



DATE: June 26, 2012

AGENDA ITEM # 17

AGENDA REPORT

TO: City Council

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

SUBJECT: FY 2012-2013 Operating Budget and FY 2012-2016 Capital Improvement Program (CIP) Adoption

RECOMMENDATION:

Adopt the following:

- A. Resolution No. 2012-14 FY 2012-2013 Operating Budget
- B. Resolution No. 2012-15 FY 2012-2013 Transient Occupancy Tax Rate
- C. Resolution No. 2012-16 FY 2012-2013 Utility Users Tax Rate
- D. Resolution No. 2012-17 FY 2012-2013 Appropriations Limit
- E. Resolution No. 2012-18 FY 2012-2016 Five-Year Capital Improvement Program Adoption

SUMMARY:

Estimated Fiscal Impact:

Amount: City-wide operating and capital appropriations of \$40.1 million
Budgeted: The FY 2012-2013 Biennial Budget includes operating appropriations for all Funds and year one of the 2012-2016 of the Capital Improvement Program, revenue estimates for all funds and all fund transfers

Public Hearing Notice: Not applicable

Previous Council Consideration: June 28, 2011 Biennial Budget and CIP adoption and June 12, 2012 study session

CEQA Status: Not applicable

Attachments:

1. FY 2012-2013 Operating Budget Summary Schedules
2. FY 2012-2016 Five-Year Capital Improvement Program
3. Second-Year Biennial 2011-2013 Operating and CIP Budget Adjustments
4. Resolution No. 2012-14 FY 2012-2013 Operating Budget
5. Resolution No. 2012-15 FY 2012-2013 Transient Occupancy Tax Rate
6. Resolution No. 2012-16 FY 2012-2013 Utility Users Tax Rate
7. Resolution No. 2012-17 FY 2012-2013 Appropriations Limit
8. Resolution No. 2012-18 FY 2012-2016 Five-Year Capital Improvement Program Adoption

BACKGROUND

On June 12, 2012, a study session and public hearing was held to present a draft of the revised second year of the Biennial Budget and updated five-year Capital Improvement Plan (CIP) for public comment and Council direction. No changes to the City's fee structure are being requested at this time as a more detailed discussion regarding fees will be part of Council's review of a City-wide Cost Allocation Plan (CAP) in the first half of FY 2012-2013.

The 2012-2103 Operating Budget and CIP reflects continued prudent financial planning and management and supports the offering of quality programs and services to the Los Altos community.

DISCUSSION

Operating Budget and CIP Adoption Meeting Actions

A variety of resolutions are required to formalize the Operating Budget and CIP adoption actions. These resolutions, included as attachments four through eight, serve to:

- Adopt the operating budget and five-year CIP
- Affirm the annual Transient Occupancy Tax Rate with no change
- Affirm the annual Users Utility Users Tax Rate with no change
- Approve the annual State Required Appropriations spending limit (GANN Limit)

Adoption of the Operating Budget entails appropriation of all FY 2012-2103 operating expenditures as well those capital projects identified in the first year (2012-2013) of the 2012-2106 CIP.

Modifications to the Draft Operating Budget and CIP

At its June 12th meeting, City Council requested revisions to the draft FY 2012-2013 Operating Budget and CIP as noted below:

Changes to the Draft Operating and CIP Budget Proposed on June 12, 2102	Dollars
General Fund	
Year One of LASD/ KMVT Meeting Broadcast Licensing Fees	7,500
FY 2012-2013 School Bike Education & Training Program	24,000
Downtown Parking Fund	
Additional costs for Downtown beautification efforts	4,000
Changes to the Five-Year CIP	
CIP Fund	
KMVT Broadcast equipment for increased community access (PEG Fees)	65,000
LASD Broadcast equipment for Board Meetings (PEG Fees)	13,200
Intersection Bicycle Loops (reinstated to 12-13)	115,000
University/Milverton Ped. Improvements (from Unscheduled)	36,000
Park-In-Lieu Fund	
Dog-Park (move to unscheduled and unfunded)	(227,000)

The Skate Park project, scheduled for 2012 -2013, will now focus on development of skate-able art structures at middle school sites. Its project description will be modified accordingly.

The level of funding for the new Civic Center Facilities project will be determined once a scope of work has been approved by the City Council.

Minor non-material adjustments related to special revenue grant fund estimates were also made and are included in the attached materials.

The above changes have now been integrated into the Operating Budget and Five-Year CIP schedules that are included as **Attachments 1 and 2 respectively**.

Attachment 1 presents a review of all fund balances, revenue sources and expenditures at the fund type, fund, department and program levels. It documents total appropriations, including capital projects, of \$40.1 million and General Fund revenues and expenditures at \$29.9 million and \$29.8 million respectively.

Attachment 2 presents the Capital Improvement Plan summary schedules for five years through 2016 listing all projects currently planned for that period of time. The CIP defines funding sources for each project. All appropriations, revenue and fund balances have been modified for these budget changes and will be reflected in the financial systems used to guide FY 2012-2013 operations. The adopted five-year CIP will be fully re-published and posted to the City's website and made available to the public in hardcopy format upon request.

Attachment 3 comprehensively documents all changes to the original Biennial plan including the June 12, 2012 Council-directed changes noted above.

FISCAL IMPACT

Approval of the FY 2012-2013 Operating Budget activates the core of the Financial Plan set forth in the Biennial Budget originally adopted in June 2011 along with the operational adjustments noted above. It is also adjusted for those capital project modifications made in the five-year CIP. Including all revisions, the total appropriations for the General Fund and all funds equal \$29.8 million and \$40.1 million respectively. This includes \$4.3 million in capital projects. Revenues for the General Fund and all funds equal \$29.92 million and \$39.46 million respectively.

PUBLIC CONTACT

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

ALTERNATIVES

1. Add, reject or modify the second year of the 2011-2013 Biennial Operating Budget and 2012/13 – 2016/17 Capital Improvement Program

Attachment 1
FY 2012-2013 Operating Budget Summary Schedules

Financial Plan Highlights

A Multi -Year Focus -Year Two

Capital Projects

\$4.4M Total
\$1.8M CIP Fund
\$1M Grants
\$1.6M Sewer Fund

Enterprise Funds

Sewer Fund Revenues Declining
Storm Fund Reserves Exhausted
Waste Fund Reflects New Model

**Proactive
Responsive
Responsible
Accountable**

General Fund

Balanced
Reserves Strengthened
Services Maintained
Modest Equipment Purchases
No Fee Changes

Human Capital

No Staffing Increases
7 Vacancies Frozen
Labor Contracts In Place
PERS Side Fund Pay-down
Pension Reform

HIGHLIGHTS

Second-Year Update of a Two -Year Budget
Departments Held to Projected Levels with Minimal Changes
OPEB Funding Continued
General Fund Reserves Approach 19%
Capital Projects Refreshed and Fully Funded
Sewer Expectations Adjusted

What We Have



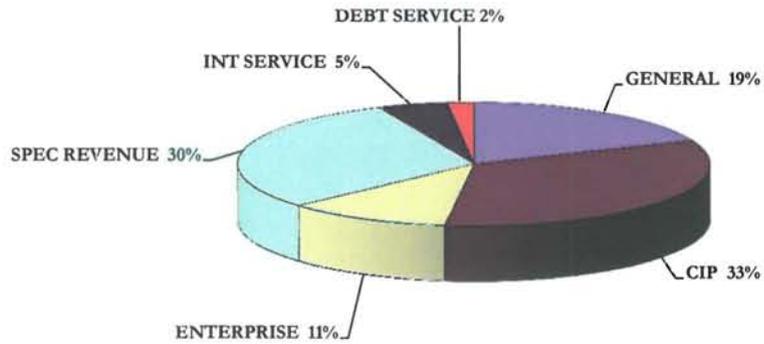
PROJECTED FUND BALANCES AND RESERVES

FUNDS	BEGINNING BALANCE	REVENUE	EXPENSES	CAPITAL PROJECTS	TRSFRS	PRIOR YR CIPS	USE OF FY11-12 RESERVES	UNRESTRICTED BALANCE	RESTRICTED BALANCE
GENERAL FUND									
- Unreserved	1,981,388	29,917,093	(29,799,332)	0	(551,475)	0	(1,500,000)	47,674	0
- Operating Commitments	0	0	0	0	0	0	0	0	0
- Operating Reserve	4,200,000	0	0	0	150,000	0	1,175,000	0	5,525,000
- State Revenue Stabilization Reserve	1,025,000	0	0	0	0	0	(1,025,000)	0	0
- OPEB Reserve	400,000	0	0	0	100,000	0	0	0	500,000
- Inventory & Veterans Reserve	47,618	0	0	0	0	0	0	0	47,618
- PERS Reserve	100,000	0	0	0	0	0	(100,000)	0	0
TOTAL GENERAL FUND	7,754,006	29,917,093	(29,799,332)	0	(301,475)	0	(1,450,000)	47,674	6,072,618
CAPITAL PROJECTS FUND	7,471,667	136,000	0	(1,824,200)	214,000	(5,513,000)	100,000	584,467	0
EQUIPMENT REPLACEMENT FUND	3,918,042	0	(130,000)	0	0	(733,000)	100,000	0	3,155,042
COMMUNITY FACILITY RENEWAL FUND	7,065,592	0	0	0	0	0	100,000	7,165,592	0
TOTAL CAPITAL IMPROVEMENT FUNDS	18,455,301	136,000	(130,000)	(1,824,200)	214,000	(6,246,000)	300,000	7,750,059	3,155,042
SEWER FUND	6,894,087	4,961,171	(3,609,955)	(1,644,000)	0	(4,803,000)	0	0	1,798,303
SOLID WASTE FUND	1,473,829	856,195	(440,311)	0	0	0	0	0	1,889,713
STORM FUND	2,072	0	(257,475)	0	257,475	0	0	0	2,072
TOTAL ENTERPRISE FUNDS	8,369,987	5,817,366	(4,307,741)	(1,644,000)	257,475	(4,803,000)	0	0	3,690,087
REAL PROPERTY PROCEEDS FUND	6,923,677	80,487	0	0	0	0	0	7,004,164	0
VEHICLE IMPOUND FUND	(0)	45,000	0	0	(45,000)	0	0	0	(0)
SUPPLEMENTAL LAW ENFORCEMENT FUND	50,000	100,000	0	0	(100,000)	0	(50,000)	0	0
GAS TAX FUNDS	722,546	493,390	0	(300,000)	(190,000)	(298,000)	0	0	427,936
PROPOSITION 1B FUND	989,699	5,500	0	0	0	(893,000)	0	0	102,199
STORM DRAIN DEPOSIT FUND	56,086	0	0	0	0	0	0	0	56,086
COMMUNITY DEV BLOCK GRANT FUND	239,702	117,454	0	(115,000)	0	(242,156)	0	0	(0)
TRANSPORTATION DEVELOPMENT ACT FUND	13,479	17,643	0	0	0	(31,122)	0	0	0
TRAFFIC IMPACT FEE FUND	785,061	3,300	0	0	0	(352,200)	0	0	436,161
PARK-IN-LIEU FUND	975,034	1,319,300	0	(382,000)	0	(125,000)	0	0	1,787,334
DOWNTOWN PARKING FUND	154,305	40,380	(54,000)	(100,000)	0	0	0	0	40,685
ESTATE DONATION FUND	13,089	154	0	0	0	0	0	0	13,243
TOTAL SPECIAL REVENUE FUNDS	10,922,677	2,222,608	(54,000)	(897,000)	(335,000)	(1,941,478)	(50,000)	7,004,164	2,863,643

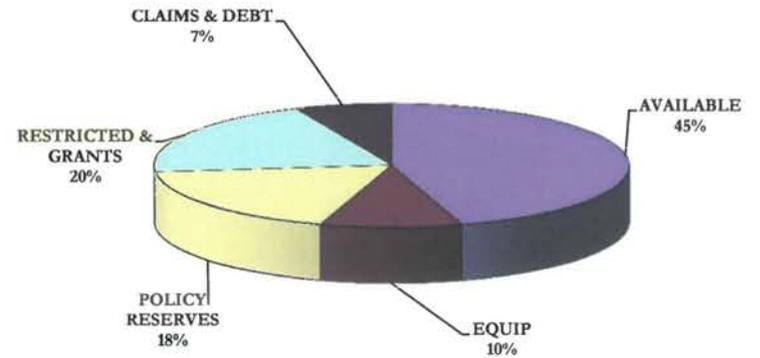
PROJECTED FUND BALANCES AND RESERVES

FUNDS	BEGINNING BALANCE	REVENUE	EXPENSES	CAPITAL PROJECTS	TRSFERS	PRIOR YR CIPS	USE OF FY11-12 RESERVES	UNRESTRICTED BALANCE	RESTRICTED BALANCE
DENTAL PLAN FUND	136,641	97,800	(99,000)	0	0	0	0	0	135,441
UNEMPLOYMENT FUND	159,901	75,000	(70,000)	0	0	0	0	0	164,901
WORKERS COMPENSATION FUND	316,236	642,000	(560,000)	0	0	0	250,000	0	648,236
LIABILITY FUND	599,662	465,000	(450,000)	0	0	0	0	0	614,662
TOTAL INTERNAL SERVICE FUNDS	1,212,440	1,279,800	(1,179,000)	0	0	0	250,000	0	1,563,240
GENERAL DEBT FUND	368,167	440	(167,300)	0	165,000	0	0	0	366,307
AVALON DR. CURB & GUTTER	47,762	14,150	(13,000)	0	0	0	0	0	48,912
RAYMUNDO CURB & GUTTER	34,282	27,840	(28,000)	0	0	0	0	0	34,122
BLUE OAK LANE SEWER	136,272	52,360	(44,200)	0	0	0	0	0	144,432
OTHER ASSESSMENT DISTRICT FUNDS	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE FUNDS	586,483	94,790	(252,500)	0	165,000	0	0	0	593,773
GRAND TOTAL	47,300,895	39,467,657	(35,722,573)	(4,365,200)	0	(12,990,478)	(950,000)	14,801,897	17,938,404

FUND BALANCE BY CATEGORY



FUND BALANCE AVAILABILITY

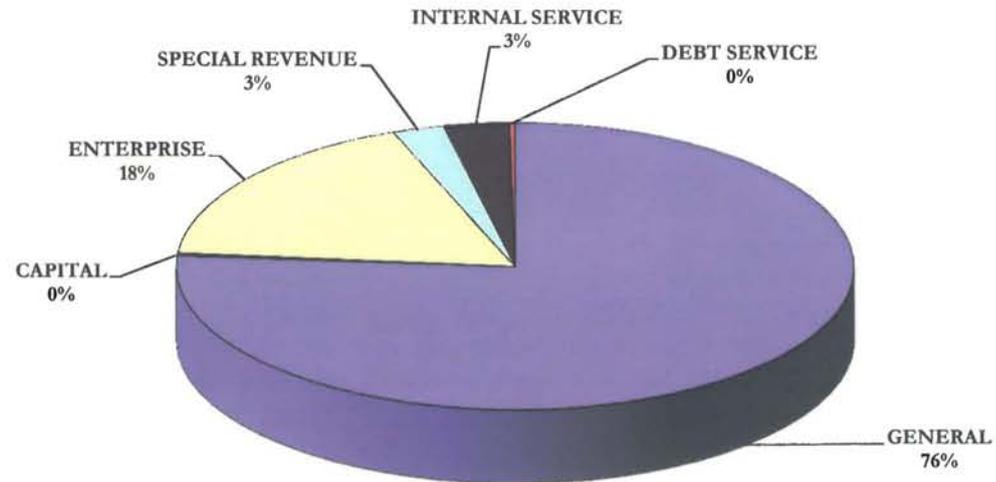


Revenue Sources



REVENUE BY FUND TYPE

FUNDS	09-10 ACTUAL	10-11 ACTUAL	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE \$	11-12 to 12-13 CHANGE %
GENERAL	27,787,918	28,661,097	28,604,170	29,917,093	0	29,917,093	1,312,923	4.59%
CAPITAL	1,059,671	570,330	395,000	136,000	0	136,000	(259,000)	-65.57%
ENTERPRISE	7,123,281	5,875,713	6,716,992	6,901,221	(1,083,855)	5,817,366	(899,626)	-13.39%
SPECIAL REVENUE	3,766,442	1,908,191	2,311,810	972,511	1,250,097	2,222,608	(89,202)	-3.86%
INTERNAL SERVICE	1,216,125	1,083,354	1,229,800	1,229,800	50,000	1,279,800	50,000	4.07%
DEBT SERVICE	877,427	92,806	89,900	94,790	0	94,790	4,890	5.44%
GRAND TOTAL	\$ 41,830,864	\$ 38,191,491	\$ 39,347,672	\$ 39,251,415	\$ 216,242	\$ 39,467,657	\$ 119,985	0.30%



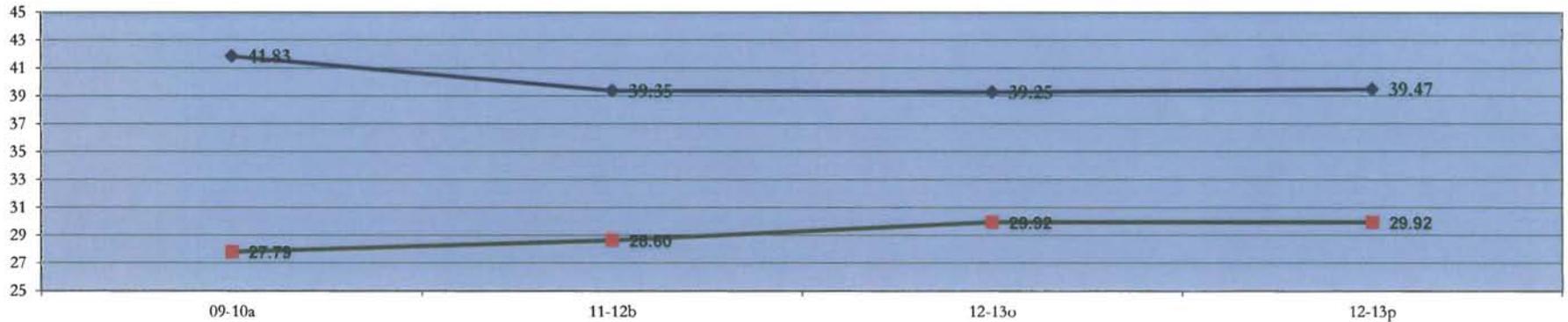
REVENUE BY FUND

FUNDS	09-10 ACTUAL	10-11 ACTUAL	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE S	CHANGE %
GENERAL FUND	27,787,918	28,661,097	28,604,170	29,917,093	0	29,917,093	1,312,923	4.59%
TOTAL GENERAL FUND	27,787,918	28,661,097	28,604,170	29,917,093	0	29,917,093	1,312,923	4.59%
CAPITAL PROJECTS FUND	1,059,671	570,330	395,000	136,000	0	136,000	(259,000)	-65.57%
FACILITY FUND	0	0	0	0	0	0	0	0.00%
COMMUNITY FACILITY RENEWAL FUND	0	0	0	0	0	0	0	0.00%
TOTAL CAPITAL IMPROVEMENT FUNDS	1,059,671	570,330	395,000	136,000	0	136,000	(259,000)	-65.57%
SEWER FUND	5,460,210	4,874,997	5,862,269	6,045,026	(1,083,855)	4,961,171	(901,098)	-15.37%
SOLID WASTE FUND	1,663,071	1,000,716	854,723	856,195	0	856,195	1,472	0.17%
STORM FUND	0	0	0	0	0	0	0	0.00%
TOTAL ENTERPRISE FUNDS	7,123,281	5,875,713	6,716,992	6,901,221	(1,083,855)	5,817,366	(899,626)	-13.39%
REAL PROPERTY PROCEEDS FUND	2,301,887	345,781	73,170	80,487	0	80,487	7,317	10.00%
VEHICLE IMPOUND FUND	37,760	21,608	45,000	45,000	0	45,000	0	0.00%
SUPPLEMENTAL LAW ENFORCEMENT FUND	100,000	100,000	0	100,000	0	100,000	100,000	0.00%
GAS TAX FUND	468,114	687,983	493,300	493,390	0	493,390	90	0.02%
PROPOSITION 1B FUND	3,344	3,869	5,000	5,500	0	5,500	500	10.00%
STORM DRAIN DEPOSIT FUND	0	0	0	0	0	0	0	0.00%
COMMUNITY DEV BLOCK GRANT FUND	56,023	168,447	115,000	115,000	2,454	117,454	2,454	2.13%
TRANSPORTATION DEVELOPMENT ACT FUND	127,683	214,790	0	0	17,643	17,643	17,643	0.00%
TRAFFIC IMPACT FEE FUND	158,017	191,731	3,000	3,300	0	3,300	300	10.00%
PARK-IN-LIEU PARK FUND	475,869	139,784	1,537,000	89,300	1,230,000	1,319,300	(217,700)	-14.16%
DOWNTOWN PARKING FUND	37,654	33,572	40,200	40,380	0	40,380	180	0.45%
ESTATE DONATION FUND	91	626	140	154	0	154	14	10.00%
TOTAL SPECIAL REVENUE FUNDS	3,766,442	1,908,191	2,311,810	972,511	1,250,097	2,222,608	(89,202)	-3.86%
DENTAL PLAN FUND	93,988	90,873	97,800	97,800	0	97,800	0	0.00%
UNEMPLOYMENT FUND	78,015	74,860	75,000	75,000	0	75,000	0	0.00%

REVENUE BY FUND

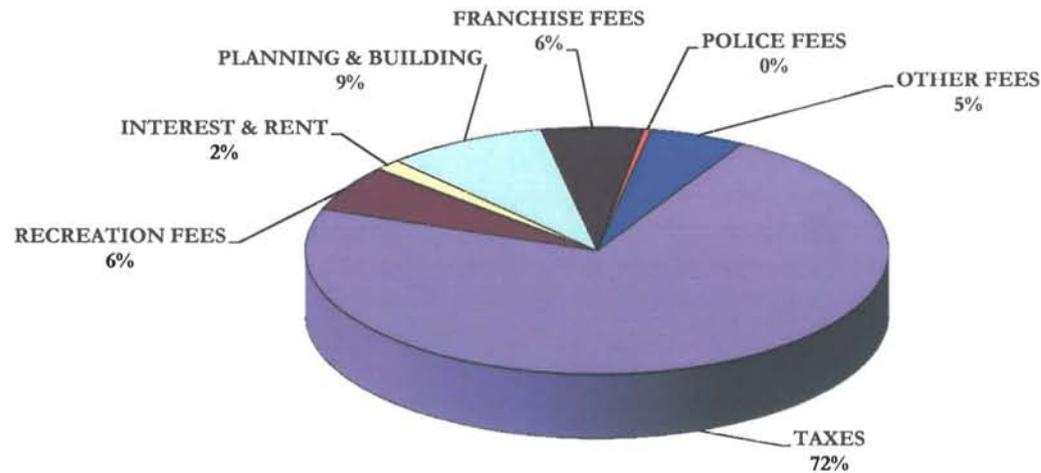
FUNDS	09-10 ACTUAL	10-11 ACTUAL	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE S	CHANGE %
WORKERS COMPENSATION FUND	609,000	917,621	642,000	642,000	0	642,000	0	0.00%
LIABILITY FUND	435,122	0	415,000	415,000	50,000	465,000	50,000	12.05%
TOTAL INTERNAL SERVICE FUNDS	1,216,125	1,083,354	1,229,800	1,229,800	50,000	1,279,800	50,000	4.07%
GENERAL DEBT FUND	29	6	400	440	0	440	40	10.00%
AVALON DR. CURB & GUTTER A.D.	13,512	14,105	14,100	14,150	0	14,150	50	0.35%
RAYMUNDO CURB & GUTTER A.D.	28,124	27,311	27,800	27,840	0	27,840	40	0.14%
BLUE OAK LANE SEWER	835,762	51,384	47,600	52,360	0	52,360	4,760	10.00%
TOTAL DEBT SERVICE FUNDS	877,427	92,806	89,900	94,790	0	94,790	4,890	5.44%
GRAND TOTAL	41,830,864	38,191,491	39,347,672	39,251,415	216,242	39,467,657	119,985	0.30%

REVENUE TREND - ALL FUNDS & GENERAL FUND



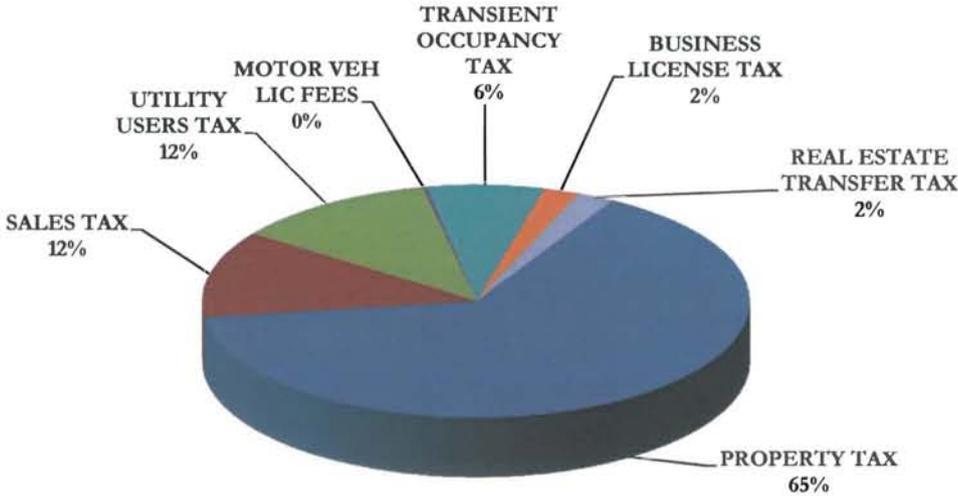
GENERAL FUND REVENUE SOURCES

GENERAL FUND	09-10 ACTUAL	10-11 ACTUAL	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE \$	CHANGE %
TAXES	20,054,688	20,375,521	20,553,320	21,578,867	0	21,578,867	1,025,547	4.99%
RECREATION FEES	1,498,156	1,762,716	1,770,270	1,814,527	0	1,814,527	44,257	2.50%
INTEREST & RENT	343,923	255,497	364,000	435,200	0	435,200	71,200	19.56%
PLANNING & BUILDING	2,439,645	2,469,807	2,599,180	2,680,108	0	2,680,108	80,928	3.11%
FRANCHISE FEES	1,436,928	1,814,264	1,643,120	1,692,414	0	1,692,414	49,294	3.00%
POLICE FEES	92,606	89,414	116,210	116,210	0	116,210	0	0.00%
OTHER FEES	1,921,972	1,893,878	1,558,070	1,599,767	0	1,599,767	41,697	2.68%
TOTAL	27,787,918	28,661,097	28,604,170	29,917,093	0	29,917,093	1,312,923	4.59%



GENERAL FUND TAX REVENUE SOURCES

GENERAL FUND	09-10 ACTUAL	10-11 ACTUAL	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE \$	CHANGE %
PROPERTY TAX	13,051,308	12,793,602	13,257,000	13,905,660	0	13,905,660	648,660	4.89%
SALES TAX	2,255,526	2,587,889	2,456,590	2,598,300	0	2,598,300	141,710	5.77%
UTILITY USERS TAX	2,514,881	2,543,287	2,499,000	2,598,960	0	2,598,960	99,960	4.00%
MOTOR VEHICLE LICENSE FEES	83,767	145,798	50,970	52,499	0	52,499	1,529	3.00%
TRANSIENT OCCUPANCY TAX	1,345,854	1,517,579	1,400,000	1,498,000	0	1,498,000	98,000	7.00%
BUSINESS LICENSE TAX	413,054	399,461	440,000	453,200	0	453,200	13,200	3.00%
REAL ESTATE TRANSFER TAX	390,298	387,905	449,760	472,248	0	472,248	22,488	5.00%
TOTAL	20,054,688	20,375,521	20,553,320	21,578,867	0	21,578,867	1,025,547	4.99%

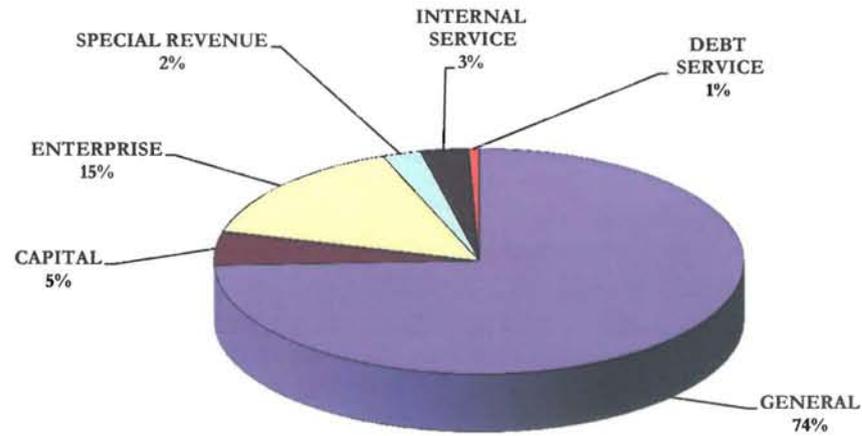


Revenue Uses



EXPENDITURES BY FUND TYPE

FUNDS	09-10 ACTUAL	10-11 ACTUAL	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE \$	CHANGE %
GENERAL	25,309,617	26,404,189	28,594,269	29,415,632	383,700	29,799,332	1,205,063	4.21%
CAPITAL	4,383,254	6,342,541	976,000	1,330,000	624,200	1,954,200	978,200	100.23%
ENTERPRISE	6,326,550	5,286,365	6,766,515	6,786,775	(835,034)	5,951,741	(814,774)	-12.04%
SPECIAL REVENUE	104,899	275,447	665,500	847,000	104,000	951,000	285,500	42.90%
INTERNAL SERVICE	1,793,725	1,055,720	1,129,000	1,129,000	50,000	1,179,000	50,000	4.43%
DEBT SERVICE	303,358	245,317	249,775	252,500	0	252,500	2,725	1.09%
GRAND TOTAL	\$ 38,221,403	\$ 39,609,579	\$ 38,381,059	\$ 39,760,907	\$ 326,866	\$ 40,087,773	\$ 1,706,714	4.45%



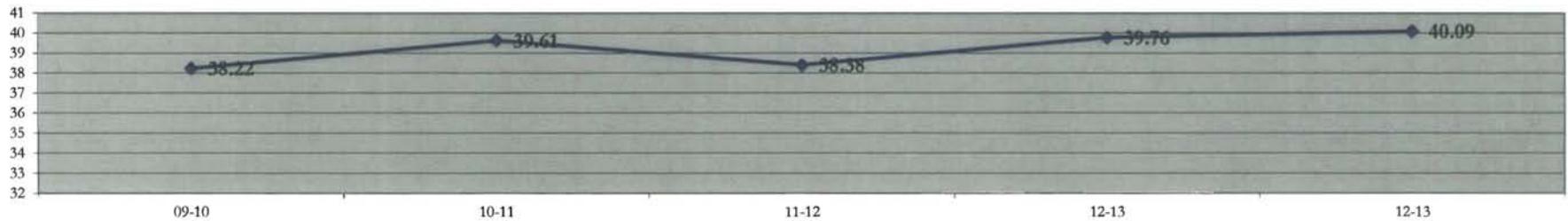
EXPENDITURES BY FUND

FUNDS	09-10 ACTUAL	10-11 ACTUAL	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE \$	CHANGE %
GENERAL FUND	25,309,617	26,404,189	28,594,269	29,415,632	383,700	29,799,332	1,205,063	4.21%
TOTAL GENERAL FUND	25,309,617	26,404,189	28,594,269	29,415,632	383,700	29,799,332	1,205,063	4%
CAPITAL PROJECTS FUND	4,383,254	6,112,155	890,000	1,330,000	494,200	1,824,200	934,200	104.97%
EQUIPMENT REPLACEMENT FUND	0	230,386	86,000	0	130,000	130,000	44,000	51.16%
FACILITY FUND	0	0	0	0	0	0	0	-
COMMUNITY FACILITY RENEWAL FUND	0	0	0	0	0	0	0	-
TOTAL CAPITAL IMPROVEMENT FUNDS	4,383,254	6,342,541	976,000	1,330,000	624,200	1,954,200	978,200	100%
SEWER FUND	4,301,795	4,369,908	6,051,819	6,088,989	(835,034)	5,253,955	(797,864)	-13.18%
SOLID WASTE FUND	1,825,616	716,599	463,911	440,311	0	440,311	(23,600)	-5.09%
STORM FUND	199,139	199,858	250,785	257,475	0	257,475	6,690	2.67%
TOTAL ENTERPRISE FUNDS	6,326,550	5,286,365	6,766,515	6,786,775	(835,034)	5,951,741	(814,774)	-12%
REAL PROPERTY PROCEEDS FUND	0	0	0	0	0	0	0	-
VEHICLE IMPOUND FUND	0	0	0	0	0	0	0	-
SUPPLEMENTAL LAW ENFORCEMENT FUND	0	0	0	0	0	0	0	-
GAS TAX FUNDS	0	0	300,000	300,000	0	300,000	0	0.00%
PROPOSITION 1B FUND	0	0	0	0	0	0	0	-
STORM DRAIN DEPOSIT FUND	0	0	0	0	0	0	0	-
COMMUNITY DEV BLOCK GRANT FUND	56,355	41,910	115,000	115,000	0	115,000	0	0.00%
TRAFFIC DEVELOPMENT ACT FUND	13,756	214,537	0	0	0	0	0	-
TRAFFIC IMPACT FEE FUND	0	0	0	0	0	0	0	-
PARK-IN-LIEU FUND	0	0	200,500	382,000	0	382,000	181,500	90.52%
DOWNTOWN PARKING FUND	34,788	19,000	50,000	50,000	104,000	154,000	104,000	208.00%
ESTATE DONATION FUND	0	0	0	0	0	0	0	-
TOTAL SPECIAL REVENUE FUNDS	104,899	275,447	665,500	847,000	104,000	951,000	285,500	43%
DENTAL PLAN FUND	111,342	105,999	99,000	99,000	0	99,000	0	0.00%

EXPENDITURES BY FUND

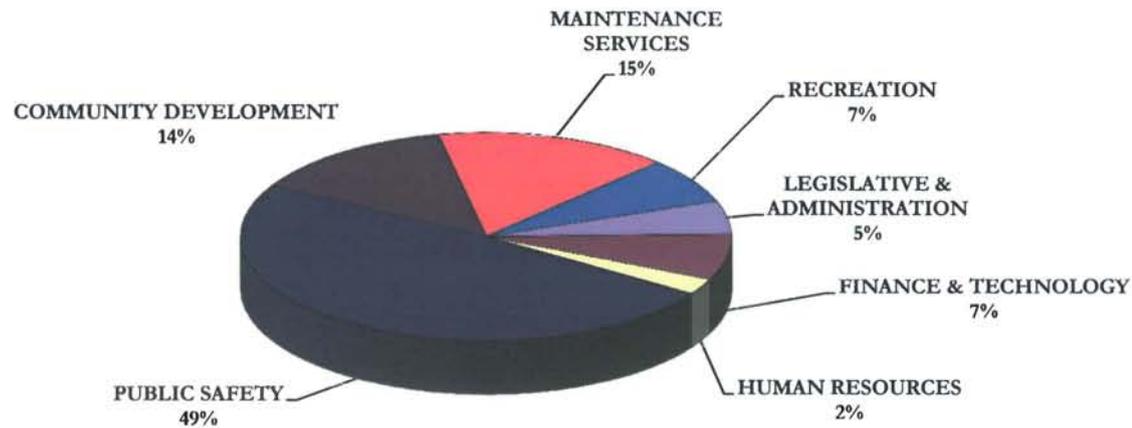
FUNDS	09-10 ACTUAL	10-11 ACTUAL	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE \$	CHANGE %
UNEMPLOYMENT FUND	33,104	1,852	70,000	70,000	0	70,000	0	0.00%
WORKERS COMPENSATION FUND	1,091,276	879,321	560,000	560,000	0	560,000	0	0.00%
LIABILITY FUND	558,003	68,548	400,000	400,000	50,000	450,000	50,000	12.50%
TOTAL INTERNAL SERVICE FUNDS	1,793,725	1,055,720	1,129,000	1,129,000	50,000	1,179,000	50,000	4%
GENERAL DEBT FUND	166,181	165,431	164,400	167,300	0	167,300	2,900	1.76%
AVALON DR. CURB & GUTTER	12,873	12,465	13,000	13,000	0	13,000	0	0.00%
RAYMUNDO CURB & GUTTER	28,360	28,637	28,000	28,000	0	28,000	0	0.00%
BLUE OAK LANE SEWER	95,944	38,785	44,375	44,200	0	44,200	(175)	-0.39%
TOTAL DEBT SERVICE FUNDS	303,358	245,317	249,775	252,500	0	252,500	2,725	1%
GRAND TOTAL	38,221,403	39,609,579	38,381,059	39,760,907	326,866	40,087,773	1,706,714	4.45%

EXPENDITURE TREND - ALL FUNDS



GENERAL FUND EXPENDITURES BY DEPARTMENT

DEPARTMENT	09-10 ACTUAL	10-11 ACTUAL	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE \$	11-12 to 12-13 CHANGE %
LEGISLATIVE & ADMINISTRATION	1,517,881	1,433,158	1,667,647	1,526,027	18,000	1,544,027	(123,620)	-7.41%
FINANCE & TECHNOLOGY	1,482,727	1,596,941	1,823,588	1,929,760	218,500	2,148,260	324,672	17.80%
HUMAN RESOURCES	426,104	486,402	589,653	724,915	0	724,915	135,262	22.94%
PUBLIC SAFETY	12,993,671	13,544,116	14,185,651	14,574,636	16,000	14,590,636	404,985	2.85%
COMMUNITY DEVELOPMENT	3,376,281	3,536,980	3,945,260	4,070,245	0	4,070,245	124,985	3.17%
MAINTENANCE SERVICES	3,617,955	3,899,934	4,327,287	4,497,946	102,200	4,600,146	272,859	6.31%
RECREATION	1,894,998	1,906,658	2,055,183	2,092,103	29,000	2,121,103	65,920	3.21%
GENERAL FUND	25,309,617	26,404,189	28,594,269	29,415,632	383,700	29,799,332	1,205,063	4.21%



EXPENDITURES BY PROGRAM

PROGRAM	09-10 ACTUAL	10-11 ACTUAL	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE \$	CHANGE %
CITY COUNCIL	96,201	125,330	163,310	160,660	0	160,660	(2,650)	-1.62%
EXECUTIVE	828,544	650,466	627,315	609,213	41,160	650,373	23,058	3.68%
CITY ATTORNEY	267,331	262,737	258,100	258,100	24,000	282,100	24,000	9.30%
CITY CLERK	261,418	347,110	571,812	450,894	0	450,894	(120,918)	-21.15%
VOLUNTEERS	64,387	47,515	47,110	47,160	(47,160)	0	(47,110)	-100.00%
LEGISLATIVE & ADMINISTRATION	1,517,881	1,433,158	1,667,647	1,526,027	18,000	1,544,027	(123,620)	-7.41%
FINANCE	874,021	857,036	977,570	1,024,385	12,000	1,036,385	58,815	6.02%
INFORMATION TECHNOLOGY	336,147	420,513	516,468	447,275	75,000	522,275	5,807	1.12%
CENTRAL SERVICES	43,721	48,396	42,250	41,600	0	41,600	(650)	-1.54%
CABLE TELEVISION	126,399	134,765	0	0	0	0	0	-
NON DEPARTMENTAL	102,439	136,231	287,300	416,500	131,500	548,000	260,700	90.74%
FINANCE & TECHNOLOGY	1,482,727	1,596,941	1,823,588	1,929,760	218,500	2,148,260	324,672	17.80%
HUMAN RESOURCES	426,104	486,402	589,653	724,915	0	724,915	135,262	22.94%
HUMAN RESOURCES	426,104	486,402	589,653	724,915	0	724,915	135,262	22.94%
ADMINISTRATION	1,311,601	1,439,888	1,486,075	1,505,040	0	1,505,040	18,965	1.28%
PATROL SERVICES	3,403,700	3,599,947	3,836,315	3,955,670	0	3,955,670	119,355	3.11%
FIRE SERVICES	5,119,093	5,259,153	5,437,950	5,709,850	0	5,709,850	271,900	5.00%
SUPPORT SERVICES	1,365,582	1,396,188	1,556,545	1,531,158	0	1,531,158	(25,387)	-1.63%
INVESTIGATIVE SERVICES	1,102,643	1,131,844	1,222,723	1,257,668	0	1,257,668	34,945	2.86%
TRAFFIC OPERATIONS	690,371	712,277	612,538	581,130	16,000	597,130	(15,408)	-2.52%
EMERGENCY PREPAREDNESS	681	4,819	33,505	34,120	0	34,120	615	1.84%
PUBLIC SAFETY	12,993,671	13,544,116	14,185,651	14,574,636	16,000	14,590,636	404,985	2.85%
PLANNING	971,977	1,003,555	1,080,393	1,118,120	0	1,118,120	37,727	3.49%
BUILDING INSPECTION	955,041	1,081,489	1,148,430	1,183,368	0	1,183,368	34,938	3.04%
ENGINEERING	1,070,582	1,064,811	1,316,605	1,310,657	0	1,310,657	(5,948)	-0.45%
ECONOMIC DEVELOPMENT	162,843	155,694	153,492	202,985	0	202,985	49,493	32.24%
TRAFFIC	215,838	231,431	246,340	255,115	0	255,115	8,775	3.56%
COMMUNITY DEVELOPMENT	3,376,281	3,536,980	3,945,260	4,070,245	0	4,070,245	124,985	3.17%
ADMINISTRATION	468,763	486,377	549,215	556,378	0	556,378	7,163	1.30%
FLEET MAINTENANCE	169,874	112,180	112,255	114,728	0	114,728	2,473	2.20%
STREET MAINTENANCE	802,984	690,744	927,120	967,207	10,000	977,207	50,087	5.40%
PARKS & STREET LANDSCAPING	1,669,645	1,728,578	1,851,650	1,957,118	24,200	1,981,318	129,668	7.00%
FACILITY MAINTENANCE	506,689	882,055	887,047	902,515	68,000	970,515	83,468	9.41%
MAINTENANCE SERVICES	3,617,955	3,899,934	4,327,287	4,497,946	102,200	4,600,146	272,859	6.31%
ADMINISTRATION	392,953	392,087	388,732	393,788	23,000	416,788	28,056	7.22%
FACILITIES	413,268	327,545	356,610	365,990	0	365,990	9,380	2.63%
LIFE LONG LEARNING	598,254	507,282	594,988	599,425	0	599,425	4,437	0.75%
HEALTH & WELLNESS	150,570	322,215	350,165	357,220	0	357,220	7,055	2.01%
SENIOR PROGRAMS	159,891	159,681	157,259	160,696	6,000	166,696	9,437	6.00%
TEEN PROGRAMS	125,129	121,386	126,175	133,730	0	133,730	7,555	5.99%
PERFORMING ARTS	40,765	53,381	39,474	39,474	0	39,474	0	0.00%

EXPENDITURES BY PROGRAM

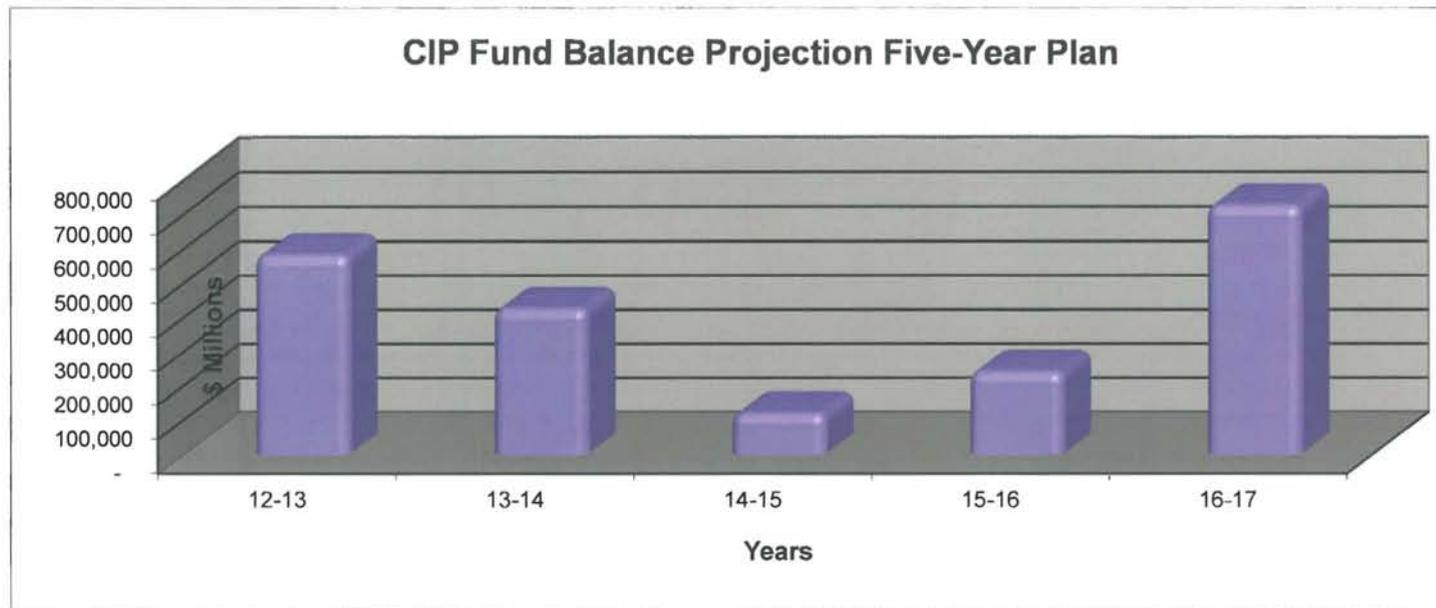
PROGRAM	09-10 ACTUAL	10-11 ACTUAL	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE \$	CHANGE %
COMMUNITY EVENTS	14,168	23,081	41,780	41,780	0	41,780	0	0.00%
RECREATION	1,894,998	1,906,658	2,055,183	2,092,103	29,000	2,121,103	65,920	3.21%
TOTAL GENERAL FUND	25,309,617	26,404,189	28,594,269	29,415,632	383,700	29,799,332	1,205,063	4.21%
CAPITAL PROJECTS FUND	4,383,254	6,112,155	890,000	1,330,000	494,200	1,824,200	934,200	104.97%
EQUIPMENT REPLACEMENT FUND	0	230,386	86,000	0	130,000	130,000	44,000	51.16%
FACILITY FUND	0	0	0	0	0	0	0	-
COMMUNITY FACILITY RENEWAL FUND	0	0	0	0	0	0	0	-
TOTAL CAPITAL PROJECTS FUNDS	4,383,254	6,342,541	976,000	1,330,000	624,200	1,954,200	978,200	100.23%
SEWER SYSTEM ADMINISTRATION	2,853,315	2,505,156	3,242,553	3,250,253	(381,708)	2,868,545	(374,008)	-11.53%
SEWER SYSTEM MAINTENANCE	680,178	625,079	787,266	815,736	(74,326)	741,410	(45,856)	-5.82%
SEWER CIPS	768,302	1,239,673	2,022,000	2,023,000	(379,000)	1,644,000	(378,000)	-18.69%
TOTAL SEWER FUNDS	4,301,795	4,369,908	6,051,819	6,088,989	(835,034)	5,253,955	(797,864)	-13.18%
SOLID WASTE	1,825,616	716,599	463,911	440,311	0	440,311	(23,600)	-5.09%
TOTAL SOLID WASTE FUND	1,825,616	716,599	463,911	440,311	0	440,311	(23,600)	-5.09%
URBAN RUNOFF PROGRAM	154,803	154,278	204,435	209,615	0	209,615	5,180	2.53%
STORM DRAIN	44,336	45,580	46,350	47,860	0	47,860	1,510	3.26%
TOTAL STORM DRAIN FUNDS	199,139	199,858	250,785	257,475	0	257,475	6,690	2.67%
REAL PROPERTY PROCEEDS	0	0	0	0	0	0	0	-
VEHICLE IMPOUND	0	0	0	0	0	0	0	-
SUPPLEMENTAL LAW ENFORCEMENT	0	0	0	0	0	0	0	-
GAS TAX	0	0	300,000	300,000	0	300,000	0	0.00%
PROPOSITION 1B	0	0	0	0	0	0	0	-
STORM DRAIN DEPOSIT	0	0	0	0	0	0	0	-
COMMUNITY DEV BLOCK GRANT	56,355	41,910	115,000	115,000	0	115,000	0	0.00%
TRAFFIC DEVELOPMENT ACT	13,756	214,537	0	0	0	0	0	-
TRAFFIC IMPACT FEE	0	0	0	0	0	0	0	-
IN LIEU PARK FEES	0	0	200,500	382,000	0	382,000	181,500	90.52%
DOWNTOWN PARKING	34,788	19,000	50,000	50,000	104,000	154,000	104,000	208.00%
ESTATE DONATION	0	0	0	0	0	0	0	0
TOTAL SPECIAL REVENUE FUNDS	104,899	275,447	665,500	847,000	104,000	951,000	285,500	42.90%
DENTAL PLAN	111,342	105,999	99,000	99,000	0	99,000	0	0.00%
UNEMPLOYMENT	33,104	1,852	70,000	70,000	0	70,000	0	0.00%
WORKERS COMPENSATION	1,091,276	879,321	560,000	560,000	0	560,000	0	0.00%
LIABILITY	558,003	68,548	400,000	400,000	50,000	450,000	50,000	12.50%
TOTAL INTERNAL SERVICE FUNDS	1,793,725	1,055,720	1,129,000	1,129,000	50,000	1,179,000	50,000	4.43%
GENERAL DEBT	166,181	165,431	164,400	167,300	0	167,300	2,900	1.76%
AVALON DR. CURB & GUTTER A.D.	12,873	12,464	13,000	13,000	0	13,000	0	0.00%
RAYMUNDO CURB & GUTTER A.D.	28,360	28,637	28,000	28,000	0	28,000	0	0.00%
BLUE OAK SEWER	95,944	38,785	44,375	44,200	0	44,200	(175)	-0.39%
TOTAL DEBT SERVICE FUNDS	303,358	245,317	249,775	252,500	0	252,500	2,725	1.09%
GRAND TOTAL	38,221,403	39,609,579	38,381,059	39,760,907	326,866	40,087,773	1,706,714	4.45%

Attachment 2
FY 2012-2016 Five-Year Capital Improvement Program

City of Los Altos

Five-Year Capital Improvement Program FY2012-2013 to 2016-2017

Capital Projects Fund	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Projected Beg Balance	7,471,667	584,467	427,467	121,267	242,267
Less - Prior Year Active CIPS	(5,513,000)	-	-	-	-
Revenue & Grants	136,000	136,000	136,000	136,000	136,000
Transfers In (out)	314,000	950,000	950,000	950,000	950,000
Capital Project Budget	(1,824,200)	(1,243,000)	(1,392,200)	(965,000)	(600,000)
Projected Ending Balance	584,467	427,467	121,267	242,267	728,267

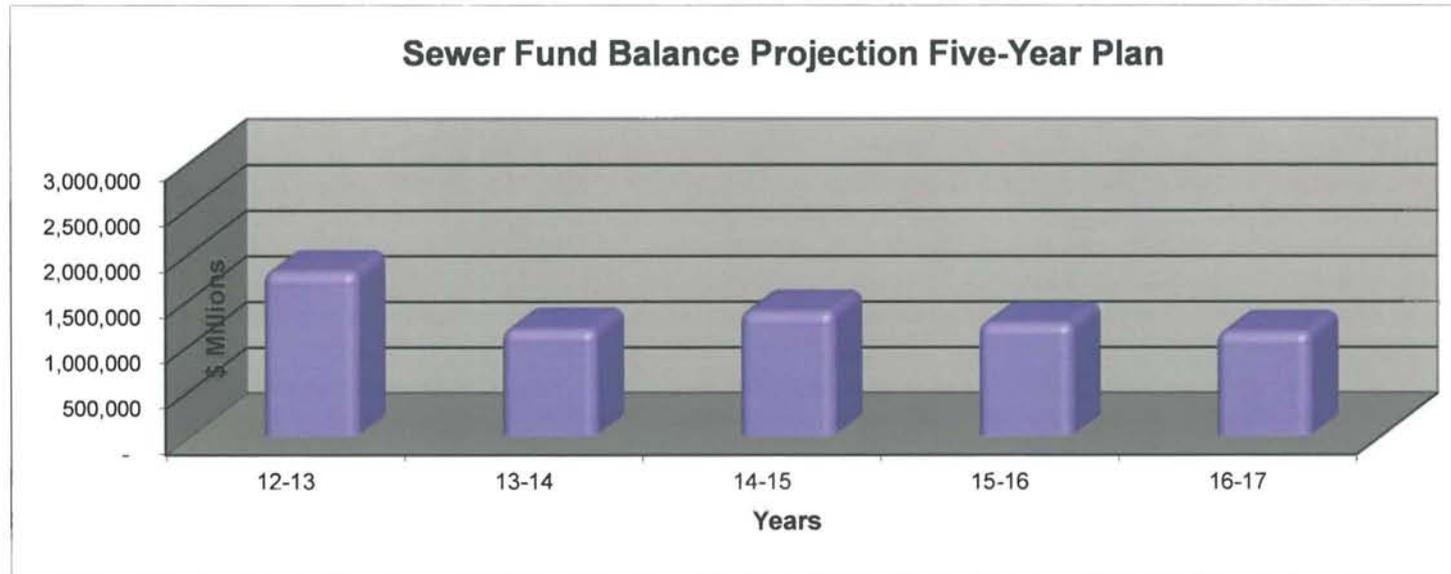


** Assumes a rising level of economic recovery sufficient to cover annual maintenance and a moderate level of improvements.*

City of Los Altos

Five-Year Capital Improvement Program FY2012-2013 to 2016-2017

Sewer Fund	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Projected Beg Balance	6,894,087	1,798,303	1,167,482	1,363,383	1,232,780
Less - Prior Year Active CIPS	(4,803,000)	-	-	-	-
Income *	1,351,216	1,449,179	1,499,900	1,552,397	1,606,731
Sewer Fund Project Budget	(1,644,000)	(2,080,000)	(1,304,000)	(1,683,000)	(1,701,000)
Projected Ending Balance	1,798,303	1,167,482	1,363,383	1,232,780	1,138,510

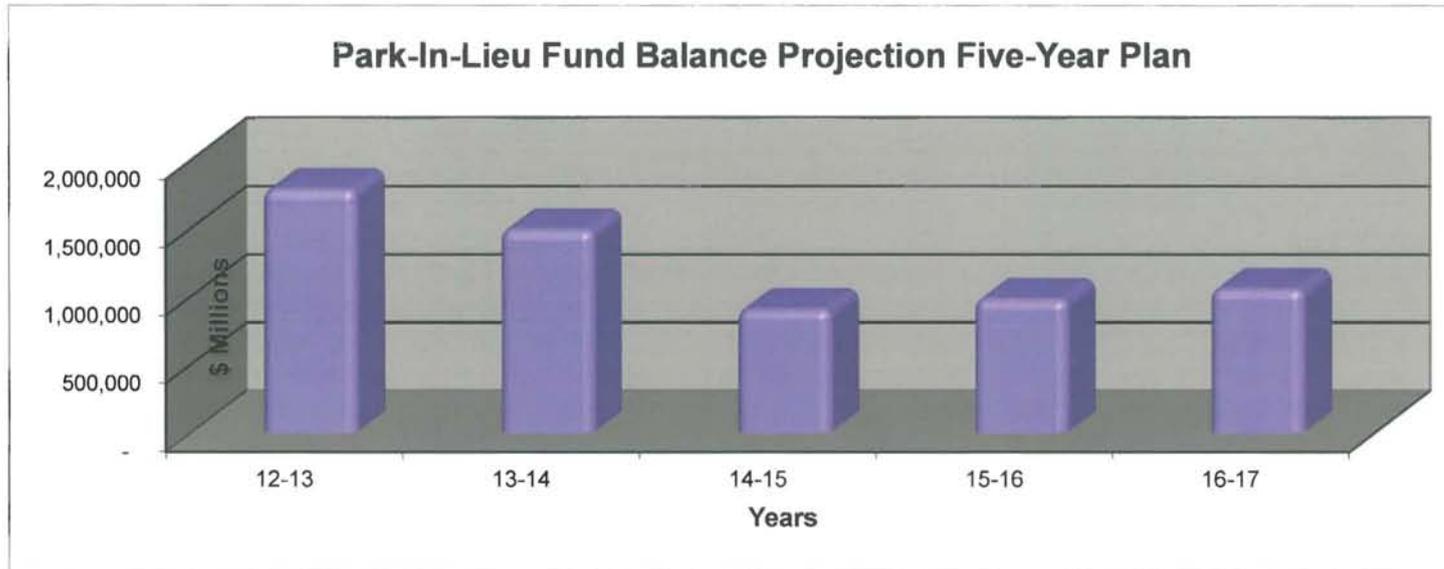


* Assumes annual rate adjustments sufficient to cover maintenance and master plan improvements.

City of Los Altos

Five-Year Capital Improvement Program FY2012-2013 to 2016-2017

Park-In-Lieu Fund	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Projected Beg Balance	975,034	1,787,334	1,490,334	905,574	980,574
Less - Prior Year Active CIPS	(125,000)	-	-	-	-
Capital Project Budget	(382,000)	(372,000)	(659,760)	-	-
Income *	1,319,300	75,000	75,000	75,000	75,000
Projected Ending Balance	1,787,334	1,490,334	905,574	980,574	1,055,574



City of Los Altos

2012-2013 Capital Improvement Projects

Project	CIP Fund	Sewer Fees	Traffic			SR2S	TDA	CDBG	PARKING	TOTAL
			Impact Fee	Park-In-Lieu	Gas Tax					
Annual Street Resurfacing (includes First St Repaving \$300K)	\$550,000				\$225,000					\$775,000
Annual Street Striping					75,000					75,000
Annual Concrete Repair (includes First St Repaving \$65K)	200,000									200,000
Annual Sewer Main Repair		369,000								369,000
Annual Sewer Root Foaming		332,000								332,000
Annual ADA Accessibility								115,000		115,000
Annual NTMP	75,000									75,000
Annual Special Projects and Studies	50,000									50,000
Biennial Street Slurry Seal	125,000									125,000
Sewer Collection System Upgrade		943,000								943,000
Skate Park (Skatable Art Work)				382,000						382,000
NPDES Compliance	190,000									\$190,000
Parking Management Plan (New)	65,000							100,000		165,000
ADA Transition Plan (New)	88,000									88,000
Speed Zone Survey (New)	66,000									66,000
Main Library Parking Lot (New)	84,000									84,000
TF Initiatives (FY11-12 Operating Budget Roll forward)	102,000									102,000
KMVT Increased Public Broadcasting Capital (New)(PEG)	65,000									65,000
KMVT & EASD Broadcasting Capital Pilot (New)(PEG)	13,200									13,200
Intersection Bicycle Loops (Reinstated to 12-13)	115,000									\$115,000
University Milverton Ped Improvements (From Unscheduled)	36,000									36,000
Civic Center Facilities (New)										-
TOTAL	\$1,824,200	\$1,644,000	\$0	\$382,000	\$300,000	\$0	\$0	\$115,000	\$100,000	\$4,365,200
Proposed (Moved to Unscheduled)				227,000						227,000
Traffic Sign Replacement (Eliminated from FY12-13)	25,000									25,000
Annual Sewer Main Video (Modified to Every Two Years)		379,000								379,000

*Although the Civic Center Master Plan poll results did not represent the level of voter support needed for a successful bond financing measure of the amount identified, replacing the Hillview Recreation Center and repairing and expanding City Hall and the Police Station remain a pressing need. As a result, a new capital project description has been created identifying the campus alternatives presented to City Council on May 22, 2012. This project description will remain as a place-holder until a final Civic Center decision is made and project phasing and financing strategies are determined.

City of Los Altos

2013-2014 Capital Improvement Projects

Project	CIP	Sewer	Traffic Impact Fee	Park-In-Lieu	Gas Tax	SR2S	TDA	CDBG	PARKING	TOTAL
Annual Street Resurfacing (increased by \$300K)	\$550,000				\$225,000					\$775,000
Annual Street Striping					75,000					75,000
Annual Concrete Repair	200,000									200,000
Annual Sewer Main Repair		369,000								369,000
Annual Sewer Main Video		379,000								379,000
Annual Sewer Root Foaming		332,000								332,000
Annual ADA Accessibility								115,000		115,000
Annual NTMP	75,000									75,000
Annual Special Projects and Studies	50,000									50,000
Sewer Collection System Upgrade		1,000,000								1,000,000
First Street Design-Phase II	268,000									268,000
Traffic Sign Replacement	25,000									25,000
Covington Road Class I Pathway-Design	75,000									75,000
Redwood Grove Bank Stabilization (New)	-			372,000						372,000
TOTAL	\$1,243,000	\$2,080,000	\$0	\$372,000	\$300,000	\$0	\$0	\$115,000	\$0	\$4,110,000

City of Los Altos

2015-2016 Capital Improvement Projects

	CIP	Sewer	Traffic Impact Fee	Park-In-Lieu	Gas Tax	SR2S	TDA	CDBG	PARKING	TOTAL
Annual Street Resurfacing	\$250,000				\$225,000					\$475,000
Annual Street Striping					75,000					75,000
Annual Concrete Repair	200,000									200,000
Annual Sewer Main Repair		369,000								369,000
Annual Sewer Main Video		379,000								379,000
Annual Sewer Root Foaming		332,000								332,000
Annual ADA Accessibility								115,000		115,000
Annual N'TMP	75,000									75,000
Annual Special Projects and Studies (was \$100K)	50,000									50,000
Sewer Main Corrosion Rehabilitation (Split over 2 years)		603,000								603,000
Traffic Sign Replacement	25,000									25,000
San Antonio Road Left Turn Lane				236,000						236,000
Carmel Terrace Class I Pathway Design	85,000									\$85,000
Carmel Terrace Class I Pathway Construction	280,000									\$280,000
TOTAL	\$965,000	\$1,683,000	\$236,000	\$0	\$300,000	\$0	\$0	\$115,000		\$3,299,000

City of Los Altos

Unscheduled - No Priority Assigned

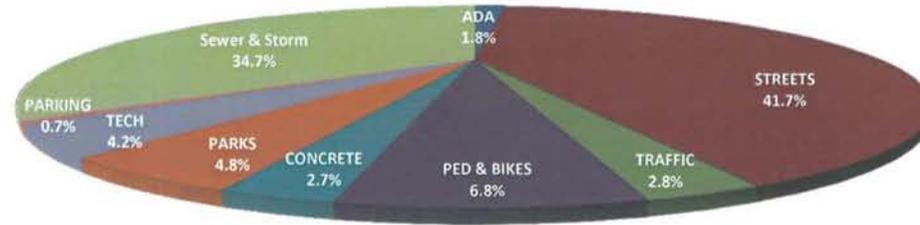
Presented in Alphabetical Order	CIP	Sewer	Traffic Impact Fee	Park-In-Lieu	Gas Tax	SR2S	TDA	CDBG	PARKING	TOTAL
Community Plaza Renovation	3,350,000									3,350,000
Covington Road Bicycle Path	414,000									414,000
Dog Park (Moved to unscheduled from 12-13)				227,000						227,000
Downtown Parking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

City of Los Altos

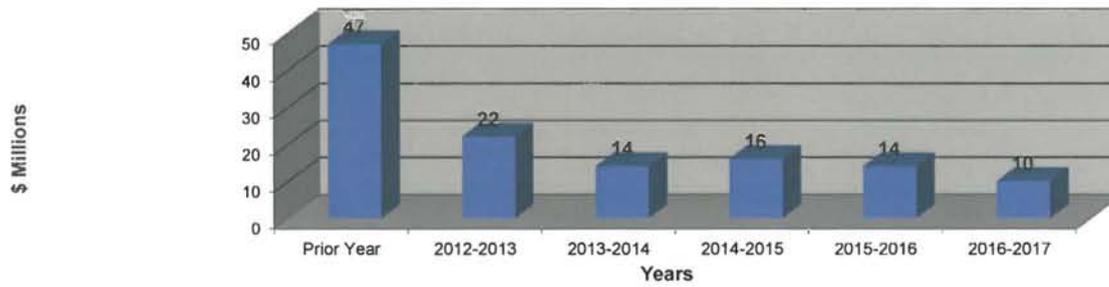
Five-Year Capital Improvement Program FY2012-2013 to 2016-2017

Capital Projects Fund	Prior Year	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Total
Prior Year Active Projects	14,838,664						14,838,664
Annual ADA Accessibility		115,000	115,000	115,000	115,000	115,000	575,000
Annual Concrete Repair		200,000	200,000	200,000	200,000	200,000	1,000,000
Annual N/T/M/P		75,000	75,000	75,000	75,000	75,000	375,000
Annual Sewer Main Repair		369,000	369,000	369,000	369,000	369,000	1,845,000
Annual Sewer Main Video			379,000		379,000		758,000
Annual Sewer Root Foaming		332,000	332,000	332,000	332,000	332,000	1,660,000
Annual Special Projects and Studies		50,000	50,000	50,000	50,000	50,000	250,000
Annual Street Resurfacing		775,000	775,000	475,000	475,000	475,000	2,975,000
Annual Street Striping		75,000	75,000	75,000	75,000	75,000	375,000
ADA Transition Plan (New)		88,000					88,000
Biennial Street Slurry Seal		125,000					125,000
Civic Center Facilities (New)		-					-
Intersection Bicycle Loops (Reinstated to 12-13)		115,000					115,000
IT Initiatives (FY11-12 Roll Forward)		102,000					102,000
KMVT Increased Public Broadcasting Capital (New)(PEG)		65,000					65,000
KMVT & LASD Broadcasting Capital Pilot (New)(PEG)		13,200					13,200
Main Library Parking Lot (New)		84,000					84,000
University Milverton Ped Improvements (From Unscheduled)		36,000					36,000
NPDES Compliance (construction)		190,000					190,000
Parking Management Plan (New)		165,000					165,000
Sewer Collection System Upgrade		943,000	1,000,000			1,000,000	2,943,000
Skate Park		382,000					382,000
Speed Zone Survey (New)		66,000					66,000
Covington Road Class I Pathway-Design			75,000				75,000
First Street Design-Phase II			268,000				268,000
Redwood Grove Bank Stabilization (New)			372,000				372,000
Traffic Sign Replacement			25,000	25,000	25,000	25,000	100,000
City Alley Resurfacing				195,000			195,000
Covington Class I Pathway-Construction				201,000			201,000
Grant Road Bicycle Lane				65,000			65,000
Marymeade Park Renovation				269,400			269,400
McKenzie Park Renovation				390,360			390,360
Miramonte Avenue Path				1,656,000			1,656,000
Sewer Main Corrosion Rehabilitation (Split over 2 years)				603,000	603,000		1,206,000
Carmel Terrace Class I Pathway Construction					280,000		280,000
Carmel Terrace Class I Pathway Design					85,000		85,000
San Antonio Road Left Turn Lane					236,000		236,000
Total Dollars	14,838,664	4,365,200	4,110,000	5,095,760	3,299,000	2,716,000	-
Total Project Count	47	22	14	16	14	10	123

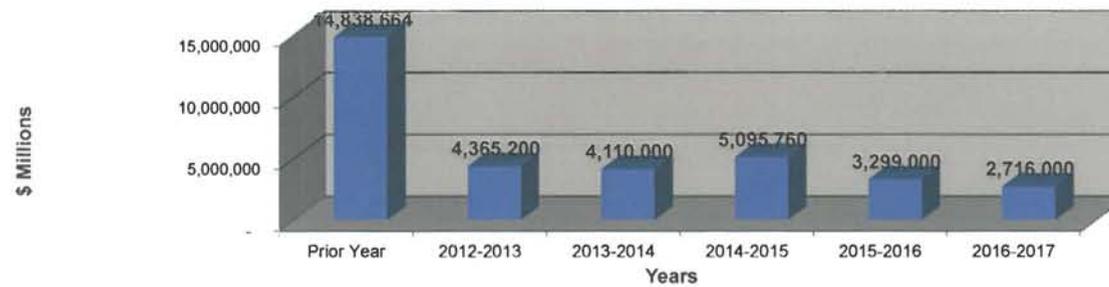
Capital Project By Category



Number of Projects Per Year



Capital Project Dollars Per Year



Attachment 3
Second-Year Biennial 2011-2013 Operating and CIP Budget
Adjustments

**Attachment 3A
Proposed Budget Adjustments - General Fund**

General Fund Proposed Budget Adjustments		Appropriation			Net Fiscal Impact
		Original Plan	Proposed Change	Revised Budget	
Purchase of Artwork to be placed in the downtown area with a focus on the location at First & Main as an iconic and welcoming piece.	Non-Depart.	416,500	50,000	466,500	50,000
Various Department Allocations – Expanded coverage and updated General Liability premium costs	Non-Depart.	-	50,000	-	50,000
One Year KMVT/LASD Meeting Broadcasting Pilot Program	Non-Depart.	-	7,500	-	7,500
FY 12-13 School Bike Education & Training Program	Non-Depart.	-	24,000	-	24,000
Approved increase in the annual legal services retention fee	Legal	258,100	24,000	282,100	24,000
Increase citywide waste hauling costs	Facilities	902,515	68,000	970,515	68,000
Sidewalk Repairs and materials	Streets	967,207	10,000	977,207	10,000
Increased utility costs & signs	Parks	1,957,118	24,200	1,981,318	24,200
Contract services for IT network 24/7 management and monitoring services	Info Services	447,275	75,000	522,275	75,000
11-12 Approved grant reporting software services	Finance	1,024,385	12,000	1,036,385	12,000
Additional crossing guard safety deployments	Safety Traffic	581,130	16,000	597,130	16,000
Part time services & materials with move of the volunteer program to recreation	Recreation	416,788	29,000	445,788	29,000
Reallocation of Volunteer Labor costs reassigned to Executive	Executive	609,213	41,160	650,373	41,160
Part time services reassignment to Recreation and Executive	Volunteers	47,160	(47,160)	0	(47,160)
Net Impact General Fund		-	\$ 383,700	-	\$ 383,700

**Attachment 3B
Proposed Budget Adjustments - Other Funds**

Equipment Replacement Fund	Appropriation			Revenue Change	Net Fiscal Impact
	Original Plan	Proposed Change	Revised Budget		
Equipment Replacement Fund – Purchase of three safety vehicles to maintain a replacement schedule (Partial Offset with FY2012-2013 \$100,000 Excess Reserve Transfer into Equipment Replacement Fund Noted in the Agenda Report)	0	130,000	130,000		(130,000)
Net Impact	\$ -	\$ 130,000	\$ 130,000	\$ -	\$ (130,000)

Sewer Fund	Appropriation			Revenue Change	Net Fiscal Impact
	Original Plan	Proposed Change	Revised Budget		
Revenue reset given changes in trends and usage	6,045,026		4,961,171	(1,083,855)	(1,083,855)
Operating variable expense adjustment	4,065,989	(456,034)	3,609,955		456,034
CIP Change (See Attachment 2C)	2,023,000	(379,000)	1,644,000		379,000
Net Impact	-	\$ (835,034)	-	\$ (1,083,855)	\$ (248,821)

Park In Lieu Fund	Appropriation			Revenue Change	Net Fiscal Impact
	Original Plan	Proposed Change	Revised Budget		
To Account timing differences given anticipated development Revenues to be realized in FY12-13	89,300		1,319,300	1,230,000	1,230,000
Net Impact	\$ 89,300	\$ -	\$ 1,319,300	\$ 1,230,000	\$ 1,230,000

Downtown Parking Fund	Appropriation			Revenue Change	Net Fiscal Impact
	Original Plan	Proposed Change	Revised Budget		
To Fund downtown beautification, including sidewalk washing as approved per the June 12, 2012 Council Action	50,000	4,000	54,000		(4,000)
Net Impact	\$ 50,000	\$ 4,000	\$ 54,000	\$ -	\$ (4,000)

Community Development Block Grant Fund	Appropriation			Revenue Change	Net Fiscal Impact
	Original Plan	Proposed Change	Revised Budget		
To Adjust for the timing of grant reimbursements in line with 100% recovery expectations	115,000		117,254	2,254	2,254
Net Impact	\$ 115,000	\$ -	\$ 117,254	\$ 2,254	\$ 2,254

Traffic Development Act Fund	Appropriation			Revenue Change	Net Fiscal Impact
	Original Plan	Proposed Change	Revised Budget		
To Adjust for the timing of grant reimbursements in line with 100% recovery expectations	0		17,643	17,643	17,643
Net Impact	\$ -	\$ -	\$ 17,643	\$ 17,643	\$ 17,643

Internal Service Funds	Appropriation			Revenue Change	Net Fiscal Impact
	Original Plan	Proposed Change	Revised Budget		
Liability - To adjust for Interfund Balancing (Rev Adj)	415,000		465,000	50,000	50,000
Liability - To adjust for Interfund Balancing (Exp Adj)	400,000	50,000	450,000		(50,000)
Net Impact	-	\$ 50,000	-	\$ 50,000	\$ -

Attachment 3C
Proposed Budget Adjustments - Capital Projects

CIP FUND	Appropriation			Offset	Net Fiscal Impact
	Original Plan	Proposed Change	Revised Project		
Parking Management Plan (New)	0	65,000	65,000		(65,000)
Traffic Sign Replacement (Eliminated from FY12-13)	25,000	(25,000)	-		25,000
ADA Transition Plan (New)	0	88,000	88,000		(88,000)
Speed Zone Survey (New)	0	66,000	66,000		(66,000)
KMVT Increased Public Broadcasting Capital (New)(PEG)	0	65,000	65,000		(65,000)
KMVT & LASD Broadcasting Capital Pilot (New)(PEG)	0	13,200	13,200		(13,200)
Main Library Parking Lot (New)	0	84,000	84,000		(84,000)
University Milverton Ped Improv. (From Unscheduled)	0	36,000	36,000		(36,000)
IT Initiatives (FY11-12 Roll Forward From Operating)	0	102,000	102,000	(95,000)	(7,000)
Net Impact	\$ 25,000	\$ 494,200	\$ 519,200	\$ (95,000)	\$ (399,200)

SEWER FUND	Appropriation			Offset	Net Fiscal Impact
	Original Plan	Proposed Change	Revised Project		
Annual Sewer Main Video (Modified to Every Two Years)	379,000	(379,000)	-		379,000
Net Impact	\$ 379,000	\$ (379,000)	\$ -	\$ -	\$ 379,000

DOWNTOWN PARKING FUND	Appropriation			Offset	Net Fiscal Impact
	Original Plan	Proposed Change	Revised Project		
Parking Management Plan (New)	-	100,000	100,000		(100,000)
Net Impact	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)

Attachment 4
Resolution No. 2012-14 FY 2012-2013 Operating Budget

RESOLUTION NO. 2012-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
ADOPTING THE FY 2012-2013 OPERATING BUDGET

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

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City of Los Altos FY 2012-2013 Operating Budget, as the second year of the FY 2011-2013 Biennial Budget, has been presented and reviewed by City Council with regard to the approval of estimated revenues, appropriations, capital projects, and transfers for all City funds in accordance with adopted Financial Policies; and
2. City programs, services, and activities will be provided and maintained within the confines of this Operating Budget in a manner consistent with adopted Financial Policies; and
3. The City Council adopt the Operating Budget and the proposed amendments for FY 2012-2013 as provisionally submitted and summarized per **Attachment 1** and inclusive of FY 2012-2013 Capital Improvement Program projects presented in **Attachment 2**; and
4. Funds are deemed appropriated for those purposes and in amounts contained in said Operating Budget and the City Manager is authorized to approve appropriations and transfers of these funds to the extent allowed by law and Financial Policies in implementing the work programs incorporated within the adopted budget; and
5. This budget acts upon a City Council set goal to strengthen Operating Reserves up to a 20% level over the course of five years through the additional use of annual operational savings realized as a result of the approved "PERS Side Fund" pay down and includes the transfer of General Fund available balances into the Capital Improvement Program Fund, as well as other identified funds, pending a review of final current-year results; and
6. Encumbrances, active capital improvement projects, and active grant awards that have not been completed or received at the end of each fiscal year shall be carried forward and re-appropriated into the next fiscal year.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 26th day of June, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Valorie Cook Carpenter, MAYOR

Attest:

Jon Maginot,
CITY CLERK

Attachment 5
Resolution No. 2012-15 FY 2012-2013 Transient Occupancy Tax
Rate

RESOLUTION NO. 2012-15

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
SETTING THE FY 2012-2013 TRANSIENT OCCUPANCY TAX RATE**

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

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

WHEREAS, the City Council adopted the budget on June 26, 2012.

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

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

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 26th day of June 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Attest:

Valorie Cook Carpenter, MAYOR

Jon Maginot
DEPUTY CITY CLERK

Attachment 6
Resolution No. 2012-16 FY 2012-2013 Utility Users Tax Rate

RESOLUTION NO. 2012-16

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
ESTABLISHING THE FY 2012-2013 UTILITY USERS TAX RATE**

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

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

WHEREAS, the City Council adopted the budget on June 26, 2012.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that:

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

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 26th day of June 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Valorie Cook Carpenter, MAYOR

Attest:

Jon Maginot,
DEPUTY CITY CLERK

Attachment 7
Resolution No. 2012-17 FY 2012-2013 Appropriations Limit

RESOLUTION NO. 2012-17

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
ESTABLISHING THE FY 2012-2013 APPROPRIATIONS LIMIT**

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

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

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Los Altos that said Council hereby determines that said City's appropriations limit (as presented in calculation format in **Exhibit 7-A**), pursuant to Article 13B of the California Constitution using the annual percent change in population for Santa Clara County and the percent change in California for per capita personal income, is as follows:

FY 2012-2013 \$26,638,330

I HEREBY CERTIFY that the foregoing resolution was adopted by the City Council of the City of Los Altos at a meeting of said Council held on the 26th day of June 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Valorie Cook Carpenter, MAYOR

Attest:

Jon Maginot,
DEPUTY CITY CLERK

Revised

Exhibit 7-A

GANN LIMIT CALCULATION - FY2012-2013

DESCRIPTION	AMOUNT	TAXES	"NON-TAXES"
GENERAL FUND			
TAXES			
Property Tax	13,905,660	13,905,660	0
Sales Tax	2,598,300	2,598,300	0
Motor Vehicle	52,499	52,499	0
Utility Users Tax	2,598,960	2,598,960	0
Business License Tax	453,200	453,200	0
Documentary Trans.	472,248	472,248	0
Building Dev. Tax	203,940	203,940	0
Transient Occ. Tax	1,498,000	1,498,000	0
Off-Hwy Motor Veh.	500	500	0
LICENSES/PERMITS			
Engineering Fees	155,012		155,012
Building Permits	1,086,485		1,086,485
Electrical Permits	210,759		210,759
Plumb/Mech Permits	346,441		346,441
Plan Checking	410,393		410,393
Other Comm Dev Fees	471,019		471,019
CHARGE FOR SERVICE			
Police Fees	116,210		116,210
Expressway Landscape.	27,450		27,450
Street Sweeping	4,950		4,950
Signal Agreements	2,160		2,160
Special Event Appl	32,445		32,445
Weed Abatement	0		0
Fire Dept Fees	3,750		3,750
Sale of Publications	0		0
RECREATION FEES			
Recreation Fees	1,814,527		1,814,527
FRANCHISE FEES			
Franchise Fees	1,692,414		1,692,414
USE OF MONEY/PROPERTY			
Rental Income	8,000		8,000
Auction	18,000		18,000
FINES/FORFEITURES			
Traffic Fines	123,500		123,500
Parking Citations	69,564		69,564
Court Fines	2,250		2,250
ENTERPRISE/CAPITAL ADMIN			
Sewer Admin.	800,654		800,654
Solid Waste Admin.	91,093		91,093
MISCELLANEOUS			
Misc./Other	26,510		26,510
CDBG Admin Reimb	0		0
Mandated Cost Reimbursement	50,000		50,000
Misc Grants/Donations	2,250		2,250
Museum Curator Contrib.	0		0
Booking Fee Refund	0		0
Police & Other Grants	140,750		140,750
Arrest Tow Fees	0		0
Payroll Savings	0		0
SUBTOTAL	29,489,893	21,783,307	7,706,586
Interest	427,200	315,560	111,640
GENERAL FUND TOTAL	29,917,093	22,098,867	7,818,226

Revised

Exhibit 7-A

GANN LIMIT CALCULATION - FY2012-2013

DESCRIPTION	AMOUNT	TAXES	"NON-TAXES"
CAPITAL PROJECTS			
SLES Police Grants	100,000		100,000
Other Capital Grants	136,000		136,000
Vehicle Impound Fees	45,000		45,000
In Lieu Park Land	1,319,300		1,319,300
Transportation Development Act	17,643		17,643
Downtown Parking Fund	40,380		40,380
Traffic Impact Fee	3,300		3,300
Safe Routes to School	0		0
Community Contributions	0		0
Prop 1B Grants	5,500		5,500
CDBG	117,454		117,454
GAS TAX FUNDS			
Congestion Management	0		0
Gas Tax	491,000		491,000
Interest	2,390		2,390
SUBTOTAL	2,277,967	0	2,277,967
GRAND TOTAL	32,195,060	22,098,867	10,096,193
Total City Governmental Revenue			32,195,060
Less: Non Proceeds of taxes			(10,096,193)
Proceeds of Taxes			22,098,867
Exclusions: Debt Service before Prop 4			0
Capital Debt Service - 401 Rosita Ave			(165,000)
Add: Excess User Fees			0
Appropriations Subject to Limitation			21,933,867
2012-13 Appropriations Limit			26,638,330
Difference			4,704,463
Percent under limit			17.66%
2012-13 Appropriations Limit Calculation			
2011-12 Appropriations Limit			25,389,182
Change in Calif. per capita income			1.0377
Change in population in County			1.0111
Change Factor			1.0492
			26,638,330

Revised

Attachment 8
Resolution No. 2012-18 FY 2012-2016 Five-Year Capital
Improvement Program Adoption

RESOLUTION NO. 2012-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
ADOPTING THE FY 2012-2016 FIVE-YEAR CAPITAL IMPROVEMENT
PROGRAM

WHEREAS, the City Council held a study session on the proposed five-year updated Capital Improvement Program (CIP) on June 12, 2012 and a proposed second year of the FY 2011-2013 Biennial Operating Budget; and

WHEREAS, identified adjustments are incorporated within the five-year CIP before the Council.

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

1. Adopt the FY 2012-2016 Five-Year Capital Improvement Program submitted as presented per **Attachment 2** for those respective fiscal years; and appropriate funds, in all respective funds, for those CIP projects identified within the FY 2012-2013 budget year; and
2. Authorize the City Manager to proceed with those FY 2012-2013 projects identified for implementation or the commencement of planning for them.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 26th day of June, 2012 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Valorie Cook Carpenter, MAYOR

Attest:

Jon Maginot,
DEPUTY CITY CLERK