City Council Adopted 2010-11 Budget

Operations and Capital

TOWN OF LOS ALTOS HILLS
26379 FREMONT ROAD
LOS ALTOS HILLS, CA 94022

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RESOLUTION No. 25-10

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF LOS ALTOS HILLS ADOPTING THE APPROPRIATIONS LIMIT, OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGETS AND APPROVING THE EMPLOYEE CLASSIFICATION AND COMPENSATION PLAN FOR FISCAL YEAR 2010-11

WHEREAS, the City Council of the Town of Los Altos Hills has received and completed its review of the proposed 2010-11 Fiscal Year Operating and Capital Improvement Program Budgets and Employee Classification and Compensation Plan for fiscal year 2010-11; and

WHEREAS, the City Council of the Town of Los Altos Hills now desires to adopt the 2010-11 Fiscal Year Appropriations Limit, Operating and Capital Improvement Program Budgets, and Employee Classification and Compensation Plan for fiscal year 2010-11;

NOW THEREFORE, the City Council of the Town of Los Altos Hills does hereby resolve as follows:

1. The City Council does hereby approve and adopt an appropriations limit, pursuant to California Constitution Article XIII B, for fiscal year 2010-11 of $4,864,943 as set forth in Exhibit A.

2. The City Council does hereby approve and adopt the budget for the Town for fiscal year 2010-11 consisting of appropriations and interfund transfers as set forth in Exhibit B and the Employee Classification and Compensation Plan as set forth in Exhibit C attached hereto.

3. The amount of the 2010-11 fiscal year budget for each account area of the budget may be drawn upon in the form of warrants issued for payment of demands and certified in accordance with the provisions of California Government Code Sections 37208 and 37209.

4. The City Manager is hereby authorized to prepare an administrative budget which further specifies the accounts for the expenditure of appropriations approved by the City Council and set forth in Exhibit A. The City Manager shall provide the Council with copies of this budget.

5. The City Manager shall periodically report to the City council the amount and classification of revenues received and expenditures made.

6. A copy of the adopted budget, signed by the Mayor and attested to by the City Clerk, shall be kept on file with the City Clerk of the Town of Los Altos Hills, as the official budget of the Town of Los Altos Hills for the 2010-11 fiscal year.

REGULARLY PASSED AND ADOPTED this 17th day of June, 2010.

BY: _____
Breene Kerr, Mayor

ATTEST:

Karen Jost

Karen Jost, City Clerk

Town of Los Altos Hills

EXHIBIT A

Appropriations Limit Calculation for Fiscal Year 2010-11

June 17, 2010

A. Calculation of 2010-11 Appropriations Limit

2009-10 Appropriation Limit		**$**	**4,907,809**
Annual Change Factors			
Cost of living adjustment factors			
California per capita personal income (CPCPI)	-2.540%		
Population adjustment factors			
Town of Los Altos Hills (LAH)	1.710%		
County of Santa Clara (SCC)	1.260%		
Authorized Adjustment Factor for 2010-11			
CPCPI + SCC Population change			
((-2.54+100)/100) x ((1.710+100)/100)	0.9913		
2010-11 Appropriation Limit as adjusted			
2009-10 appropriation limit x 2010-11 adjustment factor		**$**	**4,864,943**

B. 2010-11 Estimated Tax Proceeds Subject to Appropriations Limit

Property taxes			
Current secured and unsecured	$ 2,698,100		
In-lieu of vehicle license fees & triple flip	715,000		
Supplemental taxes	34,648		
Property transfer taxes	75,000		
Homeowner's property tax exemption	18,400		
Subtotal all property taxes	$ 3,541,148		
Other Taxes			
General sales tax	$ 44,000		
Business tax	131,885		
Vehicle license fees	24,000		
Subtotal all other taxes	$ 199,885		
Total estimated tax proceeds subject to appropriations limit		**$**	**3,741,033**

C. 2010-11 Appropriations Subject to Limit

2010-11 Appropriations supported by tax proceeds			
Administration	$ 1,454,373		
Committees and Grants	179,792		
Public Safety	1,023,030		
Planning, Building, Engineering (net of user fees)	581,836		
Parks & Recreation (net of user fees)	400,089		
Total appropriations subject to limit		**$**	**3,639,120**

D. Over (Under) Appropriations Limit

2010-11 appropriations limit, as adjusted	$ 4,864,943		
Total appropriations subject to limit	3,639,120		
Appropriations Over (Under) Appropriations Limit		**$**	**(1,225,822)**
			-25%

Town of Los Altos Hills
2010-11 Proposed Budget
June 17, 2010

EXHIBIT B

2010-11 Proposed Budget	Est. Beginning Unrestricted Fund Balance, 7/1/10	Revenue	Expense	Surplus (Deficit)	Transfers In (Out)	Proj. Ending Unrestricted Fund Balance, 6/30/11
General Funds						
Operating	$ 4,048,802	$ 5,970,239	$ 5,142,415	$ 827,824	$ (1,068,316)	$ 3,808,310
Capital	175,794	75,307	418,200	(342,893)	250,000	82,901
Debt Service	-	-	218,316	(218,316)	218,316	
Subtotal	4,224,596	6,045,546	5,778,931	266,616	(600,000)	3,891,211
Drainage Funds	1,029,838	82,000	400,824	(318,824)	-	711,014
Pathways Funds	559,931	176,050	855,918	(679,868)	375,000	255,063
Streets Funds	1,496,723	641,552	1,830,435	(1,188,883)	225,000	532,841
Public Safety Grant Fu	23,662	100,950	99,636	1,314	-	24,977
Sewer Funds	2,229,835	1,796,165	1,664,480	131,685	-	2,361,520
Total All Funds	$ 9,564,586	$ 8,842,263	$ 10,630,224	$ (1,787,961)	-	$ 7,776,625

Town of Los Altos Hills
Compensation Plan
Effective July 1, 2010

EXHIBIT C

	Salary Range						
	A	B	C	D	E	Meritorious Range	
City Manager's Office							
City Manager	Set by contract						
City Clerk	$ 7,494	$ 7,869	$ 8,262	$ 8,676	$ 9,109	$ 9,337	$ 9,565
Public Safety Officer	4,461	4,684	4,919	5,165	5,423	5,558	5,694
Parks & Recreation Sup.	4,638	4,870	5,114	5,370	5,638	5,779	5,920
Community Srvs. Coordinator	4,638	4,870	5,114	5,370	5,638	5,779	5,920
Barn Manager	3,957	4,155	4,363	4,581	4,810	4,931	5,051
Administrative Services							
Finance Director	$ 10,044	$ 10,546	$ 11,073	$ 11,627	$ 12,209	$ 12,514	$ 12,819
Finance Manager	6,501	6,826	7,167	7,526	7,902	8,100	8,297
Office Specialist II	4,003	4,203	4,413	4,634	4,866	4,987	5,109
Office Specialist I	3,543	3,720	3,906	4,101	4,306	4,414	4,522
Planning and Building							
Planning Director	$ 10,044	$ 10,546	$ 11,073	$ 11,627	$ 12,209	$ 12,514	$ 12,819
Senior Planner	6,501	6,826	7,167	7,526	7,902	8,100	8,297
Associate Planner	5,801	6,091	6,395	6,715	7,051	7,227	7,404
Assistant Planner	5,191	5,451	5,723	6,010	6,310	6,468	6,626
Building Official	6,191	6,500	6,825	7,166	7,525	7,713	7,901
Planning/Building Tech.	4,318	4,534	4,760	4,998	5,248	5,379	5,511
Public Works							
Public Works Director	$ 11,160	$ 11,718	$ 12,304	$ 12,919	$ 13,565	$ 13,904	$ 14,243
Associate Engineer	6,291	6,606	6,936	7,283	7,647	7,838	8,030
Assistant Engineer	5,414	5,685	5,969	6,268	6,581	6,746	6,910
Engineering Technician	4,866	5,109	5,365	5,633	5,915	6,063	6,211
Maintenance Superintendent	6,028	6,330	6,646	6,978	7,327	7,511	7,694
Maintenance Worker III	4,353	4,571	4,799	5,039	5,291	5,424	5,556
Maintenance Worker II	3,957	4,155	4,363	4,581	4,810	4,931	5,051
Maintenance Worker I	3,503	3,678	3,862	4,055	4,258	4,365	4,471

Town of Los Altos Hills
2010-11 Adopted Budget

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June 17, 2010

To the Citizens of the Town of Los Altos Hills,
Honorable Mayor and Members of the City Council

It is a pleasure to submit to you the proposed Operating and Capital Budget for the Town of Los Altos Hills, for the fiscal year ending June 30, 2011. The General Fund budget is balanced. Capital projects are funded through a combination of reserves set aside for such purposes and, to the maximum extent possible, outside grant monies.

The budget is meant to serve the following four major purposes:

1. To define **policy**, as established by the City Council.

2. To serve as an **operating guide** for management staff to aid in the control of financial resources, while complying with State requirements for General Law cities and generally accepted accounting principles for government.

3. To present the Town's **Financial Plan** for the fiscal year, illustrating appropriations and projected revenues by which the appropriations are funded.

4. To serve as a **Communication Document** for the citizens of Los Altos Hills who wish to understand how the Town operates and the methods used to finance those operations.

The following principles guided the development of this fiscal planning document:

- Adequately maintain Town infrastructure assets including parks and recreation assets, streets, sewers and storm drains;
- Continue to deliver core services with an operating surplus; and
- Identify opportunities to streamline processes and utilize technology to enhance service delivery without increasing personnel headcount.

With the budget as a guide, management is charged with daily operations including the execution of contracts, purchases, and personnel offers. Any information that arises over the course of the fiscal year which would modify the parameters outlined in this document will be presented to the City Council at the earliest possible opportunity. The Town's management team takes great pride in delivering high quality services to the community while remaining respectful of fiscal constraints inherent to local government finance.

I would like to acknowledge the City Council and the Finance and Investment Committee for their input in the development of this budget.

Respectfully Submitted,
/s/ Carl Cahill
City Manager

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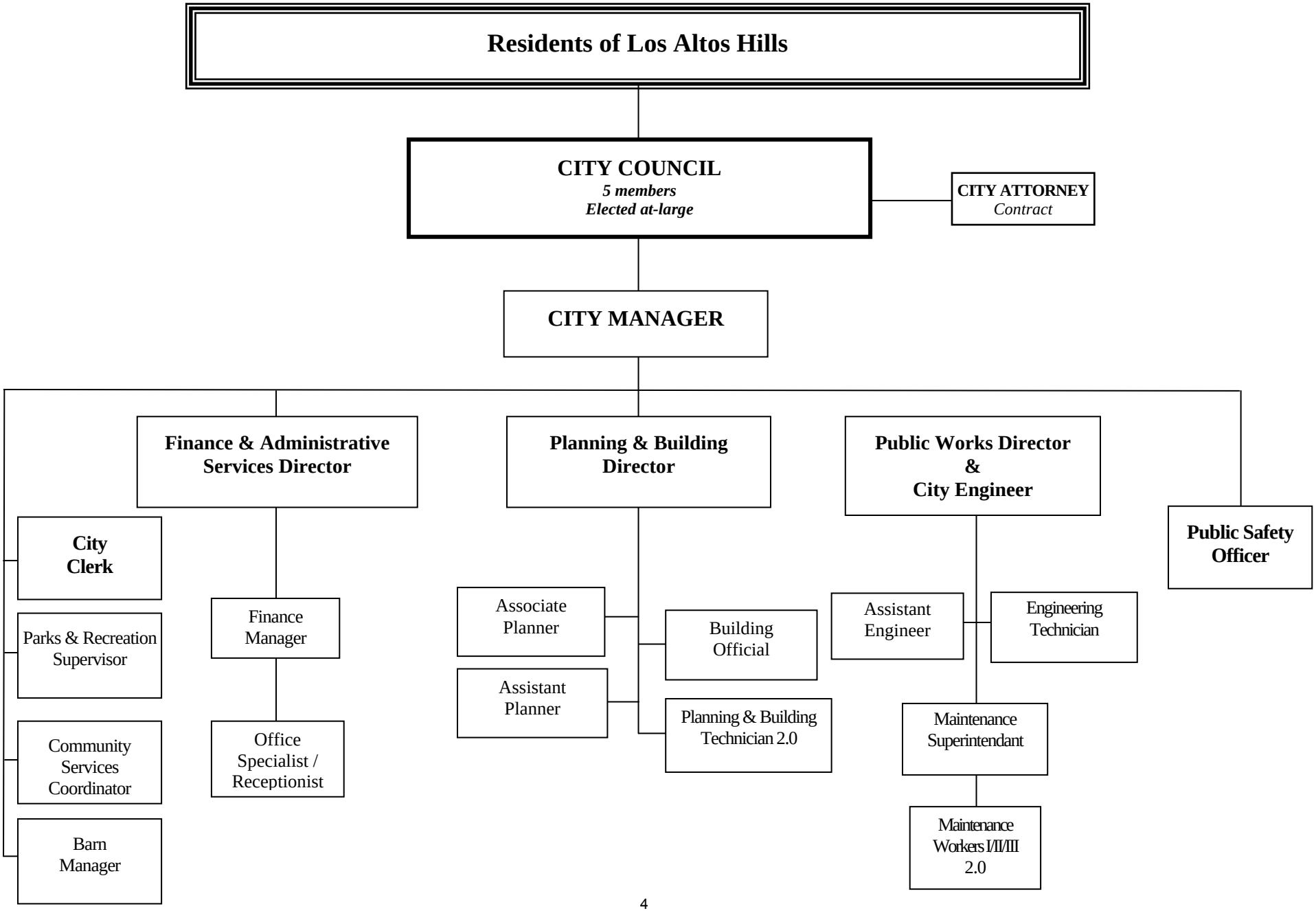
Town Officers

As of July 1, 2010

City Council	Term Expires
Breene Kerr, Mayor	2010
Rich Larsen, Mayor Pro Tem	2012
Jean Mordo	2012
Ginger Summit	2012
Dean Warshawsky	2010

City Council Appointed
Carl Cahill, City Manager
Steve Mattas, City Attorney

City Manager Appointed
Richard Chiu, Public Works Director & City Engineer
Karen Jost, City Clerk
Debbie Pedro, Planning & Building Director
Nick Pegueros, Finance & Administrative Services Director


Residents of Los Altos Hills
CITY COUNCIL
5 members
Elected at-large
CITY ATTORNEY
Contract
CITY MANAGER
Finance & Administrative Services Director
Planning & Building Director
Public Works Director & City Engineer
Public Safety Officer
City Clerk
Parks & Recreation Supervisor
Community Services Coordinator
Barn Manager
Finance Manager
Office Specialist / Receptionist
Associate Planner
Assistant Planner
Building Official
Planning & Building Technician 2.0
Assistant Engineer
Engineering Technician
Maintenance Superintendant
Maintenance Workers I/II/III 2.0

Financial Summaries

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Town of Los Altos Hills
2010-11 Adopted Budget

2010-11 Adopted Budget	Est. Beginning Unrestricted Fund Balance, 7/1/10	Revenue	Expense	Surplus (Deficit)	Transfers In (Out)	Proj. Ending Unrestricted Fund Balance, 6/30/11
General Funds						
Operating	$ 3,413,414	$ 5,970,239	$ 5,081,216	$ 889,023	$ (1,068,316)	$ 3,234,122
Capital	175,794	75,307	418,200	(342,893)	250,000	82,901
Debt Service	-	-	218,316	(218,316)	218,316	
Subtotal	3,589,208	6,045,546	5,717,732	327,815	(600,000)	3,317,023
Drainage Funds	1,029,963	82,000	397,144	(315,144)	-	714,818
Pathways Funds	560,070	176,050	851,649	(675,599)	375,000	259,471
Streets Funds	1,496,798	641,552	1,828,054	(1,186,502)	225,000	535,296
Public Safety Grant Funds	23,662	100,950	99,636	1,314	-	24,977
Sewer Funds	2,229,888	1,796,165	1,662,165	134,000	-	2,363,887
Total All Funds	$ 8,929,588	$ 8,842,263	$ 10,556,379	$ (1,714,116)	-	$ 7,215,472

Town of Los Altos Hill
General Fund Budget Summary

GENERAL FUND (11,14,15)	Current Year		Adopted Budget	Projections	
	2009-10 Est. Actual	2009-10 Budget	2010-11	2011-12 Projected	2012-13 Projected
Revenues					
Property taxes	$ 3,465,808	$ 3,174,158	$ 3,466,148	$ 3,418,140	$ 3,488,503
Taxes other than property	279,153	299,038	278,885	283,068	288,729
Franchise fees	445,485	411,941	453,058	459,854	469,051
Licenses and permits	598,826	596,125	603,104	612,150	624,393
Intergovernmental	76,356	(6,863)	87,000	88,305	90,071
Use of money and property	532,679	668,271	505,448	489,382	499,477
Charges for services	441,848	285,378	442,294	448,929	457,907
Miscellaneous	148,342	132,856	134,302	136,714	140,404
Total Revenues	5,988,497	5,560,904	5,970,239	5,936,542	6,058,537
Expenditures					
Administration	1,530,730	1,628,138	1,634,252	1,599,692	1,638,916
Public safety	986,168	1,009,747	1,023,030	1,032,456	1,062,751
Community development	1,599,126	1,754,500	1,627,378	1,672,387	1,701,644
Parks & recreation	650,511	655,829	758,015	768,732	775,771
Sewer connect fee incentive	-	-	100,000	-	-
Total Expenditures	4,766,534	5,048,214	5,142,675	5,073,267	5,179,082
Operating Surplus (Deficit)	1,221,963	512,690	827,563	863,275	879,455
Transfers					
Operating transfers in (out)	(591,316)	(591,316)	(518,316)	(540,316)	(540,316)
Capital transfers in (out)	(200,000)	(200,000)	(550,000)	(525,000)	(350,000)
Total transfers	(791,316)	(791,316)	(1,068,316)	(1,065,316)	(890,316)
[1] **Net Change in Fund Balance**	(206,346)	(278,626)	(240,753)	(202,041)	(10,861)
[2] **Beginning, unrestricted**	3,618,148	3,193,972	3,411,802	3,171,049	2,969,009
[2] **Ending, unrestricted**	$ 3,411,802	$ 2,915,346	$ 3,171,049	$ 2,969,009	$ 2,958,148

[1] Fund balance decreased by $637,000 to reflect payment of CalPERS side fund authorized by the City Council on June 17, 2010, subsequent to the preparation of the proposed budget.

[2] In addition to the unrestricted fund balance, the Town maintains a $1,250,000 Emergency& Disaster Contingency Reserve and $350,000 Operating Contingency Reserve. Subsequent action to the budget adoption established a Pension Contingency Reserve using $70,000 in 2010-11 resources, included above.

Schedule of Transfers from the General Fund

	2009-10 Est. Actual	2009-10 Budget	2010-11 Adopted	2011-12 Projected	2012-13 Projected
Operating Transfers Out					
12 - Drainage operations	$ 180,000	$ 180,000	$ -	$ -	$ -
13 - Pathways operation	200,000	200,000	200,000	200,000	200,000
17 - Street operations	-	-	100,000	125,000	125,000
33 - Debt service fund	211,316	211,316	218,316	215,316	215,316
Total operating transfers out	$ 591,316	$ 591,316	$ 518,316	$ 540,316	$ 540,316
Capital Transfers Out					
41 - General/facilities capital	$ 100,000	$ 100,000	$ 250,000	$ 225,000	$ 100,000
42 - Pathways capital	100,000	100,000	175,000	150,000	100,000
45 - Drainage capital	-	-	-	-	-
46 - Streets capital	-	-	125,000	150,000	150,000
Total capital transfers out	$ 200,000	$ 200,000	$ 550,000	$ 525,000	$ 350,000
Total Transfers Out	$ 791,316	$ 791,316	$ 1,068,316	$ 1,065,316	$ 890,316

Town of Los Altos Hill
General Capital Fund Budget Summary

FACILITIES & EQUIPMENT CAPITAL (41,43,16)	Current Year		Adopted Budget	Projections	
	2009-10 Est. Actual	2009-10 Budget	2010-11	2011-12 Projected	2012-13 Projected
Revenues					
Donations	$ 267,500	$ 267,500	$ -	$ -	$ -
Parks & Rec In-Lieu Fees	34,714	58,342	36,150	36,100	36,100
Intergovernmental	47,000	47,000	-	-	-
Use of money and property	38,579	-	39,157	39,745	40,540
Total Revenues	387,793	372,842	75,307	75,845	76,640
Expenditures					
Building/facility improvements	99,926	100,000	75,000	75,000	75,000
Equip. replacement: backhoe	-	-	115,000	-	-
Tech & software upgrades	-	-	68,200	-	50,000
Westwind Barn improvements	1,496,000	880,000	125,000	-	-
CorpYard seismic retrofit	-	-	35,000	175,000	-
Total Expenditures	1,595,926	980,000	418,200	250,000	125,000
Transfers					
Operating transfers in (out)	-	-	-	-	-
Capital transfers in (out)	100,000	100,000	250,000	225,000	100,000
Total transfers	100,000	100,000	250,000	225,000	100,000
Net Change in Fund Balance	(1,108,133)	(507,158)	(92,893)	50,845	51,640
Beginning, unrestricted	1,283,927	448,956	175,794	82,901	133,746
Ending, unrestricted	$ 175,794	$ (58,202)	$ 82,901	$ 133,746	$ 185,386

Town of Los Altos Hill
Pathway Funds Budget Summary

PATHWAY FUNDS (13,42)	Current Year		Adopted Budget	Projections	
	2009-10 Est. Actual	2009-10 Budget	2010-11	2011-12 Projected	2012-13 Projected
Revenues					
Use of money and property	$ 2,100	$ 2,250	$ 1,050	$ 1,000	$ 1,000
In-lieu fees	187,752	69,825	175,000	130,000	130,000
Total Revenues	189,852	72,075	176,050	131,000	131,000
Expenditures					
Operations	274,043	312,959	325,937	331,694	335,260
Capital Program					
Annual capital program	22,014	100,000	100,000	100,000	100,000
Taaffe pathway	159,890	300,000	-	-	-
Arastradero pathway	-	-	50,000	-	-
Page Mill pathway	-	-	200,000	-	-
El Monte Seg. 4 (net)	-	-	90,000	-	-
Stanford C-2 trail	-	-	25,000	-	-
Robleda pathway	-	-	50,000	200,000	-
Moody connector path	-	-	15,000	30,000	-
Capital program subtotal	181,903	400,000	530,000	330,000	100,000
Total Expenditures	455,947	712,959	855,937	661,694	435,260
Transfers					
Operating transfers in (out)	200,000	200,000	200,000	200,000	200,000
Capital transfers in (out)	100,000	100,000	175,000	150,000	100,000
Total transfers	300,000	300,000	375,000	350,000	300,000
Net Change in Fund Balance	33,905	(340,884)	(304,887)	(180,694)	(4,260)
Beginning, unrestricted	526,026	520,700	559,931	255,044	74,350
Ending, unrestricted	$ 559,931	$ 179,816	$ 255,044	$ 74,350	$ 70,091

Town of Los Altos Hill
Drainage Funds Budget Summary

DRAINAGE FUNDS (12,45)	Current Year		Adopted Budget	Projections	
	2009-10 Est. Actual	2009-10 Budget	2010-11	2011-12 Projected	2012-13 Projected
Revenues					
Charges for services	$ 95,377	$ 80,367	$ 82,000	$ 83,000	$ 84,000
Total Revenues	95,377	80,367	82,000	83,000	84,000
Expenditures					
Operations	243,894	287,529	260,840	265,839	268,906
Capital Program					
Annual capital program	-	270,000	70,000	70,000	70,000
Drainage channel sediment removal	-	-	70,000	70,000	70,000
Capital program subtotal	-	270,000	140,000	140,000	140,000
Total Expenditures	243,894	557,529	400,840	405,839	408,906
Transfers					
Operating transfers in (out)	180,000	180,000	-	-	-
Capital transfers in (out)	-	-	-	-	-
Total transfers	180,000	180,000	-	-	-
Net Change in Fund Balance	31,483	(297,162)	(318,840)	(322,839)	(324,906)
Beginning, unrestricted	998,355	447,594	1,029,838	710,998	388,159
Ending, unrestricted	$ 1,029,838	$ 150,432	$ 710,998	$ 388,159	$ 63,253

Town of Los Altos Hill
Street Funds Budget Summary

STREETS FUNDS (17,18,46)	Current Year		Adopted Budget	Projections	
	2009-10 Est. Actual	2009-10 Budget	2010-11	2011-12 Projected	2012-13 Projected
Revenues					
Intergovernmental	$ 179,775	$ 152,000	$ 234,002	$ 168,190	$ 170,713
Permits and licenses	133,952	27,959	28,000	28,420	28,846
Charges for services	592,213	335,420	359,000	364,385	369,851
Use of money and property	41,100	44,000	20,550	20,500	20,500
Total Revenues	947,040	559,378	641,552	581,495	589,910
Expenditures					
Operations	252,105	375,955	361,445	364,703	366,767
Capital Program:					
Annual capital program	828,636	825,000	1,000,000	500,000	500,000
Federal roads project (net)	56,151	75,000	-	-	-
West Loyola re-pavement	-	-	469,000	-	-
Subtotal	884,787	900,000	1,469,000	500,000	500,000
Total Expenditures	1,136,892	1,275,955	1,830,445	864,703	866,767
Transfers					
Operating transfers in (out)	-	-	100,000	125,000	125,000
Capital transfers in (out)	-	-	125,000	150,000	150,000
Total transfers	-	-	225,000	275,000	275,000
Net Change in Fund Balance	(189,852)	(716,577)	(963,893)	(8,208)	(1,857)
Beginning, unrestricted	1,686,575	1,637,441	1,496,723	532,830	524,622
Ending, unrestricted	$ 1,496,723	$ 920,864	$ 532,830	$ 524,622	$ 522,766

Maintain a minimum balance of $500,000 for emergency slide repairs:
- Elena Road
- Natoma Road
- Page Mill Road

Town of Los Altos Hill
Public Safety Grant Funds Budget Summary

PUBLIC SAFETY GRANT FUNDS (21,22)	Current Year		Adopted Budget	Projections	
	2009-10 Est. Actual	2009-10 Budget	2010-11	2011-12 Projected	2012-13 Projected
Revenues					
COPS Grant	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
Use of Money & Property	1,900	2,100	950	900	900
Total Revenues	101,900	102,100	100,950	100,900	100,900
Expenditures					
Operations	162,178	156,426	99,636	100,263	101,329
Total Expenditures	162,178	156,426	99,636	100,263	101,329
Change in Unrestricted Net Assets	(60,278)	(54,326)	1,314	637	(429)
Beginning unrestricted net assets	83,940	9,400	23,662	24,977	25,614
Ending unrestricted net assets	$ 23,662	$ (44,926)	$ 24,977	$ 25,614	$ 25,185

Town of Los Altos Hill
Sewer Funds Budget Summary

SEWER FUND (51,48)	Current Year		Adopted Budget	Projections	
	2009-10 Est. Actual	2009-10 Budget	2010-11	2011-12 Projected	2012-13 Projected
Revenues					
Operating					
Sewer assessment charges	1,448,000	1,668,000	1,455,765	1,467,540	1,479,315
Connection fees	127,055	389,550	319,400	120,000	120,000
Use of money and property	47,000	51,000	21,000	20,000	20,000
	1,622,055	2,108,550	1,796,165	1,607,540	1,619,315
Total Revenues					
Expenditures					
Operations					
Personnel	83,477	86,977	84,519	86,757	88,854
Contract services	914,387	910,590	921,453	947,581	974,494
Supplies and other services	23,765	9,100	10,096	10,802	11,512
Allocations	162,020	164,574	164,422	165,124	165,275
Depreciation	44,000	44,000	44,000	44,000	44,000
Capital					
Annual capital program	155,884	440,000	440,000	440,000	440,000
Total Expenditures	1,383,533	1,655,241	1,664,490	1,694,264	1,724,135
Change in Unrestricted Net Assets	238,522	453,309	131,675	(86,724)	(104,820)
Beginning unrestricted net assets	1,991,313	2,000,347	2,229,835	2,361,510	2,274,785
Ending unrestricted net assets	$ 2,229,835	$ 2,453,656	$ 2,361,510	$ 2,274,785	$ 2,169,966

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Revenues

General Fund Revenues

Property taxes
As the Town's single largest revenue source, property tax revenues provide funding for the Town services where cost recovery user fees are not viable. Additionally, property taxes provide resources for capital improvement projects where impact fees or grant revenue are not available. Property tax revenues have experienced upward growth over the past decade.

HdL, the Town's property tax revenue consultant, has recommended a 0% increase in property taxes for 2010-11. This projection reflects a negative growth factor of 0.237% growth factor set by the State of California for all Prop 13 assessed values. The projection also allows for property tax appeals in situations where Prop 13 assessed values are lower than the current market price. Typically, property tax appeals are applicable in situations where a home was purchased at the height of the market. Offsetting the negative adjustments to property tax revenues are a sufficient number of properties where Prop 13 assessed valuations will show a significant increase upon change in ownership of a property. HdL's recommendation of a 0% growth estimate in property tax revenues has been included in this budget.

In 2009-10, the Town budgeted a reduction $278,000, 8%, reduction in property taxes in advance of the State raiding local revenues. The State did raid local government property taxes, however, Proposition 1A required the State to repay the amount taken plus interest. Through the issuance of bonds, loval governments were given the option of forfeiting estimated interest payments in exchange for 100% of the State raided funds in 2009-10. The Town participated in the program and did not realize a $278,000 reduction in property tax revenues for 2009-10. In 2010-11, there is no available information that would suggest the State will again attempt to further raid property tax revenues.

Revenue	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
4010 - Secured property taxes	2,470,733	2,497,899	2,498,000
4011 - SB 813 Secured supplemental	84,635	34,648	34,648
4012 - State shift	(278,000)	-	-
4014 - In-lieu VLF & Triple Flip	687,836	714,838	715,000
4020 - Unsecured property taxes	190,954	200,077	200,100
4060 - Homeowners' property tax relief	18,000	18,346	18,400
Grand Total	**3,174,158**	**3,465,808**	**3,466,148**

Other taxes
Other Taxes account for taxes that are imposed primarily as the result of a business transaction. The budget assumes that all revenues will remain flat given the absence of an economic recovery.

Revenue	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
4101 - Business license tax	136,915	131,885	131,885
4110 - Real property transfer tax	69,394	75,000	75,000
4150 - Sales and use tax	58,593	44,263	44,000
4151 - Public safety sales tax	34,137	28,006	28,000
Grand Total	**299,038**	**279,153**	**278,885**

Franchise Fees

Franchise fees are fees charged to utility companies for the use of the Town's right of way to provide services to their customers. Year over year, the Town growth in franchise fees are limited largely to changes in the Consumer Price Index.

Revenue	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
4201 - Water franchise fee	17,323	21,913	22,242
4202 - Solid waste franchise fee	174,249	178,178	181,742
4203 - Gas and electric franchise fee	160,044	178,394	181,070
4204 - Cable TV franchise fee	60,325	67,000	68,005
Grand Total	**411,941**	**445,485**	**453,058**

Intergovernmental revenue
The Citizens' Option for Public Safety (COPS) grant awarded by the State of California is at risk in a year where the State's budget is imbalanced. The $100,000 per year COPS grant provides funding for the public safety officer and a series of emergency preparedness programs. The 2009-10 budget included a reduction in intergovernmental revenue to reflect the possibility that the State would eliminate the COPS grant. Without State grant funds, the budget allows for programs to continue using General Fund monies. The State did not eliminate COPS grant funding in 2009-10 and every indication is that the grant will be funded in 2010-11.

Revenue	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
4501 - Motor vehicle in-lieu fees	28,480	27,864	24,000
4512 - Vehicle code fines	62,814	46,692	60,000
4580 - Abandoned vehicles recovery	1,843	1,800	3,000
4590 - Other intergovernmental revenue	(100,000)	-	-
Grand Total	**(6,863)**	**76,356**	**87,000**

Planning and Building Fees

The Town's planning and building services operate on a cost recovery methodology through user fees. Fees are studied by an independent consultant on a periodic basis to ensure optimum cost recovery. Planning and building fees generally track the state of the overall regional economy.

In developing the 2010-11 budget, staff reviewed current activity compared to prior periods. There are few signs that a recovery in land development is underway, despite the estimated actual budget for 2009-10 is higher than the adopted budget. The budget assumes a 0% increase in planning and building fees for 2010-11.

Revenue	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
4301 - Building permits	380,475	396,736	396,736
4302 - Electrical permits	32,775	31,099	31,099
4303 - Heating permits	24,225	25,337	25,337
4304 - Plumbing permits	33,725	29,788	29,788
4306 - Housing Permits	21,850	12,503	12,503
4307 - Structural additional permits	15,675	20,989	20,989
4310 - Septic tank fees	2,850	763	1,700
4311 - Plan retention fees	35,625	37,997	37,997
4312 - Energy fee	32,775	30,914	32,104
4313 - Bedroom tax	9,975	5,174	7,335
4330 - Dog licenses/kennel fees	6,175	7,525	7,515
4601 - Site development fees	156,918	132,070	123,424
4605 - Zoning fees	72	2,800	2,447
4607 - Final map fees	450	16,460	21,947
4614 - Site development compliance	37,356	49,207	46,617
4681 - Address change	432	360	480
4703 - Charges to billable deposits	-	146,898	149,527
Grand Total	**791,353**	**946,620**	**947,545**

Use of Money & Property

Use of Money Property provides for the investment income on Town investments and long-term lease fees charged to outside parties for the use of Town land. While long-term lease fees are increasing based on changes to the Consumer Price Index, investment income is declining. The Town's current investment strategy emphasizes security of principal which has resulted in purchasing short-term US treasuries. With such a strategy, the Town's investment advisor forecasts portfolio yields of approximately 1.00% in 2010-11.

Revenue	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
4401 - Interest earnings	197,500	184,700	108,700
4422 - Purissima Hills Water District	22,418	21,000	21,000
4424 - AT&T rental -Purissima Prk	48,789	50,766	51,528
4426 - Metro PCS rental - Purissima Prk	24,456	23,129	23,476
4427 - AT&T rental - Town Hall	35,608	35,173	35,700
Grand Total	**328,771**	**314,768**	**240,404**

Miscellaneous Revenues

2010-11 does not anticipate any significant changes in miscellaneous revenues. The major decrease year-to-year is in the area of one-time grants and donations.

Revenue	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
4711 - Fines and forfeitures	8,430	7,327	8,500
4801 - Maps and reproduction fees	3,525	6,195	5,000
4804 - Pathway map	300	214	200
4809 - Donations	-	2,666	-
4810 - Miscellaneous revenue	-	8,339	-
4813 - Grants - non-governmental	-	3,000	-
4999 - General Administration Allocation	120,602	120,602	120,602
Grand Total	**132,856**	**148,342**	**134,302**

Special Revenues

Drainage fees

In accordance with Municipal Code Section 8-1.07, applicants for the issuance of any building permit shall pay a drainage fee. Municipal Code Section 3-3.403 provides that all funds received in the Drainage Fund shall be used solely for the construction, or reimbursement of construction, of local drainage facilities within the Town, or to reimburse the Town for the cost of engineering and administrative services related to the Master Plan for Storm Water Drainage and the design and construction of the facilities.

Drainage fees are calculated at $.60 per square foot of development within the public right–of-way or easements and, for development area added, $.85 per square foot for impermeable structures and $.60 per square foot for semi-permeable structures. Unspent funds in this account accrue interest earnings in accordance with the Town's pooled investments rate of return.

Revenue	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
4661 - In-lieu fees, storm drains	80,367	95,377	82,000
Grand Total	**80,367**	**95,377**	**82,000**

Pathway in-lieu fees

In accordance with Municipal Code Section 10-2.608, a site development permit for a lot on which no path is needed shall be assessed a pathway fee. Municipal Code Section 3-3.303 provides that all funds received in the Pathway Fund shall be used exclusively for the maintenance, repair, construction and acquisition of property for the Town's pathway system.

The pathway in-lieu fee is calculated at $47 per lineal foot of the average width of the property or $5,220, whichever is greater, for each lot without a path. Unspent funds in this account accrue interest earnings in accordance with the Town's pooled investments rate of return.

Revenue	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
4401 - Interest earnings	2,250	2,100	1,050
4663 - Pathway construction fees	69,825	187,752	175,000
Grand Total	**72,075**	**189,852**	**176,050**

Parks and recreation program and facility fees

The Town's parks and recreation department provides two services: Programs and Facilities. The Parks & Recreation Programs Fund collects user fees to offset the direct cost of providing program instruction such as summer camps or yoga classes. The Parks & Recreation Facilities Fund collects fees for use of the Town's parks facilities including the playing fields at Purissima Park and horse stabling at Westwind Barn.

Revenue	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
4421 - Westwind Barn boarding fees	310,000	192,491	239,544
4425 - Purissima Park use fees	29,500	25,420	25,500
4807 - Program fees	89,150	92,853	92,853
Grand Total	**428,650**	**310,764**	**357,897**

Park and recreation dedication fees

In accordance with Municipal Code Section 9-1.1403, every subdivider shall be required to dedicate a portion of land, or pay a fee in lieu thereof, or a combination of both, for the purpose of providing park and/or recreational space/facilities. The fees are to be used only for the purpose of providing park or recreational facilities to serve the subject subdivision. Municipal Code Section 9-1.1404 provides that the specific amount of real property to be dedicated in a given subdivision shall be .018 acres for every lot or parcel.

The in lieu fee is calculated by multiplying the required amount of property to be dedicated by the fair market value of the property. Fair market value is the greater of (1) the average estimated fair market value for all residentially zoned real property located in the Town as determined by the Planning Director or (2) the fair market value of the land in the subdivision based upon its then assessed value modified to equal market in accordance with the current practices of the County assessor and as determined by the Planning Director. Unspent funds in this account accrue interest earnings in accordance with the Town's pooled investments rate of return.

Revenue	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
4401 - Interest earnings	2,500	2,300	1,150
4662 - Parks & recreation in-lieu fees	55,842	32,414	35,000
4812 - Sale of Town assets	-	-	-
Grand Total	**58,342**	**34,714**	**36,150**

Street Funds & Roadway impact fees

The primary revenue source for Streets continues to be remittances from the State of California's gas tax funds which are used to support street improvements. In 2009-10, and expected to continue in 2010-11, the State delayed payments to local agencies of gas tax revenues. While the delay has impacted the cash Town's cash flow, the funds are being remitted by the State. Other revenues include fees charged to developers.

In accordance with Municipal Code Section 3-3.508, the Town shall impose impact fees as a condition of approval of all building permit valuations equal to or greater than $10,000 and a refuse vehicle impact fee shall be imposed on all operators of refuse collection companies based on the portion of street maintenance and repair attributable to damage caused by the heavy vehicles. Municipal Code Section 3-3.510 provides that all funds received in the Roadway Impact Fee Fund shall be expended only for the type of street maintenance and repair for which they were imposed, calculated and collected.

Roadway impact fees are calculated as follows: for building permits - 0.63% of the building permit valuation; and 0.3% of gross monthly garbage revenues. The proceeds from this account are transferred entirely to the Town's streets capital improvement fund.

Revenue	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
4309 - Encroachment fees	27,959	133,952	28,000
4401 - Interest earnings	44,000	41,100	20,550
4551 - Gas Tax Section 2105	45,000	44,000	47,000
4552 - Gas Tax Section 2106	30,000	34,000	35,000
4553 - Gas Tax Section 2107	57,000	60,000	62,000
4554 - Gas Tax Section 2107.5	2,000	2,000	2,000
4565 - Traffic Congestion Relief	18,000	39,775	88,002
4666 - Impact fee - construction	201,208	260,231	230,000
4667 - Impact fee - refuse	84,211	80,000	82,000
4673 - Street encroachment fees	50,000	251,983	47,000
4811 - Capital Cost Reimbursement	-	258,710	-
Grand Total	**559,378**	**1,205,750**	**641,552**

Sewer Fund Revenues

The Town's sewer operations provide sanitary sewer service to approximately half of the parcels in the Town's boundaries. Properties receiving sewer services are charged an annual service fee, last adjusted in 2007-08, on their property tax bills. When a property connects to the Town's sewer main, a connection fee is charges to pay for necessary future sewer system capital improvements and capacity.

Sewer connections in 2009-10 were lower than anticipated due to delays in the final acceptance of the West Loyola Sewer Main construction project. Those connections anticipated in 2009-10 are expected to connect in 2010-11. All new connections also result in an increase to sewer assessment charges. 2009-10 sewer assessment charges are below budget due to timing of collecting sewer fees for connections previously unknown by the Town.

Revenue	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
4401 - Interest earnings	51,000	47,000	21,000
4665 - Sewer Assessment Charge	1,668,000	1,448,000	1,455,765
4668 - Sewer Connect Fee	-	127,055	319,400
Grand Total	**1,719,000**	**1,622,055**	**1,796,165**

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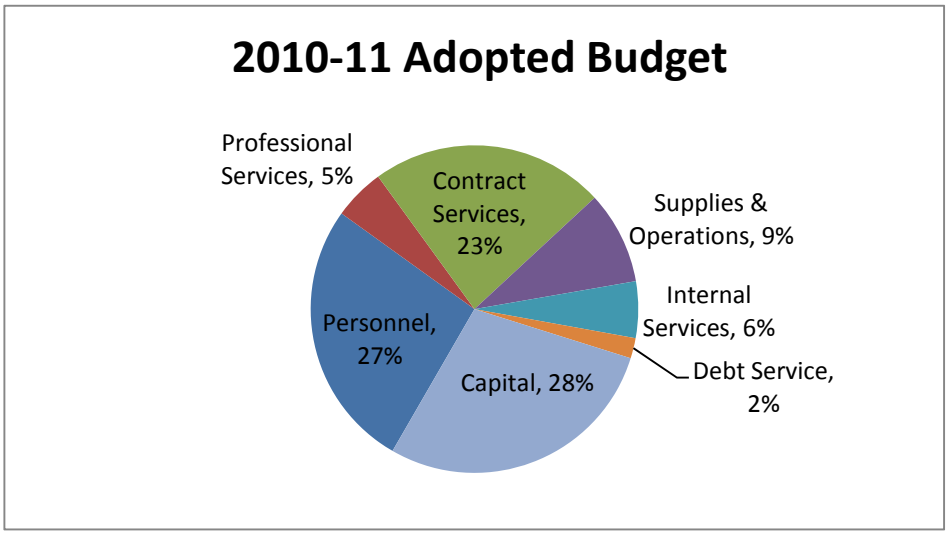
Expenditures

Expenditures by Category

Expenditures by department are discussed in the next section. Overall, expenditures have been categorized into personnel, professional services, contract services, supplies and operations, and internal services.



Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
Personnel	2,807,378	2,763,564	2,797,498
Professional Services	307,900	325,237	299,463
Contract Services	2,589,937	2,431,695	2,651,583
Committees	107,500	74,850	96,792
Supplies and Operations	923,607	873,169	957,746
Internal Allocation	853,718	674,987	707,142
Capital	3,340,000	2,535,881	2,997,200
Grand Total	**10,930,040**	**9,679,383**	**10,507,424**

Personnel

The Town maintains a workforce of 21 full time employees. The overall personnel budget is projected to increase by $34,000 or 1.2% over 2009-10 estimated actual. This increase is attributed primarily to increased costs for health insurance. For fiscal year 2010-11, the following factors were incorporated into the personnel budgets:

- Salaries - The budget does not provide an across the board salary increase in recognition of the economy and increased costs in certain fringe benefits. The budget does include, however, a market based salary adjustment for the positions of City Clerk and Maintenance Superintendent. The budget also includes the elimination of a Maintenance Work position and the creation of a Community Services Coordinator.
- Pension - The employer's share of the CalPERS pension for fiscal year 2011 is forecasted to be 13.85% of payroll, a reduction of 0.847 percentage points from prior year. With the Town's payoff of the side fund in June 2010, the amount paid to CalPERS reduces further to 9.359% or eligible payroll. Subsequent to budget adoption, the City Council authorize the set aside of this savings as a Pension Contingency Reserve Fund.
- Health insurance - The budget retains the current employee and city council medical program with a forecasted increase of 8.0% in premiums.
- Retiree medical – The current amortized cost of retiree medical plus the cost of current, pay-as-you-go benefits for existing retirees, $275,000, is included in the personnel costs for all departments.

Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
111100 - City Council	63,977	55,467	74,781
111200 - City Manager	276,447	303,449	297,154
111300 - City Clerk	186,804	191,699	190,965
111400 - Finance	263,722	286,225	266,085
113100 - Planning	650,893	645,225	672,230
113110 - Planning Commission	6,459	6,517	6,459
113200 - Building Inspection	391,809	379,678	380,137
113300 - Engineering Administration	172,272	163,048	165,288
124500 - Storm Drain Maint	157,229	133,686	131,917
134740 - Pathway Maintenance	179,400	154,418	153,000
141000 - P&R, Administration	87,168	131,584	129,015
141100 - P&R, Equestrian Programs	-	-	-
151100 - P&R, Playing Fields	9,683	16,680	10,725
151200 - P&R, Westwind Barn Facility	81,042	64,388	101,492
174600 - Streets Maintenance	100,361	73,135	86,105
212100 - COPS	93,135	74,887	47,636
514800 - Sewer Operations	86,977	83,477	84,509
Grand Total	**2,807,378**	**2,763,564**	**2,797,498**

Professional Services

The Town retains specialized professional service providers in-lieu of or to augment in-house staff resources. All Town legal services and most parks and recreation program instruction are provided through professional services contracts. On an as needed basis, professional services are also used to augment building permit review and engineering services.

Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
111400 - Finance	47,400	47,400	57,000
111500 - City Attorney	166,000	150,208	153,963
113300 - Engineering Administration	40,000	19,000	20,000
124500 - Storm Drain Maint	1,000	2,879	1,000
134740 - Pathway Maintenance	1,000	12,974	15,000
174600 - Streets Maintenance	2,500	2,500	2,500
514800 - Sewer Operations	50,000	68,165	50,000
Grand Total	**307,900**	**303,126**	**299,463**

Contract Services

Contract services are used to minimize the number of in-house staff members. The Town's primary contracts are with the County of Santa Clara Sheriff's Office for public safety services, the City of Palo Alto for animal control services, a private maintenance firm to operate the Town's sewer system, and a private maintenance firm to clean the Town's horse stable operation at Westwind Barn.

Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
111100 - City Council	1,500	1,500	1,500
111300 - City Clerk	14,000	5,000	4,500
111400 - Finance	45,000	50,273	45,000
112100 - Public Safety	919,747	919,645	936,507
112150 - Animal Control	90,000	66,523	86,523
113100 - Planning	2,000	1,500	2,000
113110 - Planning Commission	500	150	500
113130 - General Plan	20,000	14,736	5,000
113200 - Building Inspection	20,000	16,027	17,000
113210 - Permit Review & Inspection	85,000	90,000	75,000
113300 - Engineering Administration	12,400	11,000	12,400
124500 - Storm Drain Maint	27,500	20,807	37,500
134740 - Pathway Maintenance	35,500	37,272	55,000
141000 - P&R, Administration	2,300	2,000	2,300
141100 - P&R, Equestrian Programs	62,400	56,538	62,400
141110 - P&R, Fee Classes	28,000	25,940	28,000
151100 - P&R, Playing Fields	27,500	24,482	24,500
151110 - P&R, Riding Ring	5,000	5,000	5,000
151200 - P&R, Westwind Barn Facility	154,000	108,096	154,000
174600 - Streets Maintenance	142,500	103,984	157,500
212100 - COPS	34,500	25,000	28,000
514800 - Sewer Operations	860,590	846,222	871,453
Grand Total	**2,589,937**	**2,431,695**	**2,611,583**

Supplies & Operations

Supplies and operations expenditures include those items necessary to provide the Town's services such as office supplies, utilities, telecommunications, memberships and dues, etc. The significant increase in the City Clerk budget is due to the 2010 General Election.

Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
111100 - City Council	68,300	54,550	63,000
111200 - City Manager	71,300	30,550	57,300
111300 - City Clerk	4,900	1,779	41,100
111400 - Finance	29,400	33,496	38,400
111510 - Liability Insurance	95,000	91,888	93,962
111600 - Community Service Grants	83,500	83,000	78,500
113100 - Planning	14,200	10,086	10,700
113110 - Planning Commission	2,700	1,000	2,300
113200 - Building Inspection	7,400	2,950	7,400
113300 - Engineering Administration	12,450	11,499	12,450
124500 - Storm Drain Maint	26,500	29,899	30,500
134740 - Pathway Maintenance	11,500	1,875	11,500
141000 - P&R, Administration	19,800	20,308	21,450
141100 - P&R, Equestrian Programs	500	650	500
141110 - P&R, Fee Classes	1,000	500	1,000
141120 - P&R, Events	33,750	43,750	42,000
151100 - P&R, Playing Fields	18,000	14,435	21,573
151200 - P&R, Westwind Barn Facility	93,200	76,298	90,700
174600 - Streets Maintenance	37,000	17,353	37,000
212100 - COPS	24,000	57,500	24,000
220100 - C.L.E.E.P. Grant	4,791	4,791	-
330000 - Debt Service	211,316	211,316	218,316
514800 - Sewer Operations	53,100	67,765	54,096
Grand Total	**923,607**	**867,239**	**957,746**

Internal Services

The Town's internal services provide general facility maintenance, technology support, corporation yard operations, and fleet maintenance. Internal services are allocated to each department based on their use of each service.

Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
111200 - City Manager	30,233	19,953	21,110
111300 - City Clerk	30,233	19,953	21,110
111400 - Finance	39,422	25,939	27,443
113100 - Planning	157,446	111,822	118,308
113200 - Building Inspection	104,381	69,123	73,132
113300 - Engineering Administration	40,490	27,061	28,630
124500 - Storm Drain Maint	75,300	56,623	59,907
134740 - Pathway Maintenance	85,559	67,503	71,418
141000 - P&R, Administration	32,486	35,915	37,998
151200 - P&R, Westwind Barn Facility	-	23,943	25,332
174600 - Streets Maintenance	93,594	55,132	58,330
514800 - Sewer Operations	164,574	162,020	164,422
Grand Total	**853,718**	**674,987**	**707,142**

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General Fund Department Budgets

City Council

The City Council governs the Town of Los Altos Hills by enacting and enforcing ordinances and regulations that concern municipal affairs, subject only to limitations and restrictions of the State Constitution.

Budget Requests

The City Council budget's personnel budget is projected to increase with increased participation in the medical benefits program first made available to council members in 2006-07. Included in supplies and operations is a $10,000 sponsorship for the Hidden Villa Summer Concert Series, $5,000 for special meeting notices requested by the City Council, and the Town's various memberships and dues including the League of California Cities, the Peninsula Division of the League of California Cities, the Association of Bay Area Governments, Local Agency Formation Commission, the Santa Clara County Cities Association, Silicon Valley Leadership Group, and the Homeless Survey.

Significant Operating Changes or Capital Requests: **The City Council's goals will affect department staffing and other resource needs.**

Expenditure Budget

Department code: 11-1100

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
Personnel	63,977	55,467	74,781
Professional Services	1,500	1,500	1,500
Supplies & Operations	68,300	54,550	63,000
Grand Total	**$ 133,777**	**$ 111,517**	**$ 139,281**

City Manager

The City Manager is responsible for the implementation of City Council goals and the smooth functioning of the Town while providing its residents with the services and amenities they desire. Major elements include appointment and supervision of all Town staff other than the City Attorney, goal setting, policy suggestions and implementation, personnel management, fiscal responsibility and budget.

Significant Operating Changes or Capital Requests: **None.**

Personnel Summary *

	2008-09	2009-10	2010-11
City Manager	1.00	1.00	1.00

* Shown as a percentage of 1.00 full-time employees. See appendix for complete staffing matrix.

Expenditure Budget

Department code: 11-1200

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
Personnel	276,447	303,449	297,154
Supplies & Operations	71,300	30,550	57,300
Internal Services	30,233	19,953	21,110
Grand Total	**$ 377,980**	**$ 353,952**	**$ 375,564**

City Clerk

The City Clerk is the liaison and public information officer between the public and the City Council. The City Clerk is the records manager for the Town. The City Clerk prepares City Council agendas, minutes, and other legislative history. Elections and Campaign and Economic Interest Reporting as required by State law are administered through this office. The Clerk also provides logistical support to Town Committees.

Significant Operating Changes or Capital Requests: **2010 is an election year and there are two City Council seats up for election. 2010-11 also proposes a benchmark salary increase for the classification of City Clerk. The Town benchmarks salaries to the Towns of Atherton, Woodside, and the City of Los Altos.**

PERSONNEL SUMMARY *

Classification	2008-09	2009-10	2010-11
City Clerk	1.00	1.00	1.00

* Shown as a percentage of 1.00 full-time employees. See appendix for complete staffing matrix.

EXPENDITURE BUDGET

Department code: 11-1300

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
Personnel	186,804	191,699	190,965
Professional Services	14,000	2,500	4,500
Supplies & Operations	4,900	779	41,100
Internal Services	30,233	19,953	21,110
Grand Total	**$ 235,937**	**$ 214,931**	**$ 257,675**

Administrative Services

The Administrative Services Department is responsible for administrative services of the Town – financial accounting and reporting, personnel, information systems coordination, and risk and office management. With respect to financial duties, the department collects revenues, invests funds, coordinates the preparation of the Town budget, compiles and issues financial reports, and pays Town bills in accordance with fiscal policies and internal controls. Personnel duties include recruitment, examination and selection of employees; maintenance of employee personnel records; and administration of employee insurance and other benefits. The Department manages service contracts for the Town's information technology support and building facility support requirements.

Significant Operating Changes or Capital Requests: **None**

Personnel Summary *

Classification	2008-09	2009-10	2010-11
Director	1.00	1.00	1.00
Finance Manager	0.00	0.30	0.30
Office Manager/Accountant	0.30	0.00	0.00
Total	1.30	1.30	1.30

* Shown as a percentage of 1.00 full-time employees. See appendix for complete staffing matrix.

Expenditure Budget

Department code: 11-1400

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
Personnel	263,722	286,225	266,085
Professional Services	47,400	47,400	57,000
Contract Services	45,000	50,273	45,000
Supplies & Operations	29,400	33,496	38,400
Internal Services	39,422	25,939	27,443
Grand Total	**$ 424,944**	**$ 443,333**	**$ 433,928**

City Attorney

The City Attorney reports directly to the City Council and is charged with the task of advising the City Council, City Manager and other Town officials on all legal aspects of municipal operations. The City Attorney represents the Town in civil and criminal actions; prosecutes violations of Town ordinances; and drafts or reviews required legal documents, including contracts, ordinances, and resolutions. The City Attorney attends all regular and special City Council meetings. Attorney-client relationship is furnished for members of the Town Council and appointed officials in all city-related matters. Other services of the City Attorney include meeting with the City Manager and other city officials on an on-call basis and keeping the City Council, City Manager and staff advised of current laws affecting decisions and programs of the Town.

Significant Operating Changes or Capital Requests: **None**

Expenditure Budget

Department code: 11-1500

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
Professional Services	166,000	150,208	153,963
Grand Total	**$ 166,000**	**$ 150,208**	**$ 153,963**

Liability Insurance

The City Clerk, in coordination with the senior management team, coordinates all liability claims incurred by the Town through a consortium (ABAG-PLAN) of bay area cities, including the Town's benchmark agencies Los Altos, Woodside, Portola Valley, Atherton, and Hillsborough. This budget provides for the premiums as well as any settlements resulting from claims against the Town.

Significant Operating Changes or Capital Requests: **None**

Expenditure Budget

Department code: 11-1510

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
Supplies & Operations	95,000	66,888	93,962
Grand Total	**$ 95,000**	**$ 66,888**	**$ 93,962**

Community Service Agency Grants

Various community agencies which service residents of the Town and surrounding area petition the City Council for contributions in support of their activities.

Significant Operating Changes or Capital Requests: **Modifications to the administration of this program are currently under consideration.**

Expenditure Budget

Department code: 11-1600

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
Supplies & Operations	83,500	83,000	78,500
Grand Total	**$ 83,500**	**$ 83,000**	**$ 78,500**

Town Committees

The City Council has established standing committees to assist the Council with a variety of issues. The Committees render advice and make recommendations to the City Council, Planning Commission, City Manager and other Town bodies designated by the City Council on all aspects of their particular sphere of interest. To maintain proper internal control of the disbursement of Town funds, the Town budget provided only a minimal amount of discretionary funds for each committee. For equipment purchases, consulting services, and other large ticket items, the 2010-11 budget contains a place holder of $30,000.

Significant Operating Changes or Capital Requests: **Increased activity in the volunteer committees, particularly in the area of Park & Recreation and Community Relations, necessitates additional staff resources. To address this need, the 2010-11 budget includes the creation of a new position titled Community Services Coordinator. Forty percent of this position's salary and benefits will be charged to the Town Committee budgets with the balance charged to Parks & Recreation.**

Personnel Summary *

Classification	2008-09	2009-10	2010-11
Community Services Coordinator	0.00	0.00	0.40
Total	0.00	0.00	0.40

* Shown as a percentage of 1.00 full-time employees. See appendix for complete staffing matrix

Expenditure Budget

Department code: 11-17XX

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
Supplies & Operations	111,500	78,823	100,792
Grand Total	**$ 111,500**	**$ 78,823**	**$ 100,792**

Public Safety

The Town contracts with the Santa Clara County Sheriff's Office for police protection and with the City of Palo Alto for animal control. The Sheriff is responsible for the protection of lives and property of the residents of the Town with the main objective of providing for a safe and healthy community environment. This is accomplished through the active enforcement of local and state laws, apprehending violators, and by the use of effective law enforcement procedures, programs and techniques. The City of Palo Alto administers an animal control program servicing the cities of Palo Alto, Mountain View, Los Altos, and the Town.

Significant Operating Changes or Capital Requests: **None**

Expenditure Budget

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
112100 - Public Safety	**919,747**	**919,645**	**936,507**
Contract Services	919,747	919,645	936,507
112150 - Animal Control	**90,000**	**66,523**	**86,523**
Contract Services	90,000	66,523	86,523
Grand Total	**$ 1,009,747**	**$ 986,168**	**$ 1,023,030**

Planning Department

The Planning Department is responsible for preparing and implementing the General Plan, zoning and subdivision ordinances, processing applications, conditional use permits, site plan reviews, home occupation permit, administrative permits and other applications. The Department supports the activities of the Planning Commission.

Significant Operating Changes or Capital Requests: **None**

Personnel Summary *

Classification	2008-09	2009-10	2010-11
Director	0.80	0.80	0.80
Senior/Associate Planner	0.80	0.80	0.80
Assistant Planner	0.80	0.80	0.80
Planning & Building Technician	1.15	1.15	1.15
Public Works Director	0.06	0.06	0.06
Assistant Engineer	0.50	0.70	0.70
Public Safety Officer	0.00	0.00	0.40
Maintenance Superintendent	0.01	0.01	0.01
Maintenance Worker I/II	0.04	0.04	0.02
Finance Manager	0.00	0.15	0.15
Accountant/Office Manager	0.15	0.00	0.00
Office Specialist	0.30	0.30	0.30
Total	4.60	4.80	5.19

* Shown as a percentage of 1.00 full-time employees. See appendix for complete staffing matrix.

Expenditure Budget

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
113100 - Planning	**838,639**	**787,333**	**821,538**
Personnel	650,893	645,225	672,230
Professional Services	13,000	16,000	17,000
Supplies & Operations	17,300	14,286	14,000
Internal Services	157,446	111,822	118,308
113110 - Planning Commission	**9,659**	**7,667**	**9,259**
Personnel	6,459	6,517	6,459
Professional Services	500	150	500
Supplies & Operations	2,700	1,000	2,300
113130 - General Plan	**20,000**	**14,736**	**5,000**
Professional Services	20,000	14,736	5,000
Grand Total	**$ 868,298**	**$ 809,736**	**$ 835,797**

Building Inspection Department

The Building Department has the responsibility of providing life-safety building and plan checking inspection and permitting, as well as quality control on building activity within the Town. The Department manages the Town's code compliance programs to maintain quality of life for Town residents.

Significant Operating Changes or Capital Requests: **None**

Personnel Summary *

Classification	2008-09	2009-10	2010-11
Director	0.20	0.20	0.20
Building Official	1.00	1.00	1.00
Planning & Building Technician	0.85	0.85	0.85
Senior/Associate Planner	0.20	0.20	0.20
Assistant Planner	0.20	0.20	0.20
Assistant Engineer	0.05	0.05	0.05
Finance Manager	0.00	0.25	0.25
Accountant/Office Manager	0.25	0.00	0.00
Office Specialist	0.30	0.30	0.30
Total	3.05	3.05	3.05

* Shown as a percentage of 1.00 full-time employees. See appendix for complete staffing matrix.

Expenditure Budget

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
113200 - Building Inspection	**523,590**	**467,778**	**477,669**
Personnel	391,809	379,678	380,137
Professional Services	20,000	16,027	17,000
Supplies & Operations	7,400	2,950	7,400
Internal Services	104,381	69,123	73,132
113210 - Permit Review & Inspection	**85,000**	**71,559**	**75,000**
Professional Services	85,000	71,559	75,000
Grand Total	**$ 608,590**	**$ 539,338**	**$ 552,669**

Engineering Department

The Engineering Department provides administrative management of the Town's public work operations including the Capital Improvement Program. The Department develops and implements the Town's capital projects and engineering support for inspection services for all projects within the Town.

Significant Operating Changes or Capital Requests: **None**

Personnel Summary *

Classification	2008-09	2009-10	2010-11
Director	0.30	0.30	0.30
Assistant Engineer	0.25	0.25	0.25
Engineering Technician	0.50	0.50	0.50
Total	1.05	1.05	1.05

* Shown as a percentage of 1.00 full-time employees. See appendix for complete staffing matrix.

Expenditure Budget – Engineering Administration

Department code: 11-3300

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
113300 - Engineering Administration	**277,612**	**231,607**	**238,768**
Personnel	172,272	163,048	165,288
Professional Services	52,400	30,000	32,400
Supplies & Operations	12,450	11,499	12,450
Internal Services	40,490	27,061	28,630
Grand Total	**$ 277,612**	**$ 231,607**	**$ 238,768**

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Special Revenue Funds & Sewer Fund Departments Budgets

Parks & Recreation Programs

The department develops, implements, and evaluates recreational programs and activities for children and adults and coordinates and supervises recreational uses of the Playing Fields, Town Riding Ring and Westwind Barn.

Significant Operating Changes or Capital Requests: **The personnel summary for this department has been updated to reflect the addition of the Community Services Coordinator. For additional information on this change, please reference the Town Committee's budget.**

Personnel Summary *

Classification	2008-09	2009-10	2010-11
Parks & Recreation Supervisor	0.70	0.70	0.70
Community Services Coordinator	0	0	0.60
Total	0.70	0.70	1.30

* Shown as a percentage of 1.00 full-time employees. See appendix for complete staffing matrix.

Expenditure Budget

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
141000 - P&R, Administration	**141,754**	**189,807**	**190,763**
Personnel	87,168	131,584	129,015
Professional Services	2,300	2,000	2,300
Supplies & Operations	19,800	20,308	21,450
Internal Services	32,486	35,915	37,998
141100 - P&R, Equestrian Programs	**62,900**	**57,188**	**62,900**
Professional Services	62,400	56,538	62,400
Supplies & Operations	500	650	500
141110 - P&R, Fee Classes	**29,000**	**26,440**	**29,000**
Professional Services	28,000	25,940	28,000
Supplies & Operations	1,000	500	1,000
141120 - P&R, Events	**33,750**	**43,750**	**42,000**
Supplies & Operations	33,750	43,750	42,000
Grand Total	**$ 267,404**	**$ 317,185**	**$ 324,663**

Parks & Recreation Facilities

The department manages the Town's primary recreational facilities including: Purissima Park and Westwind Community Barn.

The Town's baseball fields at Purissima Park are available for department organized adult and youth programs and for activities sponsored by the Los Altos Little League. The Town has a cost-sharing agreement with the Los Altos Little League to offset field maintenance costs. Also at Purissima Park is the Town's riding ring which is available for adult and youth programs organized by the Parks and Recreation Department and for activities sponsored by the Los Altos Hills Horsemen's Association (LAHHA).

Westwind Community Barn serves at the Town's primary equestrian facility and hosts a series of community events and programs through the year. The site serves as the instructional venue for adult and youth programs organized by the department. Westwind Community Barn also hosts non-profit organizations such as the therapeutic riding program offered by 4-H/Westwind Riding Institute and the Pacific Ridge Pony Club. To help keep the site a vibrant facility, private boarding is available onsite.

Significant Operating Changes or Capital Requests: **None**

Personnel Summary *

Classification	2008-09	2009-10	2010-11
Parks & Recreation Supervisor	0.30	0.30	0.30
Barn Manager	0.00	1.00	1.00
Total	0.30	1.30	1.30

* Shown as a percentage of 1.00 full-time employees. See appendix for complete staffing matrix.

Expenditure Budget

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
151100 - P&R, Playing Fields	**55,183**	**55,598**	**56,798**
Personnel	9,683	16,680	10,725
Contract Services	27,500	24,482	24,500
Supplies & Operations	18,000	14,435	21,573
Internal Services		-	-
Capital		-	-
151110 - P&R, Riding Ring	**5,000**	**5,000**	**5,000**
Contract Services	5,000	5,000	5,000
151200 - P&R, Westwind Barn Facility	**328,242**	**272,727**	**371,524**
Personnel	81,042	64,388	101,492
Contract Services	154,000	108,096	154,000
Supplies & Operations	93,200	76,298	90,700
Internal Services	-	23,943	25,332
Grand Total	**$ 388,425**	**$ 333,324**	**$ 433,323**

Storm Drains

The Town maintains a program of controlling storm water to prevent erosion and control water flow into sewer systems. These maintenance efforts are supported, in part, by storm drain fees collected in connection with development applications.

Significant Operating Changes or Capital Requests: **The capital budget for 2010-11 includes a $70,000 general maintenance program and $70,000 for the sediment removal from identified drainage channels.**

Personnel Summary *

Classification	2008-09	2009-10	2010-11
Public Works Director	0.10	0.10	0.10
Engineering Technician	0.05	0.05	0.05
Maintenance Superintendent	0.35	0.35	0.35
Maintenance Worker I/II/III	1.05	1.05	0.70
Total	1.55	1.55	1.20

* Shown as a percentage of 1.00 full-time employees. See appendix for complete staffing matrix.

Expenditure Budget

Expense Category	2009-10 Budget	2009-10 Est. Actual Budget	2010-11 Adopted Budget
124500 - Storm Drain Maint	**287,529**	**243,770**	**257,144**
Contract Services	27,500	20,807	37,500
Internal Allocation	75,300	56,499	59,776
Personnel	157,229	133,686	128,368
Professional Services	1,000	2,879	1,000
Supplies and Operations	26,500	29,899	30,500
450000 - Drainage CIP	**270,000**	**-**	**70,000**
Capital	270,000	-	70,000
457903 - Sediment removal	**-**	**-**	**70,000**
Capital	-	-	70,000
Grand Total	**557,529**	**243,770**	**397,144**

Pathways and Open Space

The Town's pathway system was designed to provide safe and convenient non-vehicular travel throughout the community. It unites neighborhoods through a series of connecting paths. The Pathways and Open Space Division is used to account for routine maintenance of the Town's pathway system.

Significant Operating Changes or Capital Requests: **The capital program includes improvements along Arastradero, Page Mill, El Monte, Robleda, and Moody for a total amount of $530,000 in 2010-11.**

Personnel Summary *

Classification	FY2008	FY2009	FY2010
Public Works Director	0.14	0.14	0.14
Engineering Technician	0.15	0.15	0.15
Maintenance Superintendent	0.35	0.35	0.35
Maintenance Worker I/II/III	1.05	1.05	0.70
Total	1.69	1.69	1.34

* Shown as a percentage of 1.00 full-time employees. See appendix for complete staffing matrix.

Expenditure Budget

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
Personnel	179,400	154,418	153,000
Professional Services	1,000	12,974	15,000
Contract Services	35,500	37,272	75,000
Supplies & Operations	11,500	1,875	11,500
Internal Services	85,559	67,503	71,418
Capital	400,000	181,903	530,000
Grand Total	**$ 712,959**	**$ 455,946**	**$ 855,918**

Streets

The Street Division activities include maintenance and repair of Town streets and right-of-ways, and the installation, repair and maintenance of street signs and markings. The Division maintains approximately 57 miles of paved roadway.

Significant Operating Changes or Capital Requests: **The 2010-11 capital improvement program includes $1,000,000 for the annual pavement management program and $469,000 for the West Loyola neighborhood (funds provided by the County of Santa Clara).**

Personnel Summary *

Classification	FY2008	FY2009	FY2010
Public Works Director	0.10	0.10	0.10
Engineering Technician	0.05	0.05	0.05
Maintenance Superintendent	0.26	0.26	0.19
Maintenance Worker I/II/III	0.50	0.50	0.38
Total	0.91	0.91	0.72

* Shown as a percentage of 1.00 full-time employees. See appendix for complete staffing matrix.

Expenditure Budget

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
Personnel	100,361	73,135	86,105
Professional Services	2,500	2,500	2,500
Contract Services	142,500	103,984	177,500
Supplies & Operations	37,000	17,353	37,000
Internal Services	93,594	55,132	58,330
Capital	1,250,000	884,787	1,469,000
Grand Total	**$ 1,625,955**	**$ 1,136,892**	**$ 1,830,435**

Citizens Option for Public Safety Grant (COPS)

This special funding source has enabled to Town to hire a Public Safety Officer who is charged with both code enforcement and emergency preparedness duties. In addition, the funding has been used for emergency communications supplies and equipment.

Significant Operating Changes or Capital Requests: **None**

Personnel Summary *

Classification	2008-09	2009-10	2010-11
Public Safety Officer	1.00	1.00	0.60
Total	1.00	1.00	0.60

* Shown as a percentage of 1.00 full-time employees. See appendix for complete staffing matrix.

EXPENDITURE BUDGET

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
Personnel	93,135	74,887	47,636
Professional Services	15,000	5,000	10,000
Contract Services	19,500	20,000	18,000
Supplies & Operations	24,000	57,500	24,000
Grand Total	**$ 151,635**	**$ 157,387**	**$ 99,636**

Sewer Fund

The Town contracts with the Regional Water Quality Control Plant (RQCP) in Palo Alto and the City of Los Altos for sewer services. Sewer operations are funded by a sewer service charge assessed to properties that are connected to the systems. The annual charge to these properties has not increased since 2007-08. The Town's Maintenance Crew performs some inspection and repair services; major projects are performed by outside contractors.

Significant Operating Changes or Capital Requests: **None**

Personnel Summary *****

Classification	FY2008	FY2009	FY2010
Public Works Director	0.20	0.20	0.20
Associate Engineer	0.30	0.00	0.00
Engineering Technician	0.05	0.25	0.25
Maintenance Superintendent	0.02	0.02	0.02
Maintenance Worker I/II/III	0.06	0.06	0.04
Total	0.63	0.53	0.51

* Shown as a percentage of 1.00 full-time employees. See appendix for complete staffing matrix.

Expenditure Budget

Expense Category	2009-10 Budget	2009-10 Est. Actual	2010-11 Adopted Budget
Personnel	86,977	83,477	84,509
Professional Services	50,000	68,165	50,000
Contract Services	860,590	846,222	871,453
Supplies & Operations	129,702	144,367	130,698
Internal Services	43,972	41,418	43,820
Depreciation	44,000	44,000	44,000
Capital	440,000	158,165	440,000
Grand Total	**$ 1,655,241**	**$ 1,385,814**	**$ 1,664,480**

Appendix

Town of Los Altos Hill
Capital Projects Summary

CAPITAL PROGRAM	2010-11 Adopted Budget	2011-12 Projected	2012-13 Projected
General Capital			
Building/facility improvements	$ 75,000	$ 75,000	$ 75,000
Equip. replacement: backhoe	115,000	-	-
Tech & software upgrades	68,200	-	-
Westwind Barn improvements	125,000	-	-
CorpYard seismic retrofit	35,000	-	-
Sub total	$ 418,200	$ 75,000	$ 75,000
Pathways			
Annual capital program	$ 100,000	$ 100,000	$ 100,000
Taaffe pathway	-	-	-
Arastradero pathway	50,000	-	-
Page Mill pathway	200,000	-	-
El Monte Seg. 4 (net)	90,000	-	-
Stanford C-2 trail	25,000	-	-
Robleda pathway	50,000	200,000	-
Moody connector path	15,000	30,000	-
Sub total	$ 530,000	$ 330,000	$ 100,000
Drainage			
Annual capital program	$ 70,000	$ 70,000	$ 70,000
Drainage channel sediment removal	70,000	70,000	70,000
Sub total	$ 140,000	$ 140,000	$ 140,000
Streets			
Annual capital program	$ 1,000,000	$ 500,000	$ 500,000
West Loyola re-pavement	469,000	-	-
Sub total	$ 1,469,000	$ 500,000	$ 500,000
Sewer			
Annual capital program	$ 440,000	$ 440,000	$ 440,000
TOTAL	$ 2,997,200	$ 1,485,000	$ 1,255,000

Los Altos Hills
Personnel Allocations
2010-11

Classification	City Manager	City Clerk	Admin Services	Commi-ttees	Planning	Building	Engineer. Admin	Storm Drain	P & R Admin	Ball-fields	WWB	Streets	Path-ways	COPS	Sewer	Town Center	Corp Yard	Fleet	TOTAL
City Manager	1.00																		1.00
Finance Manager			0.30		0.15	0.25										0.30			1.00
Admin Services Director			1.00																1.00
Asst Engineer					0.70	0.05	0.25												1.00
Asst Planner					0.80	0.20													1.00
Building Official						1.00													1.00
City Clerk		1.00																	1.00
Engineering Tech							0.50	0.05				0.05	0.15		0.25				1.00
Maint I					0.02			0.70				0.38	0.70		0.04	0.04	0.04	0.08	2.00
Maint Superintendent					0.01			0.35				0.19	0.35		0.02	0.02	0.02	0.04	1.00
Office Specialist I					0.30	0.30										0.40			1.00
Park/Rec Supervisor									0.70	0.10	0.20								1.00
Community Serv Coord.				0.40					0.60										1.00
Plan & Bldg Tech					0.25	0.75													1.00
Plan & Bldg Tech					0.90	0.10													1.00
Planning Director					0.80	0.20													1.00
PW Dir/City Engineer					0.06		0.30	0.10				0.10	0.14		0.20		0.10		1.00
Associate Planner					0.80	0.20													1.00
Public Safety Officer					0.40									0.60					1.00
Barn Manager											1.00								1.00
TOTAL STAFF	**1.00**	**1.00**	**1.30**	**0.40**	**5.19**	**3.05**	**1.05**	**1.20**	**1.30**	**0.10**	**1.20**	**0.72**	**1.34**	**0.60**	**0.51**	**0.76**	**0.16**	**0.12**	**21.00**