

FY24-25 Annual Operating Budget and Five-Year Capital Improvement & Major Maintenance Program

June 11, 2024



Recommended City Council Actions



Adopt the resolution for Gann Limit



Adopt the resolution for City's Fee Schedule



Adopt the resolution for City's Financial Policy



Adopt the resolution for FY25 Salary Schedule



Adopt the resolution for FY25 Utility User Tax (UUT)



Adopt the resolution for FY25 Transient Occupancy Tax (TOT)



Adopt the resolution for FY25 Operating Budget



Adopt the resolution for FY25-29 Capital Improvement and Major Maintenance Program



Today's Agenda

City Council Strategic Priorities

23/24 Year End Transfer

General Fund Revenue

General Fund Expenditures

Sewer

Solid Waste

CIMMP



City Council Priorities



City Council Priorities: Business Communities

<u>Item</u>	<u>Budget Information/Details</u>
Downtown Park/Parking Structure	\$500,000 IN CD-01030
Downtown Theater	Signed MOU with TWG for placement in parking plaza.
Solar Lighting	Budgeted \$200,000 in CD-01025
E-Bike Parking	Budgeted \$50,000 in CD-01025
Electric Vehicle Charging	Budgeted \$25,000 in CD-01031 (new CIP Project)



City Council Priorities: Circulation Safety and Efficiency

<u>Item</u>	<u>Budget Information/Details</u>
Safe Routes to Schools	Staff will work with CSC to finalize projects, design in Fall 24, bid in Feb 25, work complete in May/June of 25.
Annual Street Improvements: Complete streets, maintenance, rehabilitation, rebuild	Staff will work to finalize projects, design in Fall 24, bid in Feb 25, work complete in May/June of 25.
Crossing Guard Program	Contract signed for upcoming school year. Changes will be proposed to program based on meetings with Schools.
San Antonio Bike Lanes/Redesign	The construction of CIP TS-01062 is anticipated for Spring 2026.
ECR Bike Lanes	CalTrans anticipates the project to be completed by October of 2024



City Council Priorities: Environmental Sustainability

<u>Item</u>	<u>Budget Information/Details</u>
Incentivize Programs for Electrification	EC Sub Committee was formed in March. \$50k included in Operating budget to help incentivize Electrification, ACCT# 3410-5270
Tree Mitigation Fund for replanting/assistance with removal	The Tree Mitigation Fund is established
Stormwater A) Mandates or Conveyance	Proposed budget includes the design of conveyance projects under CIP CD-01012.
Stormwater B) Education and Establishment of Districts	\$25K from acct. # 3310-5270
Building Electrification	Contract signed for LAYC conversion in 4/24. Plans call for all electric building
Fleet Electrification Vehicles	PD purchased: A) Ford Mach-E extended range admin vehicle, B) Ordered 2025 Chevy Blazer pursuit rated vehicle (available July 24), c) FY 24/25 additional 3 E-Vehicles Two patrol, one Admin
Fleet Electrification Infrastructure	Fund in 24/25 \$500,000 (CIP XX-XXX) for PD E-vehicle infrastructure



City Council Priorities: Housing

<u>Item</u>	<u>Budget Information/Details</u>
330 Distel Options	Information item provided to Council.
Transitional Housing and Safe Parking	Will schedule as requested.
Moving Responsibilities from Alta Housing Contract Administration	Scheduled Completion of 6/30/24
Housing Element Implementation	On-Going



City Council Priorities: Neighborhood Safety Infrastructure

<u>Item</u>	<u>Budget Information/Details</u>
Facilities Condition Assessment for Police Building and both Fire Stations	FCA Report complete. Ready to present at June meeting.
Police	City Council to determine next steps
Fire	\$250,000 in proposed 24/25 Budget and \$1.25M in CIMMP



City Council Overarching Goals: Equitable, Sustainable, Fiscally Prudent.

FY 23/24

City Council establishes funds to address overarching goals:

Facility Maintenance:	(\$2M)
Fleet Vehicle Fund:	(\$1M)
PERS Reserve:	(\$5M)

FY 24/25 Proposed Budget

Facility Maintenance:	\$1M
Fleet Vehicle Fund:	\$500k
PERS Reserve:	\$500k



FY24-25 Annual Operating Budget

June 11, 2024



City Commission Review and Implementation

Prior to budget Adoption: Review

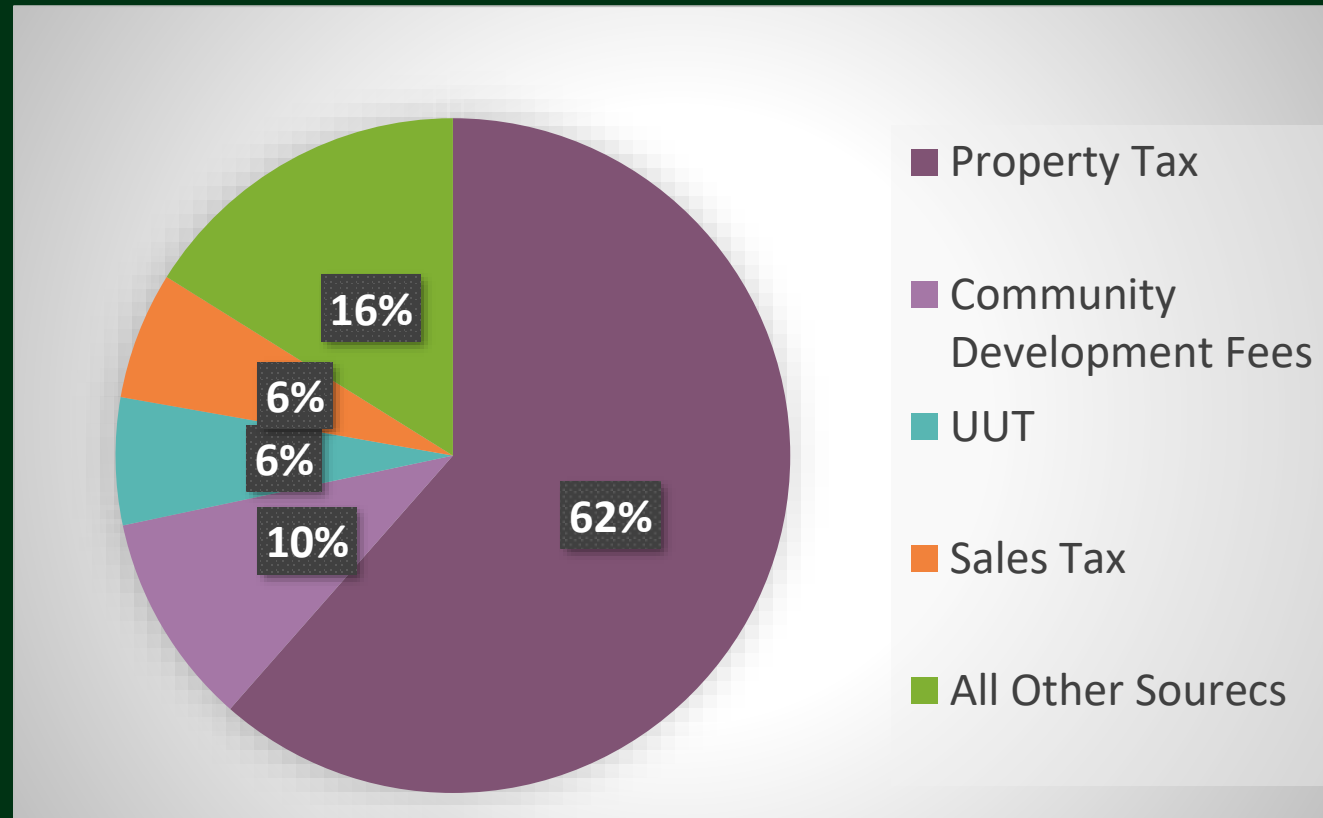
- Financial Commission
- Parks, Art, Recreation and Cultural Commission
- Environmental Commission (electrification incentive)

After Budget Adoption: Implementation

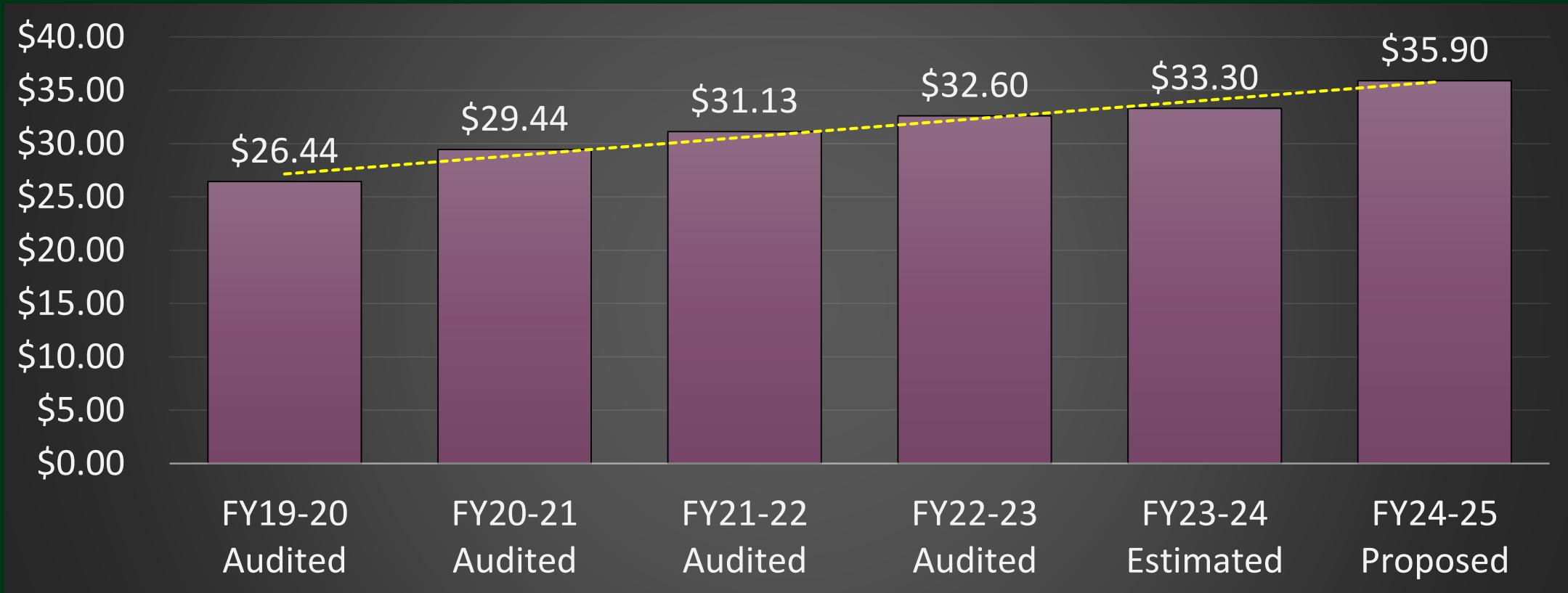
- Complete Streets Commission
- Environmental Commission
- Financial Commission
- Parks, Arts, Recreation and Cultural Commission



General Fund Revenue (\$58.4M)

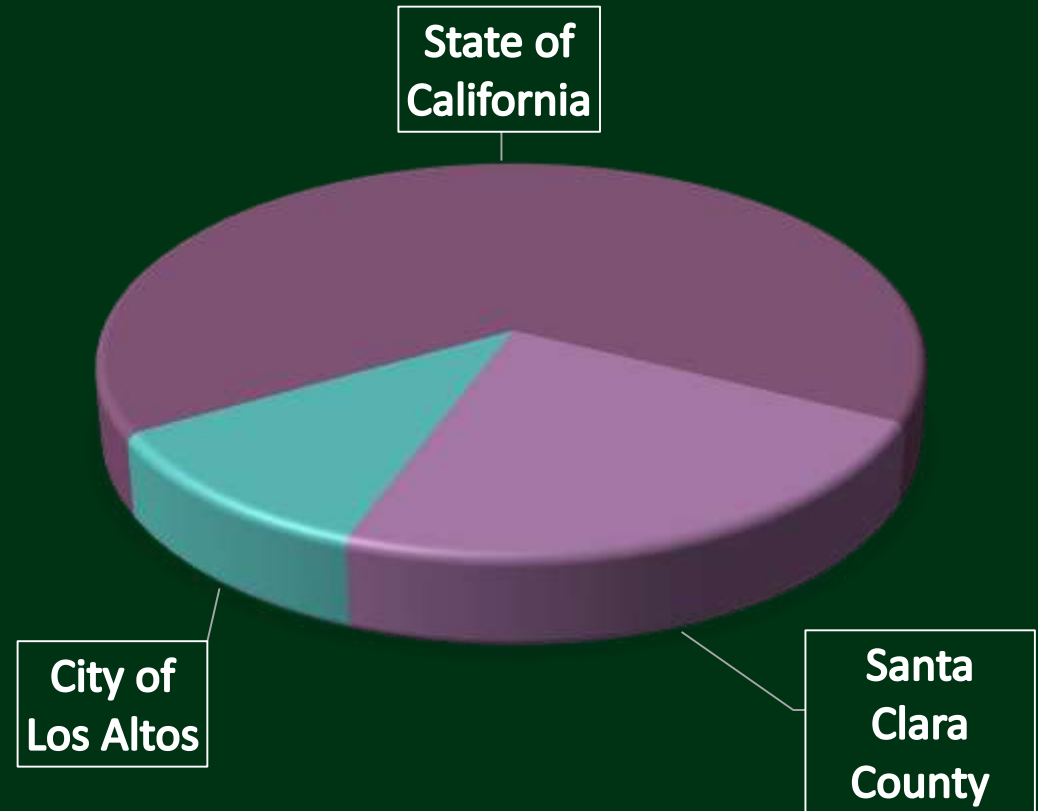


Citywide Revenues – Property Tax (\$35.9M)

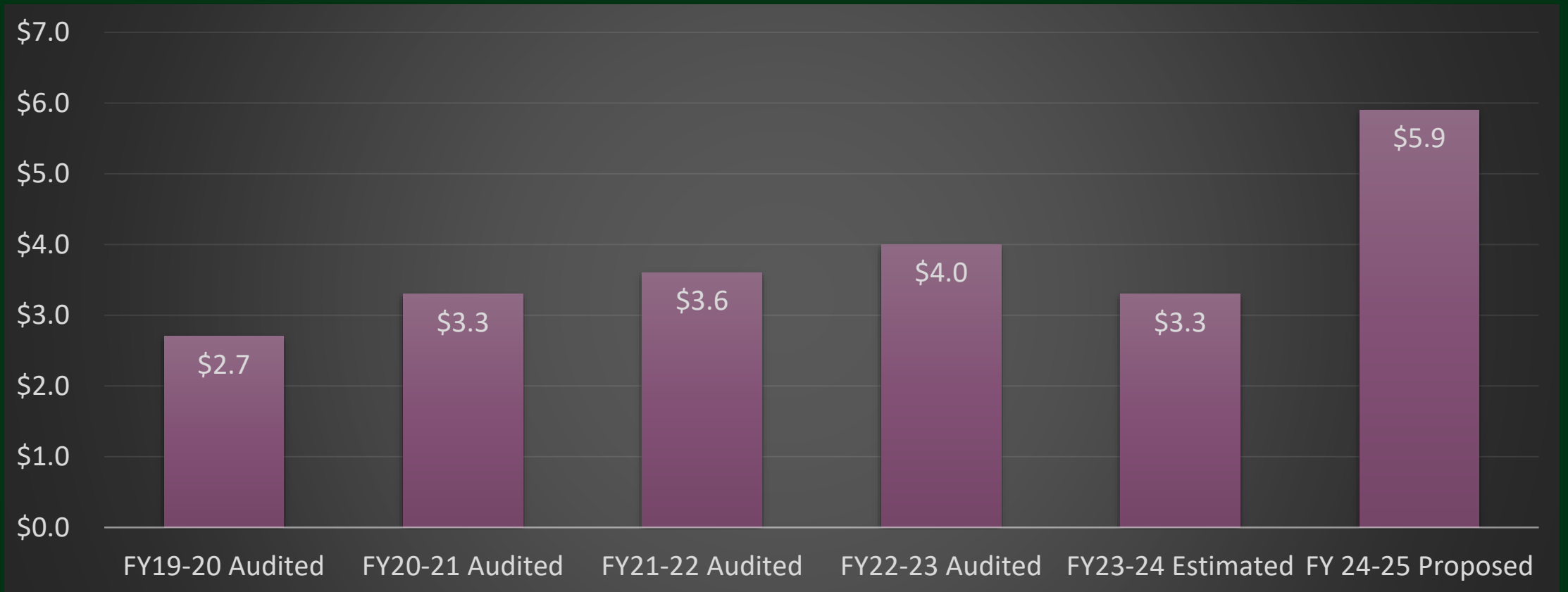


Citywide Revenues - Sales Tax

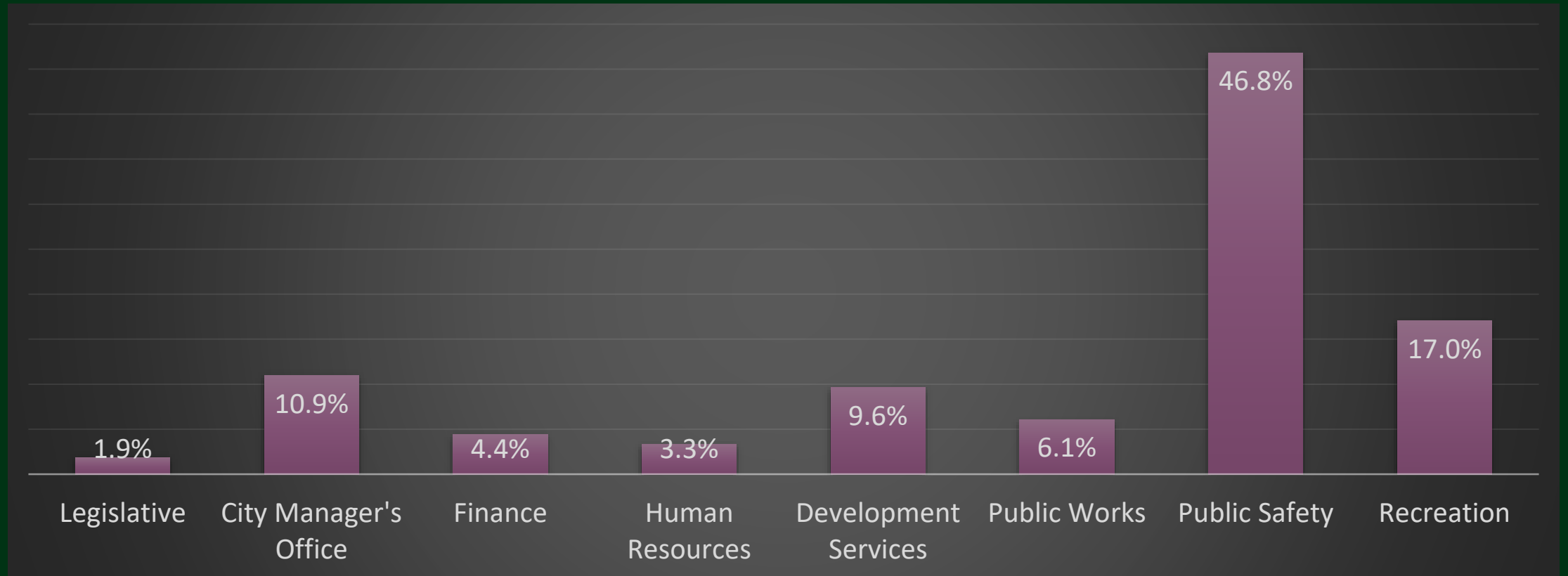
- Sales Tax: \$3.57
 - Estimated by consultant HDL and Economic Development staff
 - The 9.125% sales tax rate in Los Altos includes:
 - 6% California state sales tax
 - 0.25% Santa Clara County sales tax
 - 1.875% voter-approved transaction tax for the County
 - 1% Bradley Burns – City



Citywide Revenues – Licenses and Permits



General Fund Expenditures - \$55.4M



GF Increased Expenditures

Fire Contract:	\$463,050
Animal Controls Services:	\$134,000
<u>Crossing Guard Contract:</u>	<u>\$58,000</u>
Total Contract Increase:	\$655,050

Additional increases in personnel for pay and benefits, increased staffing levels.



General Fund Operating Surplus

	FY2021/22 Actual	FY2022/23 Actual	FY2023/24 Budget	FY2023/24 Estimated Actual	FY2024/25 Proposed Budget
Revenues over Expenditures					
Surplus / (Deficit)	(3,113,664)	9,562,582	(1,378,999)	11,421,634	1,456,350



Sewer Fund

SEWER FUND	FY2021/22 Actual	FY2022/23 Actual	FY2023/24 Budget	FY2023/24 Estimated Actual	FY2024/25 Proposed Budget
Beginning Unrestricted Fund					
Balance	\$ -	\$ -	\$ -	\$ 10,913,090	\$ 9,996,298
Interest Income	(299,579)	118,371	-	100,799	-
Sewer Charges	8,252,447	8,840,756	8,510,000	9,662,442	10,800,874
Sewer Connection Fees	7,410	2,106	5,000	2,000	14,000
Misc Sewer Fees	22,469	6,616	15,000	20,000	20,000
Total Revenues	7,982,747	8,967,849	8,530,000	9,785,241	10,834,874
Sewer Administration	6,618,077	6,523,741	8,735,642	7,761,242	10,470,873
Sewer Equipment/Depreciation	281,528	563,339	229,344	720,000	59,000
Capital Program	2,023,475	2,344,704	8,423,265	1,000,791	5,505,000
Total Expenditures	8,923,080	9,431,784	17,388,251	9,482,033	16,034,873
Net Operations	(940,333)	(463,935)	(8,858,251)	303,208	(5,199,999)
Transfer In / (Out)	(554,612)	(201,000)	(500,000)	(1,220,000)	(500,000)
Ending Unrestricted Fund Balance	\$ -	\$ -	\$ -	\$ 9,996,298	\$ 4,296,299



Solid Waste Fund

SOLID WASTE FUND	FY2021/22 Actual	FY2022/23 Actual	FY2023/24 Budget	FY2023/24 Projected Actual	FY2024/25 Proposed Budget
Beginning Unrestricted Fund Balance	\$ -	\$ -	\$ -	\$ 4,031,550	\$ 3,842,394
Interest Income	(171,727)	30,231	-	39,675	45,000
Administrative Charges	966,002	919,848	962,708	900,000	1,000,000
AB939 Tax	6,814	49,186	41,970	40,000	40,000
Grants and donations	44,027	-	-	-	-
Solid Waste Revenues	845,116	999,265	1,004,678	979,675	1,085,000
Solid Waste Administration	1,092,457	2,151,447	2,398,654	1,168,831	2,563,755
Transfer In / (Out)	(138,002)	(57,700)	-	-	-
Ending Unrestricted Fund Balance	\$ -	\$ -	\$ -	\$ 3,842,394	\$ 2,363,639



Capital Improvement & Major Maintenance Program

June 11, 2024



CIMMP FY 24/25 Expenditures by Source



CIMMP 25-29 Expenditures by Source (5 yr.)



CIMMP 25-29: General Fund (5 yr.)



FY 2024/25 CIP Project

1. 56 CIP project are proposed for the FY 24/25
2. Placing focus on Council priorities.
3. Establish routine maintenance
 1. Restriping existing roads
 2. Upgrade signs to meet current reflectivity requirements
 3. Upgrade curb ramps
 4. Slurry Seal/micro-resurfacing



Project with \$500,000 budget or greater

1. Downtown Park Space with parking - \$500,000
2. Downtown EV Charging - \$500,000
3. Hillview Dog Park - \$1,000,000
4. Grant Park Facility (Electrical, Hot Water, & HVAC) - \$580,000
5. Downtown Parking Lot Resurfacing - \$750,000
6. Annual Street Resurfacing - \$2,483,000
7. Annual Street Slurry Seal - \$970,000
8. San Antonio Road Complete Street Project - \$1,403,000
9. Annual Structural Reach Replacement - \$1,080,000
10. Annual CIPP Corrosion Replacement - \$1,200,000
11. Adobe Creek Sewer Main Replacement - \$2,000,000



Questions

- Thank you

