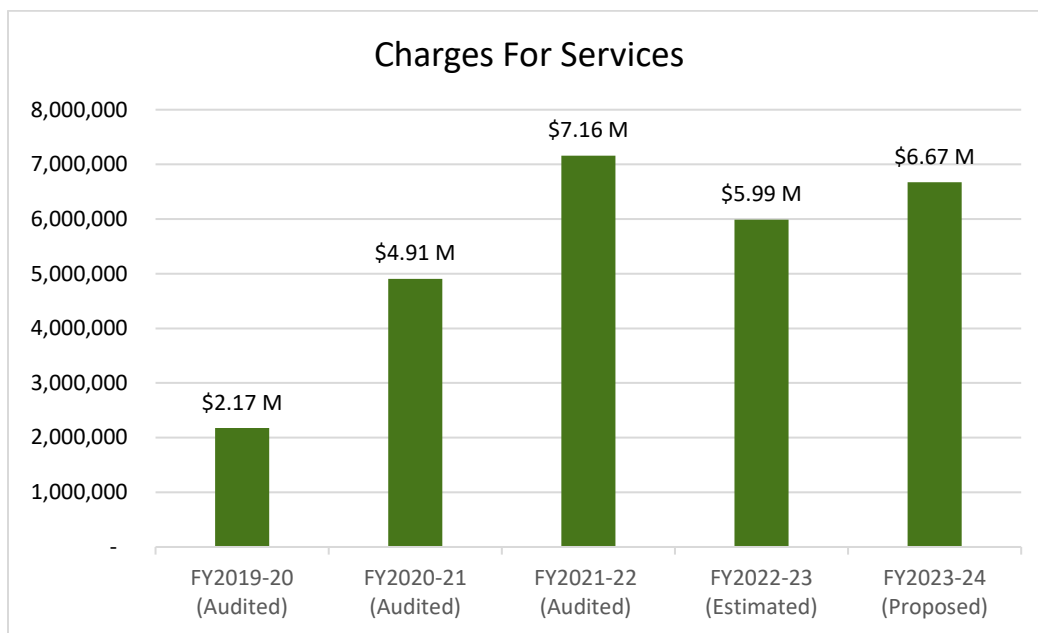


Charges For Services

Charges for Services revenue for the City of Los Altos refers to the revenue received by the city from providing specific services to residents, businesses, and other entities. The City of Los Altos offers various services to its residents, such as planning and building services, public works services, fire protection, and others.

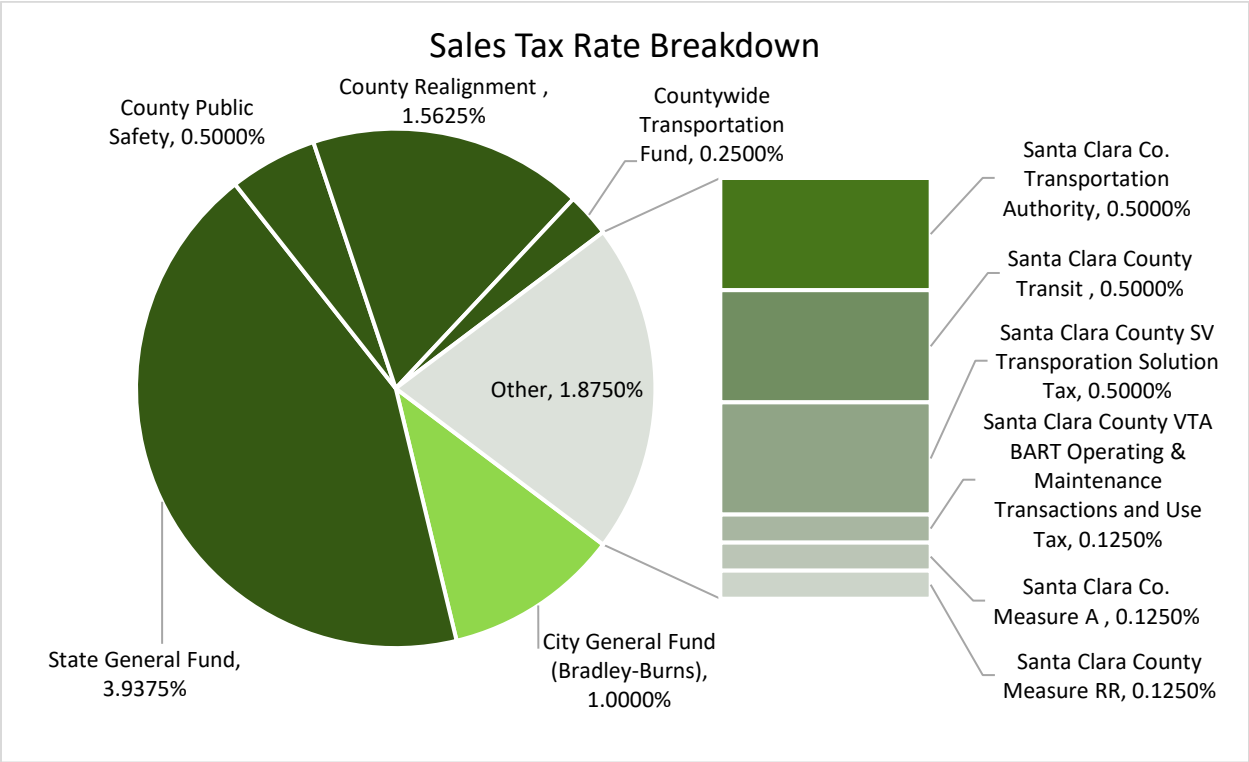
When individuals or entities receive services from the City of Los Altos, they are typically charged a fee. These fees may be based on a flat rate, hourly rate, or a percentage of the total cost of the project or service. Currently, City's major fee revenues come from Traffic Impact, In Lieu Park fees, and Plan check fees. Those fees heavily rely on the local housing market. Staff estimated those fee revenues based on the current housing projects within the city boundary.

The revenue generated from charges for services for the City of Los Altos is the third largest source of income to help support the city's operations and services. The projection charge for services revenues for FY2023-24 is \$6,671,508.

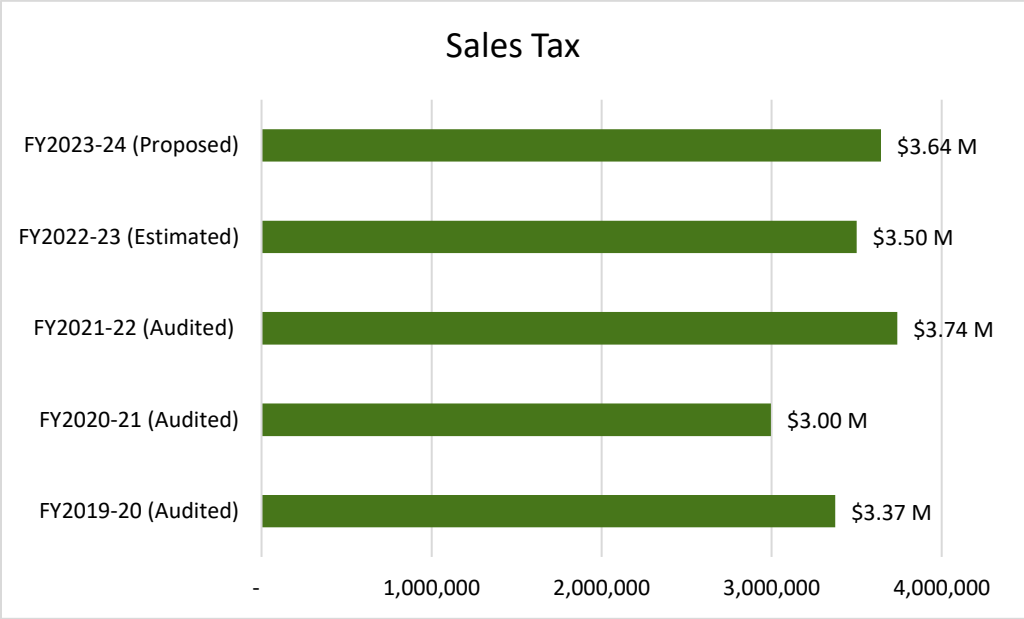


Sales Taxes

Sales Taxes are the fourth largest revenue stream entering the City's General Fund. The City is projecting approximately \$3,642,770 in Sales Taxes revenues in FY2023-24. The 9.125% sales tax rate in Los Altos consists of 6% California state sales tax, 0.25% Santa Clara County sales tax, and 2.875% Special tax. The 2.875% Special tax is made up of the City's 1% Bradley Burns, and the remaining 1.875 is the voter-approved transaction tax for the County.



Staff worked with a sales tax consultant firm in projecting Sales Taxes revenue, considering the following: a) Real Gross Domestic Product (GDP); b) Unemployment (California and US); c) Historical Holiday Retail Sales; d) Historical Sales Tax Collected; e) Performance of Local Top 25 Sales and Use Taxes Contributors. Even though California Sales Tax receipts were expected to stay the same or to very slightly increase compared with the previous year, the collection of Sales Taxes is expected to increase by approximately 4% in FY2023-24.

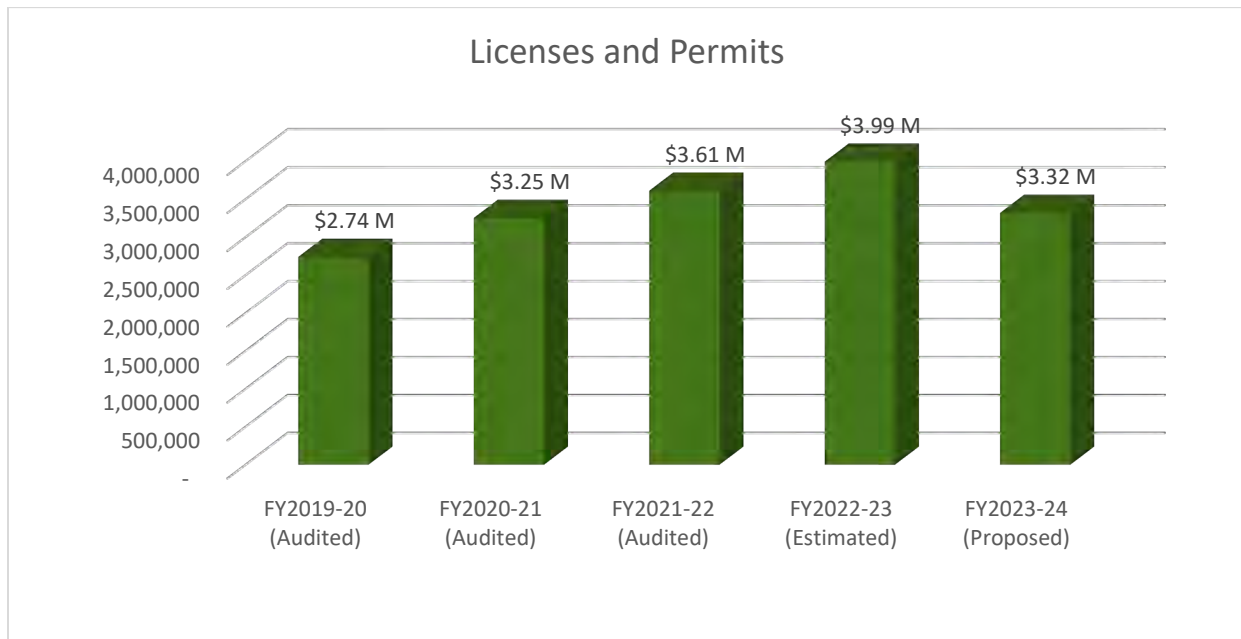


Licenses And Permits

License and permit revenues for the City of Los Altos refer to the fees and charges collected by the city government for granting licenses and permits to individuals, businesses, and organizations within its jurisdiction. These revenues are an important source of income for the city and are typically utilized to fund various public services, infrastructure projects, and administrative expenses.

License and permit revenues can be generated from a wide range of activities and operations that require official authorization or compliance with specific regulations. Some examples of licenses and permits that may contribute to the revenue stream include Business Licenses, Building Permits, Plumbing Permits, Electrical Permits, Mechanical Permits Parking Permits, and Zoning and Land Use Permits.

The revenue generated from licenses and permit fees is the fifth largest revenue stream. It supports essential services like public safety, infrastructure maintenance, community development, and administrative functions, enabling the city to provide a high quality of life for its residents and businesses. Staff estimated licenses and permits revenues based on trend analysis of the previous years' revenues and the current economic trends. The estimated licenses and permits revenues for FY2023-24 is \$3,318,999.



Revenues

Citywide Revenue Summary by Fund

Fund No.	Fund Name	FY2020-21 Audited	FY2021-22 Audited	FY2022-23 Estimated	FY2023-24 Proposed	Changes
GENERAL FUND						
1	General Fund	48,535,789	51,749,242	54,282,309	53,666,153	(616,156)
5	Grant Reimbursement	-	290,145	-	-	-
	Total	48,535,789	52,039,387	54,282,309	53,666,153	(616,156)
SPECIAL REVENUE FUNDS						
4	Measure B	1,148,431	(16,758)	-	675,000	675,000
7	SB1	572,396	553,668	615,000	782,816	167,816
8	Traffic Congestion Relief	-	(3,013)	-	-	-
11	Vehicle Impound	6,636	12,692	12,000	15,000	3,000
13	Supplemental Law	156,727	161,285	144,733	130,000	(14,733)
14	Gas Tax	681,378	652,507	840,057	902,857	62,800
19	Prop 1B	114	(1,361)	-	-	-
20	PEG	99,147	73,602	100,000	97,000	(3,000)
21	Public Art	166,128	355,460	100,000	500,000	400,000
22	Store Drain Deposit	-	-	-	-	-
23	CDBG Fund	303,933	-	-	-	-
24	VRF	-	623,209	181,792	-	(181,792)
25	TDA	-	88,358	-	46,000	46,000
26	Traffic Impact Fee	140,696	223,497	27,569	950,000	922,431
27	In Lieu Park Fund	1,560,548	3,525,849	927,200	1,200,000	272,800
28	DownTown Parking	26,718	51,116	70,000	66,914	(3,086)
29	Estate Donation	1,198	(554)	-	-	-
64	AB-1379 CASP Fee	-	-	-	-	-
	Total	4,864,049	6,299,557	3,018,351	5,365,587	2,347,236
CAPITAL PROJECT FUNDS						
62	Capital Projects	87,397	182,785	-	1,210,000	1,210,000
65	Equipment Replacement	-	-	-	-	-
	Total	87,397	182,785	-	1,210,000	1,210,000
DEBT SERVICE FUNDS						
73	General Obligation Bond	9,373	188	-	-	-
74	Community Center Lease	9,900,000	-	-	-	-
	Total	9,909,373	188	-	-	-
ENTERPRISE FUNDS						
30	Sewer	7,158,670	7,982,747	8,627,396	9,713,500	1,086,104
35	Solid Waste	875,522	801,087	924,828	1,004,678	79,850
	Total	8,034,193	8,783,835	9,552,223	10,718,178	1,165,955
INTERNAL SERVICE FUNDS						
3	PERS & OPEB Reserve	-	-	-	3,240,619	3,240,619
40	Dental/Vision	264,121	340,693	351,951	489,602	137,651
41	Unemployment	-	-	-	-	-
42	Workers Compensation	-	738,119	-	-	-
43	General Liability Insurance	8,907	501,834	80,907	1,310,000	1,229,093
61	Technology Fee	-	-	160,000	150,000	(10,000)
	Total	273,028	1,580,647	592,858	5,190,221	4,597,363
	Total Funds	71,703,828	68,886,398	67,445,742	76,150,139	8,704,397

Expenditures

Citywide Expenditure Summary by Fund

Fund No.	Fund Name	FY2020-21 Audited	FY2021-22 Audited	FY 2022-23 Estimated	FY 2023-24 Proposed	Changes
GENERAL FUND						
1	General Fund	40,867,033	43,931,740	50,440,744	51,161,309	720,565
5	Grant Reimbursement	-	-	-	-	-
	Total	40,867,033	43,931,740	50,440,744	51,161,309	720,565
SPECIAL REVENUE FUNDS						
4	Measure B	-	-	-	-	-
7	SB1	-	-	-	-	-
8	Traffic Congestion Relief	-	-	-	-	-
11	Vehicle Impound	460	-	-	-	-
13	Supplemental Law	-	-	-	-	-
14	Gas Tax	280,592	-	-	-	-
19	Prop 1B	-	-	-	-	-
20	PEG	-	3,123	-	-	-
21	Public Art	-	6,414	130,000	-	(130,000)
22	Store Drain Deposit	-	-	-	-	-
23	CDBG Fund	-	-	-	-	-
24	VRF	-	-	-	-	-
25	TDA	-	-	-	-	-
26	Traffic Impact Fee	(833)	-	-	-	-
27	In Lieu Park Fund	17,564	38,000	-	-	-
28	DownTown Parking	13,587	0	45,000	-	(45,000)
29	Estate Donation	-	-	-	-	-
64	AB-1379 CASP Fee	-	-	-	-	-
	Total	311,372	47,537	175,000	-	(175,000)
CAPITAL PROJECT FUNDS						
62	Capital Projects	22,845,199	6,671,935	4,007,472	20,869,494	16,862,022
65	Equipment Replacement	273,742	339,959	542,041	726,200	184,159
	Total	23,118,941	7,011,894	4,549,513	21,595,694	17,046,181
DEBT SERVICE FUNDS						
73	General Obligation Bond	167,400	167,400	171,875	165,925	(5,950)
74	Community Center Lease	622,090	622,090	622,091	622,091	-
	Total	789,490	789,490	793,966	788,016	(5,950)
ENTERPRISE FUNDS						
30	Sewer	5,322,805	6,927,668	8,372,115	17,388,251	9,016,136
35	Solid Waste	396,169	1,092,457	1,930,996	2,398,654	467,658
	Total	5,718,974	8,020,125	10,303,112	19,786,905	9,483,793
INTERNAL SERVICE FUNDS						
3	PERS & OPEB Reserve	-	6,500,000	-	3,240,619	3,240,619
40	Dental/Vision	308,786	340,693	351,951	489,602	137,651
41	Unemployment	7,594	-	15,000	-	(15,000)
42	Workers Compensation	1,018,164	1,626,400	458,266	875,000	416,734
43	General Liability Insurance	798,063	1,370,419	1,236,798	1,310,000	73,202
61	Technology Fee	-	-	-	666,161	666,161
	Total	2,132,606	9,837,512	2,062,015	6,581,382	4,519,367
	Total Funds	72,938,416	69,638,298	68,324,350	99,913,307	31,588,957

Expenditures

General Fund Expenditure by Activities and Department

	FY2020-21 Audited	FY2021-22 Audited	FY2022-23 Estimated	FY2023-24 Proposed	Changes
Expenditures by Category					
Salary and Benefits	21,246,240	22,866,790	24,144,734	26,102,418	1,957,684
CalPERS Payment	2,666,665	3,099,876	3,174,161	2,884,594	(289,567)
Insurance	1,029	4,000	-	1,166,219	1,166,219
Utilities, Phone & Internet	1,199,716	1,265,865	1,213,367	1,428,488	215,121
Professional Services	13,456,052	13,819,044	17,972,339	16,400,540	(1,571,799)
Maintenance and Supplies	1,529,242	1,846,006	2,605,424	1,918,883	(686,541)
Other Expense	681,435	867,327	919,012	1,090,167	171,155
Debt Service	13,053	49,438	-	-	-
Debt Issuance	20,790	-	-	-	-
Capital Outlay	50,700	128,542	411,708	170,000	(241,708)
Total Expenditures	40,864,922	43,946,887	50,440,744	51,161,309	720,565
Expenditures by Department					
City Managers Office	5,418,588	7,083,892	6,339,605	5,468,033	(871,571)
Finance	1,551,612	953,424	1,783,299	1,992,187	208,888
Human Resources	750,413	947,606	1,177,001	1,759,616	582,615
Development Services	3,327,194	3,566,326	5,132,138	4,980,263	(151,874)
Environmental Services and Utilities	114,234	241,482	307,698	572,740	265,042
Public Works	3,831,448	4,130,168	4,349,852	3,643,505	(706,347)
Parks and Recreation	6,248,778	7,211,901	7,576,225	8,634,057	1,057,832
Police	19,389,800	21,117,950	23,194,203	23,617,027	422,824
Nondepartmental	232,854	(1,305,862)	580,723	493,880	(86,843)
Total Expenditures	40,864,922	43,946,887	50,440,744	51,161,309	807,408

PERFORMANCE BUDGETS

- Legislative
- Executive
- Human Resources
- Development Services
- Environmental Services & Utilities (ESUD)
- Finance
- Public Safety
- Public Works
- Parks & Recreation

Legislative

Mission

Represent the residents of Los Altos by meeting all the obligations and responsibilities of the City through legislative action.

Department Description

The City Council serves as the elected body representing the residents of Los Altos. The City Council is responsible for determining City policies and service standards. Adoption of the Financial Plan by the Council allocates the City’s financial and human resources to support its goals and objectives.



City Council members are elected at-large to four-year terms in November of even-numbered years. The Mayor rotates on an annual basis.

Department Functions

- Represent the residents of Los Altos.
- Participate in regional boards and agencies which directly affect the City of Los Altos and the needs and interests of the residents.
- Adopt the City’s strategic priorities on an annual basis.
- Adopt the annual budget.
- Hold semi-monthly Council meetings and as-needed special meetings.
- Appoint members to the City Commissions and Committees.

Program Performance Measurement

Activity	Measurement Method	FY2020-21	FY2021-22	FY2022-23*
1. City Council Operations				
a. City Council meetings (regular and special/study)	Number of meetings	47	79	45
b. City Council resolutions	Number of resolutions	64	74	68
c. Board and Commission appointments	Number of appointments	25	23	10 (Only one recruitment)

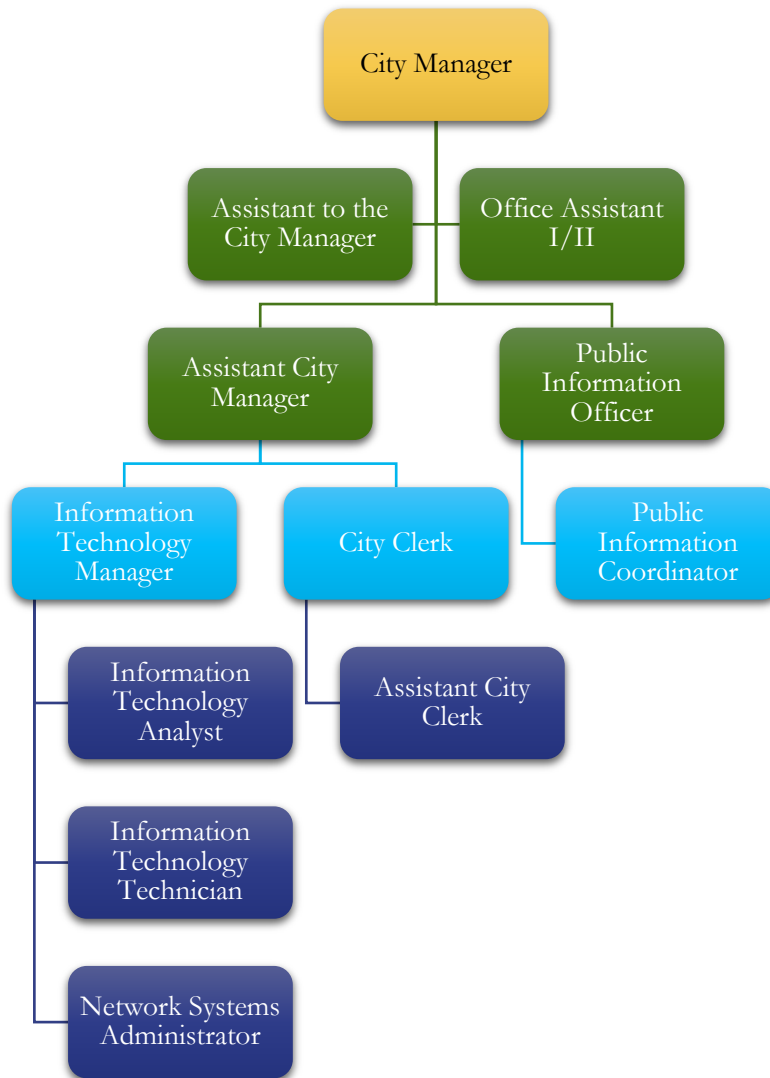
Position Summary

Department Authorized Position Title	Final Positions FY2020-21	Final Positions FY2021-22	Adopted Positions FY2022-23	Proposed Positions FY2023-24	Position Changes FY2023-24
Mayor	1.00	1.00	1.00	1.00	-
City Council	1.00	1.00	1.00	1.00	-
City Council	1.00	1.00	1.00	1.00	-
City Council	1.00	1.00	1.00	1.00	-
City Council	1.00	1.00	1.00	1.00	-
Mayor/City Council Total	5.00	5.00	5.00	5.00	-

Budget

Expenditures	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Estimate	FY 2023-24 Proposed
Salaries & Benefits	31,000	27,948	40,411	48,875	26,489
Services & Supplies	338,548	304,092	411,352	395,000	478,508
Internal Service allocation	-	-	-	-	3,877
Capital Outlay	-	-	-	-	-
Total	369,547	332,040	451,763	443,875	508,874
Revenue Source					
General Fund	369,547	332,040	451,763	443,875	508,874

Executive



Mission

Direct the operations for the City of Los Altos, support the City Council on policies, ensure legal compliance with all required actions of the government, provide communications to residents, and develop programs that benefit the business community.

Department Description



The Executive Department, led by the City Manager, who is the chief administrative officer of the City, is accountable to the City Council for the performance of the organization. The Executive Department includes the City Attorney, City Clerk, Economic Development, Information Technology, Public Information, and Risk Management.

The City Attorney, appointed by the City Council, is the chief legal advisor to the City Council, City Manager, operating departments and all appointed boards and commissions. Providing a full range of legal services, the City Attorney drafts necessary legal

documents, and reviews ordinances, resolutions, contracts, and other documents pertaining to the City's business.

The City Clerk's Office facilitates City Council functions, fulfills legal requirements as set forth in the City Code and State law, and is the historian of the City government, recording official actions and legislation of the Council, documenting meetings, and retaining legal and historical records. The City Clerk also conducts all City elections and serves as the compliance officer for campaign and financial disclosure filings as part of the Political Reform Act.

The Economic Development Division serves as a liaison between businesses, commercial districts, and city government; providing support and assistance to both existing businesses and prospective businesses looking to locate or improve their services in the City. The goal of this Division is to preserve and enhance the business climate, which helps support the overall financial stability of the City so that befitting levels of service can be provided across the community.

The Information Technology Division maintains the City's network infrastructure and applications to ensure that critical city operations are able to operate 24/7. The division supports technology initiatives within departments to enable greater efficiency through the use of technology.

The Public Information Division works with all City departments to provide proactive communications to the Los Altos community and local media regarding City projects and activities. The Division produces digital, video, and print material about the City of the Los Altos for dissemination to the public. Lastly, they engage the community to allow residents to voice their opinions and for leaders to have a better understanding of resident's wants.

The Risk Management Division works closely with the City Attorney and across departments to mitigate risk and incorporate best practices in risk management programs.

Program Summary & Major Services

Major Services:

The department has the following major services:

- Direct and manage City services.
- Provide all legal functions within the City.
- Support City Council functions.
- Minimize risk to the City.
- Ensure that City technology operations are always met.
- Disseminate information to the Los Altos community, City Council, Commissions, City staff, and media.
- Conduct inclusive community engagement to ensure all segments of the Los Altos community can participate and provide feedback.
- Manage employee recognition and appreciation.
- Support the thriving Los Altos business districts.

Accomplishments For FY2022-23

- Implemented best practices in risk management programs.
- Created the Los Altos Outdoor Dining Program that allows businesses to operate in the public right-of-way.
- Created a standardized process for the request of public funds for non-profit and civic organizations within the community.
- Created a flag raising policy for individuals and community groups that want to request a specific flag be flown on City flagpoles.
- Created a fee waiver policy that allows organizations to request the waiver of fees if certain criteria are met.
- Helped organize ribbon cuttings to welcome new businesses.
- Represented City of Los Altos at various community organizations events.
- Supported departments across the City in creating and implementing robust community outreach and engagement campaigns.
- Created and implemented the City's first employee recognition program.
- Upgraded primary fiber internet bandwidth by 2.5X
- Completed firewall upgrade for the main datacenter and MSC.
- 70% of users completed cybersecurity awareness training.
- No ransomware attacks.
- MFA (Multi-factor authentication) enabled for all users, including VPN connections.
- Using Single Sign-on (SSO) with various systems to simplify and streamline user's logon experience: Zoom, Adobe, KnowBe4, Pleasant Password, DocuSign, etc.
- Operation System and software updates: Windows Server 2022, vCenter vSphere 8.

Strategies & Goals for FY2023-24

- Continue sound management of City resources. (Asset Management)
- Through the leadership of the Risk Management Committee, continue best practices in risk management programs. (Asset Management)
- Support and advance the City Council's priorities. (City Manager)
- Implement new community engagement techniques, while ensuring that current engagement practices continue to be successful. (Communications)
- Continue to improve communications between City staff, City Council and the community. (Business Communities)
- Update the City's Records Retention Program. (Asset Management)
- Complete objectives from the Downtown Vision prioritized by the City Council in their Strategic Goals for FY23-24. (Business Communities)
- Support businesses constructing outdoor dining parklets. (Business Communities)
- Continue supporting existing and new businesses in Los Altos. (Business Communities)
- Review and improve the special event permit process. (Communications)
- Establish and implement the City's brand style guidelines. (Communications)
- Continue to improve and expand the City's employee recognition program. (Communications)
- Continue to improve infrastructure and software/hardware solutions to maintain City's IT cybersecurity. (Asset Management)
- Streamline City operations through possible integration and automation. (Asset Management)
- Develop IT team and seek new technology and apply where it is cost effective. (Asset Management)
- Provide software tools and up-to-date hardware for staff. (Asset Management)

Program Performance Measurement

Activity	Measurement Method	FY2020-21	FY2021-22	FY2022-23
1. Business Communities				
d. Sales tax	Dollars	\$2,349,715	\$3,059,217	\$1,569,356*
e. Annual downtown employee parking permits	Permits	658	700	654
f. Quarterly downtown employee parking permits	Permits	34	148	79
g. Outdoor dining parklets installed	Parklets	17	19	20
2. Asset Management				
a. IT service requests	Emails	1,274	1,448	1,702
a. Public records requests	Requests	369	321	288

*Sales tax only includes Quarter 3 and Quarter 4 for FY22 due to delay on reporting sales tax figures.

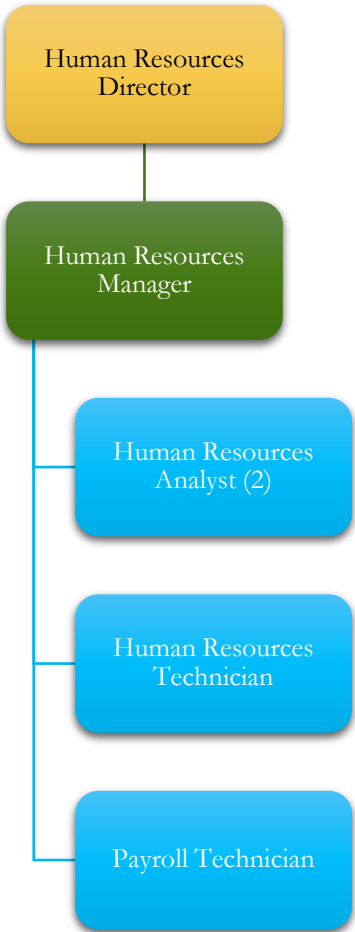
Position Summary

Department Authorized Position Title	Final Positions FY2020-21	Final Positions FY2021-22	Adopted Positions FY2022-23	Proposed Positions FY2023-24	Position Changes FY2023-24
City Manager	1.00	1.00	1.00	1.00	-
Assistant City Manager	1.00	1.00	1.00	1.00	-
Deputy City Manager	1.00	-	-	-	-
City Clerk	1.00	1.00	1.00	1.00	-
Assistant to the City Manager	-	-	1.00	1.00	-
Public Information Officer	-	1.00	1.00	1.00	-
Assistant City Clerk	-	-	1.00	1.00	-
Deputy City Clerk	-	1.00	-	-	-
Office Assistant I/II	-	-	-	1.00	1.00
Economic Development Coordinator	-	1.00	-	-	-
Public Information Coordinator	1.00	1.00	1.00	1.00	-
Executive Assistant	1.00	-	-	-	-
Information Technology Manager	1.00	1.00	1.00	1.00	-
Network Systems Administrator	-	1.00	1.00	1.00	-
Information Technology Analyst	1.00	1.00	1.00	1.00	-
Information Technology Technician	1.00	-	1.00	1.00	-
Executive Total	9.00	10.00	11.00	12.00	1.00

Budget Summary

Expenditures	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	Actual	Actual	Actual	Estimate	Proposed
Salaries & Benefits	1,752,861	2,105,426	2,010,594	2,224,103	2,666,561
Services & Supplies	3,371,972	2,772,647	4,331,736	3,348,769	1,718,685
Internal Service allocation	134,232	157,998	170,797	194,043	404,414
Capital Outlay	128,774	50,477	119,002	128,815	169,500
Total	5,387,840	5,086,548	6,632,129	5,895,730	4,959,160
Revenue Source					
General Fund	5,387,840	5,086,548	6,632,129	5,895,730	4,959,160

Human Resources



Mission

The Human Resources Department's mission is to provide leadership and operational support to the most valuable of the City's resources – the employees. They carry out the City Council's Goal and Priorities, they are the key to the City's success. We collaborate with departments to attract, develop, support, and retain diverse and talented employees throughout their career with the City. Through effective HR policies, programs, and services, we aim to create a workplace that values equity, respect, and inclusion while promoting employee safety, well-being, and satisfaction.

Department Description

The Human Resources Department provides a full array of employment services in support of the needs of the City and the community at large. Human Resources endeavors to become an employer of choice as part of an overall strategy of talent acquisition and development. We achieve this status by focusing on the overall well-being of employees, emphasizing work-life balance, offering competitive compensation and benefits, and prioritizing employee engagement. We believe employees' connection to the City of Los Altos will contribute to the accomplishments and organizational strength of our organization and our community.

The Human Resources Department oversees the efforts of recruitment, development and retention of a diverse, well-qualified, and professional workforce that reflects the high standards of the community we serve. The Department is responsible for recruitment and retention, classification and compensation systems, workers' compensation, employee safety, labor and employee relations, employment policies and procedures, benefit administration for active and retired employees, employee development and training, employee engagement initiatives and maintaining positive working relationships with labor groups, employees, retirees, and the community.

The Human Resources Department also ensures compliance with federal, state, and local laws and administers programs within the City's Memorandum of Understandings, the Personnel Rules and Regulations, and Administrative Policies.

Program Summary & Major Services

MAJOR SERVICES:

The department has the following major services:

- Recruitment, Selection and Retention
- Classification and Compensation
- Payroll Administration
- Workers' Compensation
- Benefits and Leave Administration
- Employee & Labor Relations
- Employment Policies and Procedures
- Organizational Training and Talent Development
- Engagement and Recognition
- Compliance and Policy Procedures

Accomplishments for FY2022-23

Union Labor Contracts: Successfully negotiated and implemented 5-year collective bargaining agreement terms with all three city labor groups; LAMEA, POA, and Teamsters. The agreements include a phased-in approach for structural wage increases that are in line with the needs of each bargaining unit to remain competitive with peer cities in their respective fields as well as key benefit enhancements to assist employees in their quality of life in the areas of mental, physical, and financial wellness.

Quality of Life Wellness Employee Reimbursement Program: The program introduces City employees to a new way of addressing mental/emotional wellness; health/physical wellness; and financial/retirement wellness through a city sponsored reimbursement program.

401(a) Defined Retirement Employer Match Program: implemented an employer match defined retirement contribution plan that allows unrepresented employees to participate in alternate retirement savings plans.

Payroll Administration Transition: Completed the transition of the citywide payroll function from Finance to Human Resources.

Recruitment Applicant Tracking System: Implemented a new applicant tracking system (NEOGOV) to address strategic flexibility in the recruitment interviewing process to promote efficiency while preserving the integrity of an objective qualification process.

Job Description Update: Launched employee classification studies to create job descriptions for executives, managers, and confidential professional classifications.

COVID-19 Program: Implemented leave programs for employees impacted by COVID-19 in compliance with and above State requirements.

Mandated Training: Sexual Harassment Prevention training is an EEO Training. California law requires employers to provide at least two hours of training to all supervisors and one-hour of such training to all nonsupervisory employees once every two years. To meet this requirement, multiple in-person sessions were held.

Employee Onboarding: Implemented new employee onboarding welcome and orientations.

Strategies & Goals for FY2023-24

- Implement enhanced compensation and benefit provisions of the most recently negotiated POA Memorandum of Understanding to attract and retain a diverse and talented group of sworn and non-sworn personnel in a competitive and tight labor market.
- Revamp the city deferred compensation fund lineup and consolidate accounts to a single vendor to offer employees lower expense ratios and fees while obtaining better investment results.
- Continue well-received Open Enrollment initiatives so employees can make well-informed decisions regarding their benefits for themselves and their dependents.
- Transition the city's human resources information system and payroll system to Tyler Munis.
- Paperless Personnel Files.
- Employee Engagement: Host employee events such as wellness fairs, food gatherings, and holiday events.
- New Employee Orientation (NEO)/Onboarding: "Why We Serve" Overview and Tour

- Organizational Training and Talent Development – Front Line Supervisor Training/Leadership.
- Policy and Procedure Manual.
- Benefits Summary by Employee Groups.
- HR 101 Trainings: Recruitment, Timecard Entry/Approval, Workers’ Compensation, etc.

Program Performance Measures

City Strategic Priority: Asset Management

Activity	Measurement Method	FY2020-21	FY2021-22	FY2022-23
Performance Measures:				
Recruitment Cycle: Time to Hire		217 days	170 days	139 days
Full-Time Employee Turnover Rate		8%	12%	13%
Workload Activity/Data:				
Number of Full-Time positions filled	Count	9	22	24
Number of Part-Time positions filled	Count	9	20	10
Number of Personnel Action Forms (PAFs) or Transactions Processed	Count	505	577	1012
Number of New Workers’ Comp Claims	Count	11	9	11
Number of onboarding orientations	Count	N/A	N/A	26

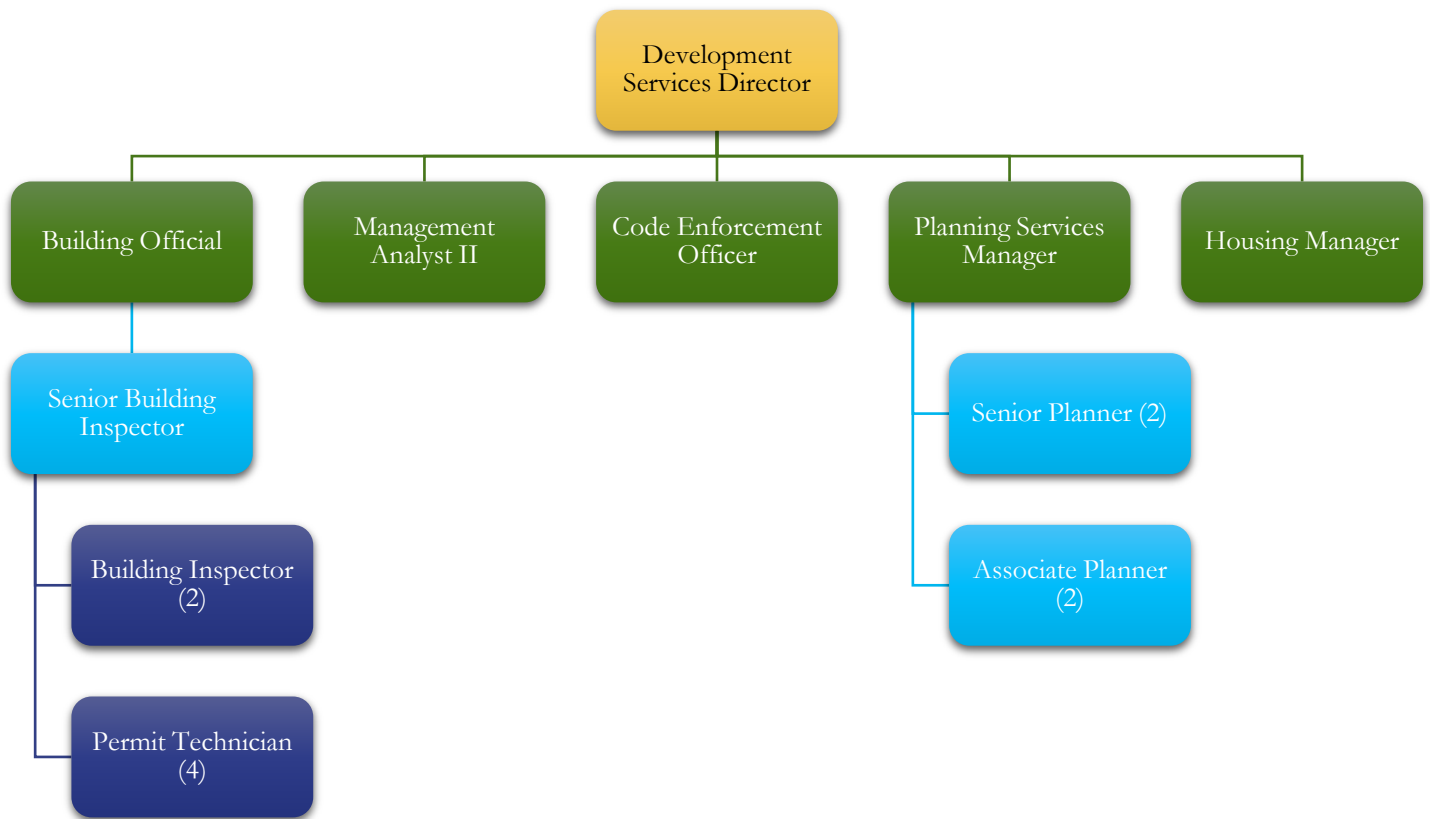
Position Summary

Department Authorized Position Title	Final Positions FY2020-21	Final Positions FY2021-22	Adopted Positions FY2022-23	Proposed Positions FY2023-24	Position Changes FY2023-24
Human Resources Director	-	-	-	1.00	-
Human Resources Manager	1.00	1.00	1.00	1.00	-
Human Resources Analyst	1.00	2.00	2.00	2.00	-
Human Resources Technician		1.00	1.00	2.00	1.00
Human Resources Total	2.00	4.00	4.00	6.00	2.00

Budget Summary

Expenditures	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Estimate	FY 2023-24 Proposed
Salaries & Benefits	447,660	474,856	539,106	708,699	1,157,769
Services & Supplies	314,792	240,875	370,545	429,750	438,950
Internal Service allocation	29,466	34,683	37,955	38,552	162,897
Capital Outlay	-	-	-	-	-
Total	791,918	750,413	947,606	1,177,001	1,759,616
Revenue Source					
General Fund	791,918	750,413	947,606	1,177,001	1,759,616

Development Services



Mission

The Development Services Department works to promote the orderly development of the community while preserving and enhancing the City's appearance and its distinct character. The Department also ensures that all projects within the City, both public and private, are constructed and maintained in a safe and legal manner.

Department Description

The Development Services Department (previously titled Community Development) is comprised of the Building & Safety, Business Licensing, Code Enforcement and Planning & Zoning Divisions. Combined these four disciplines work to implement the department's mission.

The Building Division is responsible for performing architectural and structural plan checks, scheduling and performing building inspections, and providing general customer information services, in addition to updating and administering the California Building Code and amendments to this code that are specific to the City of Los Altos.

The Business License Division is responsible for the review and issuance of Business Licenses within the City of Los Altos. In conjunction with the review of a Business License application, the Planning Division verifies Zoning Compliance of the Business to ensure that it is an allowed use at the proposed location. Every person or company conducting business in Los Altos must obtain a Business License to legally operate within the city.

The Code Enforcement Division is responsible for enforcing all adopted regulations for private property to ensure a safer, healthier, and more attractive community. Code Enforcement coordinates with the Building & Safety, Business Licensing and Planning & Zoning Divisions within the Development Services Department to investigate violations and complaints.

The Planning & Zoning Division is responsible for the development, administration, and application of programs guiding the physical development of Los Altos, using the General Plan goals, policies, and implementation measures to develop regulations that provide a framework for land use decisions and development review, neighborhood and business district Specific Plans, policy documents such as the City's Zoning Ordinance. The Division also performs land use and environmental review of development proposals and public information services, including front counter, telephone and email support and staff-level project management. The Division supports the Historical and Planning Commissions, as well as the City Council. Division staff further administers the affordable housing, tree protection, historic preservation, flood plain and sign ordinance programs.



Program Summary & Major Services

The department has the following major services:

- Review all development applications received by the department.
- Enforce the city's adopted land use documents.
- Provide support to the community for future planning of land use.
- Enforce compliance with municipal code of private properties.
- Review and enforce business license regulations.

Accomplishments for FY2022-23

Strategic Goals: Housing: The City of Los Altos will support the creation of housing that is safe, diverse, and affordable for all income levels to meet the needs of the Community and will advocate for State legislation and funding that support this goal. This goal was furthered by the development and adoption of the City's 6th Cycle Housing Element and will continue over the next 8-year planning period for program implementation.

Land Use: The City of Los Altos will implement policies that support a land use mix and density that reflect the values of the Community, which includes seeking to increase and protect its green space while ensuring compliance with any applicable laws and regulations. The Development Services Department continues to implement all adopted land use documents and apply them for all new development applications.

- Implemented and supported adopted City Council Priorities
- Adopted 6th Cycle Housing Element 2023-2031
 - 27 Action Items to complete in first 12-months post adoption:
 - 8 Action Items have been completed within the first 3-months post adoption; 7 additional Action Items are in-progress to date.
 - Release RFP for:
 - Permit Ready Accessory Dwelling Unit City Standard Plans
 - Financial Analysis for City Owned Parking Plaza
 - Comprehensive City Fee Update
 - Comprehensive Parking Standards Update
- Department Reorganization & Restructuring.
 - Business Licensing Division reassigned from Finance Department to Development Services Department
 - Code Enforcement Division reassigned from Police Department to Development Services Department
 - Sustainability Division reassigned to the Environmental Services & Utilities Department
 - Economic Development Division reassigned to the City Manager's Office
- Development Services Department Rebranding (formerly known as Community Development)
- Filled three Department Leadership Roles
 - Development Services Director, Nick Zornes
 - Planning Services Manager, Stephanie Williams
 - Building Official, Veronica Tinoco

- Completed Design Plans for City Hall Public Permit Counter reconfiguration to be ADA Compliant
- Created Planning Technician position and filled the vacancy within 3-months to streamline the development review for ministerial permit applications.
- Approved Entitlements for the City's first 100% Affordable Housing Development, 330 Distel Circle
- Adopted 2022 California Building Codes, with local amendments to further implementation of the City's CAAP
- Consolidated the Design Review Commission into the existing Planning Commission
- Adopted an ordinance which designates the Development Services Director as the Zoning Administrator and authorizes that role to review applications for residential uses of five units or less.
- Successfully deployed HDL Business Licensing Platform for online processing of Business Licenses
- Archiving project of over 100 boxes of files to be digitized completed.
- Reviewed over 3,000 Building Permits
- Completed over 9,000 Building Inspections
- Received approx. 163 Entitlement Applications for Discretionary Review
- Reviewed approx. 292 Tree Removal Permits
- Entitled over 400 new housing units.

Strategies & Goals for FY2023-24

- Implement and support adopted City Council Priorities
- Receive final concurrence from the Housing & Community Development Department regarding the status of the Adopted 6th Cycle Housing Element 2023-2031
- Recruit & Onboard Housing Manager to oversee all defined programs included in the 6th Cycle Housing Element
- Complete Permit Ready Accessory Dwelling Unit City Standard Plans
- Complete Financial Analysis for City Owned Parking Plaza
- Adopt Comprehensive City Fee Update
- Adopt Comprehensive Parking Standards Update
- Issue RFP for the development of City Owned Parking Plazas for Affordable Housing
- Complete all required Action Items in the 6th Cycle Housing Element pursuant to the adopted timeframe for each program.
- Initiate Comprehensive General Plan Update
- Ensure compliance with all housing review timeframes pursuant to State law.
- Further improve Code Enforcement responsiveness
- Complete Public Permit Counter Reconfiguration for ADA Compliance from City Hall Security

Program Performance Measures

City Strategic Priority: Housing & Land Use

Activity	Measurement Method	FY2020-21	FY2021-22	FY2022-23
Performance Measures:				
Code Compliance Cases Completed	Voluntary Compliance within allowed timeframe	N/A	N/A	NEW
Building Plan Check Completed	Reviews Completed within allowed timeframe	90%	90%	90%
ADU Permit Review Completed	Reviews Completed within allowed timeframe	N/A	N/A	NEW
Solar Permit Reviews Completed	Reviews Completed within allowed timeframe	N/A	N/A	NEW
Replacement Trees Planted <i>*Private Property Only</i>	Replacement Trees Planted per granted permits	N/A	N/A	NEW
Housing Element Update	Progress Towards Adoption of Compliant Housing Element	N/A	25%	100%
Housing Element Program Implementation	Adoption of Implementing Programs	N/A	N/A	8
Entitlement Reviews Completed	Entitlements Review Pursuant to Permit Streamlining Act	100%	100%	100%
Building Permit Inspections Completed	Inspections completed in less than 3 business days	80%	80%	80%
Progress Toward RHNA	Number of New Housing Units Constructed	23 *5 th Cycle	119 *5 th Cycle	62 *6 th Cycle
Workload:				
Design Review Commission Meetings	Meetings Held	15	18	13
Historical Commission Meetings	Meetings Held	6	5	7
Planning Commission Meetings	Meetings Held	15	16	11
Zoning Administrator Meetings	Meetings Held	N/A	N/A	4
Building Permits Received	Review and Process	3,313	3,242	2,840 *As of 5/6/23
Building Inspections Conducted	Number of Inspections	7,671	9,057	7,848 *As of 5/6/23
Planning Inspections Conducted	Number of Inspections	72	95	136
Code Compliance-Code Compliance	Number of Violations Reported	N/A	N/A	NEW

Entitlements Processed <i>*Projects requiring entitlements have changed since prior budget years</i>	Entitlements Received and Processed	N/A	N/A	163
Tree Removal Permit Processed	Tree Removal Permits Reviewed	175	202	292

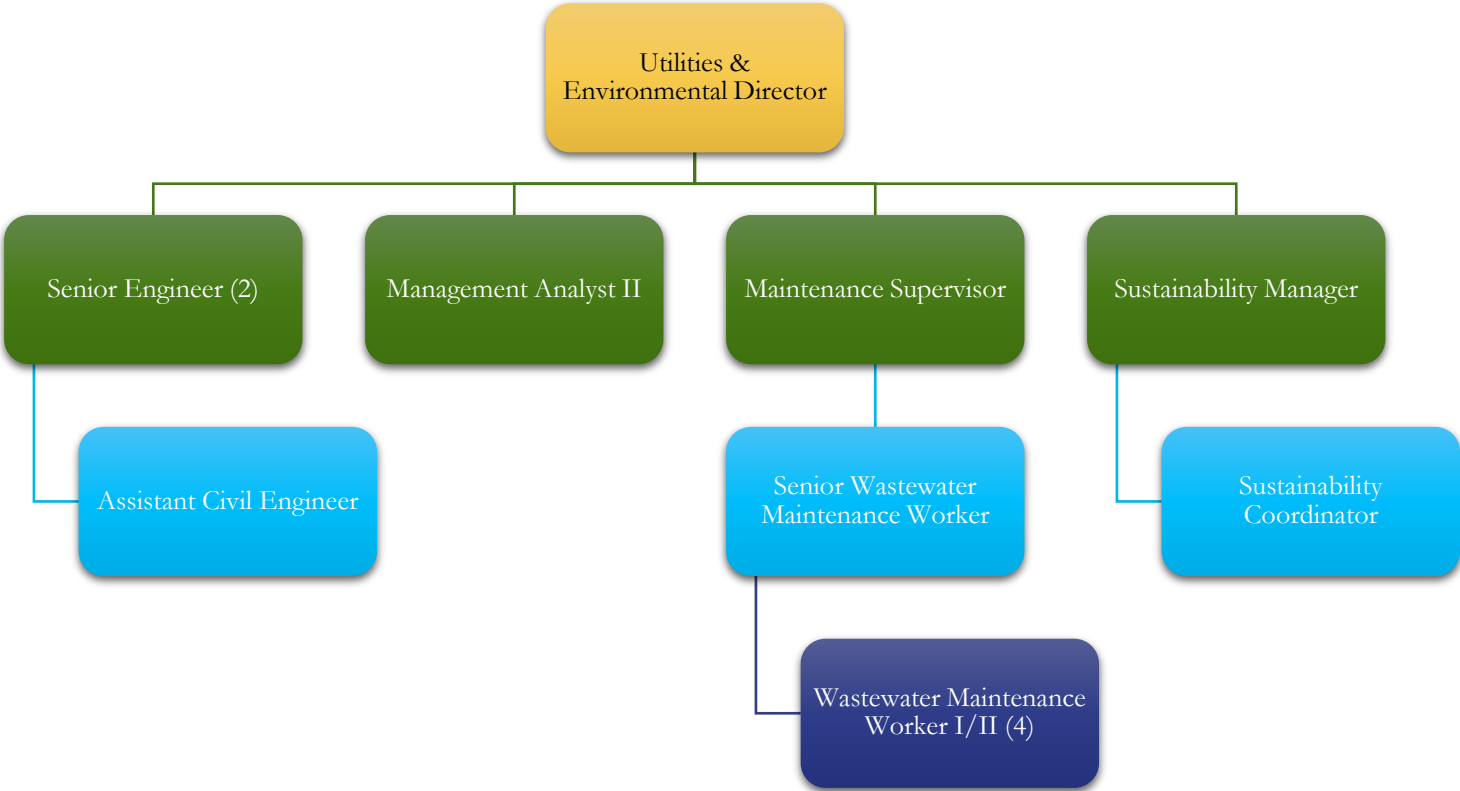
Position Summary

Department Authorized Position Title	Final Positions FY2020-21	Final Positions FY2021-22	Adopted Positions FY2022-23	Proposed Positions FY2023-24	Position Changes FY2023-24
Development Services Director	1.00	1.00	1.00	1.00	-
Building Official	1.00	1.00	1.00	1.00	-
Senior Building Inspector	1.00	1.00	1.00	1.00	-
Building Inspector	3.00	3.00	2.00	2.00	-
Permit Technician	-	2.00	3.00	4.00	1.00
Housing Manager	-	-	-	1.00	1.00
Planning Services Manager	1.00	1.00	1.00	1.00	-
Senior Planner	1.00	2.00	2.00	2.00	-
Associate Planner	1.00	3.00	2.00	2.00	-
Assistant Planner	2.00	-	-	-	-
Econ Development Coordinator	1.00	-	-	-	-
Sustainability Coordinator	1.00	1.00	-	-	-
Office Assistant I/II	-	-	1.00	-	(1.00)
Executive Assistant	2.00	1.00	-	-	-
Management Analyst I	-	-	1.00	1.00	-
Code Enforcement Officer	-	-	1.00	1.00	1.00
Development Services Total	16.00	16.00	16.00	17.00	1.00

Budget Summary

Expenditures	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Estimate	FY 2023-24 Proposed
Salaries & Benefits	2,136,022	2,275,425	2,299,861	2,436,961	3,135,515
Services & Supplies	653,271	832,114	1,005,919	2,334,768	1,535,410
Internal Service allocation	183,342	219,656	251,451	255,409	451,428
Capital Outlay	-	-	9,094	105,000	-
Total	2,972,635	3,327,194	3,566,326	5,132,138	5,122,352
Revenue Source					
General Fund	2,972,635	3,327,194	3,566,326	5,132,138	4,980,263
Sewer Service Fund	-	-	-	-	142,089
Solid Waste Fund	-	-	-	-	-
Total	2,972,635	3,327,194	3,566,326	5,132,138	5,122,352

Environmental Services & Utilities



Mission

Environmental Services & Utilities (ESUD) oversees the City’s sustainability, solid waste, sewer, and stormwater programs, including the planning, design, permitting, and construction of new infrastructure and the repair, rehabilitation, and maintenance of existing infrastructure. Also, all permitting, environmental monitoring, reporting, and rate setting for these programs are managed by ESUD.

Department Description

The Department comprises three divisions: Sustainability, Sewer Maintenance, and Utilities, which work on initiatives and infrastructure improvements related to the Council’s goals and objectives.

The **Sustainability Division** plays a critical role in managing the City’s natural and built environment. Through the implementation of the City’s Climate Action and Adaptation Plan (CAAP), the Division works to reduce greenhouse gas emissions, improve air quality, reduce energy consumption, preserve natural resources, and more. The Division also oversees solid waste and recycling collection to ensure proper disposal and reuse of materials. Additionally, the Division works to promote sustainability initiatives and educate the public on the importance of environmental stewardship. By taking these steps, the Division is helping to ensure that the City is a safe and healthy place to live, work, and play for generations to come.



The **Sewer Maintenance Division** operates and maintains the sanitary sewer system that serves the Los Altos service area of 6.54 square miles. The sewer system includes 4-inch to 42-inch sewer main lines and force mains that convey wastewater to the City of Palo Alto Wastewater Treatment Plant. The City’s portion of the system consists of 140 miles of gravity sewer mains and 0.1 miles of pressure pipes. The services that the Sewer Division provides to the public are vital to public health and are essential in limiting the City’s liability due to mainline overflows and backups, which can cause extensive property damage and environmental impact leading to costly civil and regulatory responsibility. Staff clean, treat, and inspect city-owned mainline pipes using high-pressure water jetting trucks, mechanical cutters, root foaming equipment, and CCTV. In addition to cleaning the entire system on a cyclical schedule, crews clean pipes with known root and grease issues on a high-frequency program every 30, 60, or 90 days. This “hot spot” list includes our downtown and El Camino corridor, where more restaurants and higher-density housing is found.



The City also owns, operates, and maintains four sewer pump stations at Pine Lane, Van Buren, Blue Oak Lane, and Shoup Park. Staff evaluate and document the performance of each station on a weekly basis and report needed repairs. Regular repairs and maintenance are performed in-house, while more extensive repairs may be contracted to specialists.

There are more than 11,000 private sewer lateral connections serving a population of approximately 31,000 residents. Staff from the sewer division are on call 24/7 and respond to all sewer-related calls during and after work hours. Crews arrive promptly, often within 15 minutes during regular work hours and within 45 minutes after hours and on weekends. Responding to all sewer calls allows staff to quickly assess where a sewer blockage has occurred. Although infrequent, a blockage in the City-owned sewer main must be cleared promptly. If the main sewer line has been checked and is found to be clear, staff assist residents in removing blockages in their privately-

owned sewer lateral when a property line cleanout is accessible.

The **Utilities Division** provides regulatory compliance and engineering services for the sewer and stormwater programs, including project management for sewer and stormwater CIP projects (from the design phase to the construction phase) that are included in the Sanitary Sewer Master and the Stormwater Master Plans. The regulatory compliance of the City's Municipal Separate Storm Sewer System (MS4) and the Sanitary Sewer Collection System is managed by this Division.

Since ESUD's formation on July 1, 2022, supervisory staff have been in the process of filling department vacancies, training new staff, and identifying internal procedures, in addition to meeting regular utility and environmental service needs. The ESUD divisions usually work on items independently. However, there is often crossover or department cooperation for larger tasks.



The Utilities Division has also been working to update sewer and stormwater compliance resources and regimens to align them with the new Municipal Regional Permit (MRP) for stormwater and the Statewide Sanitary Sewer Order (SSO). Both permits were updated in 2022 and included new requirements necessitating additional resources and training to maintain compliance. Staff have been working with Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP) to understand and meet new MRP permit requirements at a regional level while also working internally



to complete ongoing annual stormwater tasks such as active construction inspection, development project tracking, pool/spa outreach, Corp yard Storm Water Pollution Prevention Plan (SWPPP) inspections, Trash Capture Device cleaning and inspection, asset management, illicit discharge response, annual training requirements, and more. Staff have also been attending Sanitary Sewer Overflows (SSO) training and working with consultants involved in the new Order to better understand and adhere to new compliance requirements. This is also in addition to typical sewer program management, including sanitary sewer overflow response, CCTV data collection and management, Fats, Oils, and Grease (FOG) program outreach and inspections, sewer connection permits, sewer line cleaning, asset management, and more.

In regard to asset management, the ESUD Utilities Division also manages Capital Improvement Projects (CIP) regarding sewer and stormwater system replacement, repair, and rehabilitation. This typically includes annual sewer main replacement projects. Occasionally, this includes stormwater conveyance or outfall repair projects; however, in order to meet stormwater compliance requirements,



there is often not enough money allocated to address larger stormwater infrastructure repairs identified as a high priority in the Stormwater Master Plan. Justification of the use of general fund for stormwater projects that only benefit a few residents has also been a challenge ESUD is working through. ESUD is now in the process of exploring alternative funding for stormwater mitigation projects, such as establishing a Benefit Assessment District Program. As drainage complaints continue to rise with more intense storms, ESUD will work towards developing a process for residents to address these more significant drainage issues.

Accomplishments for FY2021-22 & FY2022-23

Asset Management: Setting clear expectations and allocating necessary funding to support the maintenance and improvement of the City facilities and infrastructure necessary to preserve the quality of services and well-being of residents.

- Flushed 681,779 feet of sewer mains.
- Root Foamed 32,223 feet of sewer line to mitigate root infiltration.
- Responded to 12,916 Underground Service Alert (USA) tickets.
- Managed the On-Call Spot Repair contract in which 4,406 feet of sewer mains were televised.
- Managed a sewer mainline repair and scheduled repair of a mainline.
- Responded to 284 sewer lateral calls.
- A total of 217 Customer Service Survey cards were handed out to residents who reported a sewer-related issue, and city staff were called to respond. Survey cards asked residents about their experience, of which 99% answered positively with a “Strongly Agree” that the staff was helpful, courteous, timely, and professional. The remaining 1% answered with an “Agree.”
- Initiated and implemented a spare parts inventory tracking system to allow staff to repair equipment quickly and efficiently in order to reduce lost time due to the availability of parts and shipping delays.
- Completed the Annual Fats, Oils, and Grease (FOG) Program for 2022.
- Kicked off the Annual FOG Program for 2023.
- Substantially completed the Sanitary Sewer Video Inspection CCTV project that was identified in the Sanitary Sewer Master Plan.
- Awarded the 2021 CIPP Corrosion Rehabilitation Project.
- Awarded the 2021 Sewer System Repair Program (First Street).
- Completed the On-Call Sanitary Sewer Spot Repairs and CCTV Inspection Services for FY 2022/2023.
- Completed the Sewer System Management Plan Update and Audit Project.
- Performed over 200 plan checks and issued over 200 permits relating to Lane Closure, Excavation, Parking Stall, Crane, and Encroachment permits.
- Started to implement the new MRP 3.0 Order adopted on May 11, 2022.
- Started to implement the new State Water Resources Control Board (SWRCB) Waste Discharge Requirements (WDR) Order adopted on December 6, 2022.
- Completed the 1266 Montclair Way Storm Drain Repair Project.

Environmental Sustainability: The City of Los Altos is leading in environmental sustainability through education and adopting and embracing policies, initiatives, and practices that advance this effort.

- Hosted four Compost Giveaway Days and gave away approximately 320 cubic yards of free compost to hundreds of residents.
- Planned and held the first annual Los Altos EV Fair, meeting CAAP Action Item 1.4A and providing EV education to Los Altos residents.
- Updated Electrification Reach Codes to include all-electric requirements for new construction



and substantial remodels, as well as increased requirements for electric vehicle charging infrastructure in new developments.

- Created Building Electrification and Residential Solar Resource Pages on the Environmental Commission website.
- The City was awarded the SVCE's Decarbonization Demonstration Grant for \$200,684.
- The City was awarded CalRecycle SB 1383 Local Assistance Grant for \$44,027.
- Passed the Foodware and Accessories Ordinance with City Council, making the City in compliance with State Assembly Bill AB 1276.
- Continued the Agreement for Countywide Household Hazardous Waste Collection Program to provide funding for HHW disposal resources for residents in FY 2023/24.
- Adopted Resolution No. 2023-25, authorizing the increase of Solid Waste Collection Rates, effective July 1, 2023
- Executed Professional Services Agreement with a consulting firm to assist with the update to the Tree Protection Ordinance.
- Subconsultant (Cascadia) completed 55 site visits to food-related businesses in Los Altos to provide educational outreach on SB 1383 requirements.
- Continued to work with MTWS and Cascadia to provide residents and businesses with free organic indoor/outdoor bins to be in compliance with SB 1383.
- Negotiated and executed a 15-year Disposal Agreement with Newby Island.

Staffing: Proving a work culture and environment, including competitive compensation and benefits, that support the recruitment and retention of exceptional employees to provide City services.

- Reclassified the four Maintenance Worker I/II positions and one Maintenance Leadworker position within the Sewer Division to Wastewater Worker I/II and Senior Wastewater Worker, respectively.
- This reclassification gave the Division a greater ability to retain experienced, well-trained, and certified employees, as well as attract well-qualified internal and external candidates aiding in the continuity of excellent services provided by the Sewer Division. These services are deemed vital to public health and essential in limiting the City's liability due to mainline overflows and backups, which can cause extensive property damage and environmental impact leading to costly civil and regulatory impacts.
- Hired a Wastewater Worker I.
- Hired two new Sustainability Coordinators.
- Hired an Assistant Civil Engineer.
- Promoted GIS technician to Management Analyst II.

Strategies & Goals for FY2023-24

Strategic Goals (FY2023-24):

Asset Management: Setting clear expectations through the budget process and allocating necessary funding to support the maintenance and improvement of City facilities and infrastructure.

- Implement the new stormwater Municipal Regional Permit (MRP 3.0) requirements and continue efforts to meet the permit goals.
- Continue implementing the Sanitary Sewer Master Plan and the Sewer System Management Plan to maintain the serviceability of the sewer system and reduce Sanitary Sewer Overflows.

- Update SSMP Operations and Maintenance procedures to optimize effective and efficient sewer services to the residents of Los Altos to meet the environmental, health, and safety needs.
- Continue flushing of the City’s sewer mainlines to reduce the build-up of debris that can cause sewer blockages.
- Complete the design and obtain permits from all regulatory agencies for the Adobe Creek Sewer Main Relocation Project.
- Award a contract to construct the Structural Reach Replacement Project.
- Award a contract to complete Sanitary Sewer Video Inspection CCTV Project that was identified in the Sanitary Sewer Master Plan.
- Award a contract for the On-Call Sanitary Sewer Spot Repairs and CCTV Inspection Services for FY 2023/2024.
- Execute a design contract for the Annual Sewer System Repair Program Project. Continue to implement stormwater MRP 3.0 requirements and continue efforts to meet 100% trash capture reduction.
- Continue to implement the SWRCB WDR requirements and continue efforts to reduce the Sanitary Sewer Overflow (SSO).

Environmental Sustainability: The City of Los Altos is leading in environmental sustainability through education and adopting and embracing policies, initiatives, and practices identified in the City’s Climate Action and Adaptation Plan.

- Adopt the updated Tree Protection Ordinance, Street Tree Planting List, and Private (Replacement) Tree Planting List.
- Adopt water conservation requirements for new development projects based on the Model Water Efficiency New Development Ordinance (MWENDO).
- Apply for grant funding and execute agreements to develop and install community-level EV charging infrastructure.
- Adopt an ordinance to eliminate non-essential single-use plastics, prioritize reusable foodware and utensils, and require all new single-use foodware and utensils to be compostable.
- Plan and hold the second annual Los Altos EV Fair.
- Continue education on SB 1383 requirements and begin enforcement as mandated by state law.
- Conduct community outreach to accelerate voluntary electrification of existing buildings in Los Altos.
- Continue to work with the solid waste collection service provider to maintain a high level of service and meet/exceed state waste diversion mandates.



Program Summary & Major Services

City Strategic Priority: Asset Management

Activity	Measurement Method	FY2020-21	FY2021-22	FY2022-23*
Performance Measures:				
Climate Action and Adaptation Plan (CAAP)	Adoption of the Plan	N/A	N/A	YES
Awards Received Through the Beacon Program	Number of Awards	N/A	N/A	4
Plan Reviews Completed in Four (4) Weeks or Less by ESUD	Percentage of Reviews Completed	N/A	N/A	90%
Training Sessions for ESUD Staff to Improve Technical Knowledge and Efficiency	Number of Training Sessions	N/A	N/A	8
Sewer Main Root Foamed	Linear Feet	N/A	N/A	32,223
Sewer Main Flushed	Linear Feet	N/A	N/A	681,779
Sewer Customer Service Cards	Number of Cards Distributed	N/A	N/A	284
Storm Drain Catch Basins Cleaned	Number of Catch Basins	N/A	N/A	1,350
Storm Drain Outfalls Cleaned	Number of Outfalls	N/A	N/A	113

Workload:				
Permits Review	Number of Permits	N/A	N/A	413
Permits Issued	Number of Permits	N/A	N/A	345
Bid Openings	Number of Bid Openings	N/A	N/A	4
Executed Construction Contracts	Number of Contracts	N/A	N/A	3
Executed Professional Services Agreements (PSAs)	Number of PSAs	N/A	N/A	6
Underground Service Alert (USA) Tickets	Number of Tickets	N/A	N/A	12,916
Environmental Commission Meetings	Held	N/A	N/A	12
Electrical Vehicle Charging (EVC) Station Ports Installed (City-Owned)	Number of EVC Station Ports	N/A	N/A	NEW
Sustainability Partnership Meetings	Attended	N/A	N/A	NEW
Sustainability Grant Applications	Submitted	N/A	N/A	2
Sustainability Grant Applications	Awarded	N/A	N/A	2

* ESUD is a new department that went into effect on July 1, 2022. Therefore, estimated amounts are only shown for FY22-23, not previous fiscal years.

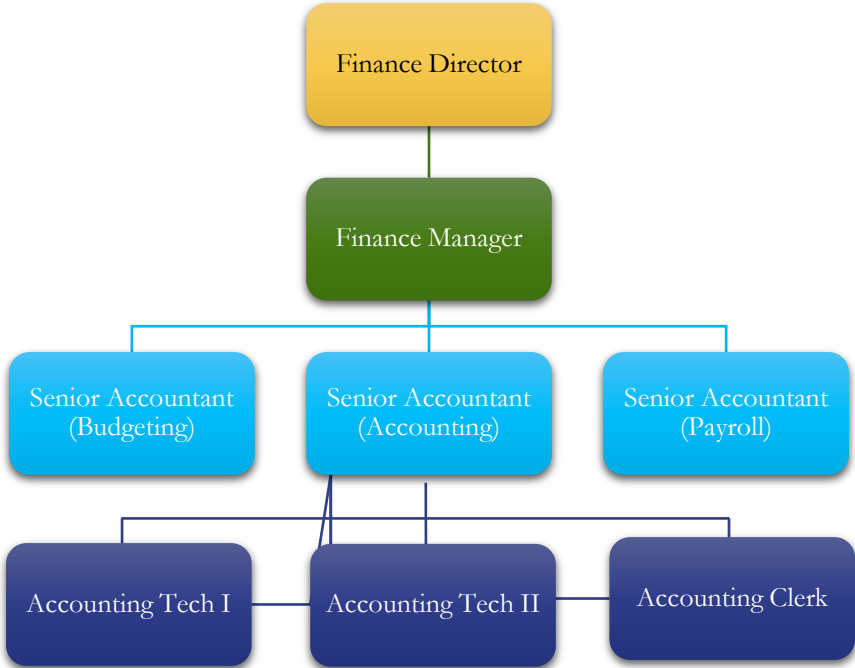
Position Summary

Department Authorized Position Title	Final Positions FY2020-21	Final Positions FY2021-22	Adopted Positions FY2022-23	Proposed Positions FY2023-24	Position Changes FY2023-24
Utilities and Environmental Director	-	-	1.00	1.00	-
Senior Engineer	-	-	1.00	2.00	1.00
Assistant Civil Engineer	-	-	1.00	1.00	-
Sustainability Manager	-	-	1.00	1.00	-
Sustainability Coordinator	-	-	1.00	1.00	-
Management Analyst I/II	-	-	1.00	1.00	-
Maintenance Supervisor	-	-	1.00	1.00	-
Senior Wastewater Maintenance Worker	-	-	1.00	1.00	-
Wastewater Maintenance Worker I/II	-	-	4.00	4.00	-
Environmental Servs & Utilities Total	-	-	12.00	13.00	1.00

Budget Summary

Expenditures	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Estimate	FY 2023-24 Proposed
Salaries & Benefits	802,679	729,705	1,718,975	2,269,828	2,445,691
Services & Supplies	4,671,567	4,417,002	5,426,664	6,341,531	8,055,794
Internal Service allocation	101,493	114,807	432,895	302,197	394,446
Capital Outlay	-	-	-	-	-
Total	5,575,739	5,261,514	7,578,534	8,913,556	10,895,930
Revenue Source					
General Fund	123,035	114,234	241,482	307,698	572,740
Sewer Service Fund	5,030,208	4,765,932	6,551,574	7,467,083	8,583,168
Solid Waste Fund	422,495	381,348	785,479	1,138,774	1,740,022
Total	5,575,739	5,261,514	7,578,534	8,913,556	10,895,930

Finance



Mission

Ensure the financial integrity of the City of Los Altos by providing superior financial services, and promoting governmental efficiency, effectiveness, and accountability.

Department Description

The Finance department is responsible for the safeguarding of and accounting for the City's financial assets. This includes the development and management of the City's budgets, reporting of financial information to the City Council and various regulatory agencies, completion of the annual audit process, and investment of the City's assets in accordance with the City's investment policy. The department also handles accounts payable, accounts receivable, and cash receipts.

Program Summary & Major Services

MAJOR SERVICES:

The department has the following major services:

- Financial planning & budgeting
- Accounting and annual financial reporting
- Disbursements
- Debt service administration
- Banking/cashiering/revenue/investment management
- Payroll & taxes
- Annual external audit coordination

Asset Management	Update policies and procedures and provide cross training for succession planning
	Attend a variety of GFOA and CSMFO courses on updates for the GASB pronouncements
	Utilize OpenGov online budgeting and reporting software to enhance the efficiency of the budgeting process and the transparency of financial reporting

Accomplishments for FY2022-23

Strategic Goals (FY2022-23): Fiscal Sustainability: Continuing to be financial stewards of the city's resources and assets in order to provide fiscally sustainable government services that address the needs of the Community. This goal will be achieved by practicing sound, responsible, and transparent financial management principles and practices that are adaptable and flexible to meet the City's financial needs in an ever-changing world.

- Implemented OpenGov budget software that provides the city with more transparency and internal controls on budgeting process. The new software streamlines operations and allows for better tracking of financial data and accessibility to financial data.
- Implemented HDL online business license software to ensure that external customers and residents receive quality customer service and operations are efficient.
- Implemented GASB 87 Lease in compliance with the requirement issued by the Governmental Accounting Standards Board.

- Implemented DebtBook online software for GASB 96 in compliance with the requirement issued by the Governmental Accounting Standards Board.
- Successfully onboarded City staff to the new financial software system by providing a series of interactive training and tutorial guides.
- Restructured Finance department to provide better services to internal and external stakeholders.
- Implemented new Accounts Payable internal procedures to streamline and increase the efficiency of accounts payable processes, resulting in the reduction of the total wait time for vendor payments.
- Adopted a revised purchasing policy to provide clearer procedures for internal staff to streamline the purchasing process and ensure compliance with regulations.
- Improved and reorganized the internal cash receipt process to provide better tracking and oversight of funds.
- Introduced paperless procedures and processes to several internal accounting activities to encourage the reduction of paper waste.
- Implement a Cost Allocation Plan and User Fee Study to update the City's fee schedule.
- Completed the annual audit process and produced the City's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2022.
- Received the GFOA's Certificate of Achievement for Excellence in Financial Reporting award for the fiscal year ended June 30, 2021
- Received the CSFMO Budget Awards FY2022.

Strategies & Goals for FY2023-24

Strategic goal: Asset Management: Setting clear expectations through the budget process and allocating the necessary funding to support the maintenance and improvement of City facilities and infrastructure.

- Implement real time dashboard solutions for the City's website to allow for more public accountability and transparency regarding the City's financial wellbeing.
- Review and update City financial protocols and procedures to better align with the City's operations and needs, promote public confidence, and provide continuity over time.
- Update the financial policies.
- Increase the speed and efficiency of the Account Payable process to reduce unnecessary late fees.
- Increase cross training among the Finance staff to increase productivity and employees' professional development.

Program Performance Measurement

City Strategic Priority: Fiscal Sustainability

Activity	Measurement Method	FY2020-21	FY2021-22	FY2022-23*
1. Maintain/Improve Operating Efficiency				
a. Timely processed invoices	30 days after departments' request	--	Yes	Yes
b. Timely processed purchasing requests	30 days after departments' request	--	Yes	Yes
c. Clean audit opinion	Prior fiscal year	Yes	Yes	Pending
d. GFOA Financial Reporting Award		Yes	Yes	Pending
e. Attain unmodified audit opinion on City's annual financial statements		Yes	Yes	Pending
2. Transparency				
a. Budget adoption by June 30	Following fiscal year	Yes	Yes	Yes
b. CSMFO Budget Award		--	Yes	--
c. Quarterly Investment Report		Yes	Yes	Yes
d. Monthly Treasurer's Report		Yes	Yes	Yes
e. Mid-Year Financial Update		Yes	Yes	Yes
3. Workload				
a. Number of FTEs	Actual / Budget	6/6	6/6	6/7
b. Purchase Orders Issued		252	263	355
c. Number of invoices processed		4,640	4,865	5,309
d. Billings Issued		22	47	38
e. Cash Receipts Processed		4,130	6,083	5,941
f. Training Conducted		--	2	4
h. Number of journal entries		444	383	258

* Estimated amount

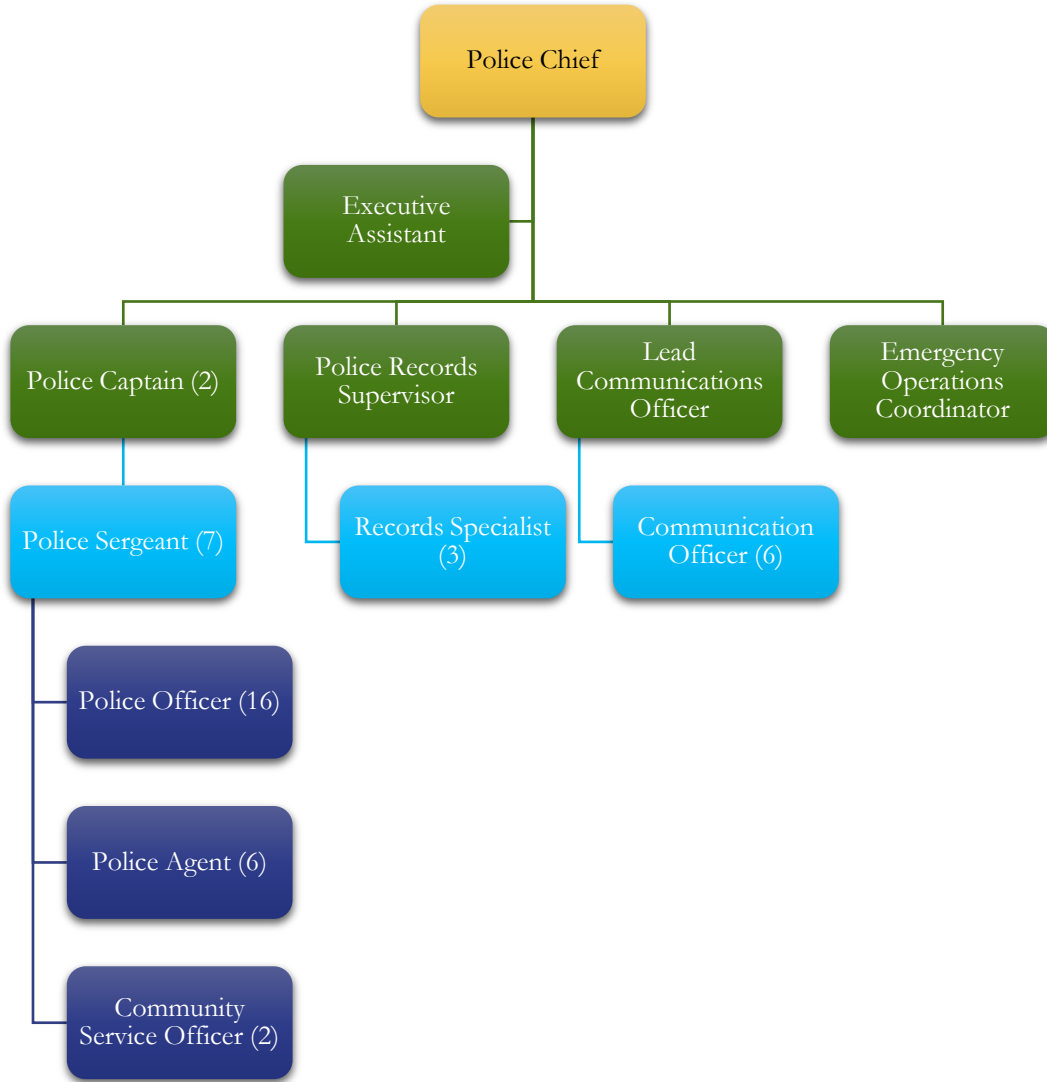
Position Summary

Department Authorized Position Title	Final Positions FY2020-21	Final Positions FY2021-22	Adopted Positions FY2022-23	Proposed Positions FY2023-24	Position Changes FY2023-24
Finance Director	1.00	1.00	1.00	1.00	-
Finance Manager	1.00	1.00	1.00	1.00	-
Senior Accountant	-	-	3.00	3.00	-
Accounting Tech I/II	3.00	3.00	2.00	2.00	-
Accounting Clerk	-	-	1.00	1.00	-
Finance Total	5.00	5.00	8.00	8.00	-

Budget Summary

Expenditures	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Estimate	FY 2023-24 Proposed
Salaries & Benefits	883,814	788,530	420,534	1,234,742	1,425,108
Services & Supplies	505,228	678,301	438,002	464,290	320,673
Internal Service allocation	72,027	84,780	94,887	84,267	246,406
Capital Outlay	-	-	-	-	-
Total	1,461,069	1,551,612	953,424	1,783,299	1,992,187
Revenue Source					
General Fund	1,461,069	1,551,612	953,424	1,783,299	1,992,187

Public Safety



Mission

It is the mission of the Los Altos Police Department to:

- Provide high quality police service.
- Maintain high ethical standards.
- Recognize employees as our most valuable asset.
- Develop team unity and promote positive community interaction.
- Meet the challenge of the future.

Department Description

The Police Department is a vibrant, progressive, and professional organization dedicated to fostering and maintaining community partnerships. These partnerships promote an enhanced quality of life for our community and ensure that the City of Los Altos remains a great place to live and raise a family. The Los Altos Police Department continues to deliver high quality public safety services and as such, we are committed to our community's public safety priorities - Child and School Safety, Traffic Safety, Safe and Secure Neighborhoods, Safe Shopping Districts, and Emergency Preparedness.

The core services provided by the Department include response to emergency and non-emergency calls for service; proactive identification of criminal activity, traffic safety, parking enforcement, investigation of crime and prosecution of criminals, 911 call taking and emergency dispatch services, training of personnel, crime prevention and community outreach, maintenance of records, property and evidence control and emergency preparedness.

Accomplishments for FY2021-22 & FY2022-23

IMPLEMENTATION OF NEW TECHNOLOGIES:

RIMS: The Department finalized implementation of the Tri-City virtual consolidation Records Management System (RMS) Project. The selected vendor, Sunridge Systems RIMS, is a cloud-based records and case management solution that helps law enforcement agencies organize, access and track information related to persons, vehicles, cases, evidence, property and more. The new system also facilitates more accurate crime reporting through the National Incident-Based Reporting System (NIBRS) and the California Incident-Based Reporting System (CIBRS).

E-Cites: The Police Department purchased four electronic citation readers with printers for the traffic unit in 2022. The devices were delivered just before August. Staff participated in an online training to navigate the device with the Turbodata staff. These devices aid in expediting violator ticketing in school zones, when applicable, due to the 30-minute traffic congestion that is experienced.

Continued focus on our Community Safety Priorities, including the following:

CHILD AND SCHOOL SAFETY

- The School Resource Officer was eliminated by City Council based on recommendations from the Citizen Task Force in 2020.
- Department staff continued to instruct school staff on “Run, Hide, Defend,” a curriculum designed and approved by the Santa Clara County Police Chiefs Association and the Santa Clara County Office of Education. The program is designed to show participants how to react and protect themselves during an "active shooter" or "active assailant" event.
- On January 18th, the Los Altos Police Department hosted a “Hot Cocoa Mixer” at Los Altos High School. The event was an immense success with Department personnel interacting with hundreds of youths while distributing hot chocolate, donuts, stickers, and warm conversations!
- In a partnership with Claire Griffin, Coordinator of Student and Staff Services, Captain Krauss discussed “Social Media and Personal Safety” for parents at multiple Los Altos School events. At the parents’ request, the duo presented “Social Media and Safety” to every student at Egan Jr. Highschool, focusing on cyberbullying, digital citizenry, and inappropriate texting.
- Chief Averiett provided presentations on fentanyl education and safety to several groups including the Youth Commission.

TRAFFIC SAFETY

- The Traffic Division worked with Engineering to assist with modifications to the Cycle Track project on Almond Avenue to enhance student safety.
- The Traffic Division supported the 2022 Farmer’s Market, Pet Parade, Art and Wine Festival, and the Festival of Lights Parade.
- The Traffic Division coordinated the bike safety rodeo with Safe Moves on May 22, 2023, at Loyola Elementary. On this same day, traffic personnel organized a bicycle safety video with KMVT. It was distributed to the traffic liaison for the cities Safe Routes to School Program June to July. It was distributed to schools in August 2023.



SAFE AND SECURE NEIGHBORHOODS

- After a two-year hiatus due to the pandemic, The Los Altos Police Department participated in National Night Out (NNO) on August 2, 2022. NNO is designed to strengthen police-community relationships, heightens crime prevention activities, and generates support in local anti-crime efforts.
- Police carried out dozens of home inspections at residents' request and conducted vacation checks of homes to help prevent criminal activity while the residences were vacant. Department staff presented “Run, Hide, Defend” active shooter response to various community organizations, including (but not limited to) the Los Altos Library, Midpeninsula Regional Open Space, and Maryknoll Father’s and Brother’s.
- Police Department staff conducted presentations to the Senior community on crime prevention with our partner agency, Santa Clara County Fire.

SAFE SHOPPING DISTRICTS

- The Department has been working with local business organizations to strengthen crime prevention and emergency preparedness efforts within the business community. Department members presented at both LAVA and Chamber of Commerce meetings.
- City Hall staff, Police Department employees, the Los Altos Chamber of Commerce, and LAVA worked collectively to continue the “Trim a Tree @LosAltos” program started in 2020 to spread cheer amongst residents and support the business community.
- Los Altos Police Detectives worked collaboratively with outside jurisdictions to address the regional issue of Organized Retail Theft.

EMERGENCY PREPAREDNESS

- In partnership with various City Departments, the Multi-Jurisdictional Hazard Mitigation Plan was updated. This document outlines the City’s proactive planning to address natural hazards that impact City infrastructure such as streets and stormwater systems.
- The department provided emergency supplies including Midland radios and Wake Up Something Happened (“WUSH”) kits to Resilient Los Altos to distribute to residents who completed targeted emergency preparedness courses. In addition, the Department provided funds to install a BridgeCom repeater system at the Los Altos History Museum. These funds came out of the CEPG program funds from FY 21/22.
- Police Department staff participated in first aid and CPR training, including the use of the AEDs (Automated External Defibrillators) carried in all patrol vehicles.
- The emergency preparedness program continued to offer training opportunities to community volunteers (Hams, CERTs and BATs) to engage residents and keep the community prepared.

ENHANCED COMMUNITY POLICING AND CUSTOMER SERVICE EFFORTS

- As the pandemic restrictions began to lift, Chief Averiett was able to attend many in-person events to re-start our community outreach efforts. This included speaking engagements with civic groups and community-based organizations such as LAVA (Los Altos Village Association), LARE (Los Altos for Racial Equity), LACC (Los Altos Community Coalition), LAR (Los Altos Residents), LAMVCF (Los Altos/Mountain View Community Foundation), senior groups, Kiwanis, Rotary, and Chamber of Commerce.
- Pumpkin Carving with a Cop was back in person at the new Los Altos Community Center. Police Department personnel carved pumpkins with over 150 guests, while also enjoying food, beverages, and the ever-popular photo booth.
- A Pack the Patrol Car event netted two vehicles full of school supplies for students. A second event during the Christmas Tree lighting ceremony collected warm jackets for students in need.
- The department focused on their social media outreach this year, working with the City’s Communication Team to enhance our transparency and demonstrate the daily work of our professional and sworn personnel.



Strategies & Goals for FY2023-24

- Maintain focus on our Community Priorities:
 - Child and School Safety
 - Traffic Safety
 - Safe and Secure Neighborhoods
 - Safe Shopping Districts
 - Emergency Preparedness
- Achieve full staffing of sworn and professional personnel and add a Crime Analyst and Police Department dedicated IT analyst.
- Prioritize employee mental, physical, and emotional health with the formation of a Peer Support Team and the creation of a Wellness area and fitness facility.
- Launch the Facility Dog Program, where a trained service dog is paired with an officer to provide comfort to victims and witnesses during interviews, conduct senior citizen visits, engage with the public during community events, and work with children to build relationships.
- Implement enhancements to the department's training program, specifically focused on diversity, fair and impartial policing, and de-escalation.
- Open a police substation to provide additional citywide coverage and community access at 999 Fremont St.
- The Traffic Division will continue to coordinate with City Engineering and the Complete Streets Commission to improve overall pedestrian and bicycle safety in Los Altos. The Traffic Division will coordinate with City Engineering to assist with the planning and implementation of Assembly Bill 43 which allows the city to implement lower speed limits on certain roadways with the overall goal of improving roadway safety and reducing traffic collisions. The Traffic Division will take an active role in helping to roll out the new lower speed limits with a combination of education and enforcement.
- Traffic Safety:
 - The Traffic Division continues to work with Engineering to improve school zone safety and provide feedback for roadway improvements. Roadway markings and improvements around the High School will be a focus of attention.
 - The Traffic Division will continue to coordinate the schools Crossing Guard program for the city and assist in the placement and daily operations of crossing guards to help to improve safety at and around the schools.
 - The Traffic Division is focusing on improving bicycle safety in the community. The Traffic Division has sponsored and assisted in bicycle safety rodeos at schools in the Los Altos School District and at community events. Several more of these events are planned at schools and at events open to the community. The goal of these safety events is to educate children and the community about traffic safety. This is accomplished by creating simulated interactive traffic environments creating a hands-on learning experience.
- The Traffic Division will continue to support special events that occur in the City of Los Altos. The Traffic Division takes an active role in planning and overseeing large events that occur in



the city. Some of these community events include the Farmer’s Market, Los Altos Art and Wine Festival, and the Festival of Lights Parade.

- Work with Information Technology to enhance the technological capabilities of public safety in Los Altos.
 - Implement an Online Reporting system to allow residents to easily file basic crime reports, such as petty theft, vandalism, lost property, and identity theft.
 - Complete a Request for Proposal (RFP) process for a new tri-city Computer Aided Dispatch (CAD) system and in car Mobile Data Terminals (MDT) including new hardware.

Program Performance Measurement

City Strategic Priority: Community Safety

Activity	Measurement Method	FY2020-21	FY2021-22	FY2022-23
Performance Measures:				
Continue “Active Assailant” Training to school staff and Community Groups	Number of presentations	5	8	15
School Facility Safety/Security	Patrol Checks at School Locations	118	231	146
Staffing – Sworn and Professional Staff	Number of Overall Vacancies	3	3	9
Community Building	Number of Community Engagement Events Participated in	15	20	30
Increase Transparency	Meetings with Public to seek feedback	4	5	10
Workload:				
Total Calls for Service	CAD/RMS	14,218	14,701	14,176
Total Arrests	CAD/RMS	347*	132	125
Traffic Citations	CAD/RMS	1,053*	510	551
Parking Citations	CAD/RMS	543	1,483	1,133
Calls for Service Response Times	CAD/RMS	7 min, 29 sec	8 min, 22 sec	7 min, 36 sec
911 Call Answer Times (within 10 seconds)	CAD/RMS	96.03%	96.75%	96.04%

* Numbers for this fiscal year are inflated due to upgrading to a new report writing system

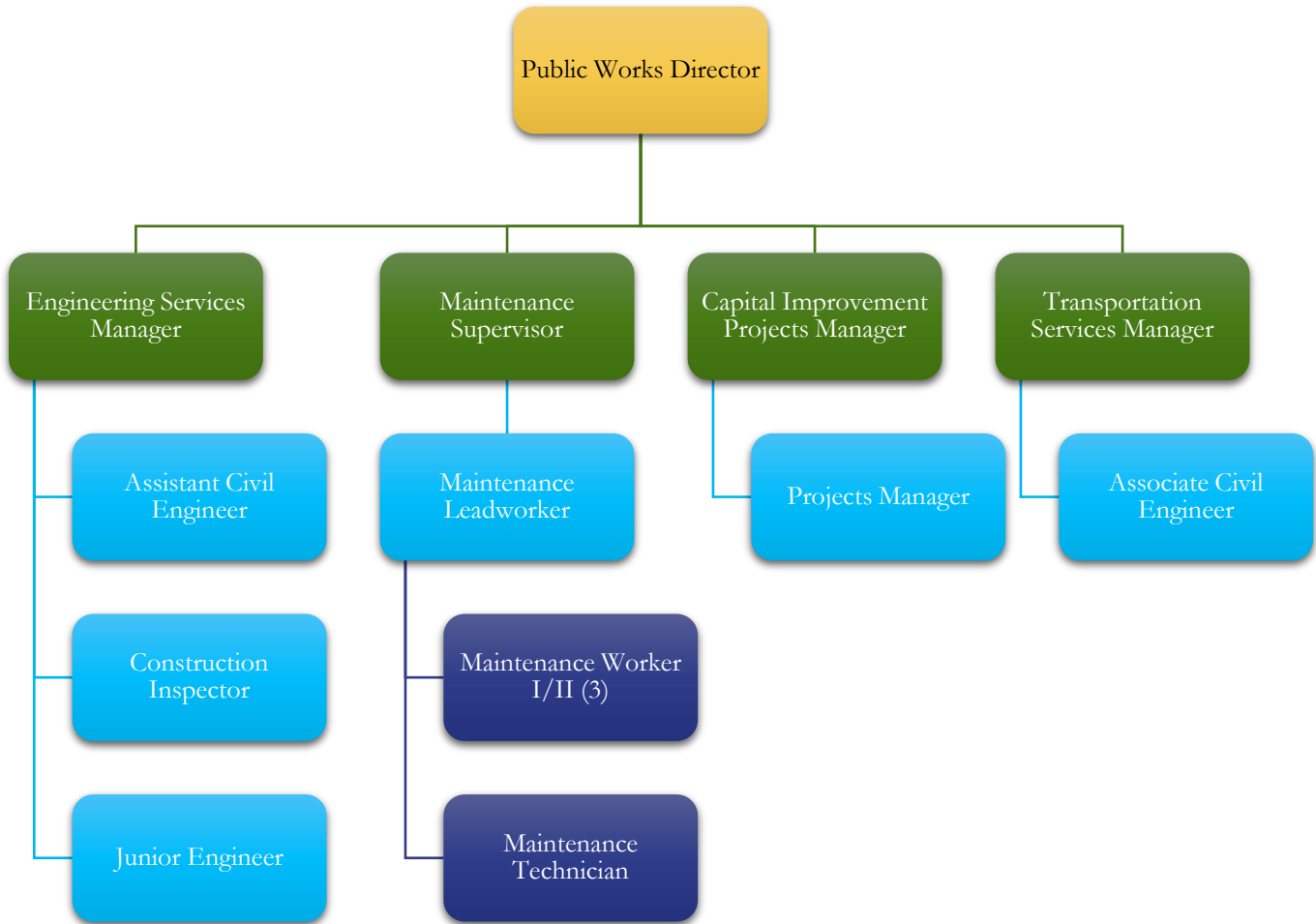
Position Summary

Department Authorized Position Title	Final Positions FY2020-21	Final Positions FY2021-22	Adopted Positions FY2022- 23	Proposed Positions FY2023- 24	Position Changes FY2023- 24
Police Chief	1.00	1.00	1.00	1.00	-
Police Captain	2.00	2.00	1.00	2.00	1.00
Police Sergeant	6.00	7.00	7.00	7.00	-
Police Officer	17.00	16.00	16.00	16.00	-
Police Agent	6.00	6.00	6.00	6.00	-
Police Services Manager	1.00	1.00	1.00	-	(1.00)
Police Records Supervisor	1.00	1.00	1.00	1.00	-
Records Specialist	3.00	2.00	3.00	3.00	-
Lead Communications Officer	1.00	1.00	1.00	1.00	-
Communications Officer	5.00	5.00	6.00	6.00	-
Community Service Officer	3.00	3.00	2.00	2.00	-
Executive Assistant	1.00	1.00	1.00	1.00	-
Emergency Operations Coordinator	-	-	-	1.00	1.00
Police Total	47.00	46.00	46.00	47.00	1.00

Budget Summary

Expenditures	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Estimate	FY 2023-24 Proposed
Salaries & Benefits	8,837,042	8,981,514	10,349,527	10,798,329	10,877,168
Services & Supplies	8,632,780	8,936,244	9,108,040	10,701,889	11,086,060
Internal Service allocation	1,325,677	1,472,042	1,660,383	1,693,985	1,658,288
Capital Outlay	-	-	-	-	-
Total	18,795,499	19,389,800	21,117,950	23,194,203	23,621,516
Revenue Source					
General Fund	18,795,499	19,389,800	21,117,950	23,194,203	23,617,027
Sewer Service Fund	-	-	-	-	4,489
Solid Waste Fund	-	-	-	-	-
Total	18,795,499	19,389,800	21,117,950	23,194,203	23,621,516

Public Works



Mission

Preserve and enhance public safety and quality of life through reliable, cost-effective infrastructure. Provide quality and responsive service through highly motivated, professional, and knowledgeable staff in a safe and fair work environment.

Department Description

Effective July 1, City departments were reorganized, and Public Works Department (PWD) was reintegrated into a single department, combining the former Engineering Services Department and the Streets Division of the Maintenance Services Department. The PWD provides stewardship of the City's infrastructure through its four divisions: Street Maintenance, Capital Projects Engineering, Transportation Services, and Development Engineering.

Program Summary & Major Services

The Street Maintenance Division inspects and maintains 104 miles of City streets to ensure safe conditions for motorists, bicyclists, and pedestrians; responds to roadway issues, such as potholes; installs, repairs and replaces street name, regulatory, and wayfinding signs; inspects and cleans all storm drain catch basins, locates and clears storm water outfalls into creeks and addresses flow line and drainage problems. Repairs and maintains the Downtown district and City owned street lighting throughout Los Altos.



The Capital Projects Engineering Division is responsible for the planning, design and construction of new facilities and the repair and rehabilitation of existing facilities and other special projects.

The Transportation Services Division provides multi-modal transportation solutions that enable safe access and travel for pedestrians, bicyclists, transit users, and motorists; coordinates connectivity across jurisdictional boundaries; and oversees transportation-related capital improvements. Transportation staff also serve as the liaison to the Complete Streets Commission.

The Development Engineering Division reviews development and renovation plans for private property; reviews and issues excavation permit for utility work and encroachment permits for various types of work in the public right-of-way, inspects construction work on private property and the public right-of-way, and provides knowledgeable counter service at City Hall and through virtual meetings and telephone calls.

Accomplishments for FY2021-22 & FY2022-23

Engineering/Transportation Divisions

- Completed construction, furnishing, and commissioning of the new Los Altos Community Center
- Completed the Lincoln Park Utility Undergrounding Project along University Avenue
- Achieved unanimous Council Adoption of the Complete Streets Master Plan (CSMP), which provides a comprehensive roadmap for pedestrian and bicycling safety improvements and safer routes to schools.
- Completed the FY 21/22 Annual Street Resurfacing, Slurry Seal, and Restriping Projects that improved streets around Los Altos, which included public right of way improvements that made routes to school safer.
- Achieved a Pavement Condition Index (PCI) of 74 in 2022, only 1 point away from the Council's target goal of 75 by 2026.
- Completed the Fremont Avenue Pavement Rehabilitation Project, including bike lanes and pedestrian improvements.
- Completed an improved Cuesta Drive Traffic Calming Project that responds to the needs of the neighborhood and greater Los Altos community, while maintaining safe passage for emergency services vehicles
- Installed bike lane improvements on Almond Avenue, Covington Road, and Homestead Road, including Los Altos' first two-way cycle-track and bike signal on Almond Ave
- Secured a \$7.3M grant for the design and construction of the CSMP's top ranked bicycle improvement infrastructure project – protected bikeways along N. San Antonio Rd
- Received Caltrans approval and funding for protected bikeways along El Camino Real with planned construction in Fall 2023
- Continued implementation of citywide bicycle and pedestrian improvements along key corridors and school routes totaling 20 lane-miles of new bicycle and pedestrian facilities since 2020
- Implementation of Los Altos' first Bicycle Boulevards on St Joseph Avenue and Eva Ave
- Expansion of the Safe Routes to School (SRTS) program to include an advisory committee, monthly messaging for schools, active transportation champion toolkit, bike safety curriculum, yard sign campaign, bike light giveaway, bike rodeos, video messaging to parents regarding school commute and driver behavior guidelines, collaboration with Mountain View, Cupertino and Palo Alto, and development of branded SRTS content.
- Successful completion of the City's most robust Bike Month event calendar (May 2023) yet including Family Bike Days, Bike to Work and Bike to Wherever Days, Bike to School Day, energizer stations, school challenges, a Downtown Bike & Dine event, and coordination with key stakeholders.
- Initial build and ongoing maintenance of Citywide traffic model, use of model for development traffic impact analyses
- Relocation of the Walter Singer Bust sculpture to Lincoln Park



- Performed 1,240 plan checks, inspected 2,222 construction sites, and issued 3,555 permits (i.e., excavation, lane closure, encroachment, special encroachment, parking)
- Responded to more than 100 community requests.

Street Maintenance Division

- Crack-sealed 21 lane miles of City roads, reducing asphalt deterioration, and prolonging the life of the roads.
- Removed and replaced 3,000 SF of failed asphalt on City roadways.
- Overlayed 10,000 SF of roadway to eliminate irregularities and improve drivability.
- Responded to and repaired 200 potholes within 24 hours of reporting.
- Filled, sealed, and paved over three large abandoned septic tanks in the roadway and public right of way—one located at Crist and Farndon and two in Parking Plaza #1.
- Cleaned and inspected 1,950 storm water catch basins in FY 2021/22 and 1,200 in FY 2022/23, minimizing localized flooding during severe weather events.
- Located and cleared vegetation from 146 storm water outfalls into City Creeks each year, minimizing major flooding risk during severe storms.
- Replaced all high-pressure sodium halide streetlamps on State Street with energy efficient LED lighting.
- Installed book drop boxes at Main and Woodland Library.
- Installed a drainage system around the perimeter of the Halsey House to prevent water infiltration and to protect against future flooding in the area.
- Responded to and completed over 150 online community requests.

Strategies & Goals for FY2023-24

SO

- Continue to implement the Annual Street Resurfacing, Slurry Seal, and Restriping Projects to maintain streets and alleyways around Los Altos, with the intention to reach the City Council goal of increasing the citywide Pavement Condition Index (PCI) from a score of 68 to 75 by year 2026. *City Council Priority – Asset Management*
- Complete the design and begin the construction of the San Antonio Road Complete Streets Project. *City Council Priority – Community Safety*
- Develop a plan to address long-term cumulative traffic impacts from development projects. *City Council Priority – Environmental Sustainability*
- Complete the design and construction of a new Emergency Operations Center. *City Council Priority – Community Safety*
- Complete the design and construction of the City Hall expansion into the Los Altos Youth Center. *City Council Priority – Asset Management*
- Complete the construction of the Fremont Pedestrian Bridge Rehabilitation Project. *City Council Priority – Community Safety*
- Complete the construction of the Lighted Pedestrian Crosswalks Rehabilitation Project. *City Council Priority – Community Safety*
- Complete First Street Streetscape Concept Plan and Development Guidelines. *City Council Priorities – Business Communities; Community Safety*
- Complete installation of the protected bikeway along El Camino Real. *City Council Priority – Community Safety*

- Develop and adopt Objective Transportation Standards for private development by December 2023. *City Council Priorities – Community Safety; Environmental Sustainability*
- Conduct a Traffic Impact Fee update and a plan for annual TIF updates. *City Council Priorities – Community Safety; Environmental Sustainability*
- Revise the Congestion Management Plan and Traffic Calming Toolkit. *City Council Priorities – Environmental Sustainability; Community Safety*
- Continue to implement Complete Streets Master Plan priority projects. *City Council Priority – Community Safety*
- Maintain citywide traffic model to reflect current conditions for accurate and efficient traffic impact analyses. *City Council Priorities – Environmental Sustainability; Community Safety*
- Develop an annual plan for Bike Month activities. *City Council Priorities – Environmental Sustainability; Community Safety*
- Increase share of students walking and biking to school by 10% from 2021 data collection baseline. *City Council Priorities – Environmental Sustainability; Community Safety*
- Continue to expand the Safe Routes to School education and encouragement program with the development of new materials. *City Council Priority – Community Safety*
- Construct the Hetch Hetchy Pathway Accessibility project construction. *City Council Priority – Community Safety*

Street Maintenance Division

- Remove and replace 16,000 SF of failed asphalt on roadways. *City Council Priorities – Asset Management; Community Safety*
- Overlay 24,000 SF of roadway to eliminate irregularities and improve drivability. *City Council Priorities – Asset Management; Community Safety*
- Crack-seal 40 lane miles of City roads, reducing asphalt deterioration, and prolonging the life of the roads. *City Council Priorities – Asset Management; Community Safety*
- Continue to respond to and repair potholes within 24 hours of reporting. *City Council Priorities – Asset Management; Community Safety*
- Clean and inspect all 1,350-storm water catch basins in the system each year to minimize localized flooding during severe weather events. *City Council Priority – Neighborhood Safety Infrastructure*
- Locate and clear vegetation from all 146 storm water outfalls in City Creeks each year, to minimize the risk of major flooding during severe storms. *City Council Priority – Neighborhood Safety Infrastructure*
- Continued installation and replacement regulatory, street name, and wayfinding signs to improve road safety. *City Council Priorities – Asset Management; Community Safety*
- Complete conversion of all Downtown street lights to energy efficient LED lighting. *City Council Priorities – Environmental Sustainability; Community Safety; Business Communities*

Program Performance Measurement

City Council Priorities: Asset Management, Community Safety, Neighborhood Safety Infrastructure

Activity	Measurement Method	FY2020-21	FY2021-22	FY2022-23
1. Asset Management				
a. Pavement Condition Index	Detailed visual inspection	NA*	NA*	74
b. Permits Issued (excavation, lane closure, encroachment, special encroachment, parking)	Trakit	>1,000	1,531	2,024
c. Transportation Grant Funding Received/Managed	Track allocations	\$2,224,129	\$2,893,001	\$2,428,489
2. Community Safety				
a. Potholes Repaired	Track	NA	NA	200
b. Pavement Cracks-Sealed (lane miles)	Track	NA	14	7
c. Regulatory, Street & Wayfinding Signs Replaced	Track	NA	NA	NA
d. Community Requests Completed	Track	NA	NA	>150
3. Neighborhood Safety Infrastructure				
a. Storm Drains Cleaned	Track	1,950	1,950	1,200
b. Storm Water Outfalls Cleared	Track	NA	NA	146
c. Number of Land Development Plan Checks	Trakit	700	455	785
d. Number of Construction Site Inspections	Trakit	1,300	827	1,395

*The PCI was estimated to be 68 in FY-19/20. It was not analyzed in FYs 20/21 and 21/22.

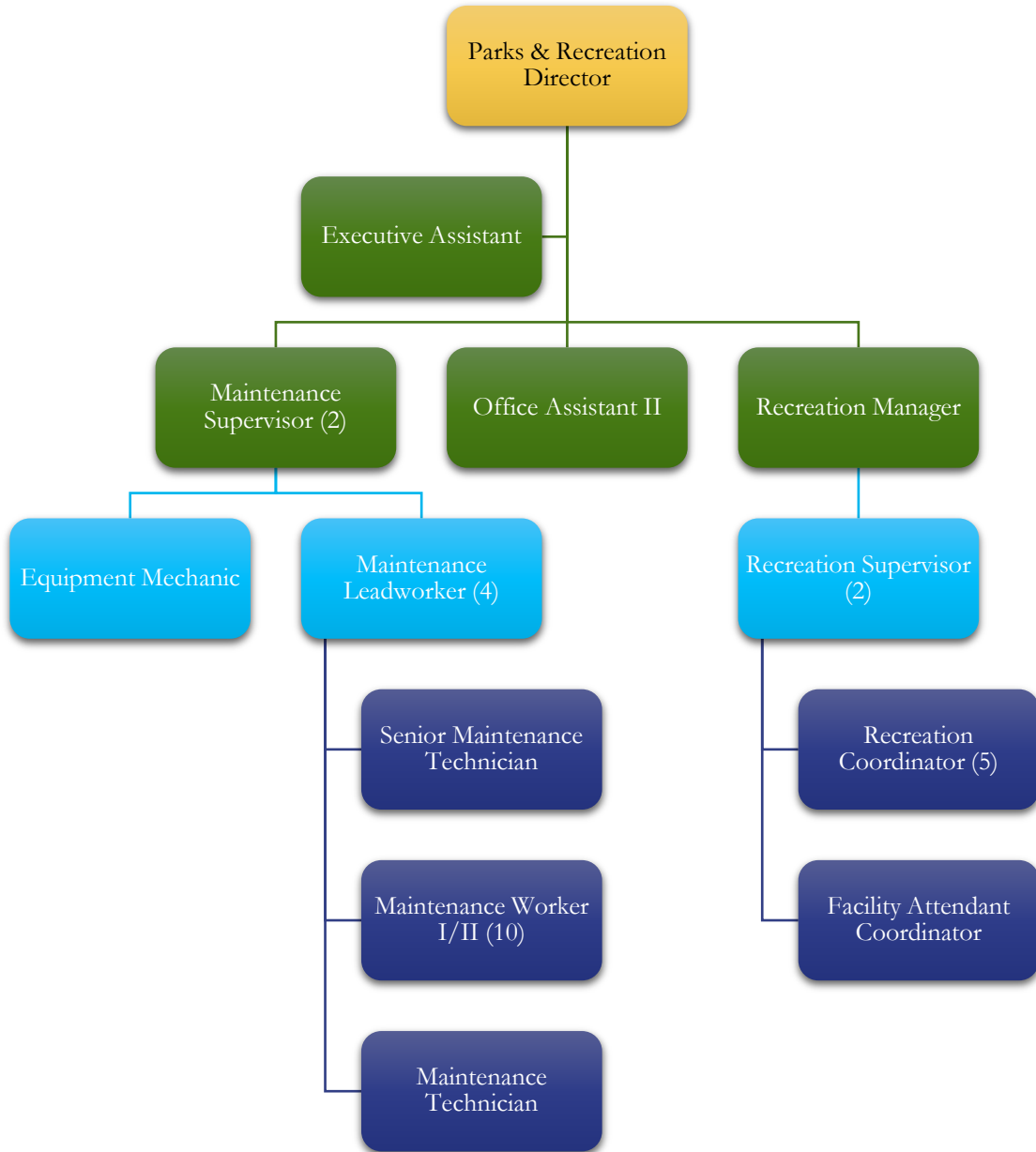
Position Summary

Department Authorized Position Title	Final Positions FY2020-21	Final Positions FY2021-22	Adopted Positions FY2022-23	Proposed Positions FY2023-24	Position Changes FY2023-24
Public Works Director	-	-	1.00	1.00	-
Capital Improvement Projects Manager	-	-	1.00	1.00	-
Engineering Services Manager	-	-	1.00	1.00	-
Transportation Services Manager	-	-	1.00	1.00	-
Projects Manager	-	-	1.00	1.00	-
Associate Civil Engineer	-	-	1.00	1.00	-
Assistant Civil Engineer	-	-	1.00	1.00	-
Construction Inspector	-	-	1.00	1.00	-
Junior Engineer	-	-	-	1.00	1.00
Executive Assistant	-	-	1.00	-	(1.00)
Maintenance Supervisor	-	-	1.00	1.00	-
Maintenance Lead Worker	-	-	1.00	1.00	-
Maintenance Technician	-	-	1.00	1.00	-
Maintenance Worker I/II	-	-	3.00	3.00	-
Public Works Total	-	-	15.00	15.00	-

BUDGET SUMMARY

Expenditures	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Estimate	FY 2023-24 Proposed
Salaries & Benefits	2,543,537	2,892,676	2,988,021	3,257,479	2,658,561
Services & Supplies	637,666	661,088	976,703	1,446,828	1,367,611
Internal Service allocation	240,868	291,227	479,549	437,767	482,900
Capital Outlay	-	223	446	-	-
Total	3,422,071	3,845,214	4,444,720	5,142,074	4,509,072
Revenue Source					
General Fund	3,418,468	3,831,448	4,130,168	4,349,852	3,643,505
Sewer Service Fund	-	-	-	-	219,625
Solid Waste Fund	3,603	13,766	314,551	792,222	645,942
Total	3,422,071	3,845,214	4,444,720	5,142,074	4,509,072

Parks & Recreation



Mission

The Parks & Recreation Department strives to enrich the Los Altos community through active participation in life-long learning, health and wellness, community involvement, and recreation activities and events. The department also serves the community by providing preventative and on-call maintenance to the city's parks, trees, outdoor and indoor facilities, fleet, and equipment.

Department Description

The Parks & Recreation Department offers a wide variety of services, facilities, and recreational opportunities for the Los Altos community. This includes: tree maintenance; park maintenance (52.5 acres of City parks, 42 acres of street and boulevard median/shoulder landscaping, all downtown trees/landscaping/pots); facility maintenance (primary lighting, electrical, HVAC, and plumbing for 168,000 square feet of facilities); automotive and equipment maintenance (45 vehicles, 65 pieces of other equipment, and 26 patrol cars/other vehicles); and recreational classes, programs, and activities for all ages, interests and abilities (pre-k, youth, teen, adults and adult 50+) which include but are not limited to—park and facility rentals, a recreation-based preschool-age program, a teen program, an active adult 50+ program, volunteer opportunities, contract classes and camps, and an array of free community events (Fun Run, Spring Egg Hunt, Family Fun Days, Summer Concerts, Glorious 4th, Los Altos vs. Los Altos Hills Softball Game, Movie Night, Gingerbread Exhibit). The department also coordinates 3 City Commissions: Library, Parks & Recreation, and Senior.

Program Summary & Major Services

Parks & Recreation Department major services include: tree maintenance, park maintenance, facility maintenance, automotive and equipment maintenance, recreation classes and programs for all ages, park and facility rentals, recreation-based preschool-age program, teen program, adult 50+ program, volunteer opportunities, contract classes and camps, and free community events.



The Parks & Recreation budget for 2023/24 reflects a balanced approach to department expenditures—which continues quality maintenance services and standards, while also utilizing an effective combination of internal and contracted classes, programs, and services. The budget reflects movement towards pre-Pandemic funding levels for supplies, facility requirements and needs to support the increased community participation in classes, programs, and events, in addition to an expansion of full and part-time staff to achieve additional operational and programming hours for the Los Altos Community Center. The department operates in a friendly, professional manner with a strong focus on providing the Los Altos community with outstanding customer

service. The department endeavors to anticipate, adapt, and keep pace with the ever-changing trends, community needs, and priorities.

The Parks & Recreation Department will also focus on a variety of Capital Improvement Program (CIP) projects to enhance the facilities and amenities available to the Los Altos community. This includes but is not limited to improvements to Grant Park facility, community outreach and design of the permanent Hillview Dog Park, expansion of reservable picnic areas, and replacement of playground structures.

Through innovation and with a strong sense of teamwork, the Parks & Recreation Department will continue to transition out of the COVID-19 Pandemic and build our programs and services. The department will optimize equal access to the modern, state-of-the-art, sustainable Los Altos Community Center by creating community through people, parks, and programs.

Accomplishments for FY2022-23

General

- Transitioned to become the Parks & Recreation Department, formerly Recreation & Community Services and 2 divisions of Maintenance Services (Parks, and Facilities & Fleet).
- Implemented the new Facility Fee Waiver policy to provide greater access to city facilities for non-profits.

Asset Management

- Replaced all HVAC units at the History Museum and completed flooring renovation at City Hall.

Community Safety

- Provided outstanding service and support through multiple storm events and an unprecedented power outage by maintaining core services through street clearing, equipment maintenance (i.e., tools, generators, vehicles), and access to city facilities for public charging.
- Developed and implemented a new series of community events, Family Fun Days, which brought over 4,000 community members to the Los Altos Community Center.
- Reestablished the Teen Program to include drop-in hours in the Juniper Room, and a variety of events and collaborations focused on the teen community.
- Established a robust indoor pickleball program at Egan Gym.
- Successfully reinstated Redwood Grove Summer Camp after a 2-year hiatus due to the COVID-19 Pandemic.
- Reinstated senior program membership through the “Premiere Passport” which provides benefits to the senior community through class discounts, and free access to a variety of programs and perks.



Environmental Sustainability

- Collaborated with Greentown to add or replace trees within Los Altos.
- Purchased the first all-electric City vehicle – Chevy Bolt for department use.
- Parks Division has transitioned to use 60% of all electric tools.
- Transitioned all tennis court lighting to LED.

Neighborhood Safety and Infrastructure

- With consideration to public input, installed 2 fenced in dog park locations – Hillview and McKenzie.
- Installed 6 outdoor pickleball courts at McKenzie Park to facilitate shared use through a pilot program.

Strategies & Goals for FY2023-24

General

- Evaluate Pilot Pickleball Program at McKenzie Park and determine recommendations as appropriate.
- Establish a cost recovery model and work to align revenue with those standards.



Asset Management

- Work with Public Works to prioritize and execute Capital Improvement Program.
- Establish and implement preventative maintenance schedules to improve asset management, in addition to city facilities and infrastructure.

Community Safety

- Expand operational and programming hours at the Los Altos Community Center.
- Collaborate with Parks & Recreation Commission on community events.
- Expand the variety and number of classes and camps offered to increase community engagement.
- Enhance marketing to increase participation in the Teen Program, as well as park and facility reservations by 15%.
- Reinstate the production of the Activity Guide, which provides class registration and event information, in addition to community resource information, beginning with Winter 2024.

Environmental Sustainability

- Work with Environmental Services and Utilities Department to create infrastructure to support future city electric vehicle (EV) purchases and public access to EV charging.

Neighborhood Safety and Infrastructure

- Complete public outreach and design of the permanent Hillview Dog Park.

Program Performance Measurement

City Council Priorities: Asset Management

Activity	Measurement Method	FY2020-21	FY2021-22	FY2022-23
1. Recreation				
a. Classes/Programs	Count	1,298	2,164	2,500*
b. Facility Rentals	Count	1,269	1,108	1,200*
c. Field/Gymnasium Permits	Count	1,935	2,633	2,400
2. Parks/Facilities & Fleet				
a. Number of Parks	Count	10	10	10
b. Maintained Acreage	Acres	94.5	94.5	94.5
c. Maintained Facilities	Square footage	136,000	168,000**	168,000**

*Projected

**Actual square footage versus usable square footage

Position Summary

Department Authorized Position Title	Final Positions FY2020-21	Final Positions FY2021-22	Adopted Positions FY2022-23	Proposed Positions FY2023-24	Position Changes FY2023- 24
Parks & Recreation Director	1.00	1.00	1.00	1.00	-
Recreation Director	1.00	1.00	-	-	-
Recreation Manager	1.00	1.00	1.00	1.00	-
Recreation Supervisor	1.00	2.00	2.00	2.00	-
Recreation Coordinator	3.00	5.00	5.00	5.00	-
Executive Assistant	1.00	1.00	1.00	1.00	-
Office Assistant II	-	1.00	1.00	1.00	-
Clerical Assistant II (part time – remove)	1.00	-	-	-	-
Facilities Attendant Coordinator	-	-	-	1.00	1.00
Facility Coordinator	1.00	-	-	-	-
Maintenance Supervisor	4.00	4.00	2.00	2.00	-
Maintenance Lead worker	6.00	6.00	4.00	4.00	-
Senior Maintenance Technician	-	1.00	1.00	1.00	-
Maintenance Technician	2.00	1.00	1.00	1.00	-
Maintenance Worker I/II	8.00	17.00	10.00	10.00	-
Equipment Mechanic	1.00	1.00	1.00	1.00	-
Parks & Recreation Total	31.00	42.00	30.00	31.00	1.00

Budget Summary

Expenditures	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Estimate	FY 2023-24 Proposed
Salaries & Benefits	3,780,348	3,698,385	4,294,314	4,052,068	4,770,785
Services & Supplies	2,431,490	2,140,880	2,395,502	2,954,540	3,145,110
Internal Service allocation	392,875	409,513	522,084	526,240	745,967
Capital Outlay	-	-	-	43,377	500
Total	6,604,713	6,248,778	7,211,901	7,576,225	8,662,362
Revenue Source					
General Fund	6,604,713	6,248,778	7,211,901	7,576,225	8,634,057
Sewer Service Fund	-	-	-	-	15,615
Solid Waste Fund	-	-	-	-	12,690
Total	6,604,713	6,248,778	7,211,901	7,576,225	8,662,362

CAPITAL IMPROVEMENT AND MAJOR MAINTENANCE PROGRAM

- Overview
- Projects by Category
- Projects by Funding Source
- CIP Project Detail Pages

Overview

The City of Los Altos prepares the Capital Budget as part of the Operating Budget, which appropriates funds for specific programs and projects. The Capital Improvement Program budget is reviewed annually to enable the City Council to reassess projects in the program.

A capital project typically involves the purchase or construction of major fixed assets such as land, buildings and any permanent improvement including additions, replacements and major alterations having a long-life expectancy. Additionally, capital projects may apply to 1) expenditures which take place over two or more years and require continuing appropriations beyond a single fiscal year; 2) systematic acquisitions over an extended period of time or 3) scheduled replacement of specific elements of physical assets. Generally, only those items costing \$10,000 or more are considered as capital projects.

The City also identifies projects in the Major Maintenance Program each year. Those projects mainly apply 1) upgrade and maintain buildings & transportation corridors at current, competitive standards; 2) address code and safety issues, mechanical, electrical, and plumbing systems, exterior and structural shortcomings, cosmetics, and immediate landscape issues; 3) dollars should extend the life of whatever is being corrected for cycle of life designated for the building (typically ten years).

In FY 2023-24, the City appropriates \$29,312,759, 72 projects in Capital Improvement and Major Maintenance Program. All Capital Improvement projects are nonrecurring capital expenditures, and all Major Maintenance Projects are recurring expenditures.

Projects by Category

Categories	Project #	Project Name	Rollover	FY 23-24 Proposed	FY 24-25 Proposed	FY 25-26 Proposed	FY 26-27 Proposed	FY 27-28 Proposed
Civic Facilities-Buildings			10,000	8,563,000	335,000	10,000	10,000	10,000
	CF-01004	Halsey House Rehabilitation	-	10,000	10,000	10,000	10,000	10,000
	CF-01006	999 Fremont	10,000	100,000	-	-	-	-
	CF-01011	City Hall Emergency Back-up Power Generator	-	-	225,000	-	-	-
	CF-01013	MSC Fuel-Dispensing Station Overhead Canopy	-	-	100,000	-	-	-
	CF-01021	Emergency Operations Center	-	2,950,000	-	-	-	-
	CF-01042	Garden House Upgrades	-	285,000	-	-	-	-
	CF-01043	San Antonio Club Upgrades	-	-	-	-	-	-
	CF-01044	City Hall Expansion into Los Altos Youth Center	-	5,050,000	-	-	-	-
	CF-01045	Police Station Redevelopment	-	50,000	-	-	-	-
	CF-01046	Police Department Building AC Units	-	15,000	-	-	-	-
	CF-01047	Police Department Building Security Upgrades	-	20,000	-	-	-	-
	CF-01049	Caretaker House Demolition	-	60,000	-	-	-	-
	CF-01051	Laundry Hook-up for Washer/Dryer at LACC	-	23,000	-	-	-	-
Civic Facilities-Parks and Trails			475,000	3,115,000	2,133,000	1,270,000	-	-
	CF-01009	Annual Pathway Rehabilitation	300,000	250,000	250,000	250,000	-	-
	CF-01028	Designated Picnic Area	-	70,000	-	-	-	-
	CF-01030	Drainage and Drinking Fountains	-	180,000	-	-	-	-
	CF-01032	Hillview Dog Park	75,000	1,000,000	-	-	-	-
	CF-01034	Grant Park Facility (Electrical, Hot Water, & HVAC)	100,000	500,000	400,000	-	-	-
	CF-01035	Rebuild Grant Park Basketball Court	-	200,000	-	-	-	-
	CF-01037	McKenzie Dog Park	-	150,000	400,000	-	-	-

Projects by Category

Categories	Project #	Project Name	Rollover	FY 23-24 Proposed	FY 24-25 Proposed	FY 25-26 Proposed	FY 26-27 Proposed	FY 27-28 Proposed
	CF-01038							
		Shoup Park Playground	-	242,000	828,000	-	-	-
	CF-01039							
		Marymeade Playground	-	-	110,000	440,000	-	-
	CF-01040							
		McKenzie Playground	-	-	145,000	580,000	-	-
	CF-01041							
		Hillview Fitness Equipment	-	145,000	-	-	-	-
	CF-01048							
		Hetch Hetchy Trail Vegetation and Tree Removal	-	275,000	-	-	-	-
	CF-01050							
		Historic Apricot Orchard Irrigation Installation	-	75,000	-	-	-	-
	CF-01052							
		Community Garden - LACC	-	28,000	-	-	-	-
Community Development			164,578	10,000	10,000	10,000	-	-
	CD-01003							
		Public Arts Program	154,578	10,000	10,000	10,000	-	-
	CD-01009							
		Walter Singer Bust Relocation	10,000	-	-	-	-	-
Downtown Development			-	513,000	250,000	100,000	-	-
	CD-01017							
		First Street Streetscape Design-Phase II	-	338,000	-	-	-	-
	CD-01025							
		Downtown Lighting Improvements	-	100,000	100,000	100,000	-	-
	CD-01026							
		Downtown Trash Recepticle Design	-	35,000	-	-	-	-
	CD-01027							
		Downtown Wireless Improvement	-	-	100,000	-	-	-
	CD-01028							
		Downtown Pothole Improvement	-	25,000	25,000	-	-	-
	CD-01029							
		Downtown Bicycle Parking Installation	-	15,000	25,000	-	-	-
Equipment & Vehicles			-	545,000	-	-	-	-
	PD-01001							
		ALPR Camera	-	45,000	-	-	-	-
	WW-01014							
		Vac-Con Replacement	-	500,000	-	-	-	-
Infrastructure			-	15,000	1,385,000	-	-	-
	CD-01018							
		Downtown Lighting Cabinet Replacement	-	-	100,000	-	-	-
	CF-01018							
		MSC Parking Lot Resurfacing	-	15,000	1,285,000	-	-	-
Studies			500,000	-	500,000	500,000	500,000	-
	CD-01024							
		General Plan	500,000	-	500,000	500,000	500,000	-

Projects by Category

Categories	Project #	Project Name	Rollover	FY 23-24 Proposed	FY 24-25 Proposed	FY 25-26 Proposed	FY 26-27 Proposed	FY 27-28 Proposed
Technology			1,050,704	496,779	100,000	-	-	-
	CD-01006	Police Records Management & Dispatch System	-	246,779	-	-	-	-
	CD-01008	IT Initiatives	453,364	-	-	-	-	-
	CD-01019	Public Works Electronic Document Management	-	-	100,000	-	-	-
	CD-01021	Community Meeting Chambers AV Equipment	247,340	50,000	-	-	-	-
	CF-01036	New Financial System	350,000	100,000	-	-	-	-
	WW-01013	Document Scanning	-	100,000	-	-	-	-
Transportation-Pedestrian/Bicycle Safety			417,883	1,705,000	8,322,620	900,000	925,000	575,000
	TS-01005	Annual Concrete Repair	236,743	175,000	200,000	225,000	250,000	250,000
	TS-01006	Annual Traffic Sign Replacement	100,091	100,000	200,000	225,000	250,000	250,000
	TS-01008	Annual ADA Improvements (Streets and Roadways)	81,049	30,000	50,000	50,000	75,000	75,000
	TS-01014	Carmel Terrace Sidewalk Gap Closure	-	-	150,000	250,000	-	-
	TS-01051	University Ave & Milverton Road Sidewalk Gap Closi	-	-	-	150,000	350,000	-
	TS-01062	San Antonio Road Complete Street Project	-	1,400,000	7,722,620	-	-	-
Transportation-Streets/Roadways			-	3,933,550	5,325,000	4,350,000	4,475,000	4,375,000
	TS-01001	Annual Street Resurfacing	-	1,857,816	2,925,000	2,925,000	2,925,000	2,925,000
	TS-01003	Annual Street Striping	-	250,000	250,000	275,000	300,000	300,000
	TS-01004	Annual Street Slurry Seal	-	750,000	1,150,000	1,150,000	1,150,000	1,150,000
	TS-01009	Annual City Alley Resurfacing	-	-	100,000	-	100,000	-
	TS-01055	Fremont Ave Pedestrian Bridge Rehabilitation	-	366,000	-	-	-	-
	TS-01057	In-Road Light System Maintenance	-	580,000	-	-	-	-
	TS-01058	Intersection Access Barrier Removal	-	129,734	-	-	-	-
	TS-01061	Foothill Expressway Widening from Homestead Roa	-	-	250,000	-	-	-
	TS-01063	Traffic Signal Enhancements-Battery Backup & Vide	-	-	450,000	-	-	-

Projects by Category

Categories	Project #	Project Name	Rollover	FY 23-24 Proposed	FY 24-25 Proposed	FY 25-26 Proposed	FY 26-27 Proposed	FY 27-28 Proposed
	TS-01064							
		Cristo Rey Guard Rail Repair Project	-	-	200,000	-	-	-
Wastewater Systems			6,259,165	2,064,100	4,672,000	5,509,000	4,685,000	5,511,000
	WW-01001							
		Annual Sewer System Repair Program	1,946,365	650,000	660,000	670,000	670,000	670,000
	WW-01002							
		Annual Structural Reach Replacement	2,000,000	600,000	800,000	800,000	800,000	800,000
	WW-01003							
		Annual Root Foaming	-	300,000	250,000	250,000	250,000	250,000
	WW-01005							
		Annual CIPP Corrosion Replacement	1,271,859	340,000	300,000	1,200,000	300,000	1,200,000
	WW-01006							
		Annual Fats, Oils, Grease Program (FOG)	60,000	70,000	72,000	74,000	75,000	76,000
	WW-01008							
		Annual GIS Updates	-	83,000	75,000	75,000	75,000	75,000
	WW-01009							
		Sewer System Management Plan Update	41,550	21,100	75,000	-	75,000	-
	WW-01011							
		Sanitary Sewer Video Inspection	516,406	-	440,000	440,000	440,000	440,000
	WW-01012							
		Adobe Creek Sewer Main Replacement	422,985	-	2,000,000	2,000,000	2,000,000	2,000,000
Grand Total			8,877,330	20,960,429	23,032,620	12,649,000	10,595,000	10,471,000

Projects by Funding Source

Fund Title	Project #	Project Name	Rollover	Sum of Fund 23-24	Sum of Fund 24-25	Sum of Fund 25-26	Sum of Fund 26-27	Sum of Fund 27-28
General Fund	CD-01024	General Plan	500,000	-	500,000	500,000	500,000	-
	CD-01018	Downtown Lighting Cabinet Replacement	-	-	100,000	-	-	-
	CD-01019	Public Works Electronic Document Management	-	-	100,000	-	-	-
	CF-01004	Halsey House Rehabilitation	-	10,000	10,000	10,000	10,000	10,000
	CF-01006	999 Fremont	10,000	100,000	-	-	-	-
	CF-01011	City Hall Emergency Back-up Power Generator	-	-	225,000	-	-	-
	CF-01013	MSC Fuel-Dispensing Station Overhead Canopy	-	-	100,000	-	-	-
	CF-01018	MSC Parking Lot Resurfacing	-	15,000	1,285,000	-	-	-
	CF-01021	Emergency Operations Center	-	2,350,000	-	-	-	-
	CF-01044	City Hall Expansion into Los Altos Youth Center	-	5,050,000	-	-	-	-
	CF-01045	Police Station Redevelopment	-	50,000	-	-	-	-
	CF-01046	Police Department Building AC Units	-	15,000	-	-	-	-
	CF-01047	Police Department Building Security Upgrades	-	20,000	-	-	-	-
	TS-01001	Annual Street Resurfacing	-	-	1,050,000	1,050,000	1,050,000	1,050,000
	TS-01004	Annual Street Slurry Seal	-	-	800,000	800,000	800,000	800,000
	TS-01009	Annual City Alley Resurfacing	-	-	100,000	-	100,000	-
	TS-01014	Carmel Terrace Sidewalk Gap Closure	-	-	150,000	250,000	-	-
	TS-01051	University Ave & Milverton Road Sidewalk Gap Closure Project	-	-	-	150,000	350,000	-
	TS-01055	Fremont Ave Pedestrian Bridge Rehabilitation	-	366,000	-	-	-	-
	TS-01057	In-Road Light System Maintenance	-	135,000	-	-	-	-
	TS-01061	Foothill Expressway Widening from Homestead Road to I-280	-	-	250,000	-	-	-
	TS-01062	San Antonio Road Complete Street Project	-	-	1,544,524	-	-	-
	TS-01064	Cristo Rey Guard Rail Repair Project	-	-	200,000	-	-	-
	General Fund Total			510,000	8,111,000	6,414,524	2,760,000	2,810,000
Downtown Parking	CD-01025	Downtown Lighting Improvements	-	100,000	100,000	100,000	-	-
	CD-01026	Downtown Trash Receptacle Design	-	35,000	-	-	-	-
	CD-01027	Downtown Wireless Improvement	-	-	100,000	-	-	-
	CD-01028	Downtown Pothole Improvement	-	25,000	25,000	-	-	-
Downtown Parking Total			-	160,000	225,000	100,000	-	-
Equipment Replacement	CD-01006	Police Records Management & Dispatch System	-	246,779	-	-	-	-
	WW-01014	Vac-Con Replacement	-	500,000	-	-	-	-
	PD-01001	ALPR Camera	-	45,000	-	-	-	-
Equipment Replacement Total			-	791,779	-	-	-	-
Gas Tax	TS-01001	Annual Street Resurfacing	-	400,000	400,000	400,000	400,000	400,000
	TS-01003	Annual Street Striping	-	150,000	150,000	150,000	150,000	150,000
	TS-01004	Annual Street Slurry Seal	-	350,000	350,000	350,000	350,000	350,000
Gas Tax Total			-	900,000	900,000	900,000	900,000	900,000
In-Lieu Park	CF-01009	Annual Pathway Rehabilitation	300,000	250,000	250,000	250,000	-	-
	CF-01021	Emergency Operations Center	-	600,000	-	-	-	-
	CF-01028	Designated Picnic Area	-	70,000	-	-	-	-
	CF-01030	Drainage and Drinking Fountains	-	180,000	-	-	-	-
	CF-01032	Hillview Dog Park	75,000	1,000,000	-	-	-	-
	CF-01034	Grant Park Facility (Electrical, Hot Water, & HVAC)	100,000	500,000	400,000	-	-	-
	CF-01035	Rebuild Grant Park Basketball Court	-	200,000	-	-	-	-
	CF-01037	McKenzie Dog Park	-	150,000	400,000	-	-	-
	CF-01038	Shoup Park Playground	-	242,000	828,000	-	-	-
	CF-01039	Marymeade Playground	-	-	110,000	440,000	-	-
	CF-01040	McKenzie Playground	-	-	145,000	580,000	-	-
	CF-01041	Hillview Fitness Equipment	-	145,000	-	-	-	-
	CF-01042	Garden House Upgrades	-	285,000	-	-	-	-
	CF-01043	San Antonio Club Upgrades	-	-	-	-	-	-
	CF-01048	Hetch Hetchy Trail Vegetation and Tree Removal	-	275,000	-	-	-	-
	CF-01049	Caretaker House Demolition	-	60,000	-	-	-	-
	CF-01050	Historic Apricot Orchard Irrigation Installation	-	75,000	-	-	-	-
CF-01051	Laundry Hook-up for Washer/Dryer at LACC	-	23,000	-	-	-	-	

Projects by Funding Source

Fund Title	Project #	Project Name	Rollover	Sum of Fund 23-24	Sum of Fund 24-25	Sum of Fund 25-26	Sum of Fund 26-27	Sum of Fund 27-28
In-Lieu Park	CF-01052	Community Garden - LACC	-	28,000	-	-	-	-
In-Lieu Park Total			475,000	4,083,000	2,133,000	1,270,000	-	-
Measure B	TS-01001	Annual Street Resurfacing	-	675,000	675,000	675,000	675,000	675,000
Measure B Total			-	675,000	675,000	675,000	675,000	675,000
OBAG	TS-01062	San Antonio Road Complete Street Project	-	1,120,000	6,178,096	-	-	-
OBAG Total			-	1,120,000	6,178,096	-	-	-
PEG Fees	CD-01021	Community Meeting Chambers AV Equipment	247,340	50,000	-	-	-	-
PEG Fees Total			247,340	50,000	-	-	-	-
Public Art	CD-01003	Public Arts Program	154,578	10,000	10,000	10,000	-	-
	CD-01009	Walter Singer Bust Relocation	10,000	-	-	-	-	-
	CD-01029	Downtown Bicycle Parking Installation	-	15,000	25,000	-	-	-
Public Art Total			164,578	25,000	35,000	10,000	-	-
SB1	TS-01001	Annual Street Resurfacing	-	782,816	800,000	800,000	800,000	800,000
SB1 Total			-	782,816	800,000	800,000	800,000	800,000
TDA Article III Grant	TS-01058	Intersection Access Barrier Removal	-	129,734	-	-	-	-
TDA Article III Grant Total			-	129,734	-	-	-	-
Technology	CD-01008	IT Initiatives	453,364	-	-	-	-	-
	CF-01036	New Financial System	350,000	100,000	-	-	-	-
Technology Total			803,364	100,000	-	-	-	-
Traffic Impact Fees	TS-01005	Annual Concrete Repair	236,743	175,000	200,000	225,000	250,000	250,000
	TS-01006	Annual Traffic Sign Replacement	100,091	100,000	200,000	225,000	250,000	250,000
	TS-01057	In-Road Light System Maintenance	-	445,000	-	-	-	-
	TS-01062	San Antonio Road Complete Street Project	-	280,000	-	-	-	-
	TS-01063	Traffic Signal Enhancements-Battery Backup & Video Detection	-	-	450,000	-	-	-
Traffic Impact Fees Total			336,834	1,000,000	850,000	450,000	500,000	500,000
Vehicle Registration Fees	CD-01017	First Street Streetscape Design-Phase II	-	338,000	-	-	-	-
	TS-01003	Annual Street Striping	-	100,000	100,000	125,000	150,000	150,000
	TS-01004	Annual Street Slurry Seal	-	400,000	-	-	-	-
	TS-01008	Annual ADA Improvements (Streets and Roadways)	81,049	30,000	50,000	50,000	75,000	75,000
Vehicle Registration Fees Total			81,049	868,000	150,000	175,000	225,000	225,000
Sewer	WW-01001	Annual Sewer System Repair Program	1,946,365	650,000	660,000	670,000	670,000	670,000
	WW-01002	Annual Structural Reach Replacement	2,000,000	600,000	800,000	800,000	800,000	800,000
	WW-01003	Annual Root Foaming	-	300,000	250,000	250,000	250,000	250,000
	WW-01005	Annual CIPP Corrosion Replacement	1,271,859	340,000	300,000	1,200,000	300,000	1,200,000
	WW-01006	Annual Fats, Oils, Grease Program (FOG)	60,000	70,000	72,000	74,000	75,000	76,000
	WW-01008	Annual GIS Updates	-	83,000	75,000	75,000	75,000	75,000
	WW-01009	Sewer System Management Plan Update	41,550	21,100	75,000	-	75,000	-
	WW-01011	Sanitary Sewer Video Inspection	516,406	-	440,000	440,000	440,000	440,000
	WW-01012	Adobe Creek Sewer Main Replacement	422,985	-	2,000,000	2,000,000	2,000,000	2,000,000
	WW-01013	Document Scanning	-	100,000	-	-	-	-
Sewer Total			6,259,165	2,164,100	4,672,000	5,509,000	4,685,000	5,511,000
Grand Total			8,877,330	20,960,429	23,032,620	12,649,000	10,595,000	10,471,000

List of Capital Improvement & Major Maintenance Projects

- Civic Facilities – Buildings
- Civic Facilities – Parks & Trails
- Community Development
- Downtown Development
- Equipment & Vehicles
- Infrastructure
- Studies
- Technology
- Transportation – Pedestrian/Bicycle Safety
- Transportation – Streets/Roadways
- Wastewater Systems

Capital Improvement and Major Maintenance Program

Civic Facilities-Buildings

Project Name: Halsey House Rehabilitation **Project # :** CF-01004

Project Budget: \$50,000
Status: Ongoing
Department: Parks, Recreation, and Community Service/Maintenance
Location: Redwood Grove
Descriptions: The Facilities Maintenance Division manages the annual rat abatement contract and the fencing rental for the Halsey House.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-	10,000	10,000	10,000	10,000	10,000	50,000

Total	-	10,000	10,000	10,000	10,000	10,000	50,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Maintenance	-	10,000					10,000

Total	-	10,000	-	-	-	-	10,000
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Remaining budget: 40,000

Comments : The requested budget is for annual rat abatement and rental of the chain-link fence.

Capital Improvement and Major Maintenance Program

Civic Facilities-Buildings

Project Name: 999 Fremont **Project # :** CF-01006

Project Budget: \$110,000

Status: Construction

Department: Parks, Recreation, and Community Service/Maintenance

Location: 999 Fremont Ave.

Descriptions: The City-owned facility at 999 Fremont Ave. is currently unoccupied. The Los Altos Police Department plans to use it as a sub-station with a few interior upgrades that will allow officers better access to the south side of the city. The facility will have a reception area for the public along with workspace, fitness area and break area for officers. Funding for this project is to install a small kitchen space as well as a shower and changing space. Prior year funding added the walls that created the reception area.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	10,000	100,000					110,000

Total	10,000	100,000	-	-	-	-	110,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Construction	8,000						8,000
Construction		102,000					102,000

Total	8,000	102,000	-	-	-	-	110,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Buildings

Project Name: City Hall Emergency Back-up Power Generator **Project # :** CF-01011

Project Budget: \$225,000

Status: Future Project

Department: Parks, Recreation, and Community Service/Maintenance

Location: Los Altos City Hall

Descriptions: The existing stand-by generator at City Hall was installed in 1998 and was brought over from the Police Department. The City has been required by Bay Area Air Quality Management District (BAAQMD) and California Air Resources Board (CARB) to register the emergency generator under the Portable Equipment Registration Program. The generator is subject to unscheduled inspections by the State for compliance with emission requirements. While the existing generator is meeting the current emission requirements, it is aging and at risk of exceeding emission standards soon. A new more energy-efficient generator will meet all BAAQMD requirements and will be more cost-effective to operate.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-		225,000				225,000

Total	-	-	225,000	-	-	-	225,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design Admin	-		5,000				5,000
Design			20,000				20,000
Construction			200,000				200,000

Total	-	-	225,000	-	-	-	225,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Buildings

Project Name: MSC Fuel-Dispensing Station Overhead Canopy **Project # :** CF-01013

Project Budget: \$100,000

Status: Future Project

Department: Parks, Recreation, and Community Service/Maintenance

Location: City's Municipal Services Center (MSC)

Descriptions: The fuel dispensing island at the Municipal Services Center (MSC) has an above ground holding tank with containment wall around it. It is necessary to build a canopy to limit storm water entering the contained area and to provide cover for the fueling station to prevent excessive weathering of the electronic screens and keypads.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-		100,000				100,000

Total	-	-	100,000	-	-	-	100,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design Admin	-		5,000				5,000
Design			15,000				15,000
Construction			80,000				80,000

Total	-	-	100,000	-	-	-	100,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Buildings

Project Name: Emergency Operations Center **Project # :** CF-01021

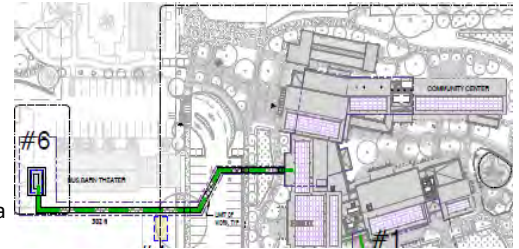
Project Budget: \$2,950,000

Status: Design

Department: Public Works/Engineering

Location: City of Los Altos

Descriptions: The Purpose of an Emergency Operations Center (EOC) is to provide a modernized facility and centralized location where emergency management coordination and decision making can be supported during a critical incident, major emergency, or disaster. The EOC will provide essential services to the public after a natural disaster as well as support a number of critical tasks such as monitoring activities related to emergency preparedness and provide a location for collecting and analyzing data to help make decisions that protect the City of Los Altos.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	600,000					600,000
General Fund		2,350,000					2,350,000
Total	-	2,950,000	-	-	-	-	2,950,000

Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Proj Admin	-	30,000					30,000
Construction		2,770,000					2,770,000
Construction Mgmt		150,000					150,000
Total	-	2,950,000	-	-	-	-	2,950,000

Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Buildings

Project Name: Garden House Upgrades **Project # :** CF-01042

Project Budget: \$285,000

Status: New

Department: Parks, Recreation, and Community Service/Maintenance

Location: Garden House

Descriptions: This project is to make basic upgrades to the main room and kitchen of the Garden House. The Garden house kitchen and main hall is rented on a regular basis and is highly desirable by the community based on its location and setting alongside Adobe creek. The kitchen is in need of cabinet, appliance and countertop updates, while the main event room is in need of new flooring, paint and window treatments.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	285,000					285,000

Total	-	285,000	-	-	-	-	285,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Construction	-	285,000					285,000

Total	-	285,000	-	-	-	-	285,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Buildings

Project Name: San Antonio Club Upgrades **Project # :** CF-01043

Project Budget: \$0

Status: On Hold

Department: Public Safety

Location: San Antonio Club

Descriptions: Upgrades to the interior and exterior of the historic facility.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
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In-Lieu Park	-	-					
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Total	-	-	-	-	-	-	-
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
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Total	-	-	-	-	-	-	-
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Buildings

Project Name:	City Hall Expansion into Los Altos Youth Center	Project # :	CF-01044
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Project Budget: \$5,050,000
Status: Design
Department: Public Works/Engineering
Location: Los Altos Youth Center
Descriptions: Construction of a code-compliant office conversion for LAYC to accommodate the space-needs of City Hall.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-	5,050,000					5,050,000

Total	-	5,050,000	-	-	-	-	5,050,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Proj Administration	-	40,000					40,000
Construction		4,760,000					4,760,000
Construction Mgmt		250,000					250,000

Total	-	5,050,000	-	-	-	-	5,050,000
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Remaining budget: -

Comments : Los Altos City Hall staff have outgrown the office space-needs to support the City Manager’s Office, Public Works Department, Development Services Department, Human Resources, IT, Finance Department, and City administrative staff. Accordingly, this project will all the City to meet the increased demand for office space.

Capital Improvement and Major Maintenance Program

Civic Facilities-Buildings

Project Name: Police Station Redevelopment **Project # :** CF-01045

Project Budget: \$50,000

Status: New

Department: Public Safety

Location: 999 Fremont Ave, Los Altos

Descriptions: 999 Fremont Ave is a City owned building which has sat vacant for several years. This facility is being updated to house a new Police substation and City employee gym. The facility requires some updating to the interior plumbing system and other minor infrastructure improvements to make it inhabitable for use and compliant with building codes.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-	50,000					50,000

Total	-	50,000	-	-	-	-	50,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Maintenance	-	50,000					50,000

Total	-	50,000	-	-	-	-	50,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Buildings

Project Name: Police Department Building AC Units **Project # :** CF-01046

Project Budget: \$15,000

Status: New

Department: Public Safety

Location: 1 N San Antonio Rd, Los Altos

Descriptions: The HVAC system in the Police facility is aging and requires continuous maintenance. Due to the age of the system, it is not sufficient to properly heat and cool all areas of the building evenly or adequately. When outside temperatures exceed a certain degree, the HVAC system fails and is unable to cool the interior of the building down to a level that is safe. Conversely, when outside temperatures drop below a certain degree, the current HVAC system is unable to sufficiently warm the interior of the building to a level that is safe and bearable. Therefore, individual dual purpose heating and cooling units are needed throughout the building to ensure that interior temperatures are safe for employees to work in.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-	15,000					15,000

Total	-	15,000	-	-	-	-	15,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
	-						

Total	-	-	-	-	-	-	-
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Remaining budget: 15,000

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Buildings

Project Name:	Police Department Building Security Upgrades	Project # :	CF-01047
Project Budget:	\$20,000		
Status:	New		
Department:	Public Safety		
Location:	1 N San Antonio Rd, Los Altos		
Descriptions:	The security glass surrounding the communications center is aging and beginning to crack and break. The weakened glass poses a safety and security risk and needs to be replaced/repared. In addition, the Police department security cameras need replacement/upgrading.		

Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-	20,000					20,000

Total	-	20,000	-	-	-	-	20,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
	-						

Total	-	-	-	-	-	-	-
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Remaining budget: 20,000

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Buildings

Project Name: Caretaker House Demolition **Project # :** CF-01049

Project Budget: \$60,000

Status: New

Department: ESUD/Storm Drain

Location: Caretaker House Demolition

Descriptions: This project is to demo the Caretaker house that is located in Redwood Grove. Based on the house location and condition, it is not usable as a public building and is currently being utilized as a storage facility for camp and open space restoration supplies.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	60,000					60,000

Total	-	60,000	-	-	-	-	60,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Construction	-	60,000					60,000

Total	-	60,000	-	-	-	-	60,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Buildings

Project Name: Laundry Hook-up for Washer/Dryer at LACC **Project # :** CF-01051

Project Budget: \$23,000

Status: New

Department: Parks, Recreation, and Community Service/Maintenance

Location: Los Altos Community Center

Descriptions: This project is to install a washer/dryer hookup in the community center for ease of laundering table cloths after use by renters (additional rental cost) and internal programs. With the cost of laundering the entire set of table cloths being approximately \$900 each time, adding the washer/dryer connection and laundering them in-house is the best option financially.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	23,000					23,000

Total	-	23,000	-	-	-	-	23,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Equipment	-	5,000					5,000
Construction		18,000					18,000


Total	-	23,000	-	-	-	-	23,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Parks and Trails

Project Name:	Annual Pathway Rehabilitation	Project # :	CF-01009
Project Budget:	\$1,050,000		
Status:	Ongoing		
Department:	Public Works/Transportation		
Location:	City Wide		
Descriptions:	The project provides for rehabilitation or replacement of existing bicycle and pedestrian pathway infrastructure that is not on the street system. Improvements will be based on condition assessment, the City's Pedestrian Master Plan, Bicycle Transportation Master Plan, and Parks Plan.		

Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	300,000	250,000	250,000	250,000			1,050,000
Total	300,000	250,000	250,000	250,000	-	-	1,050,000

Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
	-						
Total	-	-	-	-	-	-	-

Remaining budget: 1,050,000

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Parks and Trails

Project Name: Designated Picnic Area **Project # :** CF-01028

Project Budget: \$70,000

Status: Construction

Department: Parks, Recreation, and Community Service/Maintenance

Location: Heritage Oaks Parks

Descriptions: Purchase and install new picnic tables, BBQ grills, trash cans, and bulletin board to create a new reservable picnic area for the public that will follow the same occupancy limit as Grant Park picnic area. The chosen location for this park upgrade is Heritage Oaks Park. This will provide an additional option for the community to have a gathering space for small groups and reservable picnic space that can provide revenue for the City.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	70,000					70,000

Total	-	70,000	-	-	-	-	70,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Equipment	-	70,000					70,000

Total	-	70,000	-	-	-	-	70,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Parks and Trails

Project Name:	Drainage and Drinking Fountains	Project # :	CF-01030
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Project Budget: \$180,000
Status: New
Department: Parks, Recreation, and Community Service/Maintenance
Location: Grant Park, Hillview Park, Heritage Oaks Park, Rosita Park & Village Park
Descriptions: Some of the parks in Los Altos have aged drinking fountains that are in need of replacement. This project will fund the purchase and installation of new "hydration station" drinking fountains that include bottle fillers and dog bowl fountains. The parks targeted for this project may need extensive plumbing work, while other may be a simple switchout with the existing drinking fountain.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	180,000					180,000

Total	-	180,000	-	-	-	-	180,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Equipment	-	90,000					90,000
Construction		90,000					90,000

Total	-	180,000	-	-	-	-	180,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Parks and Trails

Project Name:	Hillview Dog Park	Project # :	CF-01032
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Project Budget: \$1,075,000
Status: Design
Department: Parks, Recreation, and Community Service/Maintenance
Location: Hillview Park
Descriptions: This funding is for the design and construction of the permanent dog park at Hillview. It is planned to be located where the current auxillary parking area currently is across from the library. Funding for this project includes design & public outreach in previous year and construction in the coming year. Construction includes drainage, grading, irrigation, fencing, plumbing, pathway lighting, landscape, hardscape, furniture sinage and dog play equipment.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	75,000	1,000,000					1,075,000

Total	75,000	1,000,000	-	-	-	-	1,075,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Public Outreach	25,000						25,000
Design		50,000					50,000
Construction		1,000,000					1,000,000

Total	25,000	1,050,000	-	-	-	-	1,075,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Parks and Trails

Project Name: Grant Park Facility (Electrical, Hot Water, & HVAC) **Project # :** CF-01034

Project Budget: \$1,000,000

Status: Design

Department: Parks, Recreation, and Community Service/Maintenance

Location: Grant Park

Descriptions: The community buildings at Grant Park are aged and in need of upgrades to provide the amenities desired for the Recreation programming and community services for the surrounding community. The essential need is hot water in the activity room wing and air conditioning in both wings. In order to do that the electrical load for the building must be increased. This project is to add these essentials to the buildings at Grant Park. Construction costs include facility rewiring, panel upgrades, PG&E upgrades and approvals, new and upgraded HVAC mechanical components, HVAC thermostats, HVAC control systems, hot water mechanical and plumbing connections.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	100,000	500,000	400,000				1,000,000
Total	100,000	500,000	400,000	-	-	-	1,000,000

Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design	100,000						100,000
Construction		500,000	400,000				900,000
Total	100,000	500,000	400,000	-	-	-	1,000,000

Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Parks and Trails

Project Name: Rebuild Grant Park Basketball Court **Project # :** CF-01035

Project Budget: \$200,000

Status: New

Department: Parks, Recreation, and Community Service/Maintenance

Location: Grant Park

Descriptions: The basketball court at Grant Park is the only outdoor court in Los Altos. The surface of the court is cracking and in need of replacement. Previous efforts to resurface the court did not holding for very long, so the entire concrete surface needs to be completely done. Cost for this project includes demolition and disposal of the existing court, installation of base rock, surface rock, court top surface, surface color coat, line painting and new goals and nets.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	200,000					200,000

Total	-	200,000	-	-	-	-	200,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design	-	40,000					40,000
Construction		160,000					160,000

Total	-	200,000	-	-	-	-	200,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Parks and Trails

Project Name: McKenzie Dog Park **Project # :** CF-01037

Project Budget: \$550,000

Status: New

Department: Parks, Recreation, and Community Service/Maintenance

Location: McKenzie Park

Descriptions: This project is to improve on the pilot dog park program that is at McKenzie Park. The project would fund possible fencing modifications as well as surfacing improvements and furniture/play equipment for the dogs. Potential costs include grading, drainage, surface materials, plumbing, additional fencing, furniture and dog play equipment.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	150,000	400,000				550,000

Total	-	150,000	400,000	-	-	-	550,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Equipment	-	150,000					150,000
Construction			400,000				400,000

Total	-	150,000	400,000	-	-	-	550,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Parks and Trails

Project Name: Shoup Park Playground **Project # :** CF-01038

Project Budget: \$1,070,000

Status: New

Department: Parks, Recreation, and Community Service/Maintenance

Location: Shoup Park

Descriptions: This project is to redesign and replace the children's play structures at Shoup Park.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	242,000	828,000				1,070,000

Total	-	242,000	828,000	-	-	-	1,070,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design	-	242,000					242,000
Construction			828,000				828,000

Total	-	242,000	828,000	-	-	-	1,070,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Parks and Trails

Project Name: Marymeade Playground **Project # :** CF-01039

Project Budget: \$550,000

Status: New

Department: Parks, Recreation, and Community Service/Maintenance

Location: Marymeade Park

Descriptions: This project is to redesign and replace the children's play structures at Marymeade Park.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	-	110,000	440,000			550,000

Total	-	-	110,000	440,000	-	-	550,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design	-	-	110,000				110,000
Construction				440,000			440,000

Total	-	-	110,000	440,000	-	-	550,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Parks and Trails

Project Name: McKenzie Playground **Project # :** CF-01040

Project Budget: \$725,000

Status: New

Department: Parks, Recreation, and Community Service/Maintenance

Location: McKenzie Park

Descriptions: This project is to redesign and replace the 2-5 year old play structures at McKenzie Park.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	-	145,000	580,000			725,000

Total	-	-	145,000	580,000	-	-	725,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design	-	-	145,000				145,000
Construction				580,000			580,000

Total	-	-	145,000	580,000	-	-	725,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Parks and Trails

Project Name: Hillview Fitness Equipment **Project # :** CF-01041

Project Budget: \$145,000

Status: New

Department: Parks, Recreation, and Community Service/Maintenance

Location: Hillview Park

Descriptions: This project is to redesign and replace the aged outdoor fitness equipment at Hillview Park near the Little League baseball field.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	145,000					145,000

Total	-	145,000	-	-	-	-	145,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Construction	-	145,000					145,000

Total	-	145,000	-	-	-	-	145,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Parks and Trails

Project Name:	Hetch Hetchy Trail Vegetation and Tree Removal	Project # :	CF-01048
Project Budget:	\$275,000		
Status:	New		
Department:	Parks, Recreation, and Community Service/Maintenance		
Location:	Hetch Hetchy Trail (Los Altos)		
Descriptions:	Per the agreement with the San Francisco Public Utilities Commission, this project will clear trees and select vegetation from the pathway that may impeded SFPUC services to the Hetch Hetchy water line that serves the greater San Francisco area.		

Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	275,000					275,000

Total	-	275,000	-	-	-	-	275,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Construction	-	275,000					275,000

Total	-	275,000	-	-	-	-	275,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Parks and Trails

Project Name: Historic Apricot Orchard Irrigation Installation **Project # :** CF-01050

Project Budget: \$75,000

Status: New

Department: Parks, Recreation, and Community Service/Maintenance

Location: Apricot Orchard

Descriptions: The Historic apricot orchard located in the government center currently does not have an irrigation system. The method of irrigating the orchard is a dated, wasteful use of sprinklers and/or flooding of the entire orchard. This project would purchase and install a drip system of irrigation that would better target the trees, keeping them healthier while conserving water.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	75,000					75,000

Total	-	75,000	-	-	-	-	75,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Equipment	-	45,000					45,000
Construction		30,000					30,000


Total	-	75,000	-	-	-	-	75,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Civic Facilities-Parks and Trails

Project Name:	Community Garden - LACC	Project # :	CF-01052
Project Budget:	\$28,000		
Status:	New		
Department:	Parks, Recreation, and Community Service/Maintenance		
Location:	Los Altos Community Center		
Descriptions:	This project is to build a community garden in the undeveloped back area of the new Los Altos Community Center. In cooperation with the Los Altos School District "Living Classroom" clubs, the garden will be used by the schools. The project will include planter boxes and an irrigation system. Sponsorship will be sought out by the Living Classroom club.		

Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
In-Lieu Park	-	28,000					28,000

Total	-	28,000	-	-	-	-	28,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Equipment	-	8,000					8,000
Construction		20,000					20,000

Total	-	28,000	-	-	-	-	28,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Community Development

Project Name: Public Arts Program **Project # :** CD-01003

Project Budget: \$184,578
Status: Ongoing
Department: City Manager Office
Location: City Manager Office
Descriptions: The Annual Arts project provides for the recruitment, acquisition, installation, identification and maintenance costs of the City's public art program. The primary purpose of the project is to bring new art to Los Altos and to maintain the public art currently in place in the City. Project funds could be utilized for construction of pedestals for sculptures, plaques identifying pieces of art, stipends for artists and maintenance of pieces of art owned by the City. Future allocations will be proposed as identified in the upcoming years.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Public Art	154,578	10,000	10,000	10,000			184,578

Total	154,578	10,000	10,000	10,000	-	-	184,578
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
	-						

Total	-	-	-	-	-	-	-
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Remaining budget: 184,578

Comments :

Capital Improvement and Major Maintenance Program

Community Development

Project Name:	Walter Singer Bust Relocation	Project # :	CD-01009
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Project Budget: \$10,000
Status: Ongoing
Department: City Manager Office
Location: Near Chamber of Commerce
Descriptions: In April 2015, the City Council directed that the Walter Singer Bust be moved from the Community Plaza and that a Capital Improvement Project be created to fabricate and install the Bust, with an appropriate pedestal, near the History Museum. This project provides funds for the design and construction of a pedestal, including appropriate signage, for the Bust, as well as any costs associated to the moving of the Bust.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Public Art	10,000						10,000

Total	10,000	-	-	-	-	-	10,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Other Costs	-	10,000					10,000

Total	-	10,000	-	-	-	-	10,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Downtown Development

Project Name:	First Street Streetscape Design-Phase II	Project # :	CD-01017
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Project Budget: \$338,000
Status: Design
Department: Public Works/Transportation
Location: First Street between South San Antonio Road and Main Street
Descriptions: The objectives include the development of a streetscape plan and design guidelines for the purpose of providing improved public infrastructure and ensuring design continuity to increase public access, enhance pedestrian/bicycle safety, and beautify the corridor. The project will address design layout, pedestrian scaled lighting, site furnishings, street trees, landscaping, drainage, grading and provide typical cross sections.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Vehicle Registration Fees	-	338,000					338,000

Total	-	338,000	-	-	-	-	338,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design Admin	-	34,000					34,000
Prelim Design/Studies		304,000					304,000

Total	-	338,000	-	-	-	-	338,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Downtown Development

Project Name:	Downtown Lighting Improvements	Project # :	CD-01025
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Project Budget: \$300,000
Status: New
Department: City Manager Office/Economic Development
Location: Downtown
Descriptions: City staff will improve the lighting within the downtown core because sidewalks, Veterans Community Plaza, and parking plazas are not extremely well lit in some locations. This will improve safety for residents and businesses while also increasing downtown vibrancy. City staff will identify other lighting solutions that may limit their impact on the overall electrical infrastructure.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Downtown Parking	-	100,000	100,000	100,000			300,000

Total	-	100,000	100,000	100,000	-	-	300,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Prelim Design/Studies	-	25,000					25,000
Equipment		65,000	80,000	80,000			225,000
Construction		10,000	20,000	20,000			50,000

Total	-	100,000	100,000	100,000	-	-	300,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Downtown Development

Project Name: Downtown Trash Recepticle Design **Project # :** CD-01026

Project Budget: \$35,000
Status: New
Department: City Manager Office/Economic Development
Location: Downtown Parking Plazas
Descriptions: The City will create a standard dumpster enclosure design for new and existing businesses to secure waste with the assistance of an architectural design firm.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Downtown Parking	-	35,000					35,000

Total	-	35,000	-	-	-	-	35,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design	-	35,000					35,000

Total	-	35,000	-	-	-	-	35,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Downtown Development

Project Name:	Downtown Wireless Improvement	Project # :	CD-01027
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Project Budget: \$100,000
Status: New
Department: City Manager Office/Economic Development
Location: Downtown
Descriptions: City staff will improve the wireless connectivity within the downtown core because there are a number of no signal zones in downtown where residents and visitors cannot access their cellular devices. Staff will identify solutions that will fix wireless connectivity issues for residents, businesses, and visitors experience on a regular basis.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Downtown Parking	-		100,000				100,000
Total	-	-	100,000	-	-	-	100,000

Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Prelim Design/Studies	-		75,000				75,000
Equipment			25,000				25,000
Total	-	-	100,000	-	-	-	100,000

Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Downtown Development

Project Name:	Downtown Pothole Improvement	Project # :	CD-01028
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Project Budget: \$50,000
Status: New
Department: City Manager Office/Economic Development
Location: Downtown
Descriptions: As City staff aims to improve all of our parking plazas in the long-term, there are smaller issues, such as potholes, that need to be addressed on a regular basis. These pot holes can be addressed as they are identified.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Downtown Parking	-	25,000	25,000				50,000
Total	-	25,000	25,000	-	-	-	50,000

Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Construction	-	25,000	25,000				50,000
Total	-	25,000	25,000	-	-	-	50,000

Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Downtown Development

Project Name:	Downtown Bicycle Parking Installation	Project # :	CD-01029
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Project Budget: \$40,000
Status: New
Department: City Manager Office/Economic Development
Location: Downtown



Descriptions: Downtown has a number of bicycle parking within the downtown core, but there are not many locations for safe electric bicycle parking area. City staff will work to identify some electric bicycle storage options that may include charging if feasible.

Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Public Art	-	15,000	25,000				40,000

Total	-	15,000	25,000	-	-	-	40,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Prelim Design/Studies	-	15,000					15,000
Construction			25,000				25,000

Total	-	15,000	25,000	-	-	-	40,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Equipment & Vehicles

Project Name: ALPR Camera **Project # :** PD-01001

Project Budget: \$45,000

Status: New

Department: Public Safety

Location: City-Wide

Descriptions: This project is Council approved to purchase 20 Automated License Plate Reader (ALPR) Camera for \$45,0000



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Equipment Replacement	-	45,000					45,000

Total	-	45,000	-	-	-	-	45,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Equipment	-	45,000					45,000

Total	-	45,000	-	-	-	-	45,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Equipment & Vehicles

Project Name: Vac-Con Replacement **Project # :** WW-01014

Project Budget: \$500,000
Status: New
Department: ESUD/Sewers
Location: MSC
Descriptions: Replace the oldest Vac-Con



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Equipment Replacement	-	500,000	-	-	-	-	500,000

Total	-	500,000	-	-	-	-	500,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Equipment	-	500,000	-	-	-	-	500,000

Total	-	500,000	-	-	-	-	500,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Infrastructure

Project Name:	Downtown Lighting Cabinet Replacement	Project # :	CD-01018
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Project Budget: \$100,000
Status: On Hold
Department: Public Works/Streets
Location: Three locations in downtown Los Altos
Descriptions: Some of the downtown lighting cabinets have reached the end of their useful life and need replacement. This project will replace three lighting cabinets in downtown and provide additional outlets in locations of need.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-		100,000				100,000

Total	-	-	100,000	-	-	-	100,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-	-	5,000				5,000
Construction	-	-	95,000				95,000

Total	-	-	100,000	-	-	-	100,000
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Remaining budget: -

Comments : Main St. between 1st & 2nd (north side) power receptacles out. Every power receptacle should be upgraded and new electronic timers need to be installed.

Capital Improvement and Major Maintenance Program

Infrastructure

Project Name:	MSC Parking Lot Resurfacing	Project # :	CF-01018
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Project Budget: \$1,300,000
Status: Design
Department: Public Works/ Engineering
Location: City's Municipal Services Center (MSC)
Descriptions: The pavement at the City's Municipal Services Center (MSC) is deteriorating and in need of repair. This project will include the design and construction of pavement rehabilitation and improvement of the current drainage system. The design will also incorporate green infrastructure features into the project to comply with the current stormwater permit requirements.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-	15,000	1,285,000				1,300,000

Total	-	15,000	1,285,000	-	-	-	1,300,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design	-	15,000					15,000
Design Admin			10,000				10,000
Construction			1,275,000				1,275,000

Total	-	15,000	1,285,000	-	-	-	1,300,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Studies

Project Name:	General Plan	Project # :	CD-01024
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Project Budget: \$2,000,000
Status: Ongoing
Department: Development Services/Planning
Location: Citywide



Descriptions: The General Plan is the vision about how a community will grow, reflecting priorities and values while shaping the future. The City of Los Altos General Plan was last updated in 2002. Countless State laws have been established which necessitates a comprehensive overhaul of the exististing adopted plan. Most recently the City adopted its 6th Cycle Housing Element to comply with State Housing law. Upon adoption of a City's 6th Cycle Housing Element, the jurisdiction must update its Safety Element. When a jurisdiction is required to update two or more required elements of the General Plan it necessitates the creation of an additional required element, the Environmental Justice Element. Additionally, the City in 2022 adopted both its Climate Action & Adaptation Plan (CAAP) and its Complete Streets Master Plan (CSMP) both of which provide direction on how the City should continue to grow and develop well into the future. However, it is important for the City of Los Altos to integrate policies and the overall vision of both documents into the General Plan as it is the highest level regulatory land use document within the City.

Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	500,000	-	500,000	500,000	500,000	-	2,000,000
Total	500,000	-	500,000	500,000	500,000	-	2,000,000

Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Prelim Design/Studies	-	350,000	650,000	500,000	500,000	-	2,000,000
Total	-	350,000	650,000	500,000	500,000	-	2,000,000

Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Technology

Project Name:	Police Records Management & Dispatch System	Project # :	CD-01006
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Project Budget: \$246,779
Status: Ongoing
Department: Public Safety
Location: Police department



Descriptions: Procurement of regional tri-city (Los Altos, Mountain View & Palo Alto) "virtual consolidation" public safety information system, which includes the sharing of a Computer Aided Dispatch (CAD) system, Records Management System (RMS), Field Based Reporting (FBR) and Mobile for Public Safety (MPS) system. These enterprise-wide applications will serve as the centerpiece for the larger project including a common 9-1-1 phone system and a shared police radio frequency. It will provide both technical and physical redundancy for all three cities.

Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Equipment Replacement	-	246,779					246,779

Total	-	246,779	-	-	-	-	246,779
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
	-						

Total	-	-	-	-	-	-	-
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Remaining budget: 246,779

Comments :

Capital Improvement and Major Maintenance Program

Technology

Project Name:	IT Initiatives	Project # :	CD-01008
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Project Budget: \$453,364
Status: Ongoing
Department: City Manager Office/IT
Location: IT



Descriptions: As of 2019 Q1, the initial phase of the City's IT strategic roadmap has been completed. The second phase of the strategic roadmap focuses on business continuity, specifically targeting backup, disaster recovery, storage expansion, and the modernization of the City's data center. Examples are server rack reconfiguration, UPS replacement, backup appliance and high-availability firewall deployment. The third phase will target the business applications utilized by all departments. This phase will have the greatest impact on the public as the majority of those systems are customer-facing applications. The final phase of the strategic roadmap targets a complete and continuous hardware and software refresh of the technology utilized by the City, focusing on systems that were not replaced, updated or addressed any upgrade needs after the addition of new systems in previous phases. This will allow IT staff to support the City's business continuity and respond more quickly to the changing needs of various departments while reducing maintenance and security threats.

Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Technology	453,364						453,364

Total	453,364	-	-	-	-	-	453,364
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Equipment	-	140,000					140,000
Other Costs		36,000					36,000

Total	-	176,000	-	-	-	-	176,000
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Remaining budget: 277,364

Comments :

Capital Improvement and Major Maintenance Program

Technology

Project Name:	Public Works Electronic Document Management	Project # :	CD-01019
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Project Budget: \$100,000
Status: Future Project
Department: Public Works/ Engineering
Location: Los Altos City Hall
Descriptions:

The Electronic Document Management System project includes the conversion of hardcopy documents into digital format, and the maintenance of the operating software for the storage and retrieval of documents. The goal is to improve information sharing among departments and staff. This project increases efficiency in work flow for the creation, maintenance, preservation, and retrieval of project records and documentation, which improves the overall utilization of resources including funds, space, and staff time.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-		100,000				100,000

Total	-	-	100,000	-	-	-	100,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-		5,000				5,000
Other Costs	-		95,000				95,000

Total	-	-	100,000	-	-	-	100,000
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Remaining budget: -

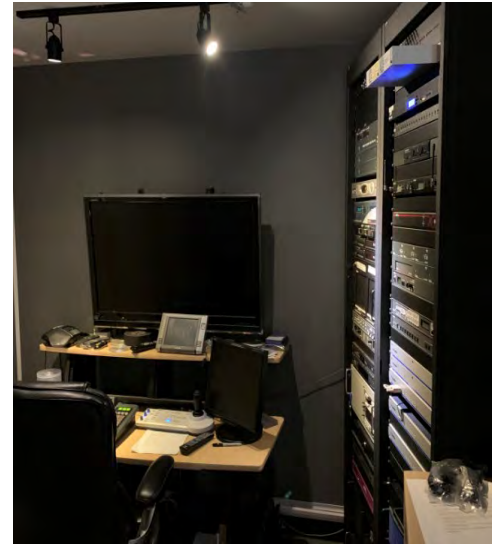
Comments :

Capital Improvement and Major Maintenance Program

Technology

Project Name:	Community Meeting Chambers AV Equipment	Project # :	CD-01021
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Project Budget: \$297,340
Status: Ongoing
Department: City Manager Office
Location: City Hall



Descriptions: Originally installed in 2007, the technology within the Community Meeting Chambers at City Hall is no longer manufactured nor supported and is rapidly failing. This project will allow the City to continue to provide high quality video and audio of City Council and Commission meetings and will allow for greater use of the Chambers as meeting and event space. In addition, the project will address needed ADA improvements to the room allowing better access to City meetings.

Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
PEG Fees	247,340	50,000	-	-	-	-	297,340
	-	-					

Total	247,340	50,000	-	-	-	-	297,340
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Other Costs	-	50,000	-	-	-	-	50,000

Total	-	50,000	-	-	-	-	50,000
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Remaining budget: 247,340

Comments :

Capital Improvement and Major Maintenance Program

Technology

Project Name:	New Financial System	Project # :	CF-01036
Project Budget:	\$450,000		
Status:	New		
Department:	Finance		
Location:	City Wide		
Descriptions:	This project is replacing the City's existing financial system with a more modern ERP system. The new system will enhance the reporting capabilities and streamline workflow processes within the organization. The City signed the contract with the vendor on December 2022.		

Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Technology	350,000	100,000					450,000

Total	350,000	100,000	-	-	-	-	450,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-	100,000					100,000
Other Costs			200,000	150,000			350,000

Total	-	100,000	200,000	150,000	-	-	450,000
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Remaining budget: -

Comments : Project kick-off is on July 2023 starting with the General Ledger, Accounts Payable and Purchasing modules. The next phase will be Payroll module in FY 24-25. The City is looking into the Asset Management module provided by the same vendor and will need to acquire potential quotes subject to City Council's approval.

Capital Improvement and Major Maintenance Program

Wastewater Systems

Project Name: Document Scanning **Project # :** WW-01013

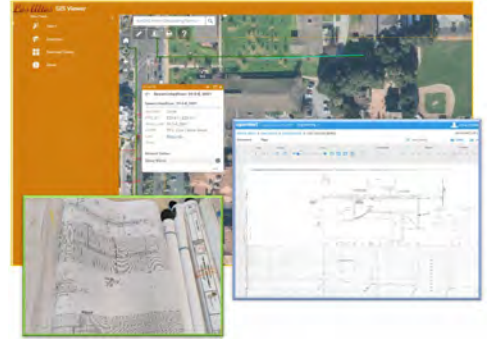
Project Budget: \$100,000

Status: New

Department: ESUD/Sewers

Location: City Hall

Descriptions: The Document Scanning project includes the conversion of hardcopy documents into digital format and the maintenance of the operating software for the storage and retrieval of documents. This project increases efficiency in work flow for the creation , maintenance, preservation, and retrieval of project records and documentation, which improves the overall utilization of resources including space and staff time.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Sewer	-	100,000					100,000

Total	-	100,000	-	-	-	-	100,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Other Costs	-	100,000					100,000

Total	-	100,000	-	-	-	-	100,000
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Remaining budget: -

Comments : The goal is to improve information sharing among departments and staff.

Capital Improvement and Major Maintenance Program

Transportation-Pedestrian/Bicycle Safety

Project Name: Annual Concrete Repair **Project # :** TS-01005

Project Budget: \$1,336,743

Status: Ongoing

Department: Public Works/ Engineering

Location: City Wide

Descriptions: This project addresses new sidewalk gap and curb/gutter installations and improvements to sidewalk and curb/gutter repairs that do not fall within the legal responsibility of adjacent property owners. For economies of scale, this project may be integrated with the annual street resurfacing contract.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Traffic Impact Fees	236,743	175,000	200,000	225,000	250,000	250,000	1,336,743

Total	236,743	175,000	200,000	225,000	250,000	250,000	1,336,743
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-	5,000	5,000	5,000	10,000	10,000	35,000
Design	-	25,000	25,000	30,000	35,000	35,000	150,000
Construction	-	125,000	150,000	170,000	180,000	180,000	805,000
Other Costs	-	20,000	20,000	20,000	25,000	25,000	110,000

Total	-	175,000	200,000	225,000	250,000	250,000	1,100,000
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Remaining budget: 236,743

Comments :

Capital Improvement and Major Maintenance Program

Transportation-Pedestrian/Bicycle Safety

Project Name:	Annual Traffic Sign Replacement	Project # :	TS-01006
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Project Budget: \$1,125,091

Status: Ongoing

Department: Public Works/Transportation

Location: Streets and Roads of Los Altos

Descriptions: There are approximately 8,000 standard roadway traffic signs throughout the City including street name signs. The Traffic Sign Replacement project provides funds to inventory and maintain these signs. This project will also improve signage per the City's Complete Streets Master Plan, where appropriate, to improve safe access for bicycles and pedestrians and safer routes to schools. For economies of scale, this project may be integrated with the annual street resurfacing contract.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Traffic Impact Fees	100,091	100,000	200,000	225,000	250,000	250,000	1,125,091
Total	100,091	100,000	200,000	225,000	250,000	250,000	1,125,091

Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-	5,000	5,000	5,000	7,500	7,500	30,000
Design	-	5,000	5,000	5,000	7,500	7,500	30,000
Construction	-	85,000	185,000	210,000	230,000	230,000	940,000
Other Costs	-	5,000	5,000	5,000	5,000	5,000	25,000
Total	-	100,000	200,000	225,000	250,000	250,000	1,025,000

Remaining budget: 100,091

Comments : New sign standards will be implemented as part of the sign replacement program to ensure compliance with best engineering practices recommended within the Manual of Uniform Traffic Control Devices.

Capital Improvement and Major Maintenance Program

Transportation-Pedestrian/Bicycle Safety

Project Name:	Annual ADA Improvements (Streets and Roadways)	Project # :	TS-01008
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Project Budget: \$361,049
Status: Ongoing
Department: Public Works/Transportation
Location: Streets and Roads of Los Altos
Descriptions:

The project will continue efforts to improve Americans with Disabilities Act (ADA) accessibility within the public right of way (ROW) throughout the City. This would include ramps at various intersections throughout the City, correcting existing sidewalks that have inadequate access, ADA compliant pedestrian push buttons at City street intersections and also improve accessibility by replacing pedestrian paths of travel that are uplifted, cracked, too narrow, or otherwise out of compliance with current ADA requirements. For economies of scale, this project may be integrated with the annual street resurfacing contract.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Vehicle Registration Fees	81,049	30,000	50,000	50,000	75,000	75,000	361,049

Total	81,049	30,000	50,000	50,000	75,000	75,000	361,049
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	81,049	2,500	5,000	5,000	7,500	7,500	108,549
Design		5,000	7,500	7,500	10,000	10,000	40,000
Construction		20,000	32,500	32,500	50,000	50,000	185,000
Other Costs		2,500	5,000	5,000	7,500	7,500	27,500

Total	81,049	30,000	50,000	50,000	75,000	75,000	361,049
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Remaining budget: -

Comments : Improvements will align with City's ADA transition plan. ADA compliance is a federal requirement.

Capital Improvement and Major Maintenance Program

Transportation-Pedestrian/Bicycle Safety

Project Name: Carmel Terrace Sidewalk Gap Closure **Project # :** TS-01014

Project Budget: \$400,000
Status: Future Project
Department: Public Works/Transportation

Location: Carmel Terrace between Portland Avenue and Altamead Drive

Descriptions: This project will address an approximate 550' long sidewalk gap on the western portion of Carmel Terrace. The completion of this work will provide continuous sidewalk infrastructure (route to school) from the raised crosswalk facility at Portland/Carmel Terrace and the rear access to Blach Intermediate School.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-		150,000	250,000			400,000

Total	-	-	150,000	250,000	-	-	400,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-		10,000	10,000			20,000
Design			140,000				140,000
Construction				240,000			240,000

Total	-	-	150,000	250,000	-	-	400,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Transportation-Pedestrian/Bicycle Safety

Project Name: University Ave & Milverton Road Sidewalk Gap Closur **Project # :** TS-01051

Project Budget: \$500,000
Status: Future Project
Department: Public Works/Transportation
Location: University Avenue, about 160-feet north of University Avenue and Milverton Road.
Descriptions: This project proposes to close a sidewalk gap on University Avenue approximately 160-feet north of University Avenue and Milverton Road.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-			150,000	350,000		500,000

Total	-	-	-	150,000	350,000	-	500,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-			10,000	15,000		25,000
Design				140,000			140,000
Construction					330,000		330,000
Other Costs					5,000		5,000

Total	-	-	-	150,000	350,000	-	500,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Transportation-Pedestrian/Bicycle Safety

Project Name: San Antonio Road Complete Street Project **Project # :** TS-01062

Project Budget: \$9,122,620

Status: Future Project

Department: Public Works/Transportation

Location: San Antonio Road

Descriptions: This project would employ best practice street design principles to create designated space for each mode of transportation, separating pedestrians and cyclists from motor vehicle traffic, and reducing conflicts between vulnerable road users and vehicles. This improvement project would facilitate a safer experience for these vulnerable roadway users and would provide a connection where a gap currently exists.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Traffic Impact Fees	-	280,000					280,000
OBAG		1,120,000	6,178,096				7,298,096
General Fund			1,544,524				1,544,524

Total	-	1,400,000	7,722,620	-	-	-	9,122,620
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-	20,000	20,000				40,000
Design		1,380,000					1,380,000
Construction			7,352,620				7,352,620
Construction Mgmt			250,000				250,000
Other Costs			100,000				100,000

Total	-	1,400,000	7,722,620	-	-	-	9,122,620
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Transportation-Streets/Roadways

Project Name:	Annual Street Resurfacing	Project # :	TS-01001
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Project Budget: \$13,557,816
Status: Ongoing
Department: Public Works/Transportation
Location: Streets and Roads of Los Altos
Descriptions: The annual street resurfacing project includes milling and 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.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-	-	1,050,000	1,050,000	1,050,000	1,050,000	4,200,000
Gas Tax		400,000	400,000	400,000	400,000	400,000	2,000,000
Measure B		675,000	675,000	675,000	675,000	675,000	3,375,000
SB1		782,816	800,000	800,000	800,000	800,000	3,982,816

Total	-	1,857,816	2,925,000	2,925,000	2,925,000	2,925,000	13,557,816
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-	20,000	20,000	20,000	25,000	25,000	110,000
Design		20,000	30,000	30,000	35,000	35,000	150,000
Construction		1,757,816	2,815,000	2,815,000	2,805,000	2,805,000	12,997,816
Other Costs		60,000	60,000	60,000	60,000	60,000	300,000

Total	-	1,857,816	2,925,000	2,925,000	2,925,000	2,925,000	13,557,816
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Remaining budget: -

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

Capital Improvement and Major Maintenance Program

Transportation-Streets/Roadways

Project Name: Annual Street Striping **Project # :** TS-01003

Project Budget: \$1,375,000

Status: Ongoing

Department: Public Works/Transportation

Location: Streets and Roads of Los Altos

Descriptions: Roadway striping and markers throughout the City need to be refreshed on a regular basis. Adjustments of striping on existing roadway to reduce conflicts are also considered. Visibility of pavement markings is important to prevent traffic accidents and improve traffic flow. This project will refresh City streets with thermoplastic pavement striping each year after they are resurfaced. It will also improve striping layouts per the City's Complete Streets Master Plan, where appropriate, to improve safe access for bicycles and pedestrians and safer routes to schools. For economies of scale, this project is typically integrated with the annual street resurfacing contract.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Vehicle Registration Fees	-	100,000	100,000	125,000	150,000	150,000	625,000
Gas Tax		150,000	150,000	150,000	150,000	150,000	750,000
Total	-	250,000	250,000	275,000	300,000	300,000	1,375,000

Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-	5,000	5,000	7,500	7,500	7,500	32,500
Design		20,000	20,000	25,000	25,000	25,000	115,000
Construction		220,000	220,000	235,000	260,000	260,000	1,195,000
Other Costs		5,000	5,000	7,500	7,500	7,500	32,500
Total	-	250,000	250,000	275,000	300,000	300,000	1,375,000

Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Transportation-Streets/Roadways

Project Name:	Annual Street Slurry Seal	Project # :	TS-01004
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Project Budget: \$5,350,000

Status: Ongoing

Department: Public Works/Transportation

Location: City Wide

Descriptions: This project slurry- or micro-seals City streets annually, including cutout and repair of minor pavement failures. The seal typically places a thin layer of sand and oil over City streets. Neighborhood streets should receive a surface treatment (slurry seal) other than an overlay about every seven years. Sealing is a preventative maintenance treatment that prevents moisture from penetrating the pavement and softening the base material supporting the pavement.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-	-	800,000	800,000	800,000	800,000	3,200,000
Vehicle Registration Fees		400,000					400,000
Gas Tax		350,000	350,000	350,000	350,000	350,000	1,750,000
Total	-	750,000	1,150,000	1,150,000	1,150,000	1,150,000	5,350,000

Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-	10,000	10,000	10,000	10,000	10,000	50,000
Design		10,000	10,000	10,000	10,000	10,000	50,000
Construction		720,000	1,120,000	1,120,000	1,120,000	1,120,000	5,200,000
Other Costs		10,000	10,000	10,000	10,000	10,000	50,000
Total	-	750,000	1,150,000	1,150,000	1,150,000	1,150,000	5,350,000

Remaining budget: -

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

Capital Improvement and Major Maintenance Program

Transportation-Streets/Roadways

Project Name: Annual City Alley Resurfacing **Project # :** TS-01009

Project Budget: \$200,000

Status: Ongoing

Department: Public Works/Engineering

Location: City Wide

Descriptions: Existing alleyways within the City are in varying degrees of decay. Many have exceeded their useful life and must be replaced. This project will initiate a phased process of replacement and/or repair based on priority, the cost of the repair, and the amount budgeted.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-		100,000		100,000		200,000

Total	-	-	100,000	-	100,000	-	200,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-		5,000		5,000		10,000
Design			5,000		5,000		10,000
Construction			85,000		85,000		170,000
Other Costs			5,000		5,000		10,000

Total	-	-	100,000	-	100,000	-	200,000
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Remaining budget: -

Comments : Miscellaneous concrete work may be required for drainage swales and repairs to adjacent curb and gutters. The project will study potential Green Infrastructure treatments that may be incorporated into the design of the alleyways. The project will reduce the effort required for patching of these alleys. A funding alternative to expedite improvements would be to establish an assessment district for specific neighborhoods and/or businesses adjacent to and served by the alleys.

Capital Improvement and Major Maintenance Program

Transportation-Streets/Roadways

Project Name:	Fremont Ave Pedestrian Bridge Rehabilitation	Project # :	TS-01055
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Project Budget: \$366,000
Status: Design
Department: Public Works/Engineering
Location: Fremont Avenue's Pedestrian Bridge
Descriptions: Rehabilitation would include: replacement of timber decking, replacement of structural blocking and cross bracing, replacement of endspans middle glulam stringer, replacement of timber railing, installation of a drainage system, minor repairs to the bridge abutments, and backfilling of the first span to repair scour damage and loss of backfill material. Existing bridge abutments will remain.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-	366,000					366,000

Total	-	366,000	-	-	-	-	366,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-	11,000					11,000
Construction		355,000					355,000


Total	-	366,000	-	-	-	-	366,000
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Remaining budget: -

Comments : This existing pedestrian/bicycle bridge was constructed in the mid-1970s and provides access to residents and commuters crossing Permanente Creek at Fremont Avenue. As result of the community outreach efforts in 2009 for the vehicular bridge replacement, concern was voiced over this structure. At that time, the City committed to evaluating this bridge as a follow up to the adjacent bridge replacement project. The feasibility study conducted in 2016 concluded rehabilitation to be the most cost effective and recommended alternative.

Capital Improvement and Major Maintenance Program

Transportation-Streets/Roadways

Project Name:	In-Road Light System Maintenance	Project # :	TS-01057
Project Budget:	\$580,000		
Status:	Design		
Department:	Public Works/Transportation		
Location:	Up to 18 Intersections in Los Altos		
Descriptions:	<p>The City has existing pedestrian-activated in-pavement warning light systems at crosswalk locations in and around Downtown. The existing systems are past their useful life and failures in the equipment are starting to occur. This project will replace the 14 failed in-pavement crosswalk lights and adjacent signs with state of the art Rectangular Rapid Flash Beacon systems (RRFBs) and include the installation of RRFBs at four crosswalks that do not have the in-pavement lights.</p>		

Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Traffic Impact Fees	-	445,000					445,000
General Fund		135,000					135,000
Total	-	580,000	-	-	-	-	580,000

Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design Admin	-	5,000					5,000
Construction		570,000					570,000
Other Costs		5,000					5,000
Total	-	580,000	-	-	-	-	580,000

Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Transportation-Streets/Roadways

Project Name:	Intersection Access Barrier Removal	Project # :	TS-01058
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Project Budget: \$129,734

Status: Ongoing

Department: Public Works/Transportation

Location: Hetch Hetchy Trail at Estrellita Way and Los Altos Avenue

Descriptions: The Intersection Access Barrier Removal project is used to remove barriers that impact accessibility to sidewalks or trails. Typical improvements include reconfiguration of rolled curbs to provide a smooth transition from the street to adjacent pedestrian pathways, removal or reconfiguration of bollards, or reconfiguration of trail entry points to better accommodate bicycle access. Currently this project is focused on removing rolled curbs and reconfiguration access to the Hetch Hetchy Trail at Estrellita Way.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
TDA Article III Grant	-	129,734					129,734

Total	-	129,734	-	-	-	-	129,734
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-	7,500					7,500
Construction		122,234					122,234

Total	-	129,734	-	-	-	-	129,734
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Transportation-Streets/Roadways

Project Name: Foothill Expressway Widening from Homestead Road to I-280 **Project # :** TS-01061

Project Budget: \$250,000

Status: Future Project

Department: Public Works/Transportation

Location: Foothill Expressway between Homestead Road and I-280

Descriptions: The Valley Transportation Authority – 2016 Measure B Program includes a recommended project to widen Foothill Expressway between Homestead Road and I-280. This project will provide funds to help the County of Santa Clara partially fund the design phase for the widening project, so the project is shovel-ready and more competitive for the use of future Measure B 2016 construction funds.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-		250,000				250,000

Total	-	-	250,000	-	-	-	250,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design	-		250,000				250,000

Total	-	-	250,000	-	-	-	250,000
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Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Transportation-Streets/Roadways

Project Name:	Traffic Signal Enhancements-Battery Backup & Video Detection	Project # :	TS-01063
Project Budget:	\$450,000		
Status:	Future Project		
Department:	Public Works/Engineering		
Location:	Streets and Roads of Los Altos		
Descriptions:	This project would install a battery backup system and upgrade the video detection system at every Los Altos traffic signal.		



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Traffic Impact Fees	-		450,000				450,000

Total	-	-	450,000	-	-	-	450,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-		5,000				5,000
Design			20,000				20,000
Construction			420,000				420,000
Other Costs			5,000				5,000

Total	-	-	450,000	-	-	-	450,000
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Remaining budget: -

Comments : This project would employ best practice street design principles to create designated space for each mode of transportation, separating pedestrians and cyclists from motor vehicle traffic, and reducing conflicts between vulnerable road users and vehicles. This improvement project would facilitate a safer experience for these vulnerable roadway users and would provide a connection where a gap currently exists.

Capital Improvement and Major Maintenance Program

Transportation-Streets/Roadways

Project Name: Cristo Rey Guard Rail Repair Project **Project # :** TS-01064

Project Budget: \$200,000
Status: Design
Department: Public Works/Transportation
Location: Cristo Rey Drive, Los Altos
Descriptions: A section of the guardrail on Cristo Rey Drive was hit by a vehicle and needs to be replaced.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
General Fund	-		200,000				200,000
Total	-		200,000	-	-	-	200,000

Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Project Admin	-		5,000				5,000
Construction			190,000				190,000
Other Costs			5,000				5,000
Total	-		200,000	-	-	-	200,000

Remaining budget: -

Comments :

Capital Improvement and Major Maintenance Program

Wastewater Systems

Project Name: Annual Sewer System Repair Program **Project # :** WW-01001

Project Budget: \$5,266,365

Status: Ongoing

Department: ESUD/Sewers

Location: Citywide. (The location of the 2023 project is on First Street from Plaza South to San Antonio Road.)

Descriptions: The 2013 Sanitary Sewer Master Plan Update recommended replacement of segments of pipes located at various locations throughout the City that are included in the focused cleaning schedule that have severe sags. Such sags can cause accumulation of debris and grease which necessitates frequent cleaning.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Sewer	1,946,365	650,000	660,000	670,000	670,000	670,000	5,266,365
Total	1,946,365	650,000	660,000	670,000	670,000	670,000	5,266,365

Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design	209,494						209,494
Construction		778,550					778,550
Other Costs		224,591					224,591
Total	209,494	1,003,141	-	-	-	-	1,212,635

Remaining budget: 4,053,730

Comments : The 2023 Annual Sewer System Repair includes, but is not limited to, existing 6-in sewer main abandonment in place, installation of new 8-inch sewer mains to approximately the center of the street using open trench pipe replacement construction method, sewer lateral extension, realignment & reconnections, sewer manhole installations, existing sewer manhole abandonment, surface restoration, traffic control, mobilization, stormwater control, utility coordination, sewage bypassing, video inspection of the segments, survey referencing and reinstallation of existing survey monuments, and all other work as shown on the Plans and as called for in the Project Specifications.

Capital Improvement and Major Maintenance Program

Wastewater Systems

Project Name: Annual Structural Reach Replacement **Project # :** WW-01002

Project Budget: \$5,800,000

Status: Design

Department: ESUD/Sewers

Location: Citywide

Descriptions: The 2013 Sanitary Sewer Master Plan Update recommended replacement of segments of pipes at various locations throughout the City that have multiple moderate-to-severe structural defects. The areas selected for replacement were identified by closed-circuit television (CCTV) inspection. The annual program to repair these segments began in FY 2013/14.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Sewer	2,000,000	600,000	800,000	800,000	800,000	800,000	5,800,000
		-	-	-			
		-	-	-			
Total	2,000,000	600,000	800,000	800,000	800,000	800,000	5,800,000

Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design	194,231						194,231
Construction		1,000,000					1,000,000
Other Costs		250,000					250,000
Total	194,231	1,250,000	-	-	-	-	1,444,231

Remaining budget: 4,355,769

Comments : The current project that is under design includes replacement of segments in the County unincorporated area.

Capital Improvement and Major Maintenance Program

Wastewater Systems

Project Name: Annual Root Foaming **Project # :** WW-01003

Project Budget: \$1,300,000

Status: Ongoing

Department: ESUD/Sewers

Location: Citywide

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



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Sewer	-	300,000	250,000	250,000	250,000	250,000	1,300,000

Total	-	300,000	250,000	250,000	250,000	250,000	1,300,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Maintenance	-	300,000					300,000

Total	-	300,000	-	-	-	-	300,000
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Remaining budget: 1,000,000

Comments : In FY23/24 the Sewer Maintenance Division is going to be performing root foaming in the segments located in the northern part of the City. The goal of the total root foaming to be completed is approximately 260,000 linear feet of sewer mainline.

Capital Improvement and Major Maintenance Program

Wastewater Systems

Project Name: Annual CIPP Corrosion Replacement **Project # :** WW-01005

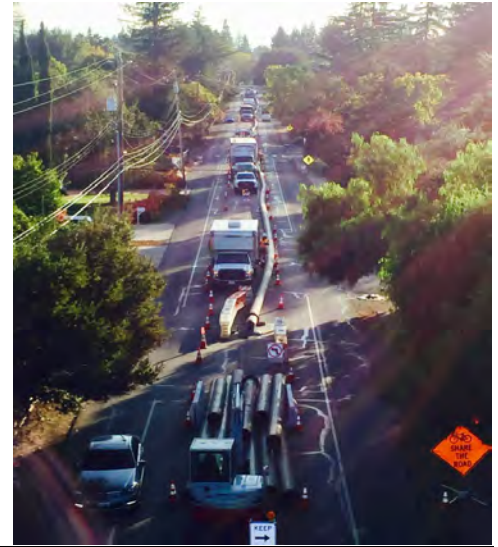
Project Budget: \$4,611,859

Status: Ongoing

Department: ESUD/Sewers

Location: Citywide

Descriptions: This project consists of work to repair pipe corrosion using the cured-in-place pipe (CIPP) repair method for the trunk sewer. The pipe sizes range from 24-inches to 42-inches, which are the largest pipe diameter sections in the system that deliver sewage to the Palo Alto Regional Water Quality Control Plant. The trunk sewer rehabilitation is divided into several phases to be more manageable to prioritize the rehabilitation of the most corroded reaches.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Sewer	1,271,859	340,000	300,000	1,200,000	300,000	1,200,000	4,611,859

Total	1,271,859	340,000	300,000	1,200,000	300,000	1,200,000	4,611,859
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design	151,100	160,000					311,100
Construction	615,600	625,000					1,240,600
Other Costs	33,150	26,800					59,950

	799,850	811,800	-	-	-	-	1,611,650
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Remaining budget: 3,000,209

Comments : CIPP lining of four trunk sewer main segments on El Camino Real was completed in early May 2023.

Capital Improvement and Major Maintenance Program

Wastewater Systems

Project Name: Annual Fats, Oils, Grease Program (FOG) **Project # :** WW-01006

Project Budget: \$427,000

Status: Ongoing

Department: ESUD/Sewers

Location: Citywide

Descriptions: The Fats, Oil and Grease (FOG) Program is critical to the operation of a sewer system. This project provides funding for inspections and follow-up and to educate customers on best management practices (BMPs) to prevent sewer back-ups resulting from FOG being deposited into drains and ultimately to the sewage collection system.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Sewer	60,000	70,000	72,000	74,000	75,000	76,000	427,000

Total	60,000	70,000	72,000	74,000	75,000	76,000	427,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Other Costs	48,170	60,000					108,170

Total	48,170	60,000	-	-	-	-	108,170
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Remaining budget: 318,830

Comments : The annual FOG program is focused on inspections of grease traps in the food services establishments(FSEs) throughout the City and the majority are located in the various commercial areas (e.g., Downtown, Loyola Corners, El Camino Real, etc.).

Capital Improvement and Major Maintenance Program

Wastewater Systems

Project Name: Annual GIS Updates **Project # :** WW-01008

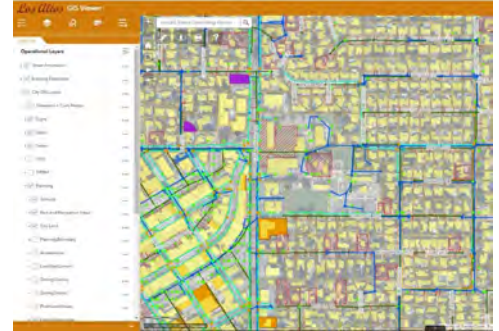
Project Budget: \$383,000

Status: Ongoing

Department: ESUD/Sewers

Location: Citywide

Descriptions: Current and updated maps are critical to the operation and maintenance of the collection system. This project will update the City's GIS with information from new capital projects, inspection and maintenance data.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Sewer	-	83,000	75,000	75,000	75,000	75,000	383,000

Total	-	83,000	75,000	75,000	75,000	75,000	383,000
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Other Costs	-	83,000					83,000

Total	-	83,000	-	-	-	-	83,000
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Remaining budget: 300,000

Comments : The maps are used when maintenance crews respond to sewer problem calls and by engineers designing capital improvement projects (CIPs).

Capital Improvement and Major Maintenance Program

Wastewater Systems

Project Name: Sewer System Management Plan Update **Project # :** WW-01009

Project Budget: \$212,650

Status: Ongoing

Department: ESUD/Sewers

Location: Citywide

Descriptions: In accordance with State requirements, this project will update the City of Los Altos Sewer System Management Plan. The updating is typically done by a sewer management consultant. The update of the SSMP will be based on compliance with the State Water Resources Control Board (SWRCB) Sanitary Sewer Discharge Requirements (WDR).



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Sewer	41,550	21,100	75,000		75,000		212,650

Total	41,550	21,100	75,000	-	75,000	-	212,650
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Other Costs	62,650						62,650

Total	62,650	-	-	-	-	-	62,650
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Remaining budget: 150,000

Comments : The ongoing update to the SSMP involves bringing our programs into compliance with the new Statewide Sanitary Sewer Systems General Order, effective June 5, 2023.

Capital Improvement and Major Maintenance Program

Wastewater Systems

Project Name: Sanitary Sewer Video Inspection **Project # :** WW-01011

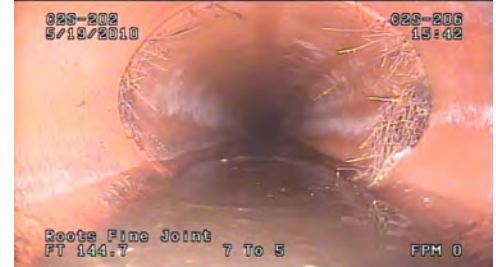
Project Budget: \$2,276,406

Status: Ongoing

Department: ESUD/Sewers

Location: Citywide

Descriptions: As sewer system networks age, the risk of deterioration, blockages, and collapses become a major concern. Cleaning and inspecting sewer lines is essential to maintaining a properly functioning system. These activities further a community's reinvestment into its wastewater infrastructure. Inspection programs are required to determine current sewer conditions and to aid in planning a maintenance or rehabilitation strategy. Closed-circuit television (CCTV) inspections are the most frequently used, most cost efficient, and most effective method to inspect the internal condition of a sewer. The 2013 Sanitary Sewer Master Plan Update recommends full video inspection of the sanitary sewer system every 5 years. Current system CCTV data was last collected between 2021 and 2023.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Sewer	516,406		440,000	440,000	440,000	440,000	2,276,406

Total	516,406	-	440,000	440,000	440,000	440,000	2,276,406
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Other Costs	397,386	420,000					817,386

Total	397,386	420,000	-	-	-	-	817,386
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Remaining budget: 1,459,020

Comments : The City sanitary sewer system is divided into areas which are CCTV'd in rolling phases.

Capital Improvement and Major Maintenance Program

Wastewater Systems

Project Name: Adobe Creek Sewer Main Replacement **Project # :** WW-01012

Project Budget: \$8,422,985

Status: Design

Department: ESUD/Sewers

Location: Along Adobe Creek between South Edith Avenue and Manresa Way

Descriptions: The project involves rehabilitation and partial realignment of approximately 6,580 linear feet of sewer main along Adobe Creek. The construction of the project is to be completed in four phases. Obtaining permits with regulatory agencies to work near and within the creek requires additional time, coordination, environmental submittal review, and overall project management.



Cumulative Appropriation by Funding Source	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Sewer	422,985	-	2,000,000	2,000,000	2,000,000	2,000,000	8,422,985

Total	422,985	-	2,000,000	2,000,000	2,000,000	2,000,000	8,422,985
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Expenditures	Prior years	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Design	573,165	-	-	-	-	-	573,165

Total	573,165	-	-	-	-	-	573,165
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Remaining budget: 7,849,820

Comments : The consultants are currently working towards obtaining permits as well as the 100% design submittal for the project.

APPENDICES

- Appendix 1: Financial and Operational Policies
- Appendix 2: Gann Appropriation Limit
- Appendix 3: Debt Limit/Obligation
- Appendix 4: Fund Descriptions
- Appendix 5: Glossary of Budget Terms
- Appendix 6: Budget Resolutions
- Appendix 7: Gann Limit Resolution
- Appendix 8: Financial Policy Resolution

Appendix 1: Financial and Operational Policies

- Financial Policy
- Investment Policy
- Debt Policy

Financial Policy

OVERVIEW

This document establishes policies of overall financial management, budget development, and fiscal administration for the City of Los Altos. Included herein are statements and principles designed to guide the City in maintaining its financial stability.

Formal adopted financial policies assist elected officials and staff in the development of fiscal management practices, save time and energy in making financial decisions, promote public confidence, and provide continuity over time. While these policies will be updated periodically, they provide the basic framework for many of the financial decisions that the City will address. They support long-term planning and enhance the City's effectiveness.

This document discusses the most important elements of financial management in one comprehensive centralized format and is organized into the following areas of discussion:

- General Financial Principles
- Operating Budget
- Capital Improvements Program
- Revenues
- Expenditures
- Cash and Investment Management
- Debt Management
- Fund Balances and Reserves
- Financial Reporting and Audit
- Internal Control of the Financial Enterprise System
- Annual Review and Update
- Exhibits

GENERAL FINANCIAL POLICIES

It is the overall policy of the City of Los Altos to:

- Provide financial information in a relevant, thorough, timely fashion, and in a format that effectively communicates financial status to Council, citizens, and City employees.
- Manage its financial resources in a responsible and planned manner.
- Establish and maintain prudent fund balance levels.
- Maintain financial reporting in compliance with current governmental accounting standards.
- Promote and implement a relevant and strong system of internal financial controls to manage significant risks and monitor the reliability and integrity of financial and operating reporting.
- Promote constructive and proactive financial decision making.
- Integrate long-term operating and capital resources planning.
- Allow for uncertainties and maintain a posture of financial flexibility.
- Develop programs in a manner that supports the City's long-term ability to cover costs and provide the level and quality of service required by its citizens.
- Manage debt responsibly.
- Establish and maintain investment policies in accordance with State law.

OPERATING BUDGET

The budget will be adopted by the City Council no later than June 30th of each year. The City Manager may develop and present a biennial budget. The City should strive to develop a multi-year financial plan (a five-year forecast) that is updated as part of the periodic budget process. A balanced provisional operating budget will be presented to City Council for review and adoption.

A balanced provisional operating budget will be presented to City Council for review and adoption, A “balanced budget” means that recurring expenditures do not exceed recurring revenues. Total expenditure should not exceed total revenue plus available funds. Available funds may include the use of fund balances on hand. The city adheres to a structurally balanced budget in that ongoing revenues are matched to ongoing expenses and one-time or cyclical revenues cover one-time expenses to manage to a net zero or positive bottom line.

Funds may not be expended for a new fiscal year until the budget for that fiscal year has been adopted by City Council.

One-time revenue sources are not to be relied upon to fund ongoing operations.

Budgetary control is maintained at the fund level:

- The City Manager may make budget transfers between departments or programs as long as those changes do not increase overall appropriations within any one given fund. Transfers between funds, overall increases in fund appropriations, and overall increases in project budgets can only be made through City Council action. Transfers between departments should be reported to the City Council as part of the budget update process, either at mid-year or at the proposal of a new budget term
- Department heads are held directly responsible and accountable for developing and managing their operational budgets. Their level of control is held at the department level. Departments that operate programs among different funds are limited to the appropriation levels within any one fund.

Operating expenditure appropriations not spent during the fiscal year lapse at year- end, except for:

- Encumbrances or commitments, as in the form of finalized Purchase Orders, made during the fiscal year that have not been completed at year- end.
- Appropriations for capital improvement projects and ongoing grants with a life cycle beyond one year.

Governmental funds use the modified accrual basis of accounting while proprietary and fiduciary fund types are budgeted on a full accrual basis of accounting. The Annual Comprehensive Financial Report (ACFR) presents the City’s finances on a generally accepted accounting principles (GAAP) basis and the City’s budget is prepared in conformance with these standards.

The City budget must comply with the annual determination of the City’s appropriations limit calculated in accordance with Article XIII B of the Constitution of the State of California and adopt an annual resolution to this effect.

CAPITAL IMPROVEMENT AND MAJOR MAINTENANCE PROGRAM

The City will develop and maintain a five-year capital improvement project and major maintenance plan (CIMMP) to be updated annually in conjunction with the operating budget. The CIMMP should reflect the current and changing needs of the community as well as enhance the quality of the community's quality of life.

All projects within the CIMMP are to be tracked systematically and reported to management quarterly. CIMMP tracking reports should clearly display budget-to-actual performance by project, fund category and project status.

A capital program typically involves the purchase or construction of major fixed assets such as land, buildings and any permanent improvement including additions, replacements and major alterations having a long-life expectancy. Additionally, capital projects may apply to 1) expenditures that take place over two or more years and require continuing appropriations beyond a single fiscal year; 2) systematic acquisitions over an extended period of time or 3) scheduled replacement of specific elements of physical assets. Generally, only those items costing \$10,000 or more are considered as capital projects. Vehicles purchases will also be included in this program when a fleet replacement plan is established.

The City also identifies projects in the Major Maintenance Program each year. Those projects mainly apply to 1) up-grade and maintain all buildings at current, competitive standards; 2) address code and safety issues, mechanical, electrical, and plumbing systems, exterior and structural shortcomings, cosmetics, and immediate landscape issues; 3) the dollars are not to be spent to alter buildings or to

renovate; 4) dollars should extend the life of whatever is being corrected for cycle of life designated for the building (typically ten years). Capital improvements that specifically benefit a select group of users and/or are fee- for-service based are to be financed through user fees, service charges, special assessments and taxes, or development impact fees.

Capital improvements that specifically benefit a fee-for-service enterprise operation (such as Sewer) are to be financed through the service fees generated within that operation and fund. Such fees should be supported by periodic updates to the related utility master plan.

Transfers of resources into the CIP fund will be evaluated on an annual basis dependent upon the existence of available surplus dollars.

The City should strive to maximize the use of capital grants and state subventions in funding capital improvements before tapping general revenue sources.

REVENUES

The City will strive to maintain a diversified and stable revenue base to minimize the impact of economic fluctuation.

The City will seek out, apply for, and effectively administer federal, state, and other grants that address the City's current operating and capital priorities.

Independent user-fee studies should be performed and updated periodically (three to five years) to ensure the proper balance of costs and service charges. The City should strive to cover the full cost of providing non-tax and discretionary fee-based service operations except to the extent that City Council approves defined subsidy levels by program area.

Operating departments are to review public services to identify and determine those appropriate for Fee collection. Recommendations for new fees are to be presented to the City Council as fees are periodically updated.

Operating departments are to review existing fees periodically and recommend adjustments, if necessary, to ensure they reflect all direct and reasonable indirect costs of providing such services. Enterprise operations will be self-supporting and shall reimburse the General Fund for any and all material and services provided on their behalf.

EXPENDITURES

Expenditures are to be budgeted and controlled so as to not exceed estimated revenues plus the approved and planned use of fund balances accumulated in prior years.

The City will conduct a mid-year financial status review to determine if projected revenues and expenditures meet target levels. If an operating deficit is projected at year-end, the City should evaluate the need for immediate corrective and/or mitigating actions, including operating or capital expenditure reductions and/or activate the use of established contingency balances. The deferral of essential and scheduled operational expenditures into the following fiscal year or the use of short-term loans and transfers to balance the budget should be avoided.

The City should implement a formal purchasing system, principles, and guidelines to ensure that expenditure levels are kept in check in the course of any fiscal year.

CASH AND INVESTMENT MANAGEMENT

The Financial Commission will review the City's investment policy annually and make recommendations to the City Council when appropriate.

The responsibility of investing City funds rests with the Finance Director who is to exercise due diligence to adhere to the investment policy. The Finance Director will present to the City Council quarterly investment reports presenting a summary of the portfolio status and compliance with the conditions set forth in the investment policy.

DEBT MANAGEMENT

The City should plan the use of debt in a manner that sustains financing payments at manageable levels.

The City will seek to maintain a high credit rating through sound financial practices as a basis for minimizing borrowing costs.

The City will make every effort to use pay-as-you-go financing for capital improvement projects. Debt financing for a project can be used if the overall project cost exceeds anticipated available resources and/or if the cost of financing is favorable as compared to the use of City investment holdings over the financing term.

The City will monitor all forms of debt annually in conjunction with the budget preparation process and report concerns and remedies, if necessary, to City Council.

The City will diligently monitor its compliance with bond covenants.

The City will not issue long-term debt to finance current operations. Debt financing should only be used for long-term capital improvement projects with a useful life exceeding the term of the financing and for which the project revenues or specific identified revenue sources are sufficient to service the long-term debt.

The City will use a lease-purchase method of financing for equipment if the lease rates are more favorable than the City's expected overall investment rate of return. The City will not incur general obligation indebtedness for public improvements which exceed in aggregate 15% of the assessed value of all real and personal property of the City as specified in the California Government Code Section 43605.

FUND BALANCE

GOVERNMENT FUND TYPE DEFINITIONS

The City's governmental fund types include the general fund, special revenue funds, capital projects funds, and debt service funds. GASB has clarified the definitions of these funds as follows:

GENERAL FUND

The General Fund should be used to account for and report all financial resources not accounted for and reported in another fund.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources (investment earnings and transfers from other funds, for example) also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund. Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

DEBT SERVICE FUNDS

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest, even if it is being accumulated for future years' payments. Debt service funds should be used to report resources if legally mandated.

FUND BALANCE CLASSIFICATIONS

Fund balance is defined as the difference between assets and liabilities. Beginning in FY2010-2011, the City is required to reclassify fund balances into the following five categories to comply with the Governmental Accounting Standards Board Statement (GASB) No. 54, Fund Balance and Governmental Fund Types.

NONSPENDABLE

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

SPENDABLE: RESTRICTED

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

COMMITTED

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

ASSIGNED

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

UNASSIGNED

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

GOVERNING BODY ORDER OF FUND UTILIZATION

The City of Los Altos will use GASB's definitions of fund balance for the annual financial reports (audits) and for all other financial reporting. For all financial planning purposes, the term Budgetary Fund Balance will be used and will include any portion of the fund balance that is available for appropriation. Portions of the fund balance not available for appropriation will be identified as follows.

The City of Los Altos policy establishes the order of use of unrestricted resources as follows: The City shall strive to use the most restricted fund balances prior to utilizing those that are less restricted. The following order of use reflects this guideline:

- Nonspendable (if funds become spendable)
- Restricted
- Committed
- Assigned
- Unassigned

SPECIAL REVENUE CLASSIFICATIONS

Only the General Fund has an unassigned category since money remaining in any other fund is automatically designated or assigned to the purposes of that fund. Under the new GASB 54 rules, if the balance of a Special Revenue Fund is not formally restricted or committed by fiscal year end, then it must be reported as part of the General Fund for fiscal year end audited financial statement purposes. For some of the City's special revenue funds, this necessitates the City Council to provide direction on the intended use of resources for the future. Staff recommends that the City Council adopt the following list of the City's Special Revenue Funds and their expected fund balance classifications:

- Vehicle Impound Fund – Restricted to Public Safety Use
- Supplemental Law Enforcement Fund – Restricted by State Statute
- Gas Tax Funds – Restricted by State Statute
- Proposition 1B – Restricted by State Statute
- Storm Drain Deposits – Restricted to Storm Drain Use
- Community Development Block Grants – Restricted by Federal/State Statute
- Downtown Parking Fund – Restricted by Council Action
- In-Lieu Park Fee – Restricted by State Statute
- Traffic Impact Fee – Restricted by State Statute
- Estate Donation Fund – Restricted by Council Intent
- Transportation Development Act (TDA) Funds – Restricted by State Statute
- Measure B Fund – Restricted by State Statute
- Vehicle Registration Fund - Restricted by State Statute
- PEG Fees Fund – Restricted by State Statute
- Public Art Fund - Restricted by Council Intent
- AB- 1379 CASP Fee- Restricted by State Statute

In addition, GASB 54 allows the City Council authority to "assign" ending fund balances or bestow this authority to a City officer or designee. To provide the City with the most flexibility in financial reporting, the City Manager is given authority to assign resources and ending fund balances.

FUND BALANCE POLICY LEVELS

PURPOSE

The City of Los Altos (City) has enacted the Fund Balance policies in an effort to ensure financial security through the maintenance of a healthy fund contingency balance that guides the creation, maintenance, and use of resources for financial stabilization purposes. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The City also seeks to maintain the highest possible credit ratings which are dependent, in part, on the City's maintenance of a healthy fund balance.

GENERAL FUND

The City's fiscal goal is to maintain annual expenditure increases at a sustainable growth rate, and to limit expenditures to anticipated revenue in order to maintain a balanced budget. The Council directed target is to maintain an unrestricted fund balance within the range of not less than 17% of annual operating expenditures for the fiscal year with a multi-year goal of achieving a 20% unrestricted fund balance level for the reasons noted below. This level of coverage includes General Fund balance amounts specifically assigned for annual Emergency and Operating Reserve as discussed and defined further below:

- To provide funding to cover approximately two (2) months of operating expenses with the goal of achieving three months coverage in the long term.

- To provide the liquidity necessary to accommodate the City's uneven cash flow, which is inherent in its periodic tax collection schedule.
- To provide the liquidity to respond to contingent liabilities.
- To adhere to Government Finance Officers Association (GFOA) recommendation that a minimum General Fund unrestricted fund balance to be maintained of no less than either two (2) months of regular operating revenues or expenditures.

INTENDED USES FOR RESERVE

- Interruptions in cash inflows

Examples include the State holding back on or altering tax disbursements, loss of sales tax receipts of a one-time nature, or a significant economic slowdown. If the cash inflow interruption is of an ongoing nature, reserve use is limited to a consecutive two-year period, not to exceed 40% of the beginning reserve balance.

- Emergencies

In the event of an emergency or disaster such as earthquakes, fires, floods or other such emergencies, the entire balance may be used to temporarily fund recovery costs. It is understood that all aid assistance options will be sought to fund recovery efforts or reimbursement of the Contingency Reserve for fronting of recovery costs.

- Capital Acquisitions

Up to one-third of the Contingency Reserve balance may be used to finance capital acquisitions, as long as a repayment plan is approved. The repayment plan must be financially feasible based on the City's adopted Long-Term Financial Forecast. Alternative financing options shall be presented for consideration along with the use of the Contingency Reserve.

- Emergent Opportunities

Up to one-third of the Contingency Reserve balance may be used to finance opportunities that directly benefit the City in a variety of ways. These include, yet are not limited to, creating, enhancing, or preserving revenue streams, or otherwise strengthening the City's financial performance.

OTHER CRITERIA FOR USE

A majority vote from the City Council is required to determine that it is necessary to use the Contingency Reserve for any of the uses listed above. With the exception of the emergency scenario, the reserve contingency balance allocated for other intended uses shall not exceed 50% of the required balance in any given year.

REPLENISHMENT PLAN

Unless a repayment plan is pre-established at the time reserves are allocated, Staff shall bring for Council consideration a replenishment plan, within 60-days of allocation from the reserve. It would be Council's expectation that every effort would be made to replenish the reserve as soon as it is financially feasible and practical to do so.

CALPERS UNFUNDED ACCRUAL LIABILITY (UAL) & OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING

The City conducted actuarial studies to comply with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits* and GASB Statement No. 68, *Accounting and Financial Reporting for Pension* to determine the City's obligations). The studies concluded that the City should set aside annual funding for those obligations and the City has maintained internal funding of UAL and OPEB obligations for this purpose.

SEWER FUND BALANCES

The City should maintain the balances in the Sewer Fund at a level sufficient to accommodate operating and capital needs. The Sewer Master Plan has set this reserve at 25% of annual expenditures, including estimated capital improvements. This level of funding should be established pursuant to the performance of a utility fund rate-study and/or master plan and are to be used for unanticipated operating and capital needs, and to level future rate increases. Multi-year fee studies for this fund should be updated periodically as a basis for defining

the revenue sources necessary to maintain system infrastructure and required services levels. As a result of the periodic fee or master plan studies, adjustments to user charges may be necessary to maintain recommended fund balance levels.

WORKERS' COMPENSATION AND LIABILITY INSURANCE FUNDING

Periodic actuarial studies of self-insured workers' compensation and general liabilities will be conducted to ensure that proper levels of liabilities are accrued for claims and that rates charged to operating departments are appropriate.

EQUIPMENT REPLACEMENT FUNDING

An equipment replacement fund will be maintained to provide for the timely replacement of vehicles and other operating capital equipment. This fund is to be reviewed on an annual basis and rates charged to the using departments based on the depreciation guidelines established in this policy.

FINANCIAL REPORTING AND AUDIT

The City's accounting and financial reports are to be maintained in conformance with GAAP. An annual financial audit will be performed by an independent public accounting firm familiar with municipal government activities. The independent auditor will issue an audit opinion to be included in the City's Annual Comprehensive Financial Report (ACFR). Additionally, the auditor will present the ACFR and discuss audit findings to the Financial Commission. The City encourages the rotation of audit service providers on a periodic basis.

The City is encouraged to submit the Annual ACFR and Popular Annual Financial Report (PAFR) to State and/or National Government Finance Professional organizations (Government Finance Officers' Association's Certification of Achievement for Excellence in Financial Reporting – California Society of Municipal Finance Officers ACFR Award) for independent review and evaluation.

Internal financial status reports are to be issued on a periodic and timely basis – no less than quarterly and be made readily available citywide.

CAPITAL ASSETS

At the time of Acquisition, capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. Then the assets will be recorded at the depreciated value based on the depreciation schedule.

The City is to record the depreciation equipment, buildings and facilities, and infrastructure as follows and in line with internally established capitalization guidelines:

CAPITALIZATION THRESHOLDS

- | | |
|---------------------------------------|-----------|
| • Land purchases | Any value |
| • Equipment | \$10,000 |
| • Buildings and facility improvements | \$25,000 |
| • Infrastructure | \$100,000 |

DEPRECIATION

Depreciation will be recorded on a straight-line basis over the following estimated useful lives:

- Equipment 3 – 10 years
- Site improvements other than buildings 30 – 50 years
- Buildings 50 years
- Infrastructure 30 – 100 years

In June 1999, the GASB issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with GASB Statement No. 34, the City included all infrastructure into the Basic Financial Statements. The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, sewer, and park lands. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping, and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Interest accrued during capital asset construction, if any, is capitalized for the business type and proprietary funds as part of the asset cost.

INTERNAL CONTROL FOR FINANCIAL ENTERPRISE SYSTEM

The City will utilize Public Risk Innovation, Solution and Management (PRISM) to conduct cybersecurity audit periodically. The information security policy will be reviewed annually.

Financial system access control is in place. Only authorized individuals can access critical financial systems and data.

There shall be regular training sessions to raise awareness among employees about the importance of cyber security and educate on best practices. This will cover topics such as phishing attacks, social engineering, safe browsing habits, and the proper handling of sensitive data.

Investment Policy

A. INTRODUCTION

This document sets forth policies designed to ensure that the City's public funds are invested prudently, efficiently, and in compliance with legal requirements. It was developed in accordance with California Government Code Sections 53600 *et seq.* and is reviewed by the Financial Commission and adopted by City Council each fiscal year.

This document discusses the most important elements of investment management in one comprehensive centralized format and is organized into the following areas of discussion:

- A. Introduction
- B. Scope
- C. Prudent Investor Standard
- D. Objectives
- E. Guiding Principles
- F. Delegation of Authority
- G. Financial Commission Oversight
- H. Ethics and Conflict of Interest
- I. Safekeeping and Custody
- J. Reporting Requirements
- K. Maximum Maturity
- L. Permitted Investment Instruments
- M. Prohibited Investment Instruments
- N. Glossary of Investment Terms

B. SCOPE

This policy covers all public funds under the direction of the Finance/Administrative Services Director or their successor within the following fund types:

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

The investment of bond proceeds is governed separately by the provisions of the relevant bond documents.

C. PRUDENT INVESTOR STANDARD

All persons involved in investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing the City's investment portfolio shall act with the care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City.

D. OBJECTIVES

The primary objectives, in order of their priority, of the City's investment program shall be:

Safety - The preservation of the principal of the City's overall investment portfolio is the foremost objective of the investment program.

Liquidity - The City's investment portfolio will remain sufficiently liquid to meet its cash flow requirements.

Return on Investment - The City's investment portfolio shall be designed with the objective of attaining a reasonable and prudent rate of return consistent with the risk constraints and liquidity demands imposed by its safety objective and cash flow requirements.

E. GUIDING PRINCIPLES

The following guiding principles are important in the pursuit of such objectives:

Minimizing Liquidity, Credit and Market Risks: Investment decisions should minimize liquidity, credit or market risks in the following ways:

Liquidity Risk - The risk that the investment portfolio will not provide adequate cash liquidity for operations shall be mitigated by structuring the portfolio so that securities mature at the same time that major cash outflows occur, thus minimizing the need to sell securities prior to their scheduled maturity date unless market conditions present favorable repositioning opportunities.

Credit Risk - The risk of loss of principal associated with the failure of any one security issuer shall be mitigated by investing in only very safe highly-rated securities and prudently diversifying the investment portfolio to avoid concentrating investments in specific security types, maturity durations, or in individual financial institutions.

Market Risk - The risk of market value fluctuations arising from overall changes in the general level of interest rates shall be mitigated through maintaining prudent duration levels, staggering investment maturity dates evenly over a desired overall duration target and prohibiting the taking of short positions (selling securities that the City does not own) and interest rate sensitive derivative instruments. It is explicitly recognized herein, however, that in a diversified portfolio occasional measured losses are inevitable and must be considered within the context of the overall portfolio's structure and expected investment return, with the proviso that adequate diversification and credit analysis have been implemented.

Market Average Rate of Return: The investment portfolio shall be managed to attain a market average rate of return based upon a benchmark that is appropriate for a fund of like character and aims and commensurate with the portfolio's current investment strategy.

Non-Speculative Approach: This policy specifically prohibits all speculative investment practices, including, but not limited to, those that seek to gain or profit through transactions of high and unusual risk, or that utilize securities whose price is dependent upon or derived from one or more underlying assets (Derivatives).

Professionalism and Public Trust: The City's investment portfolio is subject to public review and evaluation and shall be designed and managed with the high degree of professionalism that is worthy of the public trust.

F. DELEGATION OF AUTHORITY

The management responsibility for the City's investment program has been delegated to the Finance/Administrative Services Director or their successor. The Finance/Administrative Services Director or their successor shall monitor and review all investments for consistency with this policy, and may delegate investment decision-making and execution authority to investment advisors in accordance with an agreement as authorized by the City Council. The investment advisor shall follow and comply with this policy and all other written instructions provided by the City. The Finance/Administrative Services Director or their successor may, in writing, further delegate such investment authority to designated management staff in the Executive and/or Finance Department in the event of the Finance/Administrative Services Director or their successor's absence or other unavailability. The Finance/Administrative Services Director or their successor shall prepare and file documents with all financial institutions with which the City conducts investment activities certifying the names of those persons authorized to effect transactions on behalf of the City.

G. FINANCIAL COMMISSION OVERSIGHT

The Financial Commission consists of citizen members appointed by the City Council. The Financial Commission shall meet periodically, at least quarterly, to review general investment strategies and monitor the results of the City's investment portfolio in coordination with the Finance/Administrative Services Director or their successor or finance staff designee. The Financial Commission shall also review any proposed changes to this policy before they are submitted to the City Council for final adoption.

H. ETHICS AND CONFLICT OF INTEREST

All persons involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the City's investment program or which could impair their ability to make impartial decisions.

I. SAFEKEEPING AND CUSTODY

All investments of the City's investment portfolio shall have the City of Los Altos as the registered owner, and all interest and principal payments and withdrawals shall indicate the City of Los Altos as the payee. All securities shall be safely kept with a qualified financial institution, contracted independently by the City as a third party. All securities shall be acquired by the safekeeping institution on a "delivery-vs.-payment" (DVP) basis. In other words, the security must be delivered before funds are released. The DVP basis for delivery applies also to the delivery and safekeeping of repurchase agreement collateral.

J. REPORTING REQUIREMENTS

The Finance/Andre Director will present to the City Council quarterly investment reports, which will present an overall summary of investment performance and include the following type of information:

- Description of investment instruments held
- Interest rate and yield to maturity
- Maturity dates
- Purchase price
- Par value
- Current market value as of the date of the report, including the source of such valuation
- Overall portfolio yield based on cost
- Total return (Quarterly)
- Benchmark comparisons
- Detailed transaction reports shall be made available upon request by any governing member or member of the public

K. MAXIMUM MATURITY

The City may not invest in a security with a maturity date that exceeds five years from the date of purchase.

For purposes of compliance with this Policy, an investment's term or remaining maturity shall be measured from the settlement date to final maturity. In addition, a security purchased shall not have a forward settlement date exceeding 45 days from time of investment.

L. PERMITTED INVESTMENT INSTRUMENTS

The California Government Code in section 53600 *et seq.* sets certain limits on the investment instruments, credit criteria, maximum maturity dates, concentration percentages and other conditions of eligibility in which a government agency's funds may be invested. However, this policy sets limits on the investment of the City's investment portfolio that are more restrictive than such California law. The California Code limits and the more restrictive limits applicable to this policy are listed and summarized in the attached **Exhibit A** (City of Los Altos Allowable Investments). The City's investment portfolio may be invested only in those instruments permitted in **Exhibit A**.

It is important to note that from time to time the City may be invested in a security whose rating is downgraded subsequent to the original date of purchase. The Finance/Administrative Services Director or their successor, directly or indirectly through the delegation of authority to the investment advisor, shall monitor the status of security ratings. When the City uses the services of outside investment advisors and a rating of a prior-purchased security drops below the minimum allowed rating category for that given investment type, the investment advisor shall immediately notify the Finance/Administrative Services Director or their successor and recommend a plan of action.

M. PROHIBITED INVESTMENT INSTRUMENTS

Investment of the City's investment portfolio in any of the following identified instruments is specifically prohibited:

- **Reverse Repurchase Agreements** - Differs from a Repurchase Agreement in the sense that a reverse repurchase agreement is one that sells security positions in return for cash with an agreement to repurchase the securities for an agreed upon price.
- **Derivatives** - Financial instruments whose values are based on or determined by another security, financial instrument or index, including instruments used for hedging.

- **California State and Local Agency Obligations** - Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency. Nothing in this section shall be construed to exclude the City's participation in the Local Agency Investment Fund (LAIF) operated by the State of California Treasurer's Office.
- **Other State Obligations** - Registered debt obligations of any of the other 49 United States beyond California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority.
- **Prohibited Investments Cited in California Government Code Section 53601.6 including, but not limited to:**
 - Inverse Floaters
 - Range Notes
 - Mortgage Derivatives or other similar asset backed securities
 - Interest Only Strips
 - Zero Interest Coupon Securities*

*Additionally, the City shall not invest in any security that could result in zero interest accrual if held to maturity, except as provided in the subsequent paragraph.

Notwithstanding the prohibitions stated in the above paragraph, effective January 1, 2021, the City may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. The City may hold these instruments until their maturity dates. Securities described in this paragraph shall remain in effect only until January 1, 2026, and as of that date is repealed.

N. GLOSSARY OF INVESTMENT TERMS

Exhibit B contains a glossary of key investment terms that may be used in this policy.

Exhibit A

City of Los Altos Allowable Investments

Investment Instruments	Calif. Code Limitation	City Policy Limitation
Collateralized Bank Deposits	No term 100% of portfolio	No term 100% of portfolio
State of California - Local Agency Investment Fund (LAIF)	No term 100% of portfolio Max \$75 million	No term 100% of portfolio Max \$75 million
Money Market Mutual Funds (SEC Rule 2a7)	No term 20% of portfolio 10% per issuer	Overnight 20% of portfolio US owned Calif. institution 10% of portfolio per issuer
U.S. Treasuries	5 years 100% of portfolio	5 years 100% of portfolio
Federal Agencies (including, mortgage-backed securities, callable securities)	5 years 100% of portfolio	5 years 100% of portfolio 20% of portfolio per issuer 35% of portfolio in callables
Municipal Obligations (including notes issued by the State of California, California local agencies, and the other 49 states)	5 years 100% of portfolio	5 years 30% of portfolio Credit rating category of “A” or its equivalent or higher by a nationally recognized statistical-rating organization (NRSRO) Other ¹
Bank /Time Certificates of Deposit	5 years 100% of portfolio	3 years 50% of portfolio 10% of portfolio per issuer US owned Calif. institution FDIC/NCUA Insured and/or collateralized in Treasuries and Agencies
Negotiable Certificates of Deposit	5 years 30% of portfolio	5 years 30% of portfolio 3% of portfolio per issuer Credit rating category of “A” or its equivalent or higher by a NRSRO
Corporate Medium Term Notes	5 years 30% of portfolio Credit rating of no less than A by any NRSRO	5 years 30% of portfolio 3% of portfolio per issuer Credit rating category of “A” or its equivalent or higher by a NRSRO
Repurchase Agreements	1 year 100% of portfolio 102% Collateral	180 days 20% of portfolio 10% of portfolio per issuer 102% Collateral Treasuries/Agencies US owned Calif. financial institution

¹Municipal bonds must also be either (1) a general obligation bond whose principal and interest payments are secured by the full faith and credit of the issuer and supported by either the issuer’s unlimited or limited taxing power, or (2) an essential service bond secured with revenue from a water, sewer, power or electric system.

Investment Instruments	Calif. Code Limitation	City Policy Limitation
Bankers' Acceptances	180 days 40% of portfolio 30% per issuer	180 days 20% of portfolio 10% of portfolio per issuer US owned Calif. institution
Commercial Paper	270 days 25% of portfolio 10% per issuer	270 days 25% of portfolio 5% of portfolio per issuer Credit rating of no less than "A-1" or its equivalent or higher by an NRSRO.
Obligations issued by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank	5 years 30% of portfolio Credit rating of no less than AA by an NRSRO	5 years 10% of portfolio Credit rating of no less than AAA by an NRSRO
Asset-Backed Securities ²	5 years 20% of portfolio Credit rating of no less than AA by an NRSRO	5 years (WAM) 20% of portfolio 3% of portfolio per issuer Security shall be rated AAA by an NRSRO
Supranational	5 years 30% of portfolio Credit rating of no less than AA by an NRSRO	5 years 20% of portfolio Credit rating of no less than AA by an NRSRO
Shares of beneficial interest issued by a Joint Powers Authority	100% of portfolio Advisor requirements	100% of portfolio Advisor and rating requirements must meet CA Code 53601

² Asset-Backed Securities shall not include mortgage related products issued by commercial entities. Investments in asset-backed securities shall generally be limited to those in "senior" tranches.

Exhibit B

Glossary of Investment Terms

Agency - See "Federal Agency."

Asset-Backed Securities (ABS) - Securities whose income payments and hence value is derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt.

Bankers' Acceptance (BA's) - A draft or bill of exchange drawn upon and accepted by a bank frequently used to finance the shipping of international goods. Used as a short-term credit instrument, bankers' acceptances are traded at a discount from face value as a money market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

Benchmark - A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance, and duration of the actual portfolio's investments.

Certificate of Deposit (CD) - Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity). Can be as long as ten years to maturity, but most CDs purchased by public agencies are one year and under.

Collateral - Investment securities or other property that a borrower pledges to secure repayment of a loan, secure deposits of public monies, or provide security for a repurchase agreement.

Commercial Paper - Short-term unsecured promissory note issued by a company or financial institution that is issued at a discount and matures for par or face value. This instrument usually matures at a maximum maturity of 270 days and bears a short-term debt rating by one or more Nationally Recognized Statistical Rating Organization (NRSRO).

Corporate Medium Term Notes - A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years. Used frequently to refer to corporate notes of medium maturity (five years and under).

Custody - Safekeeping services offered by a bank, financial institution or trust company, referred to as the "custodian." Service normally includes the holding and reporting of the customer's securities, the collection and disbursement of income, securities settlement and market values.

Delivery Versus Payment (DVP) - The settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those through the Federal Reserve Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

Depository Trust Company (DTC) - A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs, and BAs clear through DTC.

Derivative - A financial instrument whose value is based on or determined by another security, financial instrument, or index.

Diversification - Dividing investment funds among a variety of security types, maturities, industries, and issuers offering potentially independent returns.

Federal Agency - These are Federal government sponsored and/or owned entities created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets. The largest federal agencies are Fannie Mae, Freddie Mac, FHLB, FFCB, and TVA.

Federal Reserve System (the Fed) - The independent central bank system of the United States that establishes and conducts the nation's monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Federal Reserve Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven-member Board of Governors known as the "Federal Reserve Board" and led by its Chairman.

Federal Treasuries - A collective term used to describe debt instruments backed by the U.S. Government and issued through the U.S. Department of the Treasury that includes Treasury bills, Treasury notes, and Treasury bonds. Also a benchmark term used as a basis by which the yields of non-Treasury securities are compared (e.g., "trading at 50 basis points over Treasuries").

Fiduciary Funds - Term used when a governmental unit acts in a fiduciary capacity such as a trustee or agent. The government unit is responsible for handling the assets placed under its control.

Government Sponsored Enterprise (GSE) - A privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government. For this reason, these securities will offer a yield premium over Treasuries. Examples of GSEs include: FHLB, FHLMC, FNMA, and SLMA.

Governmental Funds - Term used in Government Accounting to apply to all funds except for the profit and loss funds (e.g., enterprise fund, internal service fund) and trust and agency funds. Examples of governmental funds are the general fund, special assessment fund, and capital projects fund. Governmental funds use the modified accrual accounting method.

Government Instrumentalities (Supranationals) – Entities formed by two or more central governments with the purpose of promoting economic development for the member countries. Supranational institutions finance their activities by issuing debt, such as supranational bonds. Examples of supranational institutions include the European Investment Bank and the World Bank. Similarly to the government bonds, the bonds issued by these institutions are considered direct obligations of the issuing nations and have a high credit rating.

Index - A compilation of statistical data that tracks changes in the economy or in financial markets.

Interest-Only (IO) Strips - A security based solely on the interest payments from the bond. After the principal has been repaid, interest payments stop and the value of the security falls to nothing. Therefore, IOs are considered risky investments and are usually associated with mortgage-backed securities.

Inverse Floater - A floating rate security structured in such a way that it reacts inversely to the direction of interest rates. Considered risky as their value moves in the opposite direction of normal fixed income investments and whose interest rate can fall to zero.

Investment Advisor - A company that provides professional advice managing investment portfolios offers investment recommendations and/or research in exchange for a management fee.

Liquidity – This is a measure of the relative ease of converting an asset into cash without significant loss of value and the level of cash and near-cash items in a portfolio of assets. This term also describes the marketability of money market security correlating to the narrowness of the spread between bid and ask prices.

Local Agency Investment Fund (LAIF) - Special fund in the California State Treasurer’s Office which local agencies may access to deposit funds for short-term investment and reinvestment.

Market Value - The fair market value of a security or commodity or the price at which a willing buyer and seller would pay for a security.

Maturity Date - Date on which principal payment of a financial obligation is due.

Money Market Mutual Fund (2a-7) - A type of mutual fund that invests solely in money market instruments, such as Treasury bills, commercial paper, bankers' acceptances, and repurchase agreements. Money market mutual funds are registered with the SEC under the Investment Company Act of 1940 and are subject “rule 2a-7” which significantly limits average maturity and credit quality of holdings.

Mortgage-Backed Securities (MBS) - Mortgage-backed securities represent an ownership interest in a pool of mortgage loans made by financial institutions, such as savings and loans, commercial banks, or mortgage companies, to finance the borrower's purchase of a home or other real estate. The majority of MBS are issued and/or guaranteed by GNMA, FNMA and FHLMC. There are a variety of MBS structures, some of which can be very risky and complicated. All MBS have reinvestment risk as actual principal and interest payments are dependent on the payment of the underlying mortgages which can be prepaid by mortgage holders to refinance at lower rates or simply because the underlying property was sold.

Mortgage Pass-Through Securities - A pool of residential mortgage loans with the monthly interest and principal distributed to investors on a pro-rata basis. Largest issuer is GNMA.

Municipal Note/Bond - Debt issued by a state or local government unit or public agency. The vast majority of municipals are exempt from state and federal income tax, although some non-qualified issues are taxable.

Mutual Fund - Portfolio of securities professionally managed by a registered investment company that issues shares to investors. Many different types of mutual funds exist (bond, equity, money market fund); all except money market funds operate on a variable net asset value (NAV).

NRSRO - “Nationally Recognized Statistical Rating Organization.” An entity designated as a rating organization that the SEC has recognized as having a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of an NRSRO may be used for the regulatory purposes of rating. They include Moody’s, Standard & Poor’s, and Fitch among others.

Par Value - Face value, stated value or maturity value of a security.

Principal - Face value of a financial instrument on which interest accrues which may be less than par value if some principal has been repaid or retired. For a transaction, principal is par value as a factor of price and includes any premium or discount.

Proprietary Funds - In governmental accounting, one having profit and loss aspects; therefore it uses the *accrual* rather than modified accrual accounting method. The two types of proprietary funds are the Enterprise Fund and the [Internal Service Fund](#).

Prudent Investor Standard - Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. This standard is more stringent than the “prudent person” standard as it implies a level of knowledge commensurate with the responsibility at hand.

Range Note - A type of structured note that accrues interest daily at a set coupon rate that is tied to an index. Most range notes have two coupon levels; a higher accrual rate for the period the index is within a designated range, the lower accrual rate for the period that the index falls outside the designated range. This lower rate may be zero and may result in zero earnings.

Rate of Return - Amount of income received from an investment, expressed as a percentage of the amount invested.

Repurchase Agreement (Repo) - A short-term investment vehicle in which an investor agrees to buy securities from a counterparty and simultaneously agrees to resell the securities back to the counterparty at an agreed upon time and for an agreed upon price. The difference between the purchase price and the sale price represents interest earned on the agreement. In effect, it represents a collateralized loan to the investor, where the securities are the collateral. Can be DVP, where securities are delivered to the investor's custodial bank, or "tri-party" where the securities are delivered to a third-party intermediary. Any type of security can be used as "collateral," but only some types provide the investor with special bankruptcy protection under the law. Repos should be undertaken only when an appropriate approved banking master repurchase agreement is in place.

Reverse Repurchase Agreement (Reverse Repo) - This is a repo from the point of view of the original seller of securities. Used by dealers to finance their inventory of securities by essentially borrowing at short-term rates. Can also be used to leverage a portfolio and in this sense, can be considered risky if used improperly.

Safekeeping - Service offered for a fee, usually by financial institutions, for the holding of securities and other valuables. Safekeeping is a component of custody services.

Supranational Bonds - Are defined as those issued by entities formed by two or more central governments to promote economic development for the member countries. For example, United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

Total Return - Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/depreciation on investments held at period end.

Weighted average maturity (WAM) - is the weighted average amount of time of the maturities on the underlying mortgages in a mortgage-backed security (MBS) and assets in asset backed securities (ABS). This term is used more broadly to describe maturities for these instruments as these securities invest in multiple specified pools of underlying assets and these underlying pools may have varying maturities.

Yield to Maturity (YTM) - Calculated return on an investment, assuming all cash flows from the security are reinvested at the same original yield. Can be higher or lower than the coupon rate depending on market rates and whether the security was purchased at a premium or discount. There are different conventions for calculating YTM for various types of securities.

Debt Policy

This Debt Management Policy (the “Debt Policy”) of the City of Los Altos (the “Issuer”) was approved by the Issuer’s City Council on November 24, 2020 and amended on June 8, 2021. The Debt Policy may be amended by the City Council as it deems appropriate from time to time in the prudent management of the debt of the Issuer. This Debt Policy applies to the Issuer and all subordinate entities of the Issuer for which the City Council serves as the governing board.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by the Issuer. The Issuer hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the Issuer’s sound financial position.
- Ensure the Issuer has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the Issuer’s credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the Issuer.
- Ensure that the Issuer’s debt is consistent with the Issuer’s planning goals and objectives and capital improvement program or budget, as applicable.

2. Overall Guiding Principles

The City should plan the use of debt in a manner that sustains financing payments at manageable levels. The City will seek to maintain a high credit rating through sound financial practices as a basis for minimizing borrowing costs.

The City will make every effort to use pay-as-you-go financing for capital improvement projects. Debt financing for a project can be used if the overall project cost exceeds anticipated available resources and/or if the cost of financing is favorable as compared to the use of City investment holdings over the financing term.

The City will monitor all forms of debt annually in conjunction with the budget preparation process and report concerns and remedies, if necessary, to City Council.

The City will diligently monitor its compliance with bond covenants.

The City will not issue long-term debt to finance current operations. Debt financing should only be used for long-term capital improvement projects with a useful life exceeding the term of the financing and for which the project revenues or specific identified revenue sources are sufficient to service the long-term debt.

The City will use a lease-purchase method of financing for equipment if the lease rates are more favorable than the City’s expected overall investment rate of return.

The City will not incur general obligation indebtedness for public improvements which exceed in aggregate 15% of the assessed value of all real and personal property of the City as specified in the California Government Code Section 43605.

3. Policies

A. Purposes For Which Debt May Be Issued

The Issuer will consider the use of debt financing primarily for capital improvement projects (CIP) when the project’s useful life will equal or exceed the term of the financing and when resources are identified sufficient to fund the debt service requirements. An exception to this CIP driven focus is the issuance of short-term instruments which are to be used for prudent cash management purposes as described below. Bonded debt should not be issued for projects with minimal public benefit or support or to finance normal operating expenses.

- (i) Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the Issuer.
 - (a) Long-term debt financings are appropriate when the following conditions exist:
 - When the project to be financed is necessary to provide basic services.

- When the project to be financed will provide benefit to constituents over multiple years.
 - When total debt does not constitute an unreasonable burden to the Issuer and its taxpayers and ratepayers.
 - When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.
- (b) Long-term debt financings will not be considered appropriate for current operating expenses and routine maintenance expenses.
- (c) The Issuer may use long-term debt financings subject to the following conditions:
- The project to be financed must be approved by the City Council.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be.
 - The Issuer estimates that sufficient revenues will be available to service the debt through its maturity.
 - The Issuer determines that the issuance of the debt will comply with the applicable state and federal law.
- (ii) Short-term debt. Short-term debt may be issued to provide financing for the Issuer’s operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the Issuer may undertake lease-purchase financing for equipment.
- (iii) Financings on Behalf of Other Entities. The Issuer may also find it beneficial to issue debt on behalf of other governmental agencies in order to further the public purposes of Issuer. In such cases, the Issuer shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein. In no event will the Issuer incur any liability or assume responsibility for payment of debt service on such debt.

B. Types of Debt

For purposes of this Debt Policy, “debt” shall be interpreted broadly to mean bonds, notes, certificates of participation, financing leases, or other financing obligations. The use of the term “debt” in this Debt Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt in contravention of any statutory or constitutional debt limitation.

The following types of debt are allowable under this Debt Policy:

- general obligation bonds
- bond or grant anticipation notes
- lease revenue bonds, certificates of participation and lease-purchase and lease-leaseback transactions
- other revenue bonds and certificates of participation
- loans
- tax and revenue anticipation notes
- land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- tax increment financing to the extent permitted under state law
- conduit financings, such as financings for affordable housing and qualified 501c3 organizations

The Issuer may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy, with except for derivatives. The Issuer shall not employ derivatives until the Debt Policy is amended and approved by City Council. Debt shall be issued as fixed rate debt unless the Issuer makes a specific determination as to why a variable rate issue would be beneficial to the Issuer in a specific circumstance.

C. Relationship of Debt to Capital Improvement Program and Budget

The Issuer is committed to long-term capital planning. The Issuer intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the Issuer’s capital budget and the capital improvement plan.

The Issuer shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The Issuer shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The Issuer shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the Issuer's public purposes.

The Issuer shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related to Planning Goals and Objectives

The Issuer is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The Issuer intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the Issuer's annual operations budget.

It is a policy goal of the Issuer to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs. The Issuer will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the Issuer to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the Issuer shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. The City Manager or his/her designee has the responsibility to oversee the internal controls.

The Issuer will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12 or annual disclosure obligations under Government Code section 8855(k),
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
- the Issuer's investment policies as they relate to the investment of bond proceeds. Proceeds of debt will be held either (a) by a third-party trustee, which will disburse such proceeds to the Issuer upon the submission of one or more written requisitions, or (b) by the Issuer, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the Issuer.

The Issuer shall be vigilant in using bond proceeds in accordance with the state purpose at the time that such debt was issued.

Quarterly status reports will be provided to the Financial Commission and semi-annual status reports will be provided to the City Council that provide detailed reports on the disbursement of debt by the third-party trustee or by the Issuer, including full documentation of such disbursements and other relevant information.

F. Amendment and Waivers of Debt Policy

The Debt Policy will be reviewed and amended from time to time as appropriate, subject to City Council approval. Should circumstances arise when strict adherence to a provision of this Debt Policy is not possible or not in the best interest of the Issuer and City staff has determined that a waiver of one or more provisions of this Debt Policy should be considered by the City Council, staff will prepare an analysis for the City Council describing the rationale for the waiver and the impact of the waive on the proposed debt issuance and on taxpayers, if applicable.

G. Professional Assistance

The Issuer shall utilize the services of independent Municipal Advisors and Bond Counsel (or General Counsel as appropriate) on all debt financings. The City Manager or his/her designee shall have the

authority to periodically select service providers as necessary to meet legal requirements and minimize net Issuer debt costs. Such services, depending on the type of financing many include financial advisory, underwriting, trustee, bond counsel, disclosure counsel, and special tax consulting. The goal in selecting service providers, whether through a competitive process or when appropriate, a sole-source selection, is to achieve an appropriate balance of service and cost.

H. Review of Debt Management Policy

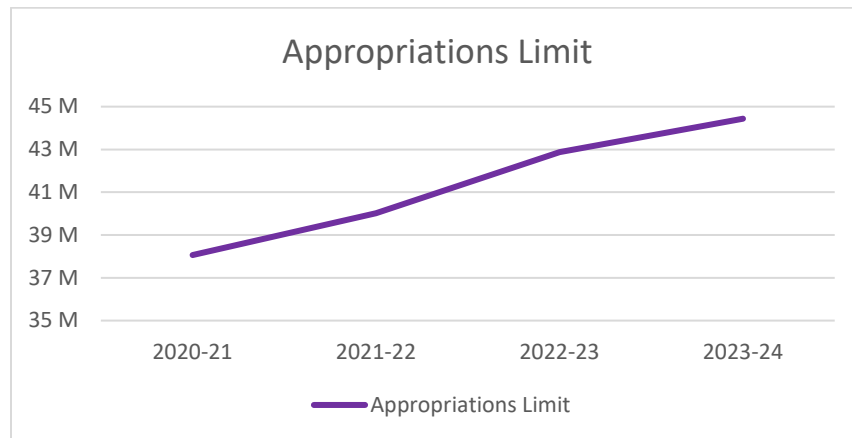
The Debt Management Policy shall be reviewed by the City Council and Financial Commission every three (3) years.

Appendix 2: Gann Appropriation Limit (Prop. 4)

Section 7910 of the California Government Code and Article XIIB of the California Constitution (commonly referred to as the “Gann Limit”) restrict the amount of revenue that cities can appropriate in any fiscal year. Annually, the City must adopt a resolution to approve the appropriations limit based on actual appropriations in FY 23-24, adjusted by a.) the greater of growth in California per capita income or the percentage change in the local assessment roll from the preceding year due to the addition of new non-residential construction in the City, and b.) the greater of the growth in City or County population. Section 37200 requires that the Gann limit and the total appropriations subject to the limitation be published in the annual budget. The City's limitation is calculated annually and was adopted by [City Council Resolution No. XXXX-XXX on June 27, 2023](#).

For Fiscal Year 2023-24, the City’s appropriation limit is calculated to be \$44,664,430. Appropriations subject to limit have been determined to be \$42,588,146. This is \$2,076,284 below the calculated limit. Additional appropriations to the budget funded by non-tax sources such as beginning fund balances, grants, or service charges are unaffected by the appropriations limit. However, any supplemental appropriations funded through increased tax sources are subject to the appropriations limit and cannot exceed \$2,076,284. Any overall actual receipts from tax sources greater than the variance would result in taxes in excess of the appropriations limit and would require refunds of the excess in the next two years or voter approval of an increase in the appropriations limit. A request of voters to authorize an increase in the appropriations limit is not anticipated in the future due to the significant margin between the limit and tax revenue.

The following trend analysis of the appropriations limit versus the net proceeds of taxes for the last four years shows that the City will remain under its appropriations limit in the future.



Fiscal Year	2020-21	2021-22	2022-23	2023-24
Appropriations Limit	38,063,553	40,019,225	42,872,818	44,664,430
Net Proceeds of Taxes	36,589,741	36,934,695	41,442,886	42,588,146
Difference	1,473,812	3,084,530	1,429,932	2,076,284
% of Limit	96%	92%	97%	95%

Appendix 3: Debt Limit/Obligation

Debt Limit

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation; however, this provision was enacted when assessed valuation was based upon 25% of market value. With \$610,000 of outstanding debt subject to the legal debt limit and a legal debt limit of \$748,881,247, the City is not at risk of exceeding this limit.

LEGAL DEBT MARGIN COMPUTATION FY2023-24

Assessed valuation	\$ 20,232,626,606
Conversion percentage	25%
Adjusted assessed valuation	5,058,156,652
Debt limit percentage	15%
Debt limit	758,723,498
Total net debt applicable to limitation	9,842,251
Legal debt margin	<u>\$ 748,881,247</u>
Total debt applicable to the limit as a percentage of debt limit	1.3%

Debt Obligation

The City's credit rating is AA+. Below is the annual debt service payments budget for FY2023-24 and listing of City's long-term debt.

	Outstanding	FY23-24 Budget	
	Balance	Principal	Interest
	as of 6-30-2023		
2004 Certificate of Participation	\$ 610,000	\$ 140,000	\$ 25,925
Direct Borrowing-Community Center Lease	8,679,040	423,355	198,735
Total Debt Service	<u>\$ 9,289,040</u>	<u>\$ 563,355</u>	<u>\$ 224,660</u>

2004 Refunding Certificate of Participation: On November 1, 1996, the City issued \$2,630,000 principal amount of Certificates of Participation (ABAG 38 COPs). The purpose of the ABAG 38 COPs was to finance the partial purchase of the 5.5-acre Saint William School site for public purposes and uses. During 2004 the City issued \$2,500,000 of 2004 Refunding Certificates of Participation to advance refund \$2,390,000 of outstanding principal on the ABAG 38 Certificates of Participation, set up reserve funds, and to pay related issuance costs. The entire ABAG 38 Certificates of Participation had been paid off by June 30, 2004. This advance refunding was undertaken to reduce total future debt service payments.

The Certificates of Participation are limited obligations of the City, payable from appropriation budgeted for in the City's annual adopted budget. The Certificate covenants contain events of default that may result in the termination of the lease, collection of rent due and other monetary charges and terminate the City's right to possession of the leased property as applied by the Trustee and specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. There were no such events occurred during the fiscal year ending June 30, 2023.

Direct Borrowing - Community Center Lease Agreement: On December 1, 2020, the City entered into Lease Agreements with the Public Property Financing Corporation of California, which subsequently assign the Agreement to Sterling National Bank (Assignee), under which the City leased certain facilities and the land on which the City’s Community Center is located, for which the Assignee made a one-time up-front lease payment to the City in the amount of \$10,000,000. Simultaneously, the City will lease back from the Assignee with annual lease payments over a lease term of 19 years, at a fixed interest rate of 2.290% per year. The Sublease is secured by the leased property. The Sublease is repayable in semi-annual payments beginning June 2021 through June 30, 2040. The pledge of repayment is from the General Fund.

At June 30, 2023, future debt service requirements are as follows:

Year Ending June 30	2004 COP		Direct Borrowing Community Center		Total
	Principal	Interest	Principal	Interest	
2024	140,000	25,925	423,355	198,735	788,015
2025	150,000	19,975	433,050	189,040	792,065
2026	155,000	13,600	442,967	179,123	790,690
2027	165,000	7,012	453,111	168,979	794,102
2028-2032	-	-	2,426,030	684,418	3,110,448
2033-2037	-	-	2,716,829	393,620	3,110,449
2038-2040	-	-	1,783,032	82,257	1,865,289
Total	610,000	66,512	8,678,374	1,896,172	11,251,058

Appendix 4: Fund Descriptions

GENERAL FUND

Accounts for all financial resources necessary to carry out basic governmental activities of the City that are not accounted for in other funds. The General Fund supports essential City services such as police, fire, street and parks maintenance, maintenance services, community development and recreation activities. The General Fund also includes the Real Property Proceeds Funds, which accounts for the proceeds from the sale of real property and the Community Facilities Renewal Fund, which accounts for the revenues and expenditures related to the community facilities renewal efforts.

SPECIAL REVENUE FUNDS

- **IN-LIEU PARK LAND FUND- Major Fund**
Accounts for revenues received in lieu of parkland dedications. The revenues are dedicated for purchasing or improving park or recreational facilities.
- **VEHICLE IMPOUND FUND**
To account for revenues collected from arrest and towing fees that are dedicated for public safety purposes.
- **SUPPLEMENTAL LAW ENFORCEMENT FUND**
To account for revenues from the Citizen's Option for Public Safety Program in support of additional frontline law enforcement services.
- **GAS TAX FUNDS**
To account for the revenues received from the State gas taxes under the provision of the Streets and Highways Codes. These revenues are restricted to uses related to construction and improvements, an maintenance and repair of local streets.
- **PROPOSITION 1B FUND**
To account for the allocated bond fund amount from the State under the Proposition 1B provisions.
- **STORM DRAIN DEPOSITS FUND**
To account for fees collected from new subdivision development. All funds are restricted to construction and improvement of the storm drain system.
- **COMMUNITY DEVELOPMENT BLOCK GRANT FUND**
To account for grant funds received from the federal government specifically for the housing rehabilitation loan programs, the human services programs through local nonprofit agencies, and the accessibility improvements in compliance with the American with Disabilities Act.
- **DOWNTOWN PARKING FUND**
To account for revenues received from the lease of the public parking plazas and in-lieu program fees. The revenues are dedicated for the construction and improvement of downtown parking facilities.
- **TRAFFIC IMPACT FEE FUND**
To account for revenues received from development. The revenues are dedicated for transportation improvements within the City.
- **ESTATE DONATION FUND**
To account for donations received that are dedicated for purposes specified by the donors.
- **TDA FUND**
To account for State Transportation Development Act, Article 3 funds for bike route and pedestrian facilities improvements.

- **PEG FUND**
To account for fees collected by local Cable Television franchise. All funds are restricted for public education and government access programming.
- **VEHICLE REGISTRATION FEES FUND**
To account for fees collected by the Department of Motor Vehicles from registrations in Santa Clara County. All funds are restricted to street projects.
- **SB 1 ROAD MAINTENANCE REHABILITATION FUND**
To account for revenues received from the State Streets and Highways Codes. These revenues are restricted to address deferred maintenance on the State Highway System and the local street and road system.
- **TRAFFIC CONGESTION RELIEF PROGRAM FUND**
To account for revenues received from the State. These revenues must be used only for maintenance or reconstruction costs on public streets or roads.
- **MEASURE B FUND**
To account for revenues received from the from Santa Clara County, voters approved a half-cent sales tax measure; disbursed by Valley Transportation Authority. All funds are restricted to transit, highways, expressway, and active transportation (bicycles, pedestrians, and complete streets) projects.
- **PUBLIC ART FUND**
To account for fees collected from private development projects. The fund is restricted to public art acquisition, placement, and maintenance.

CAPITAL PROJECTS FUNDS

- **CAPITAL PROJECTS FUND- Major Fund**
Accounts for the acquisition and construction of major capital projects and plans that are financed by resources other than proprietary funds.
- **EQUIPMENT REPLACEMENT FUND**
To account for the revenues and expenditures related to the replacement of certain City equipment and vehicles.

ENTERPRISE FUNDS

- **SEWER FUND – Major Fund**
To account for the operation (including wastewater treatment) of the City's sewer treatment activities, a self-supporting activity which provides services on a user charge basis.
- **SOLID WASTE FUND- Major Fund**
To account for the collection and disposal of solid waste, a self-supporting activity that provides service on a user charge basis.

FIDUCIARY FUNDS

- **CUSTODIAL FUND**
Custodial Fund is custodial in nature and does not involve measurement of the results of operations. It is used to account for assets held in a custodial capacity for others and therefore cannot be used to support the City's programs.

DEBT SERVICE FUND

- **GENERAL DEBT SERVICE**
To account for the accumulation of revenues for periodic payment of principal and interest on Certificates of Participation and related authorized costs.
- **LOS ALTOS COMMUNITY CENTER LEASE**
To account for the periodic payment of principal and interest on the community center lease and related authorized costs.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one City department or agency to other departments or agencies of the City, or to other government units on a cost-reimbursement basis (including depreciation).

- **DENTAL REIMBURSEMENT**
To account for costs of the City's self-insurance dental program. Funds are provided primarily from charges to departments.
- **UNEMPLOYMENT INSURANCE**
To account for the unemployment insurance premiums and claims made against the City. Funds are provided primarily from charges to departments.
- **WORKERS' COMPENSATION INSURANCE**
To account for the premium costs and self-insured claim losses made against the City for workers compensation. Funds are provided primarily from charges to departments.
- **LIABILITY INSURANCE**
To account for the premium costs and self-insured claim losses made against the City for property-related and general liability. Funds are provided primarily from charges to departments.

Appendix 5: Glossary of Budget Terms

ACCRUAL BASIS OF ACCOUNTING

The method of accounting by which transactions are recognized when they occur regardless of the timing of related cash flows.

ADA

Americans with Disabilities Act

ADMINISTRATIVE CHARGE

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

APPROPRIATION

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

APPROPRIATIONS LIMIT

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

AQMD

Air Quality Management District

ASSESSED VALUATION

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

ASSET

Resources owned or held that have an economic value.

BALANCED BUDGET

A budget in which income (revenue) is equal to or greater than expenditures.

BEGINNING FUND BALANCE

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

BOND

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

BOND RATING

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

BUDGET - OPERATING

A fiscal plan detailing current operating programs, including an estimate of adopted expenditures and the means to finance them.

CARB

California Air Resources Board

CalPERS

California Public Employees' Retirement System

CALTRANS

California Department of Transportation

CAPITAL IMPROVEMENT (CAPITAL PROJECT)

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

CAPITAL IMPROVEMENT PROGRAM (CIP)

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

CAPITAL OUTLAY

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

CAPITAL PROJECTS FUNDS

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

CASH BASIS OF ACCOUNTING

A basis of accounting under which revenue and expenses are recognized when cash is received and cash is paid.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

A federally funded program, the main objective of which is the development of viable urban communities through the provision of decent housing, a suitable living environment and economic opportunity, principally for low to moderate income persons.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

The audited annual financial report of a government, which encompasses all funds.

CONSUMER PRICE INDEX (CPI)

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

COST RECOVERY

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

DEBT SERVICE

The repayment of principal and/or interest on borrowed funds.

DEBT SERVICE FUNDS

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

DEPARTMENT

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

DEPRECIATION

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

DIVISION

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

ENCUMBRANCE

Commitment related to unperformed contracts for goods or services.

ENTERPRISE FUNDS

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

EXPENDITURE

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

EXPENSE

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

FISCAL YEAR (FY)

The fiscal year for the City begins on July 1 of each year and ends on June 30 of the following year. It is designated by the calendar year in which it ends.

FTE (FULL-TIME EQUIVALENT)

The equivalent of a full-time position for one year, based on 1.0 FTE equaling 2,080 hours.

FUNCTION

An operational grouping of related departments.

FUND

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

FUND BALANCE CLASSIFICATIONS

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

- Nonspendable

This is a portion of fund balance not available for appropriations by its nature or external restriction.

Examples are inventories and donations that require intact principal values.

- Spendable
Restricted: The restricted portion of fund balance is subject to externally enforceable legal restrictions. Examples are Gas Tax revenues and grant proceeds.
- Committed
The committed portion of fund balance is constrained by the limitations imposed through formal City Council action. Only formal City Council action can remove or modify a previously committed amount.
- Assigned
The Assigned portion of fund balance is established for intended use by either the City Council or its designee, such as the City Manager. No formal City Council action is needed to remove the intended use. GAAP required reserves, such as the Other Post-Employment Benefits (OPEB) reserve, belong to this category. The Fiscal Policy and State Revenue Stabilization policy balances belong to this category.
- Unassigned
The Unassigned portion of fund balance is that remaining after the non-spendable, the restricted, the committed, and the assigned fund balances are identified and recorded.

GENERAL FUND

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

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements.

GENERAL OBLIGATION BONDS

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

GEOGRAPHIC INFORMATION SYSTEM (GIS)

A computer system capable of integrating, storing, editing, analyzing, sharing, and displaying geographically referenced information.

GFOA

Government Finance Officers Association

GOVERNMENTAL FUNDS

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

GRANT

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

INDIRECT COST

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

INFRASTRUCTURE

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

INTERNAL SERVICE FUNDS

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

MODIFIED ACCRUAL BASIS OF ACCOUNTING

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

OBJECTIVE

A specific, measurable goal formally established at the division level of the organization.

PERSONNEL SERVICES

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

PROPRIETARY FUND

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

OPERATING EXPENDITURE

Personnel, materials and services, and capital outlay expenses required for a department to function.

OPERATING RESERVES

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

OPERATING REVENUES

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

PAY-AS-YOU-GO BASIS

A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

REVENUE

Sources of income financing the operations of government.

RFP

Request for Proposal

SPECIAL REVENUE FUNDS

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

STRUCTURAL DEFICIT

A fiscal imbalance created when ongoing expenditures exceed ongoing revenues.

STRUCTURAL REDUCTIONS

Measures that either decrease or eliminate ongoing costs or generate new, ongoing revenues.

TRANSIENT OCCUPANCY TAX (TOT)

A tax on hotel, motel and timeshare stays of less than 30 days. The rate is currently 14%.

TRIPLE FLIP

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

USER CHARGES

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

UNRESERVED FUND BALANCE (also known as unrestricted fund balance)

The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

Appendix 6: Budget Resolutions

Coming soon

Appendix 7: Gann Limit Resolution

Appendix 8: Financial Policy Resolution