DATE: June 12, 2012

AGENDA ITEM # 55

AGENDA REPORT

TO: City Council

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

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

RECOMMENDATION:

Review and provide direction regarding the second-year update of the 2011-2013 Biennial Budget and the Five-Year CIP

SUMMARY:

Estimated Fiscal Impact:

Amount: City-wide operating and capital appropriations approximate $40 million

Budgeted: Second year of the FY 2011-2013 Biennial Budget is subject to approval

Public Hearing Notice: Not applicable

Previous Council Consideration: Mid-Year Budget and CIP Review February 28, 2012

CEQA Status: Not applicable

Attachments:

1. Updated FY 2012-2013 Summary Schedules
2. Proposed Budget Adjustments
3. Challenge Indicators
4. Updated 2012-2016 Capital Project Plan

BACKGROUND

On June 28, 2011, the City adopted a Biennial Budget for the two-year period ending June 30, 2013. At that time, year one (FY 2011-2012) was formally adopted and appropriated as a basis for operations within that fiscal year. As anticipated, the second year of the Biennial Budget has been refreshed and updated as a basis for the formal appropriation of FY 2012-2013 dollars. The public hearing for this update is being held this evening, along with the related and integrated Capital Project Program (CIP) discussions, to be followed by adoption of both the revised budget and Five-Year CIP on June 26, 2012. As part of that adoption, Council will be presented with the required authorizing resolutions.

Staff is requesting no changes to the City's fee structure as part of this budget action. As indicated in the 2011-2013 Biennial Issues and Option Papers (IOs), a more detailed discussion of fees will return to Council as part of a finalized City-wide Cost Allocation Plan (CAP). This is anticipated to return to Council in the first half of FY 2012-2013 at which time fees can be evaluated comprehensively.

DISCUSSION

Second-Year Budget Approach

Remaining true to the essence of a biennial budget, the FY 2012-2013 budget adoption process represents a revision of the projections as originally set forth in the multi-year plan. Staff has performed a high-level review of revenues, appropriations and reserve levels, and taken this opportunity to simply refine the document for new information and necessary operational or contractual adjustments. The internal process undertaken involved:

- Performing a review of the operational needs of each department
- Staging a strategic executive session following the mid-year budget update process
- Updating key fund balance projections for known actual audit results
- Re-evaluating the CIP with an eye on emerging needs
- Updating the status of the challenge areas raised in the biennial process

This re-set approach to the biennial budget is quite beneficial in several ways by saving considerable time and effort in its compilation, affirming the relevance of the projections and estimates put forth in the original plan, and allowing for the "breathing room" necessary to further enhance the biennial budget and CIP documents moving forward.

The remainder of this document will focus on communicating key Fund balances, proposed use of reserves, identified adjustments and changes to the Five-Year CIP.

Attachment 1 reflects an updated budget summary section that includes a high-level presentation of fund balances, revenues, expenditures and CIPs. These documents highlight, in green shaded text, the revisions made to the adopted plan numbers as reflected in the column 12-13 Update. This section also includes the "Projected Fund Balances and Reserves" schedule, a key document that has been updated for current fund balances and projects end-of-year results for FY 2012-2013. In many ways, this schedule can be viewed as the representation of the "City's Check Book" providing a bird's eye view of the fiscal plan.

In this second year of the biennial model, adopted operating budget revisions will be entered into internal budget systems. This eliminates the need to republish a full new document. On the other hand, given the rolling nature of the five-year capital plan, a newly updated 2012-2016 CIP will be published including those changes identified through the Council's review process.

Fiscal Status Executive Summary

In February 2012, the Council was provided with a mid-year budget update reporting that operating budget projections were expected to be met. Furthermore, favorable June 30, 2011 financial audit results were released allowing for continued key reserve enhancements, capital funding and the further pay-down of pension liabilities. At mid-year in FY 2011-2012, the City was in good financial standing - a condition that remains and is the theme of this June 2012 budget update.

Conservatively, a FY 2011-2012 operating surplus of $1.6 million is expected. This is in line with the projections set forth in February and offers various favorable options for the upcoming year. The anticipated surplus results from a current trend-line that suggests expenditures will come in approximately 4% under budget overall while revenues are pacing 3 to 4% percent better than originally estimated. The discussion that follows proposes recommended uses for these available funds in line with the City's general posture of strengthening its financial condition.

As part of this budget revision process, all departments were prompted to identify needed operating expenditures and/or capital adjustments. Staff also considered those changes that arose out of current year actions and/or contractual commitments. Lastly, revenue collection trends influenced updates to some original revenue estimates where material. ***In a nutshell, general revenue projections as set forth in the original plan are holding overall, minimal expenditure adjustments are being requested and the CIP has been updated for either current year or emerging needs as well as for the addition of a new fifth year (2015-2016).***

This budget season brings with it a change in the revenue stream in the Sewer Fund worthy of attention. As a result of variations in seasonal water use levels impacted by both weather patterns and conservation efforts, revenue forecasts, and related commensurate expenditures, the Sewer Fund budget has been re-set (reduced) and the level and frequency of capital project expenditures reassessed. This has been done with the understanding that a full analysis of long-term trends will come back to Council as part of an anticipated sewer rate study.

A review of all other funds indicates that operations are proceeding as anticipated. As previously reported, the FY 2012-2013 budget sees Storm Drain Fund operations fully dependent on the General Fund in the amount of $260,000.

Proposed Uses/Transfers of Projected FY 2011-2012 Available Reserves: This budget anticipates a FY 2011-2012 surplus of approximately $1.6 million. This revised budget proposes the following uses of excess reserves:

General Reserve Balances				
Descriptions	*Original Plan*	*Proposed Additional Transfers*	*Proposed Reclass*	*Proposed FY2012-2013 Balance*
Operating Fiscal Reserve	150,000	150,000	1,025,000	5,525,000
State Budget Stabilization Reserve	0	0	-1,025,000	0
OPEB Reserve	100,000	0	0	500,000
Total	**$250,000**	**$150,000**	**$0**	**$6,025,000**

Other Key Reserve Balances				
Descriptions	*Original Plan*	*Proposed Additional Transfers*	*Proposed Reclass*	*Proposed FY2012-2013 Balance*
CIP Funding	214,000	100,000	0	811,290
Community Facility Renewal Fund	100,000	100,000	0	7,165,592
Real Property Proceeds Fund	0	0	0	7,004,164
Equipment Replacement Transfer	0	100,000	0	3,155,317
Workers' Compensation Fund	0	250,000	0	648,236
Total	**$314,000**	**$550,000**	**$0**	**$18,784,599**

Other Uses				
Descriptions	*Original Plan*	*Proposed Additional Transfers*	*Proposed Reclass*	*Proposed FY2012-2013 Balance*
Additional Side Fund Paydown	100,000	-100,000	0	100,000
Pension Side Fund Pay-down	0	950,000	0	950,000
Total	**$100,000**	**$850,000**	**$0**	**$1,050,000**

$1,550,000

- An increase of $300,000 to Operating Fiscal Reserves brings this balance to $5,525,000 and approaching 19%, only 1% short of the City's FY 2014-2015 goal of 20%. These levels are ahead of schedule.
- Consolidation of the State Budget Stabilization Reserve with the existing Operating Fiscal Reserve is an acknowledgment of the City's goal to maintain a "rainy day" fund. This is proposed three years after the State shift of property tax that was refunded to the City via the state-wide loan securitization program.
- An additional $100,000 of funding into OPEB reserves is continued, elevating this balance to $500,000.

- Paying down the Pension Side Fund by another $950,000, as a provisional condition of the Biennial Budget based on resource availability. On July 2, 2011, $850,000 was paid with an additional $100,000 approved by Council as part of the mid-year budget review. If approved, this amount will be slotted for payment on July 1, 2012.
- A $314,000 transfer to the CIP fund, $100,000 above original estimates.
- Recognizing the ongoing need for funding improvements to general City facilities by adding $100,000 to the Community Facilities Renewal Fund.
- Seeding the Equipment Replacement Fund with an additional $100,000 to mitigate deferred funding and facilitate vehicle purchases included as part of the operating adjustments included herein.
- Transferring $250,000 into the Workers' Compensation Fund in response to increased actuarial liability valuations reported in the 2011 year-end financial report.

All proposed transfers discussed above are presented within the "Projected Fund Balances and Reserves" schedule included as part of **Attachment 1.**

Proposed FY 2012-2013 Budget Updates

The second year of the Biennial Budget is useful in bringing to Council's attention the need for identified operating and capital budget adjustments.

General Fund adjustments are presented on Attachment 2a and include proposed funding for the purchase of public art downtown, expanded crossing guard resource allocations, increases in waste hauling costs, and pre-approved contractual costs for legal services, technology support and liability insurance.

Other Fund adjustments are presented on Attachment 2b and include identified revenue adjustments. The proposed adjustments impact three fund groups - Equipment Replacement, Sewer, Park-In-Lieu and Internal Service Funds (Dental, Unemployment and Insurance.) These proposed adjustments include: The purchase of three replacement safety vehicles out of Equipment Replacement; Park-In-Lieu Fund revenue adjustments to account for deferred collections expected to be realized in FY 2012-2013; and most significantly, a realignment and re-set of Sewer Fund revenue and expenditure estimates given changes in customer usage patterns under the current rate structure.

Capital Project adjustments are presented on Attachment 2c and support the updated Five-Year CIP discussed below. A review of this schedule documents the proposed changes in the CIP, Sewer and Downtown Parking Funds.

Capital Projects Plan

Plan Update. The City of Los Altos annually updates the five-year Capital Improvement Program with a fifth year of projects created for each update. The goal this cycle was to not create new discretionary capital projects, but to focus on completing a larger share of the 56 currently open capital projects. However, as a result of Council and community objectives, a few new capital projects have been identified. These are represented in blue-shaded text in the enclosed five-year capital projects list (**Attachment 4**.) Descriptions are also attached for those new projects as part of **Attachment 4a**.

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 pressing needs. 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.

Challenge Indicators

Staff raised a number of forward-looking challenge areas to remain aware of and keep in focus as the financial plans are developed. Many of these items were touched upon in the original Biennial Budget Issues and Options and message. These are summarized as part of **Attachment 3** to this report. These items will again be revisited as the upcoming Biennial Budget for FY 2013-2015 is developed.

FISCAL IMPACT

Approval of the FY 2012-2013 Operating Budget activates the core of the fiscal 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 $29.7 million and $40.1 million respectively. This includes $4.4 million in capital projects. Revenues for the General Fund and all funds equal $29.9 million and $39.4 million respectively.

PUBLIC CONTACT

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

Attachment 1

Updated FY 2012-2013 Summary Schedules

Fiscal Plan Highlights

A Multi-Year Focus-Year Two

Capital Projects
$4.4M Total
$1.6M CIP Fund
$1.1M 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%
State Revenue Stabilization Reserve Maintained
Capital Projects Refreshed and Fully Funded -Sewer Expectations Adjusted

What We Have

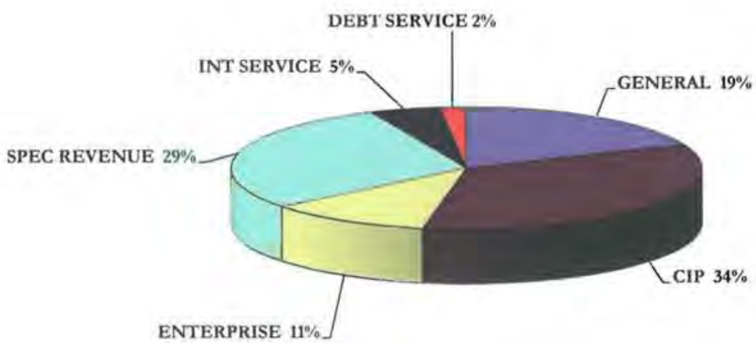
PROJECTED FUND BALANCES AND RESERVES

FUNDS	BEG. BALANCE	REVENUE	EXPENSES	CAPITAL PROJECTS	TRSFRS	PRIOR YR CIPS	USE OF FY11-12 RESERVES	UNRESTRICTED BALANCE	RESTRICTED BALANCE
GENERAL FUND									
- Unreserved	1,981,390	29,917,092	(29,767,829)	0	(551,475)	0	(1,550,000)	29,178	0
- Operating Commitments	0				0	0	0	0	0
- Operating Reserve	4,200,000				150,000	0	1,175,000	0	5,525,000
- State Revenue Stabilization Reserve	1,025,000				0	0	(1,025,000)	0	0
- OPEB Reserve	400,000				100,000	0	0	0	500,000
- Inventory & Veterans Reserve	47,618				0	0	0	0	47,618
- PERS Reserve	100,000				0	0	(100,000)	0	0
TOTAL GENERAL FUND	7,754,008	29,917,092	(29,767,829)	0	(301,475)	0	(1,500,000)	29,178	6,072,618
CAPITAL PROJECTS FUND	7,471,666	136,000	0	(1,595,000)	214,000	(5,515,376)	100,000	811,290	0
EQUIPMENT REPLACEMENT FUND	3,918,042	0	(130,000)	0	0	(732,725)	100,000	0	3,155,317
COMMUNITY FACILITY RENEWAL FUND	7,065,592	0	0	0	0	0	100,000	7,165,592	0
TOTAL CAPITAL IMPROVEMENT FUNDS	18,455,300	136,000	(130,000)	(1,595,000)	214,000	(6,248,101)	300,000	7,976,882	3,155,317
SEWER FUND	6,894,087	4,961,171	(3,609,955)	(1,644,000)	0	(4,803,443)	0	0	1,797,860
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	8,369,988	5,817,366	(4,307,741)	(1,644,000)	257,475	(4,803,443)	0	0	3,689,645
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	0	0	50,000
GAS TAX FUNDS	722,546	493,390	0	(300,000)	(190,000)	(298,089)	0	0	427,846
PROPOSITION 1B FUND	989,699	5,500	0	0	0	(893,843)	0	0	101,356
STORM DRAIN DEPOSIT FUND	56,086	0	0	0	0	0	0	0	56,086
COMMUNITY DEV BLOCK GRANT FUND	239,702	115,000	0	(115,000)	0	(242,156)	0	0	(2,454)
TRANSPORTATION DEVELOPMENT ACT FUND	13,479	0	0	0	0	(31,122)	0	0	(17,644)
TRAFFIC IMPACT FEE FUND	785,060	3,300	0	0	0	(352,207)	0	0	436,153
IN LIEU PARK FEES FUND	975,033	1,319,300	0	(609,000)	0	(352,000)	0	0	1,333,333
DOWNTOWN PARKING FUND	154,305	40,380	(50,000)	(100,000)	0	0	0	0	44,685
ESTATE DONATION FUND	13,089	154	0	0	0	0	0	0	13,243
TOTAL SPECIAL REVENUE FUNDS	10,922,675	2,202,511	(50,000)	(1,124,000)	(335,000)	(2,169,417)	0	7,004,164	2,442,605

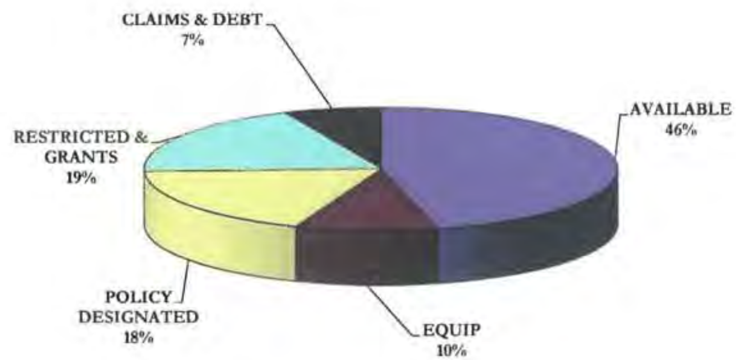
PROJECTED FUND BALANCES AND RESERVES

FUNDS	BEG. BALANCE	REVENUE	EXPENSES	CAPITAL PROJECTS	TRSFRS	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 A.D.	47,762	14,150	(13,000)	0	0	0	0	0	48,912
RAYMUNDO CURB & GUTTER A.D.	34,282	27,840	(28,000)	0	0	0	0	0	34,122
BLUE OAK LANE SEWER	136,271	52,360	(44,200)	0	0	0	0	0	144,431
OTHER ASSESSMENT DISTRICT FUNDS	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE FUNDS	586,482	94,790	(252,500)	0	165,000	0	0	0	593,772
GRAND TOTAL	47,300,893	39,447,558	(35,687,070)	(4,363,000)	0	(13,220,961)	(950,000)	15,010,224	17,517,197

FUND BALANCE BY CATEGORY



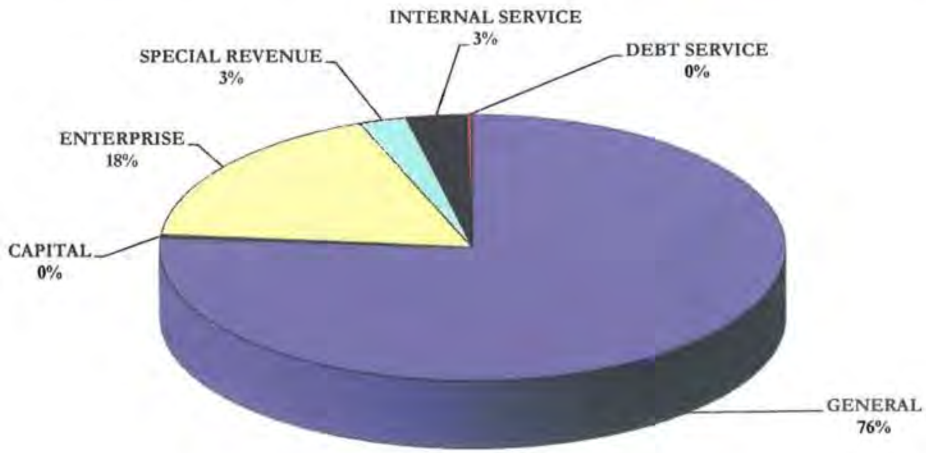
FUND BALANCE AVAILABILITY



Revenue Sources

REVENUE BY FUND TYPE

FUNDS	09-10 ACTUAL	10-11 ACTUAL	10-11 BUDGET	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	27,745,970	28,604,170	29,917,092	0	29,917,092	1,312,922	4.59%
CAPITAL	1,059,670	570,330	786,500	395,000	136,000	0	136,000	(259,000)	-65.57%
ENTERPRISE	7,123,282	5,875,713	6,301,585	6,716,991	6,901,220	(1,083,856)	5,817,365	(899,626)	-13.39%
SPECIAL REVENUE	3,766,443	1,908,190	2,280,759	2,311,810	972,511	1,230,000	2,202,511	(109,299)	-4.73%
INTERNAL SERVICE	1,216,125	1,083,354	1,192,800	1,229,800	1,229,800	50,000	1,279,800	50,000	4.07%
DEBT SERVICE	877,427	92,805	94,800	89,900	94,790	0	94,790	4,890	5.44%
GRAND TOTAL	$ 41,830,865	$ 38,191,489	$ 38,402,414	$ 39,347,671	$ 39,251,413	$ 196,145	$ 39,447,558	$ 99,888	0.25%



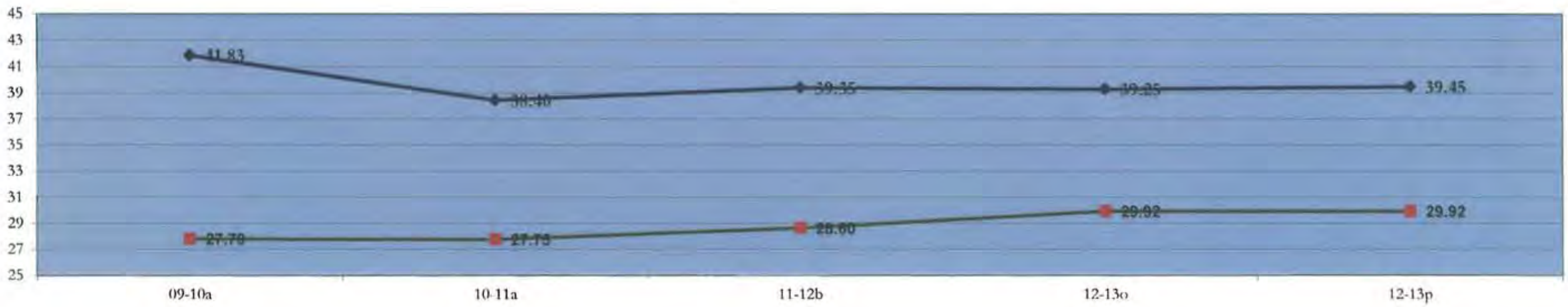
REVENUE BY FUND

FUNDS	09-10 ACTUAL	10-11 ACTUAL	10-11 BUDGET	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE $	CHANGE %
GENERAL FUND	27,787,918	28,661,097	27,745,970	28,604,170	29,917,092	0	29,917,092	1,312,922	4.59%
TOTAL GENERAL FUND	27,787,918	28,661,097	27,745,970	28,604,170	29,917,092	0	29,917,092	1,312,922	4.59%
CAPITAL PROJECTS FUND	1,059,670	570,330	786,500	395,000	136,000	0	136,000	(259,000)	-65.57%
FACILITY FUND	0	0	0	0	0	0	0	0	0.00%
COMMUNITY FACILITY RENEWAL FUND	0	0	0	0	0	0	0	0	0.00%
TOTAL CAPITAL IMPROVEMENT FUNDS	1,059,670	570,330	786,500	395,000	136,000	0	136,000	(259,000)	-65.57%
SEWER FUND	5,460,210	4,874,997	5,554,654	5,862,269	6,045,026	(1,083,855)	4,961,171	(901,098)	-15.37%
SOLID WASTE FUND	1,663,072	1,000,716	746,931	854,723	856,195	0	856,195	1,472	0.17%
STORM FUND	0	0	0	0	0	0	0	0	0.00%
TOTAL ENTERPRISE FUNDS	7,123,282	5,875,713	6,301,585	6,716,991	6,901,220	(1,083,856)	5,817,365	(899,627)	-13.39%
REAL PROPERTY PROCEEDS FUND	2,301,887	345,781	30,929	73,170	80,487	0	80,487	7,317	10.00%
VEHICLE IMPOUND FUND	37,760	21,608	45,000	45,000	45,000	0	45,000	0	0.00%
SUPPLEMENTAL LAW ENFORCEMENT FUND	100,000	100,000	100,000	0	100,000	0	100,000	100,000	0.00%
GAS TAX FUND	468,113	687,983	494,000	493,300	493,390	0	493,390	90	0.02%
PROPOSITION 1B FUND	3,344	3,869	1,000	5,000	5,500	0	5,500	500	10.00%
STORM DRAIN DEPOSIT FUND	0	0	0	0	0	0	0	0	0.00%
COMMUNITY DEV BLOCK GRANT FUND	56,023	168,447	129,000	115,000	115,000	0	115,000	0	0.00%
TRANSPORTATION DEVELOPMENT ACT FUND	127,683	214,790	254,000	0	0	0	0	0	0.00%
TRAFFIC IMPACT FEE FUND	158,017	191,730	51,000	3,000	3,300	0	3,300	300	10.00%
IN LIEU PARK FEES FUND	475,869	139,784	1,137,000	1,537,000	89,300	1,230,000	1,319,300	(217,700)	-14.16%
DOWNTOWN PARKING FUND	37,654	33,571	38,800	40,200	40,380	0	40,380	180	0.45%
ESTATE DONATION FUND	91	626	30	140	154	0	154	14	10.00%
TOTAL SPECIAL REVENUE FUNDS	3,766,443	1,908,190	2,280,759	2,311,810	972,511	1,230,000	2,202,511	(109,299)	-4.73%
DENTAL PLAN FUND	93,988	90,873	97,800	97,800	97,800	0	97,800	0	0.00%
UNEMPLOYMENT FUND	78,015	74,860	75,000	75,000	75,000	0	75,000	0	0.00%
WORKERS COMPENSATION FUND	609,000	917,621	1,020,000	642,000	642,000	0	642,000	0	0.00%

REVENUE BY FUND

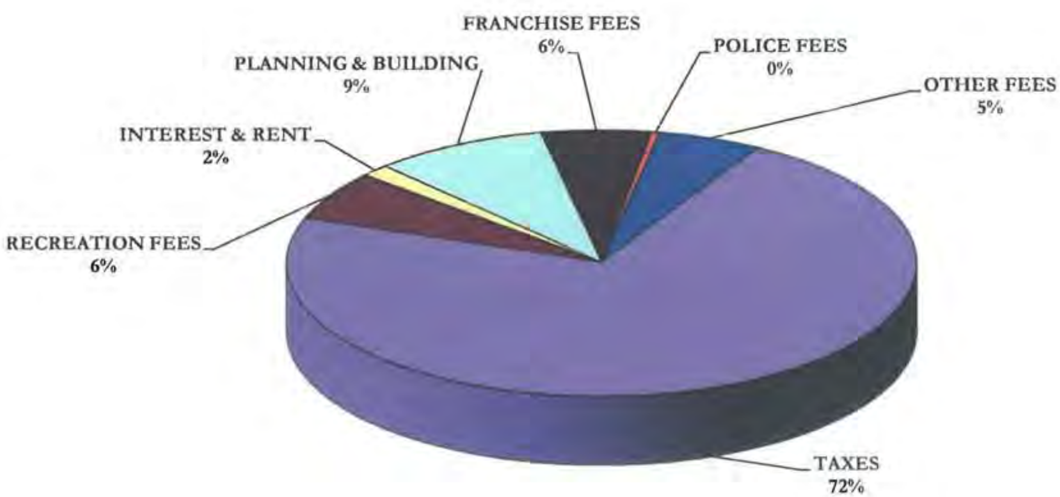
FUNDS	09-10 ACTUAL	10-11 ACTUAL	10-11 BUDGET	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE $	11-12 to 12-13 CHANGE %
LIABILITY FUND	435,122	0	0	415,000	415,000	50,000	465,000	50,000	12.05%
TOTAL INTERNAL SERVICE FUNDS	1,216,125	1,083,354	1,192,800	1,229,800	1,229,800	50,000	1,279,800	50,000	4.07%
GENERAL DEBT FUND	29	6	6,000	400	440	0	440	40	10.00%
AVALON DR. CURB & GUTTER A.D.	13,512	14,104	13,700	14,100	14,150	0	14,150	50	0.35%
RAYMUNDO CURB & GUTTER A.D.	28,124	27,311	27,600	27,800	27,840	0	27,840	40	0.14%
BLUE OAK LANE SEWER	835,762	51,383	47,500	47,600	52,360	0	52,360	4,760	10.00%
TOTAL DEBT SERVICE FUNDS	877,427	92,805	94,800	89,900	94,790	0	94,790	4,890	5.44%
GRAND TOTAL	**41,830,866**	**38,191,490**	**38,402,414**	**39,347,671**	**39,251,413**	**196,145**	**39,447,558**	**99,887**	**0.25%**

REVENUE TREND - ALL FUNDS & GENERAL FUND



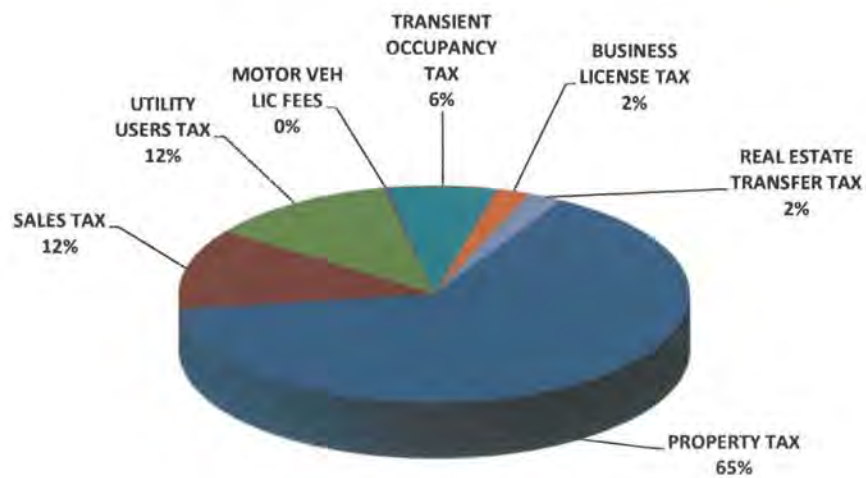
GENERAL FUND REVENUE SOURCES

GENERAL FUND	09-10 ACTUAL	10-11 ACTUAL	10-11 BUDGET	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	19,769,710	20,553,320	21,578,867	0	21,578,867	1,025,547	4.99%
RECREATION FEES	1,498,156	1,762,716	1,939,240	1,770,270	1,814,527	0	1,814,527	44,257	2.50%
INTEREST & RENT	343,923	255,497	458,000	364,000	435,200	0	435,200	71,200	19.56%
PLANNING & BUILDING	2,439,645	2,469,807	2,243,060	2,599,180	2,680,108	0	2,680,108	80,928	3.11%
FRANCHISE FEES	1,436,928	1,814,264	1,628,120	1,643,120	1,692,414	0	1,692,414	49,294	3.00%
POLICE FEES	92,606	89,414	95,650	116,210	116,210	0	116,210	0	0.00%
OTHER FEES	1,921,972	1,893,878	1,612,190	1,558,070	1,599,767	0	1,599,767	41,697	2.68%
TOTAL	**27,787,918**	**28,661,097**	**27,745,970**	**28,604,170**	**29,917,092**	**0**	**29,917,092**	**1,312,922**	**4.59%**



GENERAL FUND TAX REVENUE SOURCES

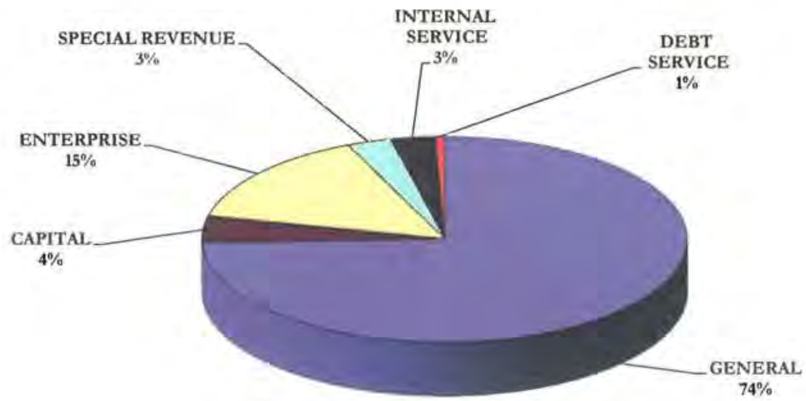
GENERAL FUND	09-10 ACTUAL	10-11 ACTUAL	10-11 BUDGET	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE $	CHANGE %
PROPERTY TAX	13,051,308	12,793,602	12,760,000	13,257,000	13,905,660	0	13,905,660	648,660	4.89%
SALES TAX	2,255,526	2,587,889	2,362,410	2,456,590	2,598,300	0	2,598,300	141,710	5.77%
UTILITY USERS TAX	2,514,881	2,543,287	2,499,000	2,499,000	2,598,960	0	2,598,960	99,960	4.00%
MOTOR VEHICLE LICENSE FEES	83,767	145,798	48,540	50,970	52,499	0	52,499	1,529	3.00%
TRANSIENT OCCUPANCY TAX	1,345,854	1,517,579	1,250,000	1,400,000	1,498,000	0	1,498,000	98,000	7.00%
BUSINESS LICENSE TAX	413,054	399,461	400,000	440,000	453,200	0	453,200	13,200	3.00%
REAL ESTATE TRANSFER TAX	390,298	387,905	449,760	449,760	472,248	0	472,248	22,488	5.00%
TOTAL	**20,054,687**	**20,375,520**	**19,769,710**	**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	10-11 BUDGET	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	25,309,617	26,404,191	27,452,920	28,594,265	29,415,629	352,200	29,767,829	1,173,564	4.10%
CAPITAL	4,383,254	6,342,541	1,841,000	976,000	1,330,000	395,000	1,725,000	749,000	76.74%
ENTERPRISE	6,326,550	5,286,365	8,079,752	6,766,515	6,786,775	(835,034)	5,951,741	(814,774)	-12.04%
SPECIAL REVENUE	104,899	275,447	718,000	665,500	1,074,000	100,000	1,174,000	508,500	76.41%
INTERNAL SERVICE	1,793,725	1,055,720	1,104,000	1,129,000	1,129,000	50,000	1,179,000	50,000	4.43%
DEBT SERVICE	303,358	245,317	248,500	249,775	252,500	0	252,500	2,725	1.09%
GRAND TOTAL	**$ 38,221,403**	**$ 39,609,581**	**$ 39,444,172**	**$ 38,381,055**	**$ 39,987,904**	**$ 62,166**	**$ 40,050,070**	**$ 1,669,015**	**4.35%**



EXPENDITURES BY FUND

FUNDS	09-10 ACTUAL	10-11 ACTUAL	10-11 BUDGET	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 FUND	25,309,617	26,404,191	27,452,920	28,594,265	29,415,629	352,200	29,767,829	1,173,564	4.10%
TOTAL GENERAL FUND	25,309,617	26,404,191	27,452,920	28,594,265	29,415,629	352,200	29,767,829	1,173,564	4%
CAPITAL PROJECTS FUND	4,383,254	6,112,155	1,780,000	890,000	1,330,000	265,000	1,595,000	705,000	79.21%
EQUIPMENT REPLACEMENT FUND	0	230,386	61,000	86,000	0	130,000	130,000	44,000	51.16%
FACILITY FUND	0	0	0	0	0	0	0	0	-
COMMUNITY FACILITY RENEWAL FUND	0	0	0	0	0	0	0	0	-
TOTAL CAPITAL IMPROVEMENT FUNDS	4,383,254	6,342,541	1,841,000	976,000	1,330,000	395,000	1,725,000	749,000	77%
SEWER FUND	4,301,795	4,369,908	7,050,127	6,051,819	6,088,989	(835,034)	5,253,955	(797,864)	-13.18%
SOLID WASTE FUND	1,825,616	716,599	792,330	463,911	440,311	0	440,311	(23,600)	-5.09%
STORM FUND	199,139	199,858	237,295	250,785	257,475	0	257,475	6,690	2.67%
TOTAL ENTERPRISE FUNDS	6,326,550	5,286,365	8,079,752	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	0	-
VEHICLE IMPOUND FUND	0	0	0	0	0	0	0	0	-
SUPPLEMENTAL LAW ENFORCEMENT FUND	0	0	0	0	0	0	0	0	-
GAS TAX FUNDS	0	0	300,000	300,000	300,000	0	300,000	0	0.00%
PROPOSITION 1B FUND	0	0	0	0	0	0	0	0	-
STORM DRAIN DEPOSIT FUND	0	0	0	0	0	0	0	0	-
COMMUNITY DEV BLOCK GRANT FUND	56,355	41,910	129,000	115,000	115,000	0	115,000	0	0.00%
TRAFFIC DEVELOPMENT ACT FUND	13,756	214,537	254,000	0	0	0	0	0	-
TRAFFIC IMPACT FEE FUND	0	0	0	0	0	0	0	0	-
IN LIEU PARK FEES FUND	0	0	0	200,500	609,000	0	609,000	408,500	203.74%
DOWNTOWN PARKING FUND	34,788	19,000	35,000	50,000	50,000	100,000	150,000	100,000	200.00%
ESTATE DONATION FUND	0	0	0	0	0	0	0	0	-
TOTAL SPECIAL REVENUE FUNDS	104,899	275,447	718,000	665,500	1,074,000	100,000	1,174,000	508,500	76%
DENTAL PLAN FUND	111,342	105,999	99,000	99,000	99,000	0	99,000	0	0.00%
UNEMPLOYMENT FUND	33,104	1,852	45,000	70,000	70,000	0	70,000	0	0.00%
WORKERS COMPENSATION FUND	1,091,276	879,321	560,000	560,000	560,000	0	560,000	0	0.00%

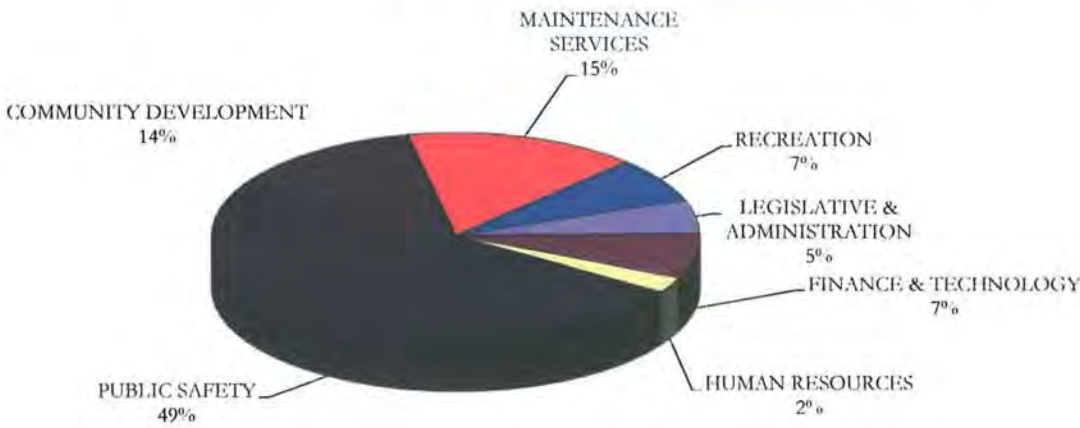
EXPENDITURES BY FUND

FUNDS	09-10 ACTUAL	10-11 ACTUAL	10-11 BUDGET	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE $	11-12 to 12-13 CHANGE %
LIABILITY FUND	558,003	68,548	400,000	400,000	400,000	50,000	450,000	50,000	12.50%
TOTAL INTERNAL SERVICE FUNDS	1,793,725	1,055,720	1,104,000	1,129,000	1,129,000	50,000	1,179,000	50,000	4%
GENERAL DEBT FUND	166,181	165,431	165,000	164,400	167,300	0	167,300	2,900	1.76%
AVALON DR. CURB & GUTTER A.D.	12,873	12,465	10,000	13,000	13,000	0	13,000	0	0.00%
RAYMUNDO CURB & GUTTER A.D.	28,360	28,637	26,000	28,000	28,000	0	28,000	0	0.00%
BLUE OAK LANE SEWER	95,944	38,785	47,500	44,375	44,200	0	44,200	(175)	-0.39%
TOTAL DEBT SERVICE FUNDS	303,358	245,317	248,500	249,775	252,500	0	252,500	2,725	1%
GRAND TOTAL	**38,221,403**	**39,609,581**	**39,444,172**	**38,381,055**	**39,987,904**	62,166	**40,050,070**	**1,669,015**	**4.35%**

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 $	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	187,000	2,116,760	293,173	16.08%
HUMAN RESOURCES	426,104	486,402	589,653	724,915	0	724,915	135,263	22.94%
PUBLIC SAFETY	12,993,671	13,544,118	14,185,650	14,574,635	16,000	14,590,635	404,985	2.85%
COMMUNITY DEVELOPMENT	3,376,281	3,536,981	3,945,259	4,070,245	0	4,070,245	124,986	3.17%
MAINTENANCE SERVICES	3,617,955	3,899,934	4,327,287	4,497,945	102,200	4,600,145	272,858	6.31%
RECREATION	1,894,998	1,906,658	2,055,182	2,092,103	29,000	2,121,103	65,920	3.21%
GENERAL FUND	**25,309,617**	**26,404,191**	**28,594,265**	**29,415,629**	**352,200**	**29,767,829**	**1,173,564**	**4.10%**

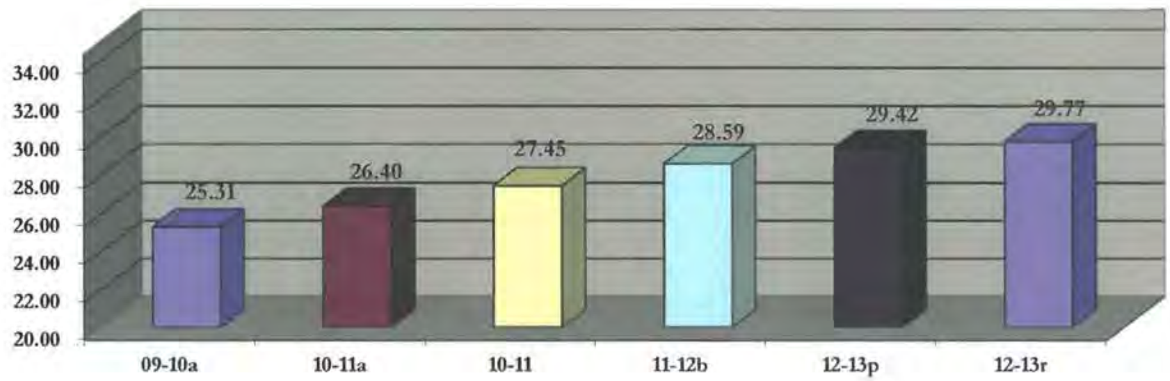


GENERAL FUND EXPENDITURES BY PROGRAM

PROGRAM	09-10 ACTUAL	10-11 ACTUAL	10-11 BUDGET	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE $	11-12 to 12-13 CHANGE %
CITY COUNCIL	96,201	125,330	172,340	163,310	160,660	0	160,660	(2,650)	-1.62%
EXECUTIVE	828,544	650,466	537,634	627,315	609,213	41,160	650,373	23,058	3.68%
CITY ATTORNEY	267,331	262,737	257,975	258,100	258,100	24,000	282,100	24,000	9.30%
CITY CLERK	261,418	347,110	335,047	571,812	450,894	0	450,894	(120,918)	-21.15%
VOLUNTEERS	64,387	47,515	44,847	47,110	47,160	(47,160)	0	(47,110)	-100.00%
LEGISLATIVE & ADMINISTRATION	1,517,881	1,433,158	1,347,843	1,667,647	1,526,027	18,000	1,544,027	(123,620)	-7.41%
FINANCE	874,021	857,036	936,468	977,570	1,024,385	12,000	1,036,385	58,815	6.02%
INFORMATION TECHNOLOGY	336,147	420,513	416,997	516,468	447,275	75,000	522,275	5,808	1.12%
CENTRAL SERVICES	43,721	48,396	36,500	42,250	41,600	0	41,600	(650)	-1.54%
CABLE TELEVISION	126,399	134,765	151,560	0	0	0	0	0	0
NON DEPARTMENTAL	102,439	136,231	365,000	287,300	416,500	100,000	516,500	229,200	79.78%
FINANCE & TECHNOLOGY	1,482,727	1,596,941	1,906,525	1,823,588	1,929,760	187,000	2,116,760	293,173	16.08%
HUMAN RESOURCES	426,104	486,402	655,228	589,653	724,915	0	724,915	135,263	22.94%
HUMAN RESOURCES	426,104	486,402	655,228	589,653	724,915	0	724,915	135,263	22.94%
ADMINISTRATION	1,311,601	1,439,888	1,445,680	1,486,075	1,505,040	0	1,505,040	18,965	1.28%
PATROL SERVICES	3,403,700	3,599,947	3,771,789	3,836,315	3,955,670	0	3,955,670	119,355	3.11%
FIRE SERVICES	5,119,093	5,259,153	5,344,780	5,437,950	5,709,850	0	5,709,850	271,900	5.00%
SUPPORT SERVICES	1,365,582	1,396,188	1,444,582	1,556,545	1,531,158	0	1,531,158	(25,388)	-1.63%
INVESTIGATIVE SERVICES	1,102,643	1,131,844	1,208,839	1,222,723	1,257,668	0	1,257,668	34,945	2.86%
TRAFFIC OPERATIONS	690,371	712,277	692,710	612,538	581,130	16,000	597,130	(15,408)	-2.52%
EMERGENCY PREPAREDNESS	681	4,819	9,376	33,505	34,120	0	34,120	615	1.84%
ANIMAL CONTROL	0	0	0	0	0	0	0	0	0
PUBLIC SAFETY	12,993,671	13,544,118	13,917,756	14,185,650	14,574,635	16,000	14,590,635	404,985	2.85%
PLANNING	971,977	1,003,555	1,007,492	1,080,393	1,118,120	0	1,118,120	37,728	3.49%
BUILDING INSPECTION	955,041	1,081,489	1,005,401	1,148,430	1,183,368	0	1,183,368	34,938	3.04%
ENGINEERING	1,070,582	1,064,811	1,107,001	1,316,605	1,310,657	0	1,310,657	(5,948)	-0.45%
ECONOMIC DEVELOPMENT	162,843	155,694	188,307	153,492	202,985	0	202,985	49,493	32.24%
TRAFFIC	215,838	231,431	233,550	246,340	255,115	0	255,115	8,775	3.56%
COMMUNITY DEVELOPMENT	3,376,281	3,536,981	3,541,751	3,945,259	4,070,245	0	4,070,245	124,986	3.17%
ADMINISTRATION	468,763	486,377	502,930	549,215	556,378	0	556,378	7,163	1.30%
FLEET MAINTENANCE	169,874	112,180	204,231	112,255	114,728	0	114,728	2,473	2.20%
STREET MAINTENANCE	802,984	690,744	917,431	927,120	967,207	10,000	977,207	50,088	5.40%
PARKS & STREET LANDSCAPING	1,669,645	1,728,578	1,642,759	1,851,650	1,957,118	24,200	1,981,318	129,668	7.00%
FACILITY MAINTENANCE	506,689	882,055	815,810	887,047	902,515	68,000	970,515	83,468	9.41%
MAINTENANCE SERVICES	3,617,955	3,899,934	4,083,160	4,327,287	4,497,945	102,200	4,600,145	272,858	6.31%
ADMINISTRATION	392,953	392,087	386,235	388,732	393,788	23,000	416,788	28,056	7.22%

GENERAL FUND EXPENDITURES BY PROGRAM

PROGRAM	09-10 ACTUAL	10-11 ACTUAL	10-11 BUDGET	11-12 ADOPTED	12-13 PLAN	12-13 UPDATE	12-13 REVISED	11-12 to 12-13 CHANGE $	11-12 to 12-13 CHANGE %
FACILITIES	413,268	327,545	347,496	356,610	365,990	0	365,990	9,380	2.63%
LIFE LONG LEARNING	598,254	507,282	591,439	594,988	599,425	0	599,425	4,438	0.75%
HEALTH & WELLNESS	150,570	322,215	347,158	350,165	357,220	0	357,220	7,055	2.01%
SENIOR PROGRAMS	159,891	159,681	154,331	157,259	160,696	6,000	166,696	9,438	6.00%
TEEN PROGRAMS	125,129	121,386	115,753	126,175	133,730	0	133,730	7,555	5.99%
PERFORMING ARTS	40,765	53,381	39,476	39,474	39,474	0	39,474	0	0.00%
COMMUNITY EVENTS	14,168	23,081	18,769	41,780	41,780	0	41,780	0	0.00%
RECREATION	1,894,998	1,906,658	2,000,657	2,055,182	2,092,103	29,000	2,121,103	65,921	3.21%
TOTAL GENERAL FUND	**25,309,617**	**26,404,191**	**27,452,920**	**28,594,265**	**29,415,629**	**352,200**	**29,767,829**	**1,173,564**	**4.10%**



Capital Improvement Projects

2012-2013 Capital Improvement Projects

Project	CIP Fund	Sewer Fees	Traffic Impact Fee	Park-In-Lieu	Gas Tax	SR2S	SR2S	TDA	CDBG	PARKING	TOTAL
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				382,000							382,000
Dog Park				227,000							227,000
Civic Center Facilities *											-
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
IT Initiatives (FY11-12 Operating Budget Roll forward)	102,000										$102,000
Civic Center Facilities *											$0
TOTAL	**$1,595,000**	**$1,644,000**	**$0**	**$609,000**	**$300,000**	**$0**	**$0**	**$0**	**$115,000**	**$100,000**	**$4,363,000**

Intersection Bicycle Loops (Pushed to FY13-14)	115,000										$115,000
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.

Attachment 2A
Proposed Budget Adjustments
General Fund

Attachment 2A

Proposed Budget Adjustments - General Fund

General Fund Proposed Budget Adjustments		Appropriation			
		Original Plan	Proposed Change	Revised Budget	Net Fiscal Impact
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
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		-	**$ 352,200**	-	**$ 352,200**

Attachment 2B
Proposed Budget Adjustments
Other Funds

Attachment 2B
Proposed Budget Adjustments - Other Funds

Equipment Replacement Fund	Appropriation				
	Original Plan	Proposed Change	Revised Budget	Revenue Change	Net Fiscal Impact
Equipment Replacement Fund – Purchase of three safety vehicles to manintain a replacement schedule *(Partial Offsetr 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				
	Original Plan	Proposed Change	Revised Budget	Revenue Change	Net Fiscal Impact
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				
	Original Plan	Proposed Change	Revised Budget	Revenue Change	Net Fiscal Impact
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**

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

Attachment 2C
Proposed Budget Adjustments
Capital Projects

Attachment 2C
Proposed Budget Adjustments - Capital Projects

CIP FUND	Appropriation				
	Original Plan	**Proposed Change**	**Revised Project**	**Offset**	**Net Fiscal Impact**
Parking Management Plan (New)	0	65,000	65,000		(65,000)
Intersection Bicycle Loops (Pushed to FY13-14)	115,000	(115,000)	-		115,000
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	85,000	85,000		(85,000)
Main Library Parking Lot (New)	0	84,000	84,000		(84,000)
IT Initiatives (FY11-12 Roll Forward From Operating)	0	102,000	102,000	(95,000)	(7,000)
Net Impact	$ **140,000**	$ **284,000**	$ **424,000**	$ **(95,000)**	$ **(189,000)**

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

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

Attachment 3
Challenge Indicators

Attachment 3
Challenge Indicators

Challenge Indicators

State and Regional Economics: Looking ahead , some level ofeconomic sluggishness is expected to endure. As highlighted at UCLA's 2011 fourth quarter forecast, the Forecast's outlook for the nation sees GDP growth at a "below trend rate" for the next five quarters. Specifically, the Forecast calls for a 2% growth rate for the current quarter and a sub-2% growth rate for most of 2012. The report for California puts forth more relative optimism than the national picture tempered with the prediction that unemployment will *"hover around 11.6% for the remainder of 2012."* A long and fragile period of recovery is as reflected in their summarizing article title that reads *"In California, Turbulent Data Suggest a Turning Point, Economy to Continue to Grow, Albeit Slowly."*

Cost Increase Areas:

As the City prepares for the upcoming year, staff is aware of the following cost stress points:

Pension & Benefit Costs - This past year the City set an important strategic course with the implementation of a two-tier benefit plan and phased-in employee contribution levels for all employee groups. Still, as with all California agencies, future increases in CalPERS pension rates given equity market conditions combined with changes in pension assumptions, actuarial valuations and new legislation remain a concern. Recently reported reductions in CalPERS discount rate assumptions will impact on General Fund costs beyond FY 2012-2013 and going forward.

Actuarial valuations completed last year have again quantified existing liabilities for Other Post Employee Benefits (OPEB) and incurred-but-not-reported liabilities for Workers' Compensation and General Liability claims. Although these liabilities are fully reported in the City's financial reports, their associated costs will certainly find their way into future budget estimates and draw further on fiscal resources.

Change in Accounting Practices - This past year the Government Accounting Standards Board (GASB) issued a very significant exposure draft entitled *"Accounting and Financial Reporting for Pensions and Financial Reporting for Pension Plans."* Much like recent post-retirement health benefits standards (GASB45), this exposure puts forth the proposal of requiring government agencies to fully value, quantify and record pension liabilities in their financial statements. The exposure draft is projected to be finalized in 2014 and implemented shortly thereafter. City staff has already started discussions with CalPERS on the mechanics involved in attaining City-specific actuarial valuations.

Storm Drain Fund - FY 2012-2013 sees the Storm Drain Fund fully dependent on General Fund resources - in essence it has become a General Fund operation. Absent the development of an assessment-based model, these costs will continue to compete with general service needs. Of most concern is the expectation of rising costs in this important area of maintenance.

Capital Funding - The funding of capital on a pay-as-you-go basis continues to be a challenge area considering the need to fiscally allow for the replacement and renewal of aging infrastructure and service facilities. This point is further underscored when considering the magnitude of project costs identified in the key master plans including Sewer, Bicycle and Traffic Calming as well as the upcoming Pedestrian and Storm Master Plans. As the City navigates a tepid economy, the CIP plan concentrates primarily on maintenance items.

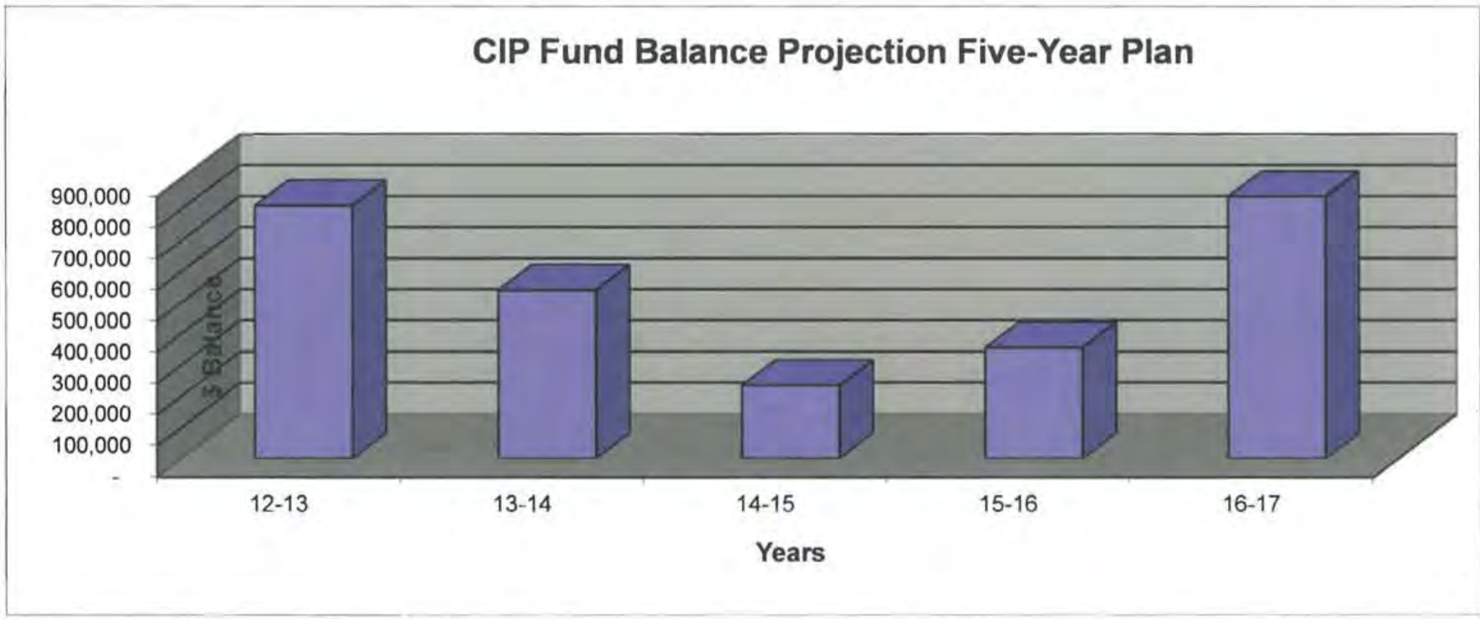
Aging Facilities - The need to update aging public facilities, most notably the Civic Center where safety, service delivery and program assets reside, is a reality that is well known and in need of a long-term solution. As the City and the community navigate its options in this initiative, such costs will compete with other resources as it evaluates overall infrastructure needs.

Attachment 4
Updated 2012-2016 Capital Project Plan

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	7,471,666	811,290	539,290	233,090	354,090
Less - Prior Year Active CIPS	(5,515,376)	-	-	-	-
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	(1,595,000)	(1,358,000)	(1,392,200)	(965,000)	(600,000)
Projected Ending Balance	**811,290**	**539,290**	**233,090**	**354,090**	**840,090**

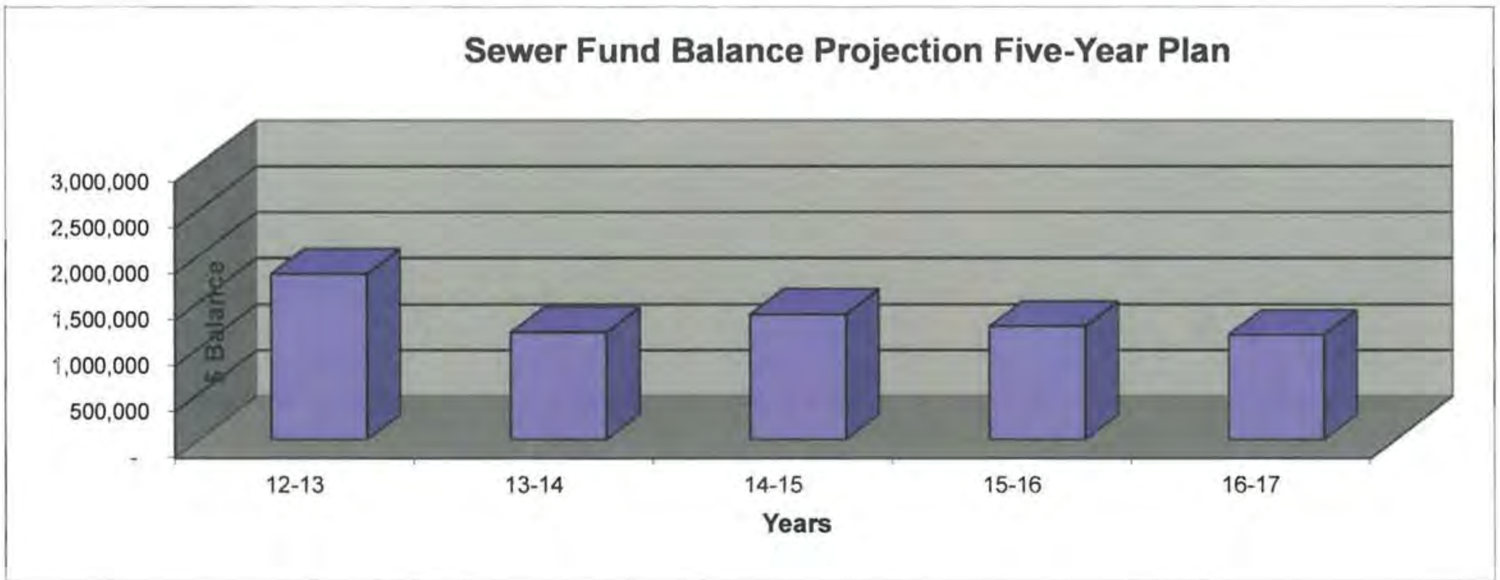


** Assumes a rising level of economic recovery sufficient to cover annual maintenance and a moderate level of improvements.*

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	1,797,860	1,167,039	1,362,940	1,232,337
Less - Prior Year Active CIPS	(4,803,443)	-	-	-	-
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	**1,797,860**	**1,167,039**	**1,362,940**	**1,232,337**	**1,138,067**

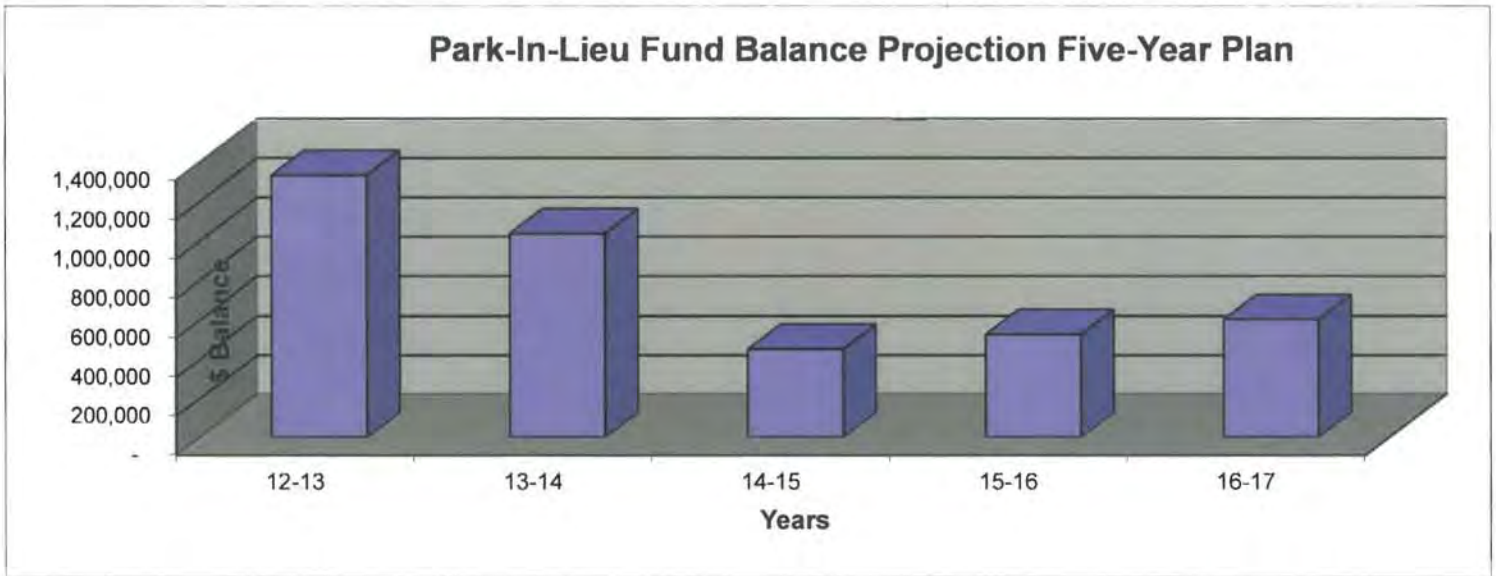


** Assumes annual rate adjustments sufficient to cover maintenance and master plan improvements.*

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	975,033	1,333,333	1,036,333	451,573	526,573
Less - Prior Year Active CIPS	(352,000)	-	-	-	-
Capital Project Budget	(609,000)	(372,000)	(659,760)	-	-
Income *	1,319,300	75,000	75,000	75,000	75,000
Projected Ending Balance	**1,333,333**	**1,036,333**	**451,573**	**526,573**	**601,573**



City of Los Altos

2012-2013 Capital Improvement Projects

Project	CIP Fund	Sewer Fees	Traffic Impact Fee	Park-In-Lieu	Gas Tax	SR2S	SR2S	TDA	CDBG	PARKING	TOTAL
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				382,000							382,000
Dog Park				227,000							227,000
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
IT Initiatives (FY11-12 Operating Budget Roll forward)	102,000										102,000
Civic Center Facilities *											
TOTAL	**$1,595,000**	**$1,644,000**	**$0**	**$609,000**	**$300,000**	**$0**	**$0**	**$0**	**$115,000**	**$100,000**	**$4,363,000**

Intersection Bicycle Loops (Pushed to FY13-14)	115,000										$115,000
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	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
Intersection Bicycle Loops (Pulled from FY12-13)	115,000										$115,000
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	**$1,358,000**	**$2,080,000**	**$0**	**$372,000**	**$300,000**	**$0**	**$0**	**$0**	**$115,000**	**$0**	**$4,225,000**

City of Los Altos

2014-2015 Capital Improvement Projects

	CIP	Sewer	Traffic Impact Fee	Park-In-Lieu	Gas Tax	SR2S	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 Root Foaming		332,000									332,000
Annual ADA Accessibility									115,000		115,000
Annual NTMP	75,000										75,000
Annual Special Projects and Studies (was $100K)	50,000										50,000
City Alley Resurfacing (was $220K)	195,000										195,000
Sewer Main Corrosion Rehabilitation (Split over 2 years)		603,000									603,000
Traffic Sign Replacement	25,000										25,000
Grant Road Bicycle Lane	65,000										65,000
Miramonte Avenue Path	331,200							1,324,800			$1,656,000
McKenzie Park Renovation				390,360							390,360
Marymeade Park Renovation				269,400							269,400
Covington Class I Pathway-Construction	201,000										$201,000
TOTAL	**$1,392,200**	**$1,304,000**	**$0**	**$659,760**	**$300,000**	**$0**	**$0**	**$1,324,800**	**$115,000**	**$0**	**$5,095,760**
Annual Sewer Main Video (Modified to Every Two Years)		370,000									370,000

City of Los Altos

2015-2016 Capital Improvement Projects

	CIP	Sewer	Traffic Impact Fee	Park-In-Lieu	Gas Tax	SR2S	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 NTMP	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	$0	$115,000		$3,299,000

City of Los Altos

2016-2017 Capital Improvement Projects

	CIP Fund	Sewer Fees	Traffic Impact Fee	Park-In-Lieu	Gas Tax	SR2S	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 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
Traffic Sign Replacement	25,000										25,000
Sewer Collection System Upgrade		1,000,000									1,000,000
TOTAL	**$600,000**	**$1,701,000**	**$0**	**$0**	**$300,000**	**$0**	**$0**	**$0**	**$115,000**	**$0**	**$2,716,000**
Annual Sewer Main Video (Modified to Every Two Years)	-	379,000									379,000

City of Los Altos

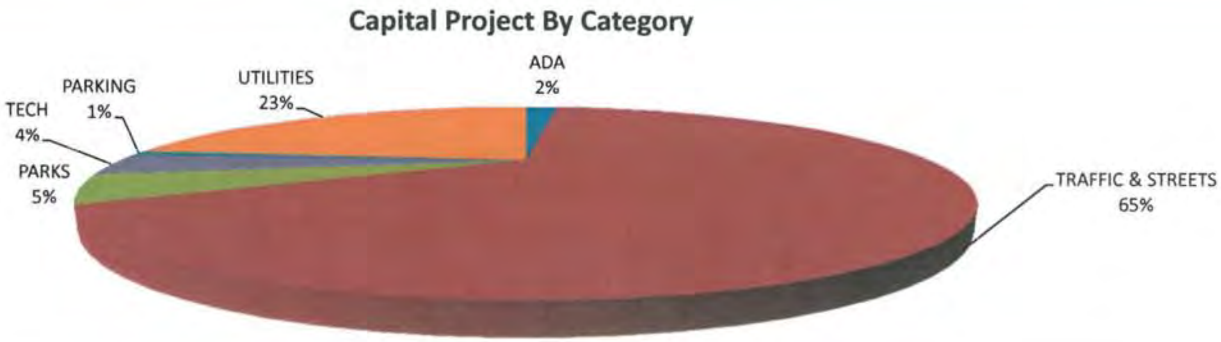
Unscheduled - No Priority Assigned

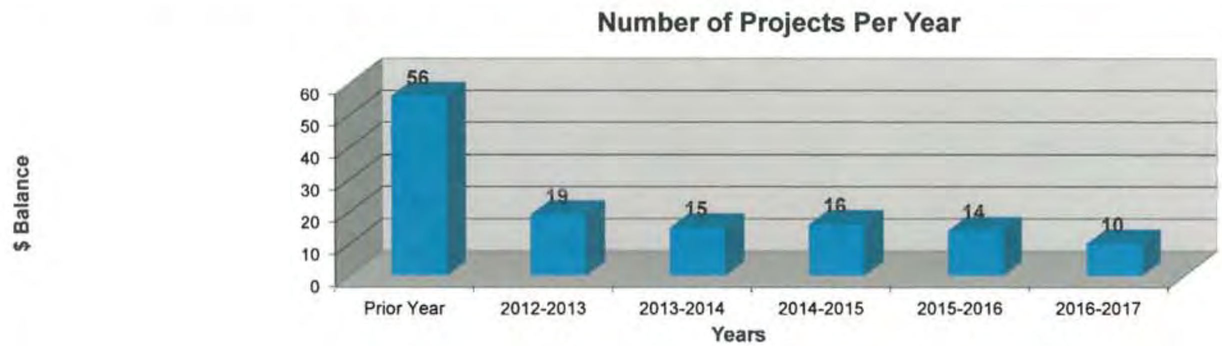
Presented in Alphabetical Order	CIP	Sewer	Traffic Impact Fee	Park-In-Lieu	Gas Tax	SR2S	SR2S	TDA	CDBG	PARKING	TOTAL
Community Plaza Renovation	3,350,000										3,350,000
Covington Road Bicycle Path	414,000										414,000
Downtown Parking Lots Slurry Seal	304,000										304,000
El Monte Avenue Traffic 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
Montclaire Park Renovation	157,000										157,000
Montclaire 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	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	450,000				1,000,000
St. Joseph Avenue Traffic Calming	35,000					311,000	311,000				657,000
Traffic Signal Battery Backup	132,000										132,000
Windimer Drainage Channel	71,000										71,000
SVU city Wide Wireless	750,000										750,000
University Milverton Ped Improvements	36,000										36,000
TOTAL	**$15,539,925**	**$0**	**$4,685,000**	**$194,000**	**$0**	**$761,000**	**$761,000**	**$0**	**$0**	**$0**	**$21,940,925**

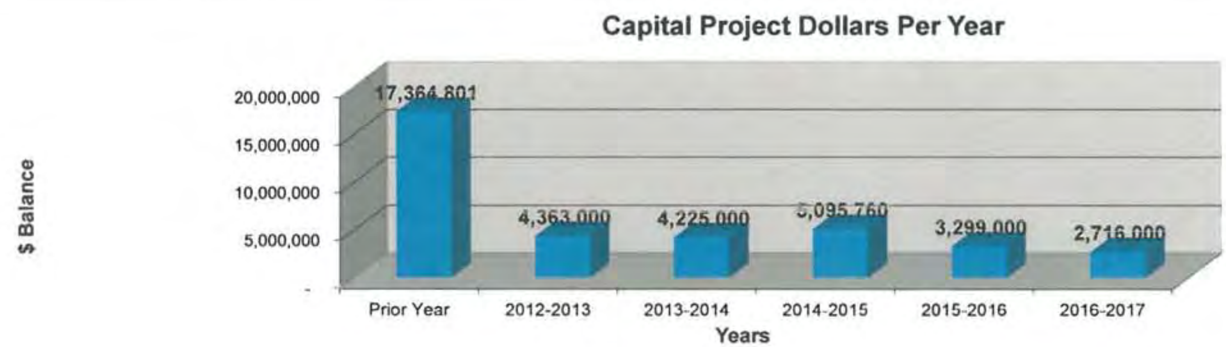
City of Los Altos

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	17,364,801									17,364,801
Annual ADA Accessibility		115,000	115,000	115,000	115,000	115,000				575,000
Annual Concrete Repair		200,000	200,000	200,000	200,000	200,000				1,000,000
Annual NTMP		75,000	75,000	75,000	75,000	75,000				375,000
Annual Sewer Main Repair		369,000	369,000	369,000	369,000	369,000				1,845,000
Annual Sewer Main Video			379,000		379,000					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
Dog Park		227,000								227,000
IT Initiatives (FY11-12 Roll Forward)		102,000								102,000
Main Library Parking Lot (New)		84,000								84,000
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
Intersection Bicycle Loops			115,000							115,000
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
Civic Center Facilities *		-								-
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	17,364,801	4,363,000	4,225,000	5,095,760	3,299,000	2,716,000	-	-	-	37,063,561
Total Project Count	56	19	15	16	14	10				130


Capital Project By Category
PARKING 1%
UTILITIES 23%
ADA 2%
TECH 4%
PARKS 5%
TRAFFIC & STREETS 65%


Number of Projects Per Year
$ Balance
60
50
40
30
20
10
0
56
19
15
16
14
10
Prior Year
2012-2013
2013-2014
2014-2015
2015-2016
2016-2017
Years


Capital Project Dollars Per Year
$ Balance
20,000,000
15,000,000
10,000,000
5,000,000
-
17,364,801
4,363,000
4,225,000
5,095,760
3,299,000
2,716,000
Prior Year
2012-2013
2013-2014
2014-2015
2015-2016
2016-2017
Years

Capital Project Descriptions

Parking Management Plan

DESCRIPTION:

The Parking Management Plan will provide the City of Los Altos with short- and long-term recommendations to provide for an adequate parking supply and a financially sustainable operation of public parking facilities in the downtown. The study will recommend parking management strategies for the existing parking supply and will also examine opportunities to create a potential reserve of surplus parking spaces to be available to facilitate the future redevelopment in the downtown core.

COST SUMMARY:

Consultant Contract	$ 150,000
Contingency (10%)	$ 15,000
Total Estimate	$ 165,000

POTENTIAL FUNDING SOURCES:

Capital Improvement Fund	$ 65,000
Downtown Parking Fund	$ 100,000

IMPACT ON ANNUAL MAINTENANCE AND OPERATION COSTS:

The study will analyze the future maintenance and operation costs for various parking management strategies and options for increasing the parking supply.

ALTERNATIVES:

An alternative is to delay the plan for a future year.

ADA Transition Plan

DESCRIPTION:

Consultant will provide an analysis of City facilities, including buildings, campuses and recreational facilities, and program activities and services, to ensure that these facilities and services are non-discriminatory to people with disabilities. The City currently implements a 1993 and a 1999 ADA Self-Evaluation and Transition Plan but desires to update this Plan. The update is to both keep the City's goals and policies current and to recognize changes to the California Building Codes.

COST SUMMARY:

Consultant Contract	$	79, 920
Contingency (10%)	$	8,000
	$	88,000

POTENTIAL FUNDING SOURCES:

Capital Improvement Fund	$	88,000

IMPACT ON ANNUAL MAINTENANCE AND OPERATION COSTS:

The study will include a cost estimate for recommended accessibility improvements. It is anticipated that these improvements can be funded over a period of time using CDBG and ABAG grant funds.

ALTERNATIVES:

An alternative is to not pursue the Plan.

SPEED ZONE SURVEY

DESCRIPTION:

In the state of California, the process of establishing speed limits is defined in the California Vehicle Code (CVC) and the California Department of Transportation (CALTRANS) Traffic Manual. The CVC provides local agencies a procedure of setting speed limits based on an "Engineering and Traffic Survey" as defined in the CALTRANS Traffic Manual.

The CVC states that prima facie speed limits established under the above procedure may not be enforced by radar unless the speed limit has been justified by an "Engineering and Traffic Study" in the last 5 to 7 years. The last "Engineering and Traffic Study" was conducted in 2007. The City has historically contracted with a private company to conduct the speed surveys and to summarize the results in a report.

This project will retain a consultant to conduct the radar speed surveys. Staff will then take the data, perform the accident analysis, and prepare a report in accordance with the CVC necessary to establish speed limits.

COST SUMMARY:

Engineering Services	60,000
Contingency (10%)	6,000
Total Estimate	$ 66,000

POTENTIAL FUNDING SOURCES:

Capital Projects Fund	$ 66,000

IMPACT ON ANNUAL MAINTENANCE AND OPERATION COSTS:

None

ALTERNATIVES:

None

MAIN LIBRARY PARKING LOT

DESCRIPTION:

In March 2011, the Library Commission forwarded a request to the City requesting a study for "...improving the traffic flow near the Library." Upon direction of City Council, staff undertook this study. A goal was set to have no net loss of spaces if any design alternatives emerged from the review. A proposal was endorsed by Council on January 10, 2012 that would keep the same number of spaces on the south side of the driveway, remove three spaces closest to the intersection and relocate them nearer to the satellite parking lot near the soccer field. The design also alters the angle of the spaces and installs a concrete median between the entry and exit lanes making it more difficult for vehicles backing out of the spaces across from the library entrance to maneuver within the driveway area so as to exit back onto San Antonio Road, and includes a fence along the southeast boundary with the adjacent commercial property.

COST SUMMARY:

Design and Construction	$	70,000
Contingency (20%)	$	14,000
	$	84,000

POTENTIAL FUNDING SOURCES:

Capital Improvement Fund	$	84,000

IMPACT ON ANNUAL MAINTENANCE AND OPERATION COSTS:

None

ALTERNATIVES:

An alternative is to delay the plan for a future year.

IT Initiatives

DESCRIPTION:

This capital project is a carry-over from the FY 2011-2012 operating budget and was intended to cover specific projects such as an update of the City's website and expansion of the document management program. This project description is intended to both pull this project into the capital program and to initiate expanding the effort to include a broader IT master plan. An IT master plan was intended to occur with the successful funding of a Civic Center redevelopment. Now staff would like to separate the two and begin the IT master plan.

COST SUMMARY:

Design and Construction	$	102,000

POTENTIAL FUNDING SOURCES:

Capital Improvement Fund	$	102,000

IMPACT ON ANNUAL MAINTENANCE AND OPERATION COSTS:

The effort will include an analysis of annual maintenance costs.

ALTERNATIVES:

An alternative is to not pursue the initiatives.

CIVIC CENTER RENOVATION

DESCRIPTION:

The existing Civic Center facilities are aging and do not meet the needs of the community nor do they provide the space necessary to properly perform municipal functions. The Hillview Recreation Center in particular needs to be either upgraded or replaced and the City Hall and Police Station need to be expanded.

While the March 2012 poll results testing voter support of bond financing were fairly strong, representing over 55 percent support, it did not achieve the 67 percent level of support needed for a successful bond measure. Given the remaining need to replace the Hillview Recreation Center and repair and expand City Hall and the Police Station, staff presented campus alternatives to City Council on May 22, 2012. This capital project description identifies those alternatives until a final decision is made and project phasing and financing strategies are determined.

COST SUMMARY:

1. Leave facilities as-is for a period of one to three years and then re-attempt Master Plan financing.

2. Repair the Hillview Recreation Center for short term use. Costs still need to be confirmed, but could range between \$1.7M and \$2M.

3. Renovate the Hillview Recreation Center for the near future. The Los Altos Elementary School District spent approximately \$315 per square foot to renovate their very similar buildings, essentially achieving brand new buildings. At 30,000 square feet - the size of Hillview - this would be close to \$10M with associated site improvements.

4. Replace the Hillview Recreation Center with a new purpose-designed facility. A new facility in the \$24M to \$40M range, depending on size, could be achieved, particularly if a joint Los Altos/Los Altos Hills financing approach could be structured. Poll results both in 2008 and in 2012 consistently showed support for a bond measure in the \$30M range. City reserves could then pay for the renovation of the existing City Hall and Police Buildings

POTENTIAL FUNDING SOURCES:

Funding is likely to be achieved through a combination of a voter approved bond measure, use of cash reserves and, possibly, some level of internal financing in the form of Certificate of Participations.

IMPACT ON ANNUAL MAINTENANCE AND OPERATION COSTS:

Minimal, new buildings will be larger but more energy efficient and less costly to maintain.

ALTERNATIVES:

Numerous

REDWOOD GROVE BANK STABILIZATION

DESCRIPTION:

Through a grant from the Santa Clara County Water District, the non-profit agency Acterra funded a bank stabilization plan to repair severe erosion along Adobe Creek adjacent to the footbridge within the Redwood Grove Nature Preserve. The conceptual plans was completed by the Urban Creeks Council and Restoration Design Group with input from City engineering staff. The project consists of earthwork, drainage and soil bioengineering to repair the eroded areas using environmentally appropriate techniques and materials and preventing future erosion. Additionally the existing footbridge and boardwalk will be relocated and replaced with an ADA accessible footbridge and boardwalk throughout the grove. Native plants will be protected and augmented and interpretive elements will be included for park users.

COST SUMMARY:

Engineering/Design	$ 50,000
Construction	210,000
Geotechnical Testing Engineering	30,000
CEQA Study	20,000
Subtotal	$ 310,000
Contingency (20%)	$ 62,000
Total Estimate	$ 372,000

POTENTIAL FUNDING SOURCES:

Park In-Lieu Fees	$ 372,000*

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

IMPACT ON ANNUAL MAINTENANCE AND OPERATION COSTS:

Repairing the erosion and correcting stream flow now will reduce more expensive repair costs in the future.

ALTERNATIVES:

An alternative is to delay the project.

SAN ANTONIO CLUB NEIGHBORHOOD PARK

DESCRIPTION:

Built in 1909, the San Antonio Club has housed the Tiny Tots Preschool Program since the late 1960's. In 2011, the building was seismically retrofitted and the interior re-furbished to accommodate a wider range of programs for all ages in addition to the Preschool. The aging play areas outside are worn and do not meet current codes for unsupervised use by the public. The existing paved walkways have deteriorated. The landscaping has matured and needs replacing along with the non-functioning irrigation system.

The new park will feature a tot lot that replaces the existing play areas and refurbishes the gardens for use by the general public when programs are not in session inside the San Antonio Club. This park is a recommended project identified in the adopted 2012 Parks Plan as an important step in reducing the north Los Altos park land deficit.

The project consists of design and construction of a new playhouse, play areas including climbing structures, shade structures, sand play area, landscaping and trees, pathways, irrigation, lighting and fencing along with required inspection and testing.

COST SUMMARY:

Construction	\$225,000
Architecture/Design (15%)	38,000
Inspection & Testing	10,000
Subtotal	\$273,000
Contingency (20%)	\$ 55,000
Total Estimate	\$ 328,000

POTENTIAL FUNDING SOURCES:

Park In-Lieu Fees	\$328,000

IMPACT ON ANNUAL MAINTENANCE AND OPERATION COSTS:

An additional 150 annual labor hours will be needed to maintain this site to current park standards. Additional maintenance includes routine playground and park inspections, irrigation maintenance and repair, trash removal, annual weed abatement, and expanded landscape maintenance requirements.

ALTERNATIVES:

An alternative is to delay the project.