

# **TOWN OF WOODSIDE**

## **ADOPTED BUDGET FISCAL YEARS 2011-13**

### **TOWN COUNCIL**

**RON ROMINES, MAYOR**

**DAVE TANNER, MAYOR PRO TEM**

**SUSAN BOYNTON**

**DAVE BUROW**

**DEBORAH GORDON**

**ANNE KASTEN**

**PETER MASON**

### **TOWN MANAGER**

**SUSAN GEORGE**

---

**TOWN OF WOODSIDE**  
**2011-13 Adopted Budget**  
**Table of Contents**

**I. INTRODUCTORY SECTION**

Town Council Financial Management Policies .....iii

Letter of Transmittal .....v

**II. DEPARTMENTAL BUDGETS**

Town Council.....3

Administration and Finance .....7

Planning..... 13

Buildings and Grounds..... 19

Town-wide Overhead..... 23

Safety Services ..... 27

Trails..... 31

Public Works ..... 35

Recreation ..... 43

Woodside Library ..... 47

Barkley Fields and Park ..... 51

**III. APPENDIXES**

A - Implementing Resolutions ..... A-1

B - 2011-13 Adopted Road Program..... B-1

C - Budget Guide..... C-1

D - 2011-13 Fund Schedules .....D-1

# TOWN OF WOODSIDE

## TOWN COUNCIL FINANCIAL MANAGEMENT POLICIES

1. The annual budget must be balanced.
2. Adequate reserves must be developed and maintained, including a minimum reserve level of fifteen percent of estimated operating revenues for the Town's General Fund.
3. One-time revenues and resources should not be used to support ongoing operations.
4. The following areas should be self-supporting, including appropriate overhead costs:

Development Services Activities	Recreation
Maintenance and Assessment Districts	Enterprise Funds
5. Operating and capital budget items should be clearly distinguished and preferably reported separately.
6. Assessment districts must be reported separately by fund.
7. Overhead costs should be allocated to all functions on a fair basis.
8. Interfund transfers and loans, regardless of duration, should be explicitly authorized by formal Council action and incorporated into the budget approval process.
9. Annual debt service should be provided for on a priority basis.
10. Debt should be issued only to support capital, and not operating, expenses of the Town.
11. Revenues and expenditures should be estimated on the basis of reasonable and conservative assumptions.
12. The Town Council should conduct a comprehensive review of the fiscal status of the Town on a quarterly basis.
13. Modifications to the Town Budget should be made only by resolution of the Town Council and should only be considered within the context of a formal monthly or quarterly review of the Town's budget status.
14. The Town will incorporate a five-year financial planning model into all of its fiscal and programmatic decisions.
15. The five-year model will be updated and reviewed by the Town Council on at least a semi-annual basis and whenever a significant proposal that will impact Town finances is considered.
16. A detailed financing plan will be adopted by the Town Council prior to the final approval of any capital project.
17. The Town's compliance with these financial management policies will be assessed on an annual basis as part of the annual audit and presentation of the audited General Purpose Financial Statements and Management Letter.
18. No phase of a capital project should be initiated until all the resources required for its completion are available to the Town.
19. A Request for Proposals (RFP) shall be issued whenever the Town desires to obtain outside services of significant scope, unless specifically waived by the Town Council, in order to ensure that the Town can obtain the highest quality service at the most competitive cost level. The Town Manager will ensure that decisions regarding the issuance of an RFP are brought to the Town Council in a timely manner.
20. The annual budget must include an appropriation for the interest expense on all short-term debt and must be amended, as required, at the time of debt issuance to provide for this cost.

July 6, 2011

Honorable Mayor and Councilmembers:

This letter transmits the 2011-13 Adopted Budget, which the Town Council reviewed during two public meetings in June and adopted at a Public Hearing on June 28, 2011.

It is my hope that this two-year budget provides the Town Council and the staff a solid financial base to underlie the many positive and exciting undertakings that face the Town over the course of the next two years and beyond. It has been my pleasure to serve the Town during these last eighteen plus years and to be a part of a team comprised of many people that moved the Town to solid financial footing and strived for the continual improvement of service to the residents of the Town.

I wish the Town and all who work to support its efforts all of the success possible and the very best of luck.

Respectfully submitted,

Susan George  
Town Manager

June 3, 2011

Honorable Mayor and Councilmembers:

It is with mixed emotions that I transmit my nineteenth and last proposed budget to you and to the residents of the Town of Woodside. It has been an honor to assist the Town in crafting its financial policies and plans for twenty fiscal years and to guide it through both the good and the bad times it has faced during that time span. In June of 1993, when I wrote my very first budget transmittal letter, things were bleak. In March of that year, an angry, standing room only crowd had gathered in Independence Hall to hear a scathing report from an ad hoc citizens' Audit Committee, chronicling the Town's fiscal woes and management shortcomings. The General Fund, which totaled \$1.7 million at the time, was burdened with \$4.5 million in debt, including a \$900,000 short-term note due on June 30, 1993. Exacerbating this condition was a potential \$100,000 operating deficit for 1993-94. The then Town Council was admonished by one committee member "to stay out of Town Hall and let the new manager do her job." It was a dark period to be sure.

When I transmitted that first budget, my theme was optimism. I wrote "I have openly expressed my optimism about the Town during my first months in Woodside" and "That optimism remains intact." I told the Council that the Town could meet its goals and achieve its vision for the future "with a mixed prescription of discipline, prudent planning, honest self-assessment, and hard work." I concluded that "we can do anything we decide is important for us to do as a community."

I believe that the Town has steadfastly moved in the right direction, at varying paces through the years. We have relied on our financial management policies and been conservative in our actions. We have also benefitted from plain old dumb luck from time-to-time and used that to our advantage. And we've accomplished a lot. We have no debt and we eliminated the last of it years before it was scheduled to be retired. We have money in the bank, which we rely upon as a cushion against the unforeseen and which we tap to support one-time undertakings that are of import to the Town. We own and operate Barkley Fields and Park, thanks to the largesse of many of our residents, coupled with the infusion from the Town's General Fund of over \$2 million for the park's construction. We devote three times as many dollars to the annual Road Program today as we did in 1993-94, due largely to the contribution of \$500,000 each year from the General Fund. We've bolstered public safety and traffic services by adding a dedicated motorcycle unit and by committing an increasingly larger allocation of local funds to the State's Citizens' Option for Public Safety (COPS) Program. We're proud of other things, as well: we found a financing mechanism to extend public sewers to the northern Cañada Corridor, resolving a longstanding health problem; we support the operation and maintenance of the Woodside Community Museum; we completed a second phase of the parking assessment district, resulting in the addition of over 165 public parking spaces in the Town Center; we staff and support such events as the Day of the Horse and the Backyard Habitat Program; and we formally recognize the efforts of the Town's cadre of volunteers each year with a Volunteer Reception.

Today, as the Town Council considers a two-year budget covering 2011-12 and 2012-13, external economic times are more dismal than they have ever been during my tenure as Town Manager. We have seen the impact of the financial crisis that has wracked both the private and public sectors. Our usually strong revenue sources have either experienced no growth or have reversed their direction. Nonetheless, I remain

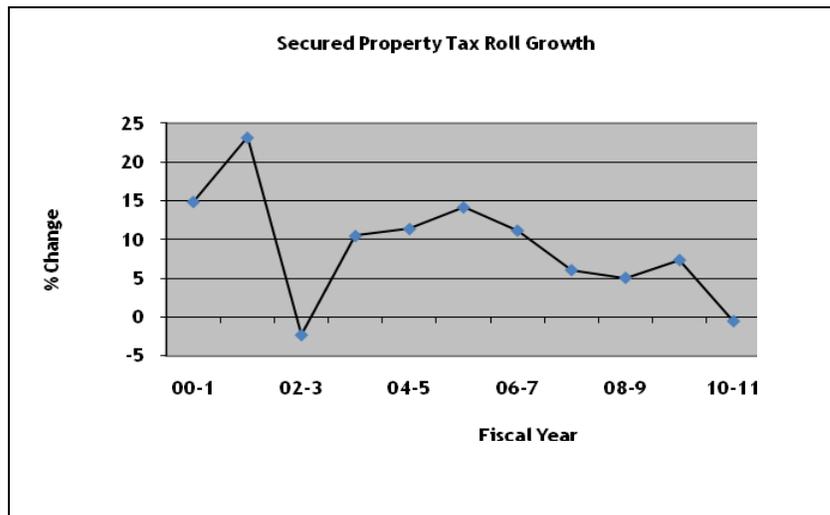
the optimist, at least cautiously so. There are clear signs that the worst may be behind us. We are still waiting, however, to see what the “new normal” is going to look like. In the meantime, the 2011-13 Proposed Budget acknowledges our current reality, addresses the challenges we face, and recommends actions designed to steer the Town through the next two years in a deliberate and non-draconian manner.

The net budgets proposed for 2011-12 and 2012-13 are \$7.6 million and \$8.6 million respectively. This reflects a reduction of 10.9% in the first year and an increase of 13.2% in the second year. Because these totals encompass the funding for all of the activities, programs, and projects that are supported by the General Fund and the other eighteen active funds that comprise the Town’s fiscal framework, they must be dissected and examined in meaningful pieces in order to understand the Town’s position and what is being proposed for the Town Council’s consideration. The following sections of this Letter of Transmittal describe the major components of the 2011-2013 Proposed Budget and the issues and recommendations that underlie it.

**The General Fund - An Overview of the Base**

The Town’s General Fund is the heart of the Town’s budget. It supports the key operations of the Town and provides the only true discretionary spending opportunity for the Town Council. The state of the economy, while touching almost all of the Town’s funds, has had the most impact upon the General Fund and its revenue base. The revenue projections for the next two-year period form the base for the recommended spending plan and bear separate discussion. The major revenue sources examined in this letter include secured property taxes, sales taxes, property transfer taxes, and fees for service.

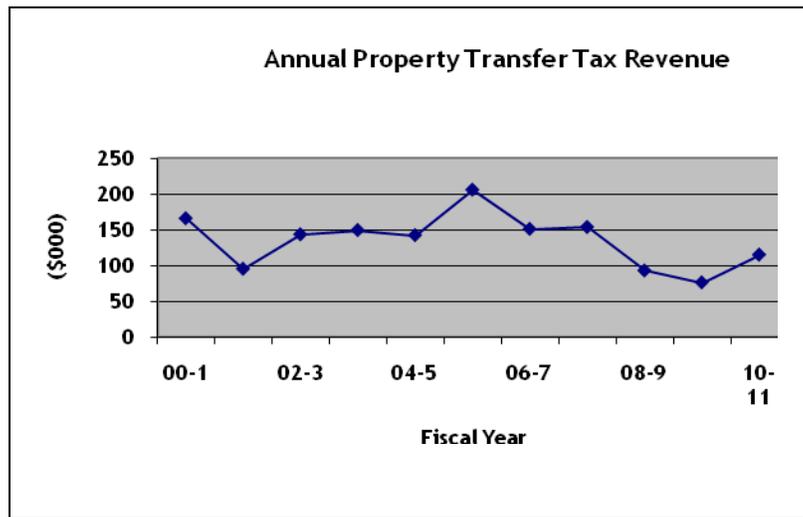
- ☑ **Secured property taxes** represent about 43% of the General Fund’s revenue base. The growth of the assessment roll from which this revenue source flows has historically been very healthy, with six of the last ten years experiencing double digit growth and all but two years seeing growth in excess of five percent. Two years have actually seen decreases in roll position: 2002-03, when a 2.3% decrease occurred, and 2010-11, when a .5% decrease was felt. The following chart provides a snapshot of the current and last ten fiscal years.



As the proposed budget was being developed, staff has stayed abreast of the San Mateo County Assessor’s Assessment Roll Tracker, which tracks the

progress of 2011-12 roll as it develops. For 2011-12, the California State Board of Equalization directed an increase of .753% to be applied to all assessment rolls statewide, based upon the California Consumer Price Index. In addition, the County Assessor is modifying the roll to reflect the impact of real estate sales and building permit activity, both of which tend to increase property values and are allowable adjustments pursuant to the provisions of Proposition 13. As this letter is being drafted, the County Assessor was reporting total roll value of \$4,276,665,158, a 3.3% increase over the roll base of \$4,140,546,349 that supports the current fiscal year's property tax base. The proposed budget includes growth rate assumptions of 3% and 5% for 2011-12 and 2012-13, which are reasonable given currently known factors.

- ☑ **Property transfer taxes**, although not a major source of General Fund revenue, serve as a leading indicator of sorts in measuring future total revenue health. These taxes are received when real property sales are recorded with the County. The County assesses \$1.30 for every \$1,000 of sales value and transmits half of this amount to the town or city in which the sold property is located. The following chart provides a ten-year look at how this revenue source has performed, including the projection for the current year.



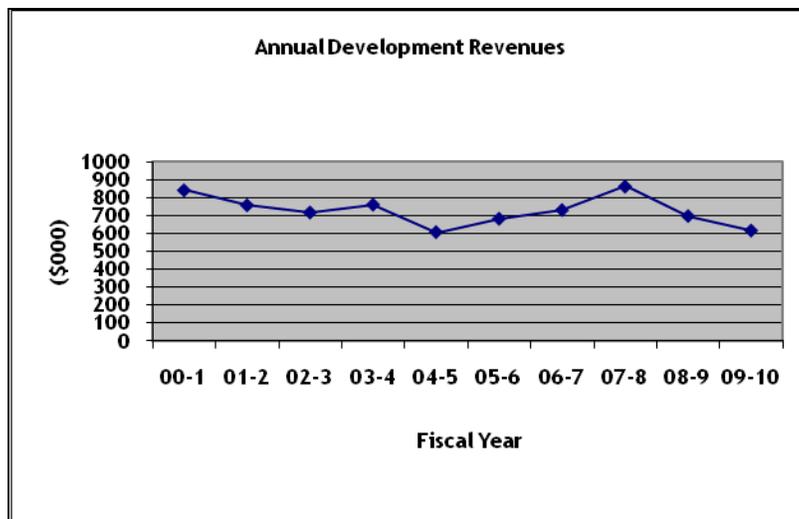
The current year's budget includes \$100,000 from this source. Receipts through April of 2011 were in excess of \$104,000 and staff is projecting a total of \$115,000 for the year. Discussions with local real estate experts support this projection and lead to a forecast of gradually increasing property turnovers and property transfer tax revenues. What is more important about this projection than the actual revenue received from the transfer tax is the fact that real estate sales transactions have a direct impact upon the previously discussed health of the secured property tax roll and are, as a rule, a harbinger of future development activity. There has always been a loose correlation between property sales and planning and building activity. This is a revenue source to watch as we find out more about what the "new normal" will be.

- ☑ **Sales taxes** form another important part of the General Fund revenue base and receipts from this source also tend to be very elastic, depending upon economic circumstances. Sales taxes are allocated to the Town on a "lagging" basis, making analysis of this revenue somewhat complicated. This is further

impacted by the State of California's "Triple Flip" and its shift of twenty-five percent of Town sales taxes to its own coffers for purposes of paying off the State deficit reduction bonds in 2004-05. The State allocates estimates of quarterly income and then "trues up" the receipt once all sales taxes for the quarter are known. The State is always a quarter behind with each quarter's reconciliation. This means, for example, that the Town received estimated payments for the quarter ending March 31, 2011 in March, April, and May of 2011. In June, the Town will receive an adjusted payment that reconciles the advanced estimate with the actual results for that quarter.

Through May of 2011, the Town has thus received reconciled sales tax receipts for the three quarters ending June, 30, 2010, September 30, 2010, and December 31, 2010. The performance of sales taxes for each of these three quarters as compared to the same quarter a year prior was a decline of .3%, and increases of 18.5% and 18.3% respectively, for an annualized growth rate of 7.6%. Staff is confident that receipts in the current year will surpass the budgeted level, but has not made any adjustment to reflect this. The projections for 2011-12 and 2012-13 include a growth rate of 2% for each year, which I believe is a conservative estimate for this revenue source.

- ☑ The final source of revenue for discussion is fees and permits, which are collected when planning and/or building activity applications are received by the Town. These revenues are supposed to cover the Town's costs of processing, reviewing, issuing, and inspecting development projects. Over the course of the last ten years, this source has produced anywhere from \$605,600 (2004-05) to \$863,000 (2007-08). The following chart provides a graphic depiction of this.



The Town received just under \$615,000 in the last fiscal year and staff is projecting total revenues of only \$500,000 in 2010-11, as opposed to the budgeted level of \$750,000. The Town's fee schedule was adjusted earlier this year and those adjustments went into effect on March 28, 2011, so less than two months experience with the new rates is available for staff to factor into its analysis. Although there are signs that activity will start to pick up in the next fiscal year, we are not optimistic that a full scale recovery to prior years' levels will occur any time soon, if ever, and the two years of this proposed budget include a \$550,000 annual estimate for each year. This will be carefully watched as the new year gets underway. The issue of full cost

recovery for development-related activities has been of interest to the Town Council during recent years and these revenue projections are one part of that discussion. We will discuss updated cost recovery projections with the Town Council during budget deliberations, juxtaposing revenues with expenditures linked to current planning and building workloads and efforts. I would like to point out that despite the nosedive that revenue from fees and permits has taken, the staff is busy. Our residents are applying for and receiving permits – the projects are just not as great in valuation. During May of 2010, we issued 80 building permits compared with 81 in the current year. Last year's valuation, however, was \$5.65 million, as compared to \$3.26 million this year.

In short, estimated revenues for the next two-year period have been developed based upon the Town Council's Financial Management Policies, which mandate that revenues be estimated on the basis of reasonable and conservative assumptions. This estimation process results in projected General Fund revenues of \$5.486 million and \$5.612 million for 2011-12 and 2012-13. In order to understand the projected position of the General Fund for the next two-year period, an examination and discussion of the Base Budget for 2011-12 is needed.

The Base Budget identifies the full cost of continuing the existing approved service level. It provides funds for all approved positions, factors in known increases in costs, and provides estimated adjustments where final numbers are not yet available. For 2011-12, all current positions were funded at the incumbents' existing ranges and steps. The Town's 2011-12 required contribution for Other Post Employment Benefits (OPEB) was fully funded, based upon last year's actuarial study. Increased rates for workers' compensation, retirement system contributions, and health insurance premiums were included. Workers' Compensation rates for 2011-12 have increased by 24.8%. The total contribution rate to CalPERS for retirement system obligations has gone from 20.167% in 2010-11 to 23.114% in 2011-12, with another bump in 2012-13 to 23.7%. Health insurance premiums increased in January of 2011 by an average of 9%. The dollar impact upon the General Fund for these items is an estimated \$98,955 in 2011-12, compounded in 2012-13.

The General Fund's cost of supporting the Town's agreement for police services with the San Mateo County Sheriff's Office was adjusted upwards to include the contractual obligation that the Town has incurred in the current three-year contract. The current and future costs of services received from the Sheriff are discussed in detail later in this letter. Other contractual obligations were also added. All one-time costs were removed (General Plan, Residential Design Guidelines, Website Update, etc.). The result is the General Fund's Base Budget for 2011-12, totaling \$5.82 million. When compared to estimated available revenues for 2011-12, identified above as \$5.486 million, a base deficit of about \$334,000 results.

All but about \$38,000 of this shortfall is erased for 2011-12 through the actions recommended in this proposed budget. If these actions are adopted by the Town Council (and this is assumed in this document), then their long-term impact will positively affect the 2012-13 Proposed Budget and leave its funding base in the black, with a projected \$113,000 surplus. The recommendations for balancing the General Fund over the next two-year period and a discussion of other budget issues deserve separate focus.

## Closing the General Fund Gap

In order to substantially close the 2011-12 funding gap and to eliminate it entirely in 2012-13, the proposed budget takes advantage of pending events and an analysis of their impact upon the organization. It further focuses upon operational aspects of the Town where change may be warranted in light of both fiscal and functional considerations. As I have reported to you during the current fiscal year, three Town staff members have either retired in the current fiscal year or have announced their plans to do so in 2011-12 (not including the Town Manager). A fourth staff member has also recently announced his decision to retire midway through the next fiscal year. We have looked at these positions and the functions their incumbents perform or performed and at alternative means of delivering the involved services. Because three of the four involved positions provide direct support to the Town's Development Services function, changes in service delivery methods that help resolve the budget deficit also serve to reduce the structural deficit that exists between the cost of providing Development Services and the fees that are designed to recover those costs. The following table summarizes the recommended actions and offsetting cost impacts for the two-year period.

Position	Action(s)	2011-12 \$ Impact	2012-13 \$ Impact
Building Official	Hold Vacant	\$ (131,731)	\$ (173,517)
	Contract for Service	18,000	24,000
	Deputize/Promote Building Inspector	9,045	13,017
	<b>Net Impact</b>	<b>\$ (104,686)</b>	<b>\$ (136,500)</b>
Project Manager	Hold Vacant	(95,218)	(95,218)
	<b>Net Impact</b>	<b>\$ (95,218)</b>	<b>\$ (95,218)</b>
Town Geologist	Eliminate Position	(47,161)	(83,677)
	Contract for Service	5,000	10,000
	<b>Net Impact</b>	<b>\$ (42,161)</b>	<b>\$ (73,677)</b>
Accountant	Eliminate Position	(60,978)	(125,950)
	Reclassify/Promote Admin. Tech.	7,011	14,895
	<b>Net Impact</b>	<b>\$ (53,967)</b>	<b>\$ (111,055)</b>
<b>Total Net Impact</b>		<b>\$ (296,032)</b>	<b>\$ (416,450)</b>

It is recommended that two of the four involved positions be held vacant, rather than eliminated at this juncture. The first of these is the Building Official. The Town's current incumbent plans to officially retire in January of 2012, but will be on extended leave as of October of this year. It is proposed that the Town negotiate an agreement with a private firm for as needed Building Official services, rather than hiring a new Building Official. The proposal also includes the promotion of the Town's Building Inspector to Deputy Building Official. The plan check and building inspection functions will be covered through a combination of outside and in-house sources. The Town is fortunate to have members of the staff who can work outside of their regular assignment area when the workload or circumstances so demand. For example, one of the Town's Project Managers is qualified and certified to undertake building inspections. Although I am also recommending that we hold a Project Manager position vacant for the foreseeable future, we can reassign staff within the existing organizational structure to cover the workload. We will be overseeing and managing the process and applying the most effective and efficient service delivery choices in response to the demand. As the new fiscal year progresses, the need to fill

either of these two positions can be reassessed if planning and building activity, and supporting fee revenues, dramatically increase.

The third component of the proposal outlined above involves the position of Town Geologist. The Town has received these services from a half-time contract employee since 1998-99. Prior to that time, the Town had an agreement for services with a private firm that provided all geology and geotechnical services. With the mid-year retirement of the incumbent of this position, it is proposed that the Town return to the old model and that a Request for Proposals be issued for these services. The net cost of having the geologist function performed by a staff person has steadily risen over the years and, as the activity level has waned, it no longer appears to be cost effective to continue this model. What is proposed is a shift to a contract with an outside firm for services as needed in January of 2012.

The fourth aspect of the proposal involves the administrative and fiscal responsibilities of the Town. As has been previously reported to the Town Council, the Town's Accountant is retiring late in 2011 and returning to her native Burma (Myanmar). We have analyzed her responsibilities and looked at the remaining administrative staff to develop a new means of covering all financial services and also reducing total Town costs. We are fortunate to have several capable and qualified staff members whose functions can be readily modified to support this proposal. I am recommending that the current Administrative Technician's job function be expanded and that a major portion of the Accountant's duties be assigned to her. The balance of the Accountant's responsibilities can be absorbed by other existing staff members. This will reduce the Administration Department's budget by over \$111,000 on an annual basis. Care will be taken in the reassignment and division of duties to ensure that the Town's internal controls remain intact.

The combination of these recommended actions will stabilize the General Fund for the next two-year period and beyond and will reduce the cost of development services-related activities by over \$305,000 annually. We will continue to look for ways to reduce costs without impacting service. I expect to be involved in related discussions with the Town Council for the balance of my tenure as Town Manager as we monitor and evaluate the Town's fiscal condition.

#### **The Sheriff's Contract and the Citizens Option for Public Safety (COPS) Program**

Starting in 1996-97, the State of California began allocating funds for frontline public safety services to local governments through the Citizens Option for Public Safety (COPS) Program. For the first four years of the COPS Program, the Town received just under \$13,000 annually and utilized these funds to support roughly thirty to thirty-five shifts of special traffic and patrol services on an overtime basis. Starting in 2000-01, the State increased the COPS funding, guaranteeing every local government at least \$100,000 a year. The Towns of Woodside and Portola Valley pooled their funds and added deputy sheriff hours equivalent to one full time equivalent position on the day shift, to be shared equally by the two towns. The new level of service went into effect on April 1, 2001. Unfortunately, the added deputy sheriff position has always cost more than the available COPS funding. The following table summarizes the financial history of the Town of Woodside's half of the COPS Program.

### COPS Program Funding History

Fiscal Year	Revenue <sup>(1)</sup>	Expense	General Fund	Carryover
1996-97	\$ 12,796	\$ 5,195	\$ -	\$ 7,600
1997-98	13,390	10,624	-	10,366
1998-99	13,681	5,660	-	18,387
1999-00	13,093	27,487	-	3,993
2000-01	104,180	35,141	-	73,032
2001-02	102,237	113,042	-	62,227
2002-03	102,467	118,129	-	46,565
2003-04	101,668	130,245	-	17,988
2004-05	101,068	135,454	17,449	1,051
2005-06	100,989	142,284	40,244	-
2006-07	100,000	162,320	62,320	-
2007-08	100,000	173,334	73,334	-
2008-09	100,000	185,050	85,050	-
2009-10	100,000	200,039	100,039	-
2010-11 <sup>(2)</sup>	100,000	218,279	118,279	-
2011-12 <sup>(2)</sup>	100,000	240,155	140,155	-

<sup>(1)</sup> Includes Interest Income

<sup>(2)</sup> Contract Amount

Prior to 2008-09, the State provided local governments COPS Program funds from its General Fund. In the February of 2009 State Budget Agreement, the Legislature established a new, temporary 0.15% Vehicle License Fee (VLF), a tax in addition to the existing 0.65% base VLF that is allocated to county and cities on a per capita basis. The revenue from the new 0.15% rate is deposited in the Local Safety and Public Protection Account in the State's Transportation Tax Fund. These revenues are used to fund a variety of law enforcement programs previously paid from the State's General Fund, including the COPS Program. The temporary VLF increase is set to expire on June 30, 2011. To date, no substitute source for supporting the COPS Program has been identified by the State and the Program is at risk.

In early May of 2011, the Governor signed SB 94, a bill that extends the time frame for the State to notify and collect vehicle registration fees from California vehicle owners. This action buys more time to find a funding solution for local law enforcement grants, including the COPS Program, by delaying expired vehicle registration notification, collection, and delinquent payment penalties by approximately two months for vehicles with registration expiring on or after July 1, 2011. However, none of the legislative proposals crafted to date or the Governor's budget proposals have earned the necessary support to pass a funding extension of the 0.15% VLF. The two bills proposing to return COPS Program funding back to the State's General Fund are stalled in committee hearings.

Because it does not appear that State funding will be continued for the COPS Program, the \$100,000 in State revenue has not been included in either the 2011-12 or 2012-13 Proposed Budgets. I have met with the Sheriff and the Portola Valley Town Manager to discuss what options are available to the two towns in response to this situation. Neither town is in the position to readily substitute its own General Fund monies for the lost State funds. Given this, we discussed several scenarios, each of which assumes that both towns will keep the General Fund share of the COPS program funding in place, providing about \$280,000 for services above the contract's basic services level. If either town decides to redirect this General Fund share

elsewhere, none of the discussed options are financially feasible. Each of the options that were discussed attempt to maximize deputy presence on the day shift (3:00 a.m. to 3:00 p.m.), to which the COPS Program funds have been directed. The possible options provide different scenarios for replacing the current day shift coverage. The options range from providing six-hour overtime shifts to purchasing additional deputy services on an hourly, as-needed calls-for-service basis, to totally restructuring the towns' beat and consolidating it with another County beat. One option involves the addition of a motorcycle unit on day shift, split equally between the towns. If the towns both maintain their current General Fund allocations intact, then this is the option that the Portola Valley Town Manager and I currently favor. The schedule of this additional motorcycle officer would be coordinated with the schedule of Woodside's current motorcycle unit officer to the extent possible.

The Sheriff has assured me that his department can be ready to make the transition from the current COPS Program staffing to one of the alternate service options as of July 1, 2011. The Town Councils of the two towns can decide to defer this decision pending the adoption of a State budget and continue the current staffing, as long as it is understood that if the State eliminates the COPS Program, each month past July 1<sup>st</sup> will increase the General Fund's liability by over \$8,300, an amount not in the Proposed Budget. Again, both towns must take the same course, since this is a program that is equally shared between them. A representative of the Sheriff's Office will be present at the Council's June 14<sup>th</sup> meeting when the budget is discussed.

As the Town Council considers this issue, it is important to look at the entire agreement with the County of San Mateo for police services. The following table provides you with the history of the Town's experience with the agreement for the current and previous four contract periods, covering 1997-98 through 2011-12.

**Sheriff's Contract: General Fund Costs**

Fiscal Year	Basic Services	Dispatch	Subtotal	% Inc.	Motorcycle Unit	Local COPS	Total
1997-98	270,556	-	270,556	-	-	-	270,556
1998-99	294,094	-	294,094	8.7%	-	-	294,094
1999-00	319,680	-	319,680	8.7%	-	-	319,680
2000-01	338,948	-	338,948	6.0%	-	-	338,948
2001-02	358,216	-	358,216	5.7%	-	-	358,216
2002-03	377,483	-	377,483	5.4%	-	-	377,483
2003-04	411,610	-	411,610	9.0%	-	-	411,610
2004-05	452,161	-	452,161	9.9%	-	17,449	469,610
2005-06	493,469	-	493,469	9.1%	-	40,244	533,713
2006-07	570,241	70,021	640,262	29.7%	178,810	62,320	881,392
2007-08	614,804	72,122	686,926	7.3%	185,962	73,224	946,112
2008-09	656,977	75,006	731,983	6.6%	191,541	85,050	1,008,574
2009-10	715,233	77,204	792,437	8.3%	207,661	100,039	1,100,137
2010-11	773,159	79,520	852,679	7.6%	224,479	118,278	1,195,436
2011-12	835,987	81,906	917,893	7.6%	242,720	140,155	1,300,768

The current agreement expires on June 30, 2012, meaning that the cost of Sheriff's Office services is unknown beyond that date. Each new agreement covers a three-year period. The columns labeled "Basic Services" and "Dispatch" provide the cost of

the base service level agreement. A subtotal of these costs is provided, as is an indication of the annualized increase of these costs over the four contract periods. The table also includes the cost of the Town's dedicated motorcycle unit and the General Fund share of the COPS Program (taken from the previous chart) in order to illustrate the total annual allocation of General Fund monies to the Sheriff's contract.

Contract costs for 2012-13 and beyond are unknown. We have added \$95,000 (about 6% to 7.3%) to the 2012-13 Proposed Budget and to each of the out-years in the Five-year Forecast for the General Fund. This is based upon the Town's recent experience with the agreement and may or not be an accurate assessment of potential future year costs. Using this assumption, the General Fund allocation for the Sheriff's contract will grow to \$1.68 million in 2015-16, or 27.6% of the General Fund. The County has its labor agreements with the sworn personnel in place through some point in 2016. I have asked the Sheriff to open discussions for the next agreement as soon as possible, rather than waiting for next spring, which is the timeframe the agreement includes for triggering renewal discussion. He has agreed to begin these discussions late this calendar year.

**The Woodside Library Improvement Project**

Since the Town Council received a presentation about the proposed improvement project at the Woodside Library earlier this fiscal year, work has moved ahead and the project has now been through the Town's Architectural and Site Review Board and the Planning Commission. Construction drawings have been completed and are in plan check, pending building permit issuance. The latest project budget estimate is \$2.4 million, significantly higher than the \$2 million budget discussed with the Council.

I am uncomfortable recommending that the project move ahead in 2011-12. Although estimates prepared by County Library Administration indicate that there would be enough funding available over the course of the 2011-12 fiscal year to support the project and the Town's usual ongoing maintenance costs, the projected available balance of funds as of June 30, 2012 is about \$137,000. The County has assumed that it will directly pay for about \$472,000 of the \$2.4 million project costs by diverting all available estimated 2011-12 Town donor city revenues and using them for the project. This leaves the Town's share of the project at just under \$1.8 million and provides no library fund revenue in 2011-12. The following table summarizes the County's estimates and assumptions.

Library Fund Balance at 6/30/11 (est.)	\$ 2,030,000
2011-12 Donor City Revenue to Town	-
2011-12 Ongoing Maintenance Costs	(123,000)
Town's Project Cost Share	<u>(1,770,000)</u>
Balance at 6/30/12 (est.)	<u>\$ 137,000</u>

I feel that this is too close a margin, given current economic circumstances. I am not opposed to the project, but would rather have enough money already in the bank to support it before we award a construction contract. The 2011-13 Proposed Budget funds the project in the second year. We will provide you with more detail about this project during your June 14<sup>th</sup> budget discussion.

### Reassignment of Project Managers

While not a budget issue, I have taken the opportunity in this budget to realign the Town organization by reassigning the Project Managers to the Public Works Department. Formally in the Planning Department, these positions have always been more closely associated with the Building Regulation function, which has resided in the Public Works Department since 2008. Not only will this provide a more effective and efficient interplay between the staff members who support the building permit processing activities, but it will free the Planning Director from the task of managing these positions on a day-to-day basis and allow her to continue to focus upon critical long range planning projects and issues.

### One-time General Fund Projects and Costs for 2011-12

The 2011-12 Proposed Budget includes recommended funding for five projects that were a part of the approved budget for 2010-11, but which will carry over into the next fiscal year. These are one-time expenditures and reserves have previously been earmarked for their support. Included in the General Fund are the following project costs:

General Plan Update	\$100,000
Residential Design Guidelines	50,000
Website Redesign	18,000
Town Hall Roof	40,000
HVAC System Project	80,000
Total	\$288,000

Additionally, about \$51,000 in one-time costs has been included to pay for remaining leave balances of staff members who will be retiring during the next fiscal year.

### The 2011-13 Road Program

The Road Program for the next two-year period is included in **Appendix A** in its full form. It varies from the recommendations provided to the Town Council in March of 2011 by the addition of funds for two undertakings. First, the Town Engineer has been working with the Woodside Elementary School community on a safety improvement project on Woodside Road. The project will upgrade the in-road warning system, resulting in greater visibility of the lights within the pavement. Additionally, the crosswalk warning signs will be upgraded to make them more visible, utilizing additional warning lights. The in-road lighting will be solar powered. He has estimated a total project cost of \$215,600 and has secured federal Highway Safety Improvement Program (HSIP) funds to support ninety percent of the project cost, or \$194,000. The difference of \$21,600 represents the required local match. The Town Engineer has applied for funds through various other sources to cover this remaining local match. Unfortunately, the project has not ranked high enough on the priority lists in the competitive process for the limited funding available. The Road Program covers the local match in 2011-12 to ensure the availability of the federal funds.

The Town Engineer has also been focusing his attention on the condition of three of the Town's older bridges (on Portola, Mountain Home, and Kings Mountain Roads). He has been pursuing federal and state Highway Bridge Program funds and has developed preliminary project cost estimates for the replacement or rehabilitation of the three bridges. The preliminary cost of the three projects is in excess of \$2.4

million, of which about \$334,000 would be supported by local funds. The projects would be undertaken over a multiple year period, to be determined by the Town Council based upon a prioritization and funding assessment process. In order to move forward and secure the needed outside funding, the 2011-12 Road Program includes just under \$50,000 in local funds for preliminary engineering, which is needed to complete the application process for outside funding. This will not lock the Town into a commitment to these projects, but will allow possible funding to be made available if and when the Town Council decides to approve the projects.

### Town Center Sewer System Rate Study

The Town engaged the services of an outside firm to assess the condition of the Town Center Sewer System, now well over twenty years old, and to assist in the preparation of a Capital Program for the system. Additionally, the Town is liable for a portion of the capital improvement/rehabilitation costs of the systems owned and operated by the County of San Mateo (Fair Oaks sewer Maintenance District) and Redwood City. The cost of our own capital projects and that of the agencies to which we are contractually bound needs to be analyzed and built into the costs of supporting the Town Center Sewer System in future years. The 2011-12 Proposed Budget includes an allocation of \$15,000 in the Sewer Enterprise Funds to support the development of a financial plan and sewer fee analysis. The results of this work will serve as the basis for recommendations for future adjustments in the annual maintenance fee currently charged system users.

### The 2011-13 Work Plan

At this juncture I have not developed a formal Work Plan document. The current year's Work Plan includes many projects that will be carried over into 2011-12 and which should receive top priority from the Town Council and the staff, including the General Plan Update. I would recommend that the Town Council retain the current plan until after the General Plan has been adopted. At that point, you will want and need to review and prioritize all of the Strategies that the new General Plan contains, most, if not all, of which will become new Work Plan projects. The staff has its direction for the first half of the next fiscal year, in any event, and will be working to complete a handful of projects that are already in process.

So that's it. I will be ready to walk you through this budget on June 14<sup>th</sup> and to help you with your deliberations. I will also be here to guide the Town through the first six months of the new fiscal year. I remain optimistic. I also remain grateful to many people who have assisted me over the years of preparing budgets for the Town Council. There are too many to personally name here, but I trust they know that I have appreciated their ready offers of help and their willingness to be a sounding board from time-to-time. I am also grateful to everyone on my current staff for bringing a collegial spirit to Town Hall and for the warmth, humor, and integrity they unflinchingly demonstrate. I am lucky to work with such a group of people. An added thanks to Kevin Bryant for his hard work on this budget and on everything else I've ever asked him to do. And a final Letter of Transmittal thanks to Janet Koelsch, the best of the best Town Clerks.

Respectfully submitted,

Susan George  
Town Manager

**TOWN OF WOODSIDE  
2011-13 ADOPTED BUDGET  
BUDGET SUMMARY**

<b>By Department</b>	<b>2010-11 Adopted</b>	<b>2011-12 Adopted</b>	<b>% Change</b>	<b>2012-13 Approved</b>	<b>% Change</b>
Town Council	\$ 30,000	\$ 44,000	46.7	\$ 28,000	(36.4)
Administration	1,306,557	1,295,995	(0.8)	1,249,240	(3.6)
Planning & Building	1,128,848	903,375	(20.0)	758,774	(16.0)
Buildings & Grounds	219,890	225,171	2.4	105,322	(53.2)
Town-wide Overhead	423,200	389,000	(8.1)	371,000	(4.6)
Safety Services	1,447,690	1,461,737	1.0	1,556,737	6.5
Trails	96,000	99,529	3.7	99,836	0.3
Public Works	3,414,822	3,607,264	5.6	3,103,445	(14.0)
Recreation	115,525	137,725	19.2	121,822	(11.5)
Woodside Library	1,026,918	123,052	(88.0)	1,893,686	1438.9
Barkley Fields and Park	296,400	285,900	--	285,900	0.0
<b>Total Departments</b>	<b>\$ 9,505,850</b>	<b>\$ 8,572,748</b>	<b>(9.8)</b>	<b>\$ 9,573,762</b>	<b>11.7</b>
LESS: Interfund Transfers	(1,000,925)	(996,475)	(0.4)	(999,596)	0.3
<b>Net Budget</b>	<b>\$ 8,504,925</b>	<b>\$ 7,576,273</b>	<b>(10.9)</b>	<b>\$ 8,574,166</b>	<b>13.2</b>
<b>By Expenditure Category</b>					
Operating Budget					
Salaries and Benefits	\$ 3,389,980	\$ 3,288,069	(3.0)	\$ 3,116,757	(5.2)
Services and Supplies	3,110,949	3,142,471	1.0	3,033,471	(3.5)
Total Operating	\$ 6,500,929	\$ 6,430,540	(1.1)	\$ 6,150,228	(4.4)
Capital Budget	1,873,653	1,010,153	(46.1)	2,288,653	126.6
Debt Service	130,343	135,580	4.0	135,285	(0.2)
<b>Net Budget</b>	<b>\$ 8,504,925</b>	<b>\$ 7,576,273</b>	<b>(10.9)</b>	<b>\$ 8,574,166</b>	<b>13.2</b>

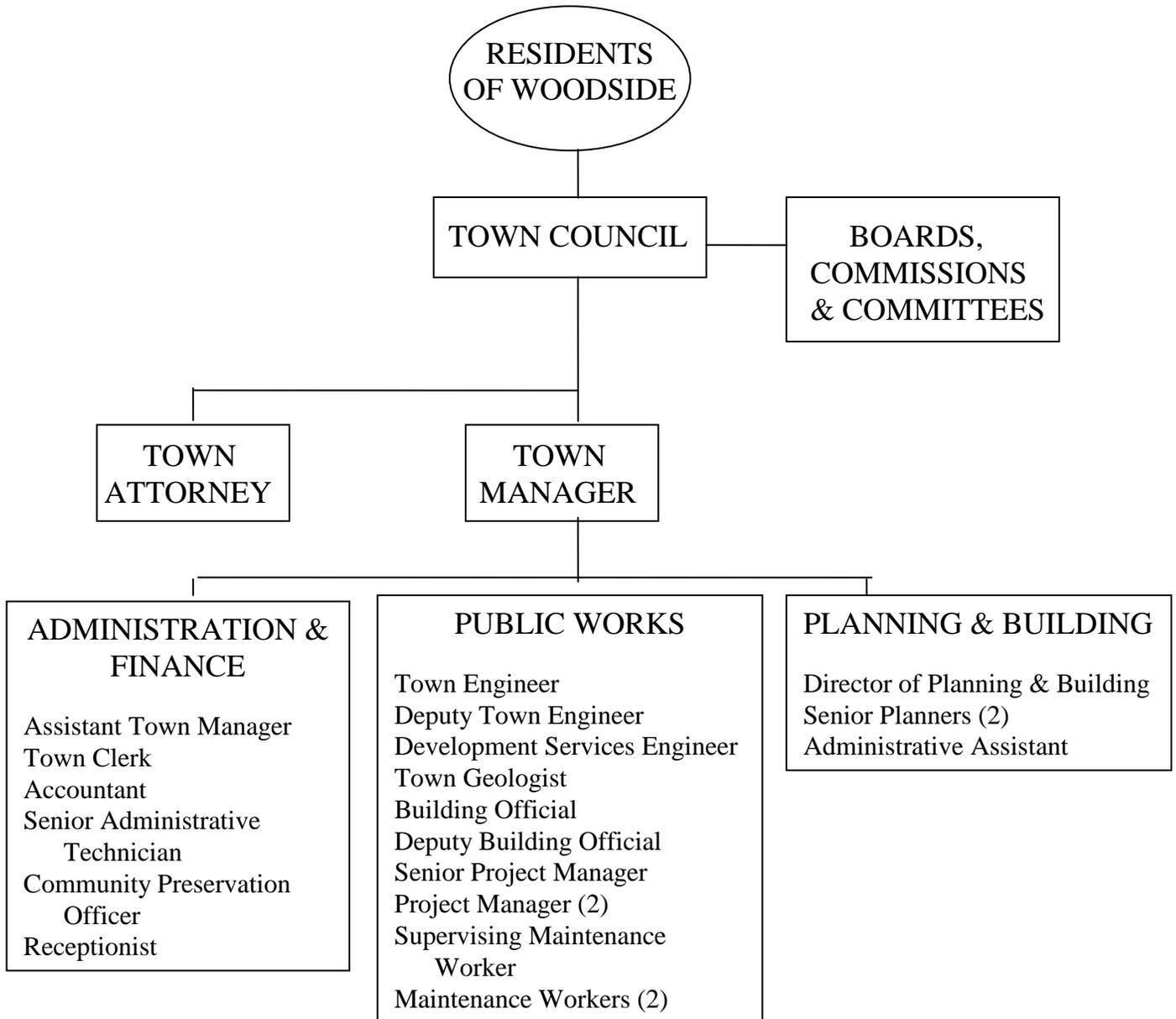
**TOWN OF WOODSIDE  
FIVE-YEAR FORECAST  
2011-13 ADOPTED GENERAL FUND BUDGET**

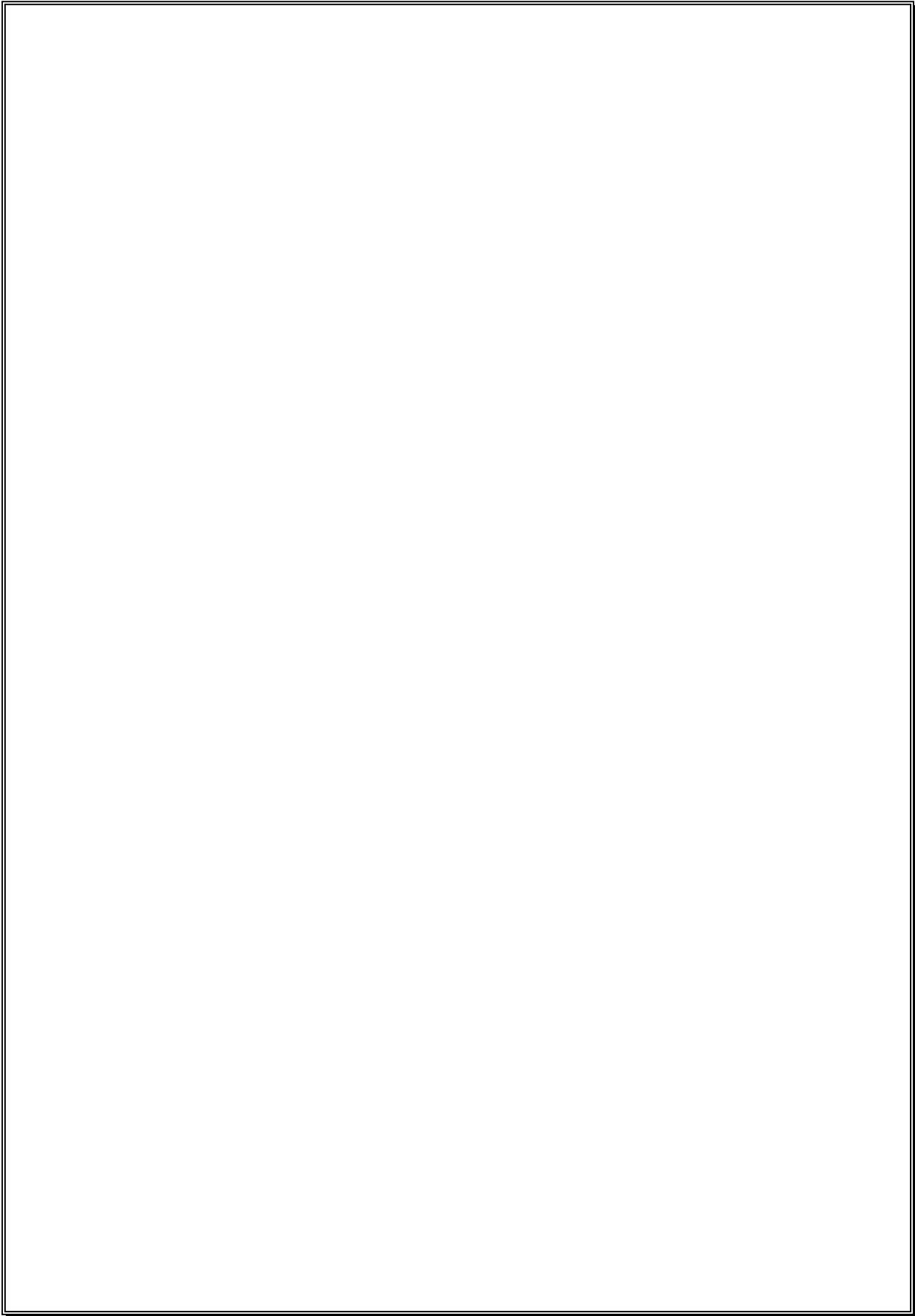
	2009-10 ACTUAL	2010-11 ADOPTED	2010-11 ACTUAL	2011-12 BASE	2011-12 ADOPTED	2012-13 APPROVED	2013-14 FORECAST	2014-15 FORECAST	2015-16 FORECAST
<b>BEGINNING BALANCE</b>	2,852,232	2,454,116	2,454,116	1,971,122	1,971,122	1,594,292	1,694,314	1,791,369	1,857,631
<b>REVENUES</b>									
PROP.TAXES-SEC.	1,643,256	1,642,332	1,642,630	1,691,909	1,696,989	1,776,504	1,874,212	1,977,294	2,086,045
PROP.TAXES-UNSEC.	105,670	105,000	94,535	105,000	105,000	105,000	105,000	105,000	105,000
PROP.TAXES-OTHER	254,058	200,000	238,237	200,000	200,000	200,000	200,000	200,000	200,000
SALES TAX	332,450	370,872	368,071	378,000	378,000	385,560	393,271	401,137	409,159
PROP.TRANSFER TAX	76,099	100,000	142,222	130,000	130,000	130,000	130,000	130,000	130,000
FRANCHISES	360,566	348,400	372,001	370,400	370,400	370,400	370,400	370,400	370,400
BUSINESS LICENSES	113,620	136,000	119,745	136,000	136,000	136,000	136,000	136,000	136,000
FEES & PERMITS	614,785	750,000	491,721	550,000	550,000	550,000	600,000	600,000	600,000
FINES & FORFEITURES	695	2,000	998	2,000	2,000	2,000	2,000	2,000	2,000
INTEREST	26,703	50,000	13,127	30,000	30,000	30,000	30,000	30,000	30,000
OTHER AGENCIES	578,544	624,363	588,964	685,000	685,000	680,000	675,000	688,500	702,270
CURRENT SERVICES	151,173	135,000	80,808	135,000	135,000	135,000	135,000	135,000	135,000
TEA FUNDS	723,773	704,057	696,939	717,847	725,179	753,740	791,427	830,998	872,548
OPERATING TRANSFERS	251,552	306,075	306,075	312,125	312,125	315,246	315,246	315,246	315,246
OTHER REVENUE	28,385	30,000	26,288	30,000	30,000	30,000	30,000	30,000	30,000
<b>TOTAL REVENUES</b>	<b>5,261,329</b>	<b>5,504,099</b>	<b>5,182,361</b>	<b>5,473,281</b>	<b>5,485,693</b>	<b>5,599,450</b>	<b>5,787,556</b>	<b>5,951,574</b>	<b>6,123,668</b>
<b>EXPENDITURES</b>									
<b>ONGOING:</b>									
SALARIES & BENEFITS	2,479,787	2,553,375	2,511,629	2,708,492	2,389,460	2,271,841	2,339,996	2,410,196	2,482,502
RETIREE HEALTH	6,245	100,000	74,742	78,000	78,000	81,500	85,000	89,000	93,000
SERVICES & SUPPLIES	2,345,988	2,221,415	2,337,959	2,328,737	2,351,737	2,441,737	2,561,154	2,681,766	2,803,584
EQUIPMENT/CAPITAL OUTLAY	15,333	20,000	32,925	20,000	20,000	20,000	20,000	20,000	20,000
ROAD/TRAILS/PARK TRANSFERS	690,500	708,100	708,100	684,350	684,350	684,350	684,350	684,350	684,350
<b>TOTAL ONGOING EXPENDITURES</b>	<b>5,537,853</b>	<b>5,602,890</b>	<b>5,665,355</b>	<b>5,819,579</b>	<b>5,523,547</b>	<b>5,499,428</b>	<b>5,690,501</b>	<b>5,885,312</b>	<b>6,083,436</b>
<b>NET ONGOING POSITION</b>	<b>(276,524)</b>	<b>(98,791)</b>	<b>(482,994)</b>	<b>(346,298)</b>	<b>(37,854)</b>	<b>100,022</b>	<b>97,055</b>	<b>66,262</b>	<b>40,232</b>
<b>ONE-TIME RESERVE ALLOCATIONS</b>	121,592	310,000	0	0	338,976	0	0	0	0
<b>TOTAL BUDGET</b>	<b>5,659,445</b>	<b>5,912,890</b>	<b>5,665,355</b>	<b>5,819,579</b>	<b>5,862,523</b>	<b>5,499,428</b>	<b>5,690,501</b>	<b>5,885,312</b>	<b>6,083,436</b>
<b>NET POSITION</b>	<b>(398,116)</b>	<b>(408,791)</b>	<b>(482,994)</b>	<b>(346,298)</b>	<b>(376,830)</b>	<b>100,022</b>	<b>97,055</b>	<b>66,262</b>	<b>40,232</b>
<b>ENDING BALANCE/OPERATING RESERVE</b>	<b>2,454,116</b>	<b>2,045,325</b>	<b>1,971,122</b>	<b>1,624,824</b>	<b>1,594,292</b>	<b>1,694,314</b>	<b>1,791,369</b>	<b>1,857,631</b>	<b>1,897,864</b>
<b>% OF OPERATING REVENUES</b>	<b>49.0%</b>	<b>39.3%</b>	<b>40.4%</b>	<b>31.5%</b>	<b>30.8%</b>	<b>32.1%</b>	<b>32.7%</b>	<b>33.0%</b>	<b>32.7%</b>

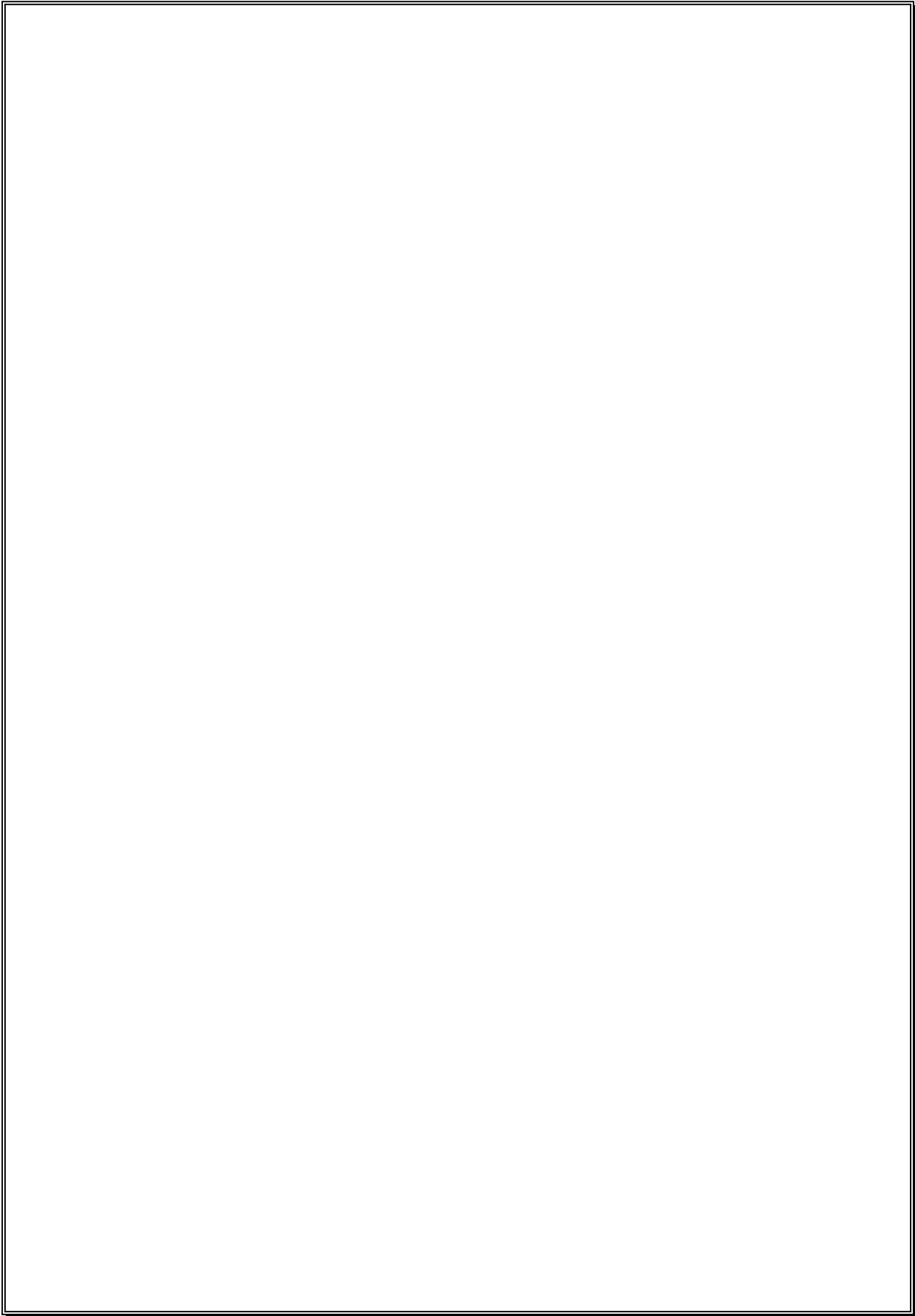
**TOWN OF WOODSIDE  
2011-13 ADOPTED BUDGET  
STAFFING SUMMARY**

<b>Authorized Personnel</b>	<b>2010-11 Adopted</b>	<b>2011-12 Adopted</b>	<b># Change</b>	<b>2012-13 Approved</b>	<b># Change</b>
Town Manager	1.00	1.00	0.00	1.00	0.00
Assistant Town Manager	1.00	1.00	0.00	1.00	0.00
Town Engineer	1.00	1.00	0.00	1.00	0.00
Director of Planning and Building	1.00	1.00	0.00	1.00	0.00
Deputy Town Engineer	1.00	1.00	0.00	1.00	0.00
Development Services Engineer	1.00	1.00	0.00	1.00	0.00
Town Clerk	1.00	1.00	0.00	1.00	0.00
Building Official	1.00	1.00	0.00	1.00	0.00
Deputy Building Official	0.00	1.00	1.00	1.00	0.00
Building Inspector	1.00	0.00	(1.00)	0.00	0.00
Senior Planner	2.00	2.00	0.00	2.00	0.00
Senior Project Manager	1.00	1.00	0.00	1.00	0.00
Project Manager	2.00	2.00	0.00	2.00	0.00
Community Preservation Officer	1.00	1.00	0.00	1.00	0.00
Senior Administrative Technician	0.00	1.00	1.00	1.00	0.00
Administrative Technician	1.00	0.00	(1.00)	0.00	0.00
Administrative Assistant	1.00	1.00	0.00	1.00	0.00
Accountant	1.00	0.50	(0.50)	0.00	(0.50)
Supervising Maintenance Worker	1.00	1.00	0.00	1.00	0.00
Maintenance Worker	2.00	2.00	0.00	2.00	0.00
<b>Subtotal</b>	<b>21.00</b>	<b>20.50</b>	<b>(0.50)</b>	<b>20.00</b>	<b>(0.50)</b>
<b>Contractual/Temporary Help</b>					
Town Attorney	0.40	0.40	0.00	0.40	0.00
Town Geologist	0.50	0.25	(0.25)	0.00	(0.25)
Contract Planner	0.30	0.00	(0.30)	0.00	0.00
Receptionist	1.00	1.00	0.00	1.00	0.00
Plan Checker	0.60	0.60	0.00	0.60	0.00
Intern	1.00	1.00	0.00	1.00	0.00
<b>Subtotal</b>	<b>3.80</b>	<b>3.25</b>	<b>(0.55)</b>	<b>3.00</b>	<b>(0.25)</b>
<b>Grand Total</b>	<b>24.80</b>	<b>23.75</b>	<b>(1.05)</b>	<b>23.00</b>	<b>(0.75)</b>

# TOWN OF WOODSIDE ORGANIZATION CHART







## **TOWN COUNCIL DEPARTMENT**

The Town Council provides the policy direction that guides the operation of the Town, adopts ordinances and resolutions that constitute the legislative intent of the Town, sets the Town's priorities through adoption of an annual budget and direction to the Town Manager, and provides representation to the Town's residents through these actions and through the conveyance of constituent requests and concerns to Town staff.

### **EXPENDITURE SUMMARY**

	2010-11 ADOPTED	2011-12 ADOPTED	% CHANGE	2012-13 APPROVED	% CHANGE
Services/Supplies	\$ 30,000	\$ 44,000	46.7	\$ 28,000	(36.4)
<b>Total</b>	<b>\$ 30,000</b>	<b>\$ 44,000</b>	<b>46.7</b>	<b>\$ 28,000</b>	<b>(36.4)</b>

### **BUDGET HIGHLIGHTS**

The Town Council budget supports several basic activities, including: (1) Town membership in regional and statewide organizations; (2) organized events such as volunteer recognition receptions, holiday dinners, and occasional hosting of the Council of Cities monthly dinner meetings; (3) events developed and sponsored by the Town's Volunteer Committees, such as the Backyard Habitat program and the biennial Environment Fest; and (4) municipal elections in odd-numbered years.

A major share of this budget supports the dues the Town pays to the various organizations in which it holds membership. The following dues requirements are anticipated for 2011-12:

<b>Organization</b>	<b>Dues</b>
Association of Bay Area Governments (ABAG)	\$ 1,644
City/County Association of Governments (C/CAG)	1,901
Airport Roundtable	1,500
Local Agency Formation Commission (LAFCO)	892
Housing Endowment & Regional Trust of San Mateo (HEART)	1,932
League of California Cities (LCC)	4,000
Local Governments for Sustainability (ICLEI)	600
Joint Venture Silicon Valley Network	1,000
<b>Total</b>	<b>\$ 13,469</b>

For 2011-12, the budget includes an increase of 46.7%, or \$14,000. This increase is a combination of \$10,000 added to support the November 2011 Municipal Election, \$6,000 to support the Environment Fest in the spring of 2012, and a reduction of \$2,000 for the continued support of the Backyard Habitat program.

For 2012-13, the Town Council budget includes a net decrease of \$16,000 or 36.4%, reflecting the elimination of the funding for the Municipal Election and Environment Fest, neither of which are held during the fiscal year.

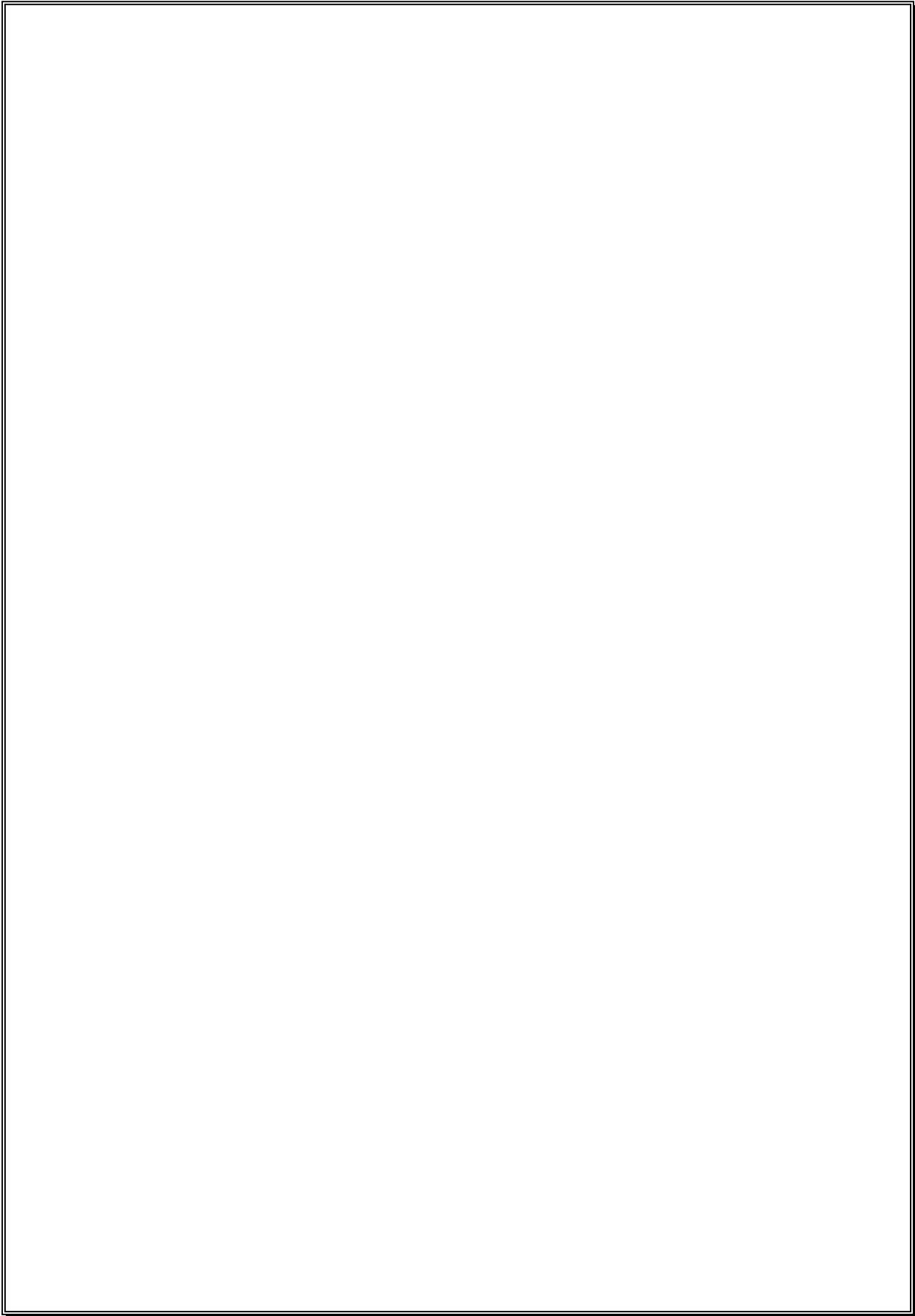
For a tenth year, Sustainable San Mateo County has requested that the Town contribute to the production of the *Indicators for a Sustainable San Mateo County*. This year's request is in the amount of \$3,000. The staff continues to believe that the *Indicators* report is of minimal value to the Town and no funds are included in the budget for this request.

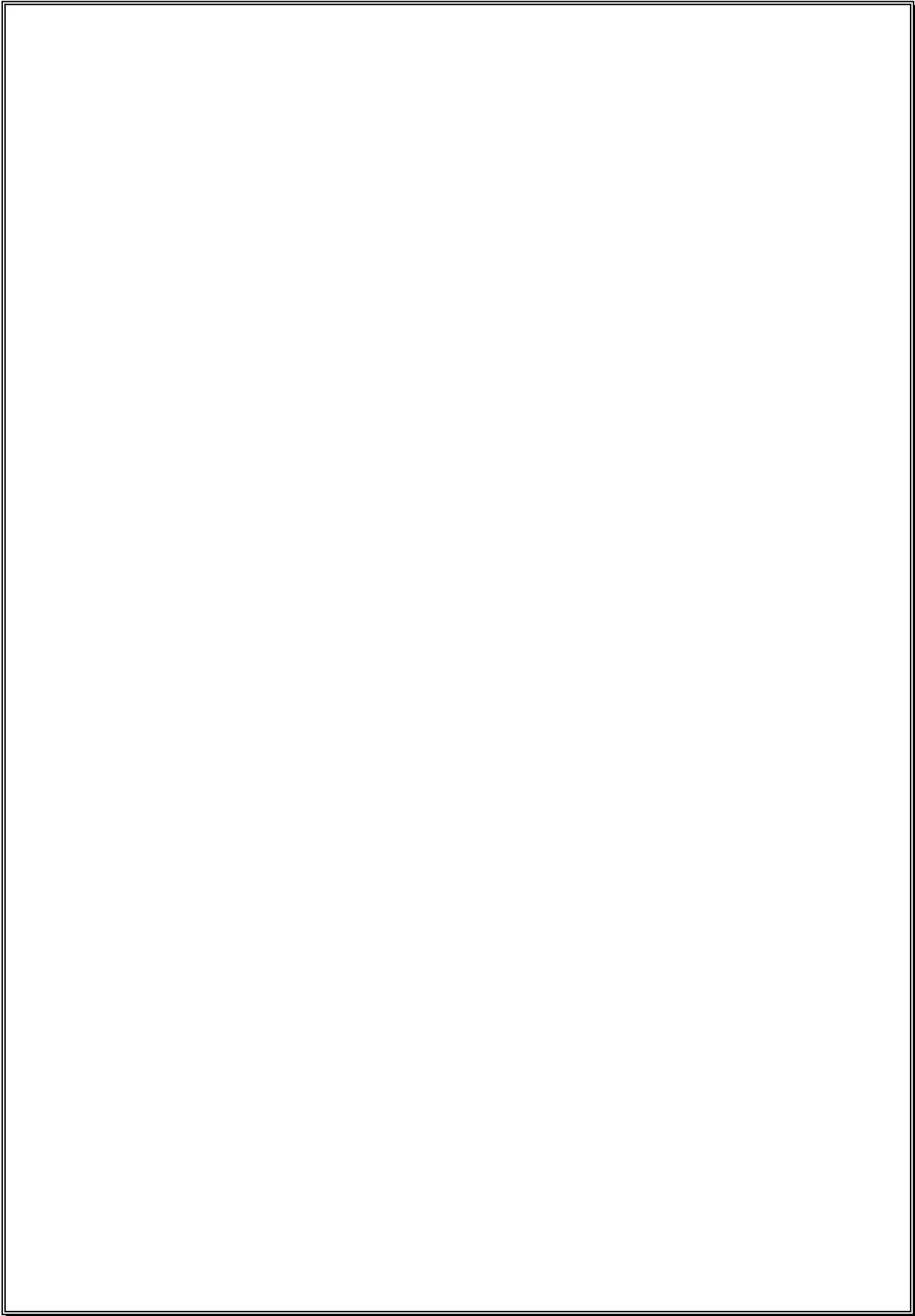
**AUTHORIZED PERSONNEL**

There are no authorized personnel for this department.

**FUNDING SOURCE SUMMARY**

All of the support for this budget is from the Town's General Fund.





## ADMINISTRATION & FINANCE DEPARTMENT

This department oversees and manages the day-to-day functions of all Town operations. The staff of this department ensures implementation of Town Council policies and proper financial management of the Town. A variety of management and support services are provided to all Town programs and activities, including maintenance of official Town records and documents, timely noticing of all meetings and pending actions, general accounting, treasury oversight, personnel management, payroll processing, revenue administration and collection, purchasing activities, information systems support, and management of all contracts and franchise agreements. The general legal services of the Town Attorney are also provided through this department, as are litigation services, as needed. This department oversees the Town's Solid Waste Program, the Code Enforcement Program, and takes on a variety of special projects to carry out Town Council direction and policy.

### EXPENDITURE SUMMARY

	2010-11 ADOPTED	2011-12 ADOPTED	% CHANGE	2012-13 APPROVED	% CHANGE
Salaries/Benefits	\$ 1,038,757	\$ 1,029,395	(0.9)	\$ 982,640	(4.5)
Services/Supplies	267,800	266,600	(0.4)	266,600	0.0
<b>Total</b>	<b>\$ 1,306,557</b>	<b>\$ 1,295,995</b>	<b>(0.8)</b>	<b>\$ 1,249,240</b>	<b>(3.6)</b>

### BUDGET HIGHLIGHTS

The budget for this department reflects a 0.8% reduction in 2011-12, followed by a further 3.6% reduction in 2012-13. The major components that contribute to these reductions are:

- **Salaries and Benefits:** A decrease of 0.9%, or \$9,362, is included for 2011-12, and a further decrease of 4.5%, or \$46,755, is included for 2012-13. This decrease is the net result of a reduction in staffing levels over the next two years, offset by increases in the cost of pension contributions, health insurance, workers' compensation insurance, and the pre-funding of retirement health benefits. As the Letter of Transmittal outlines, the Town's Accountant will be retiring in late 2011 and it was proposed that this position be eliminated and that its responsibilities be reassigned to other Administrative department staff members, with the current Administrative Technician assuming most of the critical functions. An upgrade of this position was approved, in recognition of the added duties. These actions will reduce General Fund costs by about \$54,000 in 2011-12 and \$111,000 in 2012-13.
- **Services and Supplies:** A decrease of \$1,800, or 0.4%, is included for 2011-12, while the 2012-13 budget would remain at the proposed base level. Many activities are supported by this budget, including the services of the Town Attorney and special litigation counsel, consultants to assist with special projects, and the annual independent audit. The following is a three-year summary of the funding for the major expenditure categories.

Category	2010-11	2011-12	2012-13
✓ Professional Services - Special Projects	\$ 20,000	\$ 20,000	\$ 20,000
✓ Legal Counsel - Administration	111,000	111,000	111,000
✓ Legal Counsel - Litigation	25,000	25,000	25,000
✓ Legal Counsel – Code Enforcement	15,000	15,000	15,000
✓ Annual Audit	39,000	39,700	39,700
✓ Travel, Meetings, Conferences	17,200	17,200	17,200
✓ All Others	40,600	38,700	38,700
Total	\$ 267,800	\$266,600	\$266,600

The adjustments made to the Services and Supplies budget for this department are minor and are reflective of estimated needs, based on recent actual expenditure patterns.

**AUTHORIZED PERSONNEL**

	2010-11 ADOPTED	2011-12 ADOPTED	# CHANGE	2012-13 APPROVED	# CHANGE
Town Manager	1.00	1.00	0.00	1.00	0.00
Town Clerk	1.00	1.00	0.00	1.00	0.00
Sr. Admin. Technician	0.00	1.00	1.00	1.00	0.00
Administrative Technician	1.00	0.00	(1.00)	0.00	0.00
Asst. Town Manager	1.00	1.00	0.00	1.00	0.00
Accountant	1.00	0.50	(0.50)	0.00	(0.50)
Comm. Preservation Officer	1.00	1.00	0.00	1.00	0.00
Town Attorney*	0.40	0.40	0.00	0.40	0.00
Receptionist*	1.00	1.00	0.00	1.00	0.00
<b>Total</b>	<b>7.40</b>	<b>6.90</b>	<b>(0.50)</b>	<b>6.40</b>	<b>(0.50)</b>

\* Services provided on either a contractual or temporary employment basis.

**FUNDING SOURCE SUMMARY**

A portion of the cost of this department is recovered through the allocation of overhead costs to other funds and to fees and charges. Approximately \$312,000 and \$315,000 will be recovered through this process in 2011-12 and 2012-13, respectively.

**WORK PLAN HIGHLIGHTS**

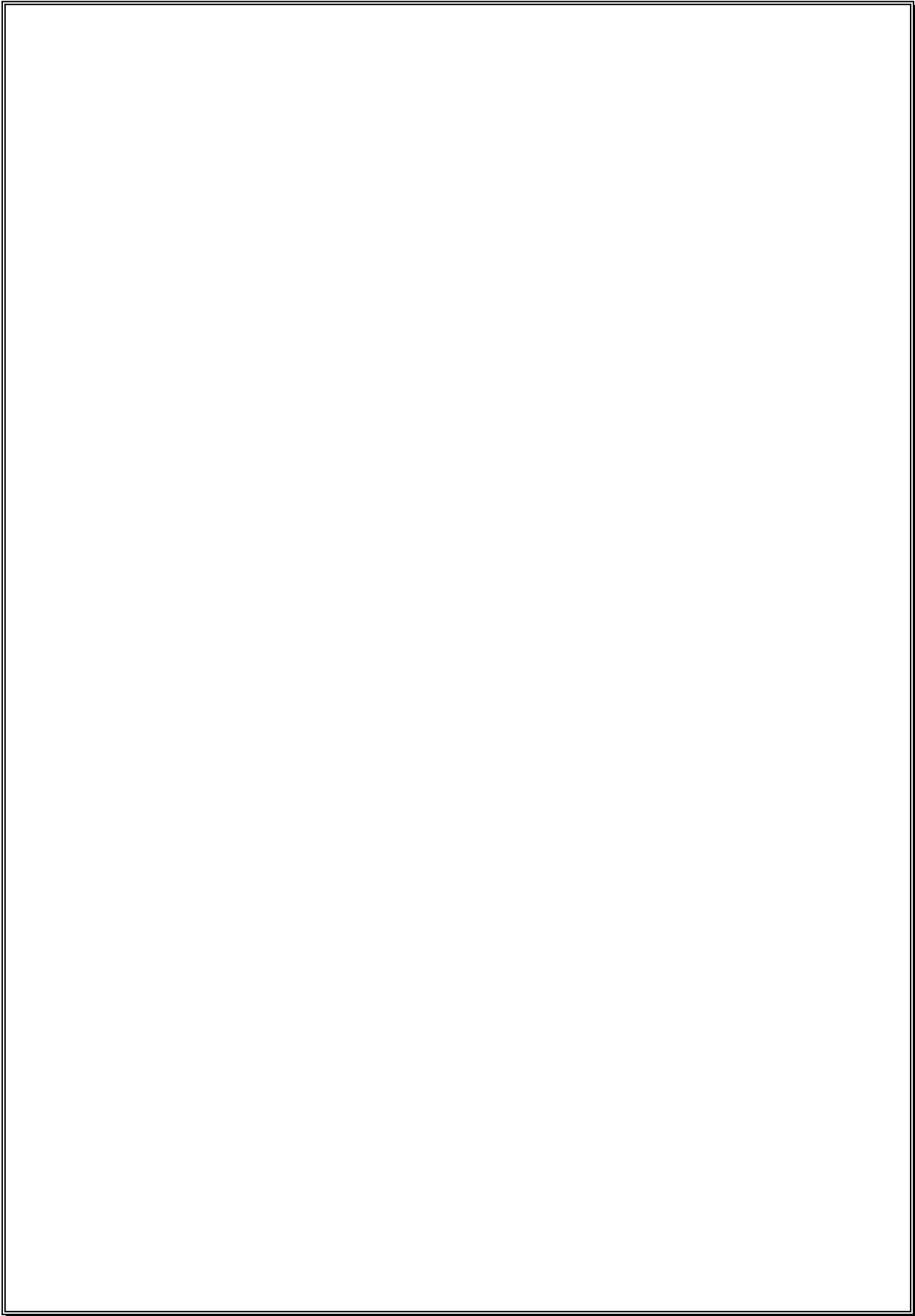
2010-11 Highlights

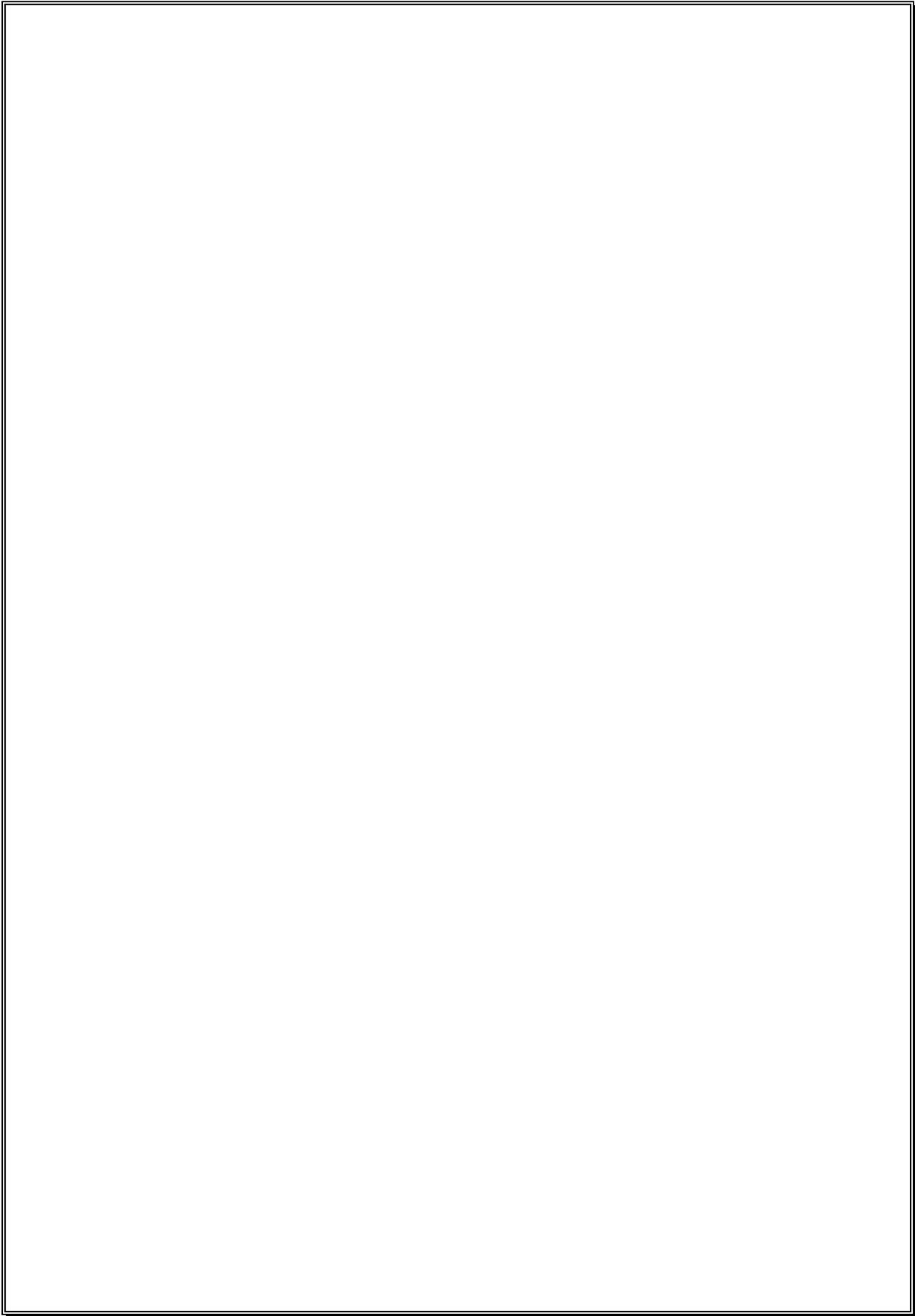
- ✓ Oversaw the continuing review of the draft General Plan Update and staffed the Town Council’s ad hoc General Plan Review Subcommittee.
- ✓ Provided support to the Residential Design Guidelines Update Subcommittee .
- ✓ Prepared and implemented the first update to the Town’s fee schedule in over fifteen years.
- ✓ Implemented a pre-funding plan to begin setting aside funds to meet the Town’s obligations to retirees who qualify for health insurance benefits.
- ✓ Prepared a response to the Notice of Preparation of an EIR for the DMB Redwood City Saltworks Development Proposal.
- ✓ Successfully completed the financial audit for Fiscal Year 2010.
- ✓ Implemented the Defensible Space Matching Fund Program.
- ✓ Submitted 2009 Annual Report to California Integrated Waste Management Board indicating that the Town exceeded the targets for solid waste diversion.
- ✓ Oversaw the implementation of the mitigation measures associated with the demolition of the Jackling House.
- ✓ With Council subcommittee, selected vendor for the update of the Town’s website and began the update process.
- ✓ Implemented a new phone system.
- ✓ Implemented Town’s retention schedule by culling nearly 70 boxes of records.
- ✓ Worked with Acterra to implement an audit program for high energy homes.
- ✓ Planned and executed a Council of Cities dinner, the Volunteer Appreciation Reception, and the Town Council Holiday dinner.
- ✓ Assisted the Town Council in engaging the services of an Executive Search firm and other related activities in support of recruiting a new Town Manager.

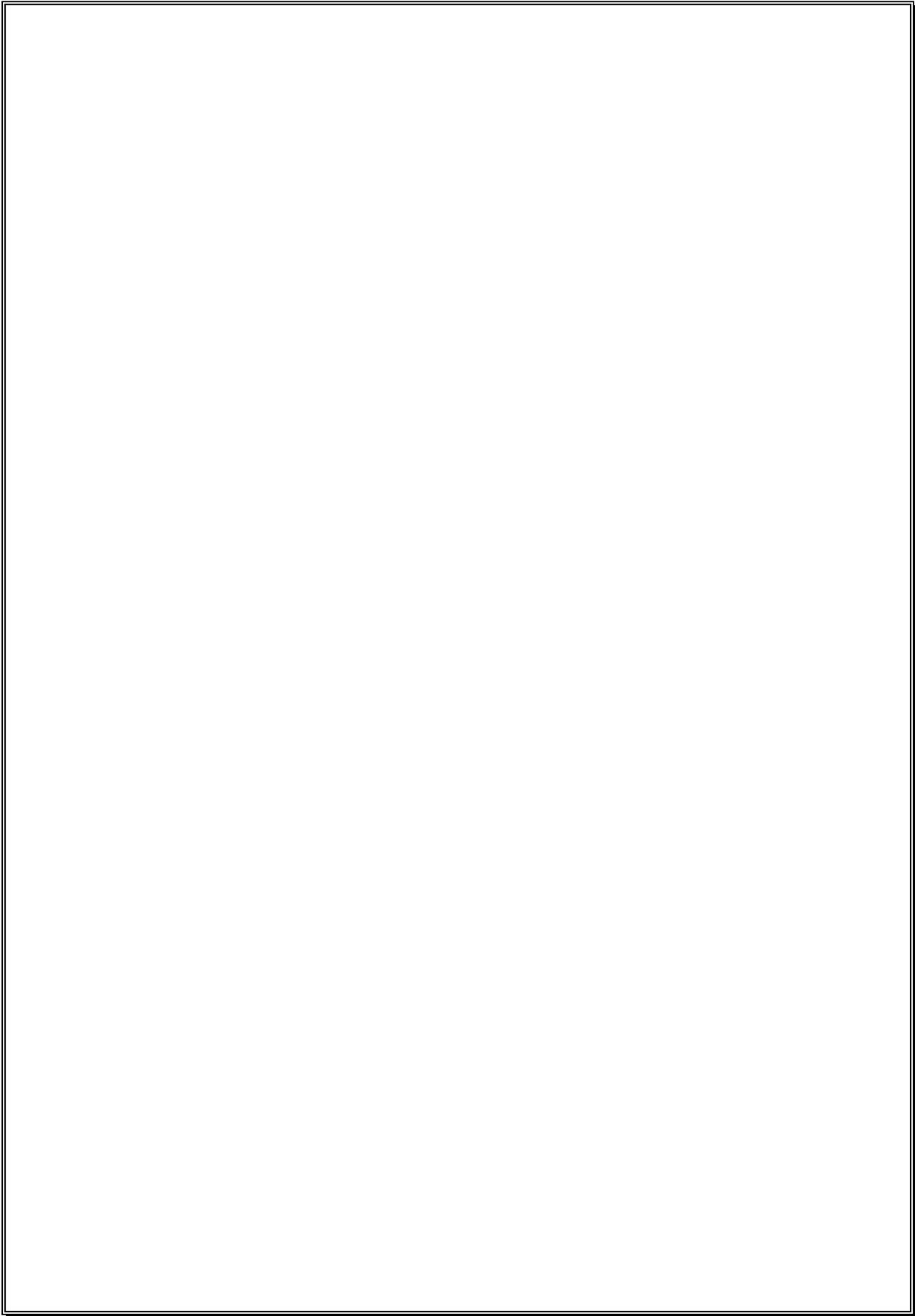
2011-13 Objectives

- ✓ Continue to support the General Plan Update project through adoption of the new General Plan.

- ✓ Complete an update of the Town's Emergency Plan, including staff and Council training.
- ✓ Continue to monitor and report to the Town Council on actions related to the DMB Redwood City Saltworks Development Proposal.
- ✓ Complete the update of the Town's website.
- ✓ Update and improve the Personnel Policies Manual.
- ✓ Continue to organize and cull Town's records in conformance with the records retention policy.
- ✓ Develop regulations to address water efficiency.
- ✓ Explore developing a water audit program.







## PLANNING DEPARTMENT

The Planning Department oversees a variety of activities. It is responsible for developing, refining, and implementing long-range land use policies associated with the General Plan and various Specific Plans for the Town of Woodside. The staff of the department processes and analyzes applications to be considered by the Architectural and Site Review Board (ASRB) and the Planning Commission for conformance with the Town's Zoning Code, other pertinent regulations, and environmental laws. Construction plans associated with building permit applications are checked for compliance with ASRB and Planning Commission approvals and the Zoning Code.

### EXPENDITURE SUMMARY

	2010-11 ADOPTED	2011-12 ADOPTED	% CHANGE	2012-13 APPROVED	% CHANGE
Salaries/Benefits	\$ 921,723	\$ 703,575	(23.7)	\$ 708,974	0.8
Services/Supplies	192,125	199,800	4.0	49,800	(75.1)
<b>Total</b>	<b>\$ 1,113,848</b>	<b>\$ 903,375</b>	<b>(18.9)</b>	<b>\$ 758,774</b>	<b>(16.0)</b>

### BUDGET HIGHLIGHTS

The budget adopted for the Planning Department includes an 18.9% net decrease in funds for 2011-12, followed by a second reduction of 16.0% for 2012-13. This reduction is attributable to the following three factors:

- ✓ **Base Budget Adjustments:** Adjustments were made to both the “Salaries and Benefits” and “Services and Supplies” budgets to develop the base budget for this department. The Salaries and Benefits base budget was increased by about \$59,500 in 2011-12 to account for the increased cost of pension contributions, health insurance, workers’ compensation benefits, retiree health benefits, and performance-based salary step increases. The 0.8%, or \$5,399, increase for Salaries and Benefits in 2012-13 reflects the known increases in benefit costs. The final net reduction of these costs for both years is further explained below. The base budget for Services and Supplies has been reduced \$7,325, reflecting the actual cost of various support services, such as legal advertising, professional memberships, and training.
- ✓ **Transfer of Project Managers:** The building regulation function has been part of the Department of Public Works since 2008. The Town’s Project Managers serve as permit technicians, a role more closely aligned to building regulation than planning regulation. The 2011-12 Adopted Budget transfers the three Project Manager positions from this department to the Public Works Department, which is responsible for building regulation. This reduces the Planning Department’s requirement for Salaries and Benefits by over \$278,000. Further discussion of the Project Manager positions is included in the Public Works Department budget section.
- ✓ **General Plan Update and Residential Design Guidelines Projects:** Work on the update of the Town’s General Plan remains a top priority and work on the update of the Residential Design Guidelines is underway. Both of these projects are expected to be completed during the 2011-12 fiscal year. The 2011-12 Adopted Budget includes \$100,000 in Services and Supplies to support the General Plan Update, with \$75,000 targeted for peer review and environmental review, and an additional \$25,000 for document production and other contractual services. An additional \$50,000 is included in support of the Residential Design Guidelines project, as none of the current year’s funds have yet been expended. The Services and Supplies budget for 2012-13 reflects the reduction in the need for funds in support of the General Plan Update and the update of the Residential Design Guidelines.

The net impact of all of these factors is summarized in the following table:

	Salaries	Services	Total
<b>2010-11 Adopted</b>	<b>921,723</b>	<b>192,125</b>	<b>1,113,848</b>
2011-12 Adjustments			
Transfer to Public Works	(259,966)	-	(259,966)
General Plan Update (Net)	-	15,000	15,000
Design Guidelines (Net)	-	-	-
Base Deductions	-	(7,325)	(7,325)
Base Additions	41,818	-	41,818
<b>2011-12 Adopted</b>	<b>703,575</b>	<b>199,800</b>	<b>903,375</b>
2012-13 Adjustments:			
Base Additions	5,399	-	5,399
General Plan Update	-	(100,000)	(100,000)
Design Guidelines	-	(50,000)	(50,000)
<b>2012-13 Approved</b>	<b>708,974</b>	<b>49,800</b>	<b>758,774</b>

### **AUTHORIZED PERSONNEL**

	2010-11 ADOPTED	2011-12 ADOPTED	# CHANGE	2012-13 APPROVED	# CHANGE
Director of Planning	1.00	1.00	0.00	1.00	0.00
Senior Planner	2.00	2.00	0.00	2.00	0.00
Senior Project Manager	1.00	0.00	(1.00)	0.00	0.00
Project Manager	2.00	0.00	(2.00)	0.00	0.00
Administrative Assistant	1.00	1.00	0.00	1.00	0.00
Contract Planner*	0.30	0.00	(0.30)	0.00	0.00
<b>Total</b>	<b>7.30</b>	<b>4.00</b>	<b>(3.30)</b>	<b>4.00</b>	<b>0.00</b>

\*Services provided on either a contractual or temporary employment basis.

### **FUNDING SOURCE SUMMARY**

The department's adopted budget of \$903,375 for 2011-12 and \$758,774 for 2012-13 is offset by about \$136,475 in anticipated fees and charges for services rendered during each year. Planning-related development activity has been depressed, but is projected to slowly rebound over the course of the next two years. Planning Department staff has been devoting a significant portion of its time to long range planning projects, including the General Plan and Residential Guideline Updates and modifications of various Zoning Code provisions. This work will continue through 2011-12.

### **WORK PLAN HIGHLIGHTS**

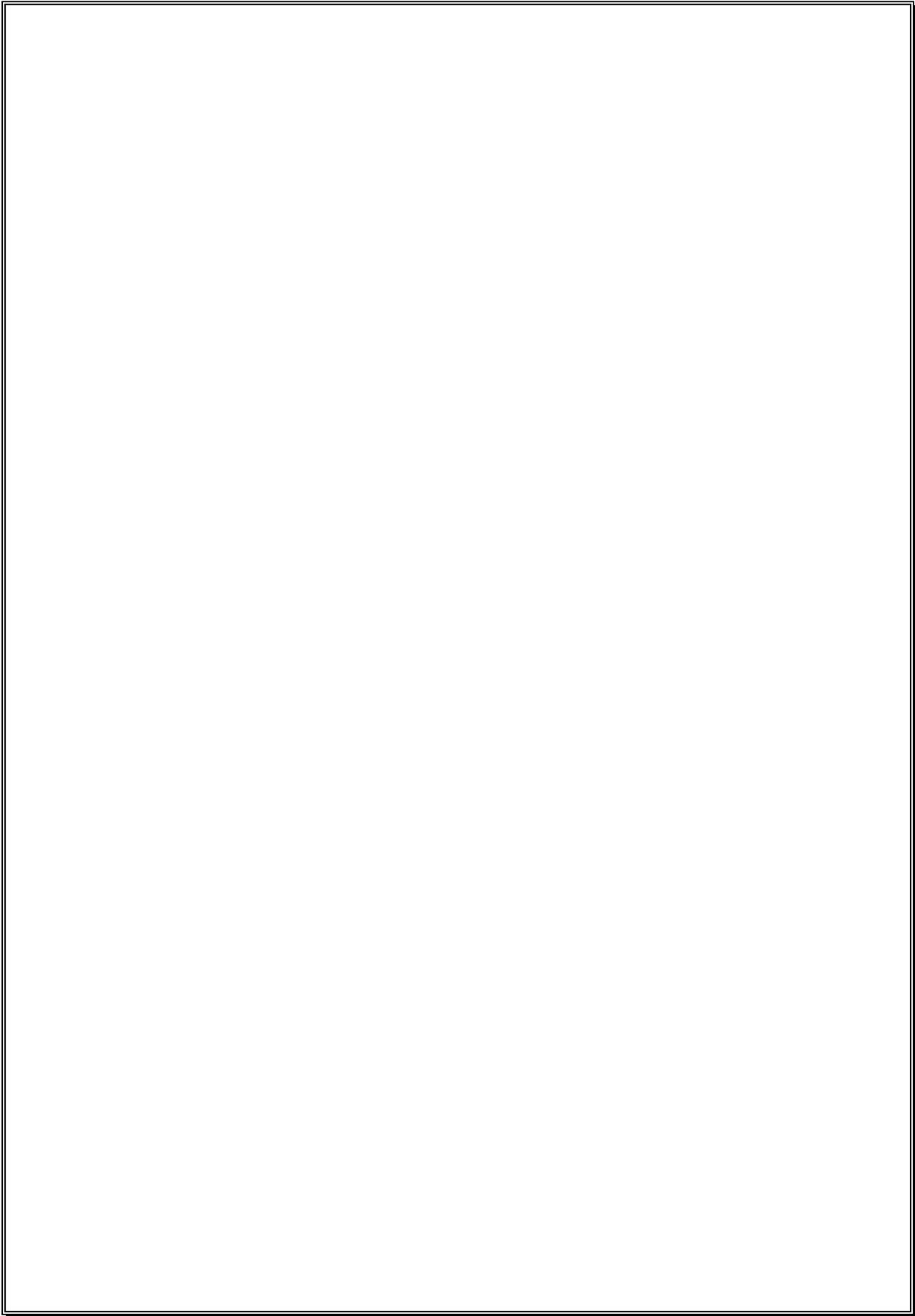
#### 2010-11 Highlights

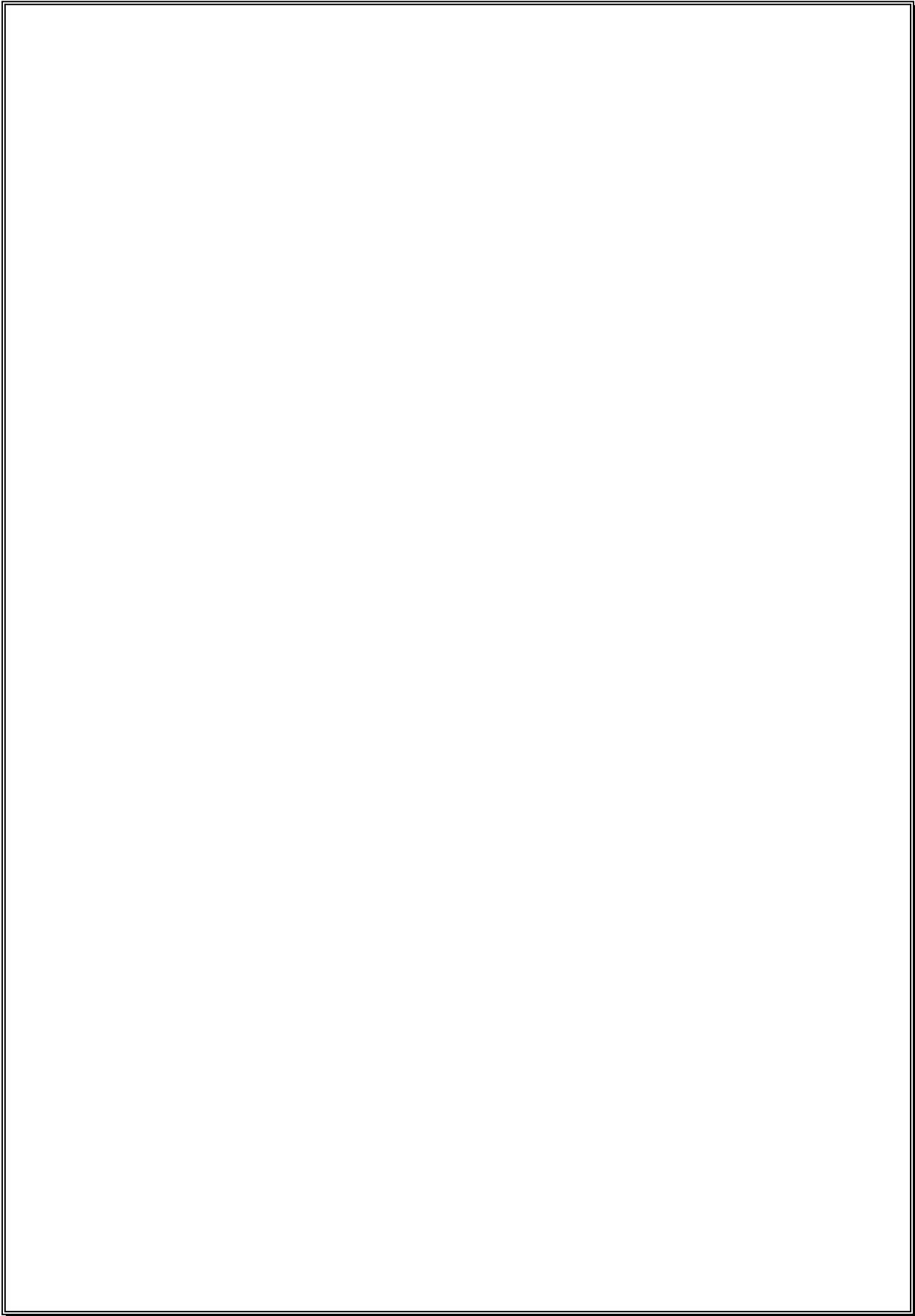
- ✓ Led the General Plan Update process through a complete draft review with the full Town Council and a second review through a Council subcommittee.
- ✓ Began the process of updating the Residential Design Guidelines.
- ✓ Prepared a review of paved coverage regulations and led Planning Commission and Town Council in a discussion of possible Municipal Code amendments.
- ✓ Prepared a Municipal Code amendment to allow waterline backflow preventers within required setbacks.
- ✓ Prepared a review of issues and regulations relating to basements for Town Council review and discussion.

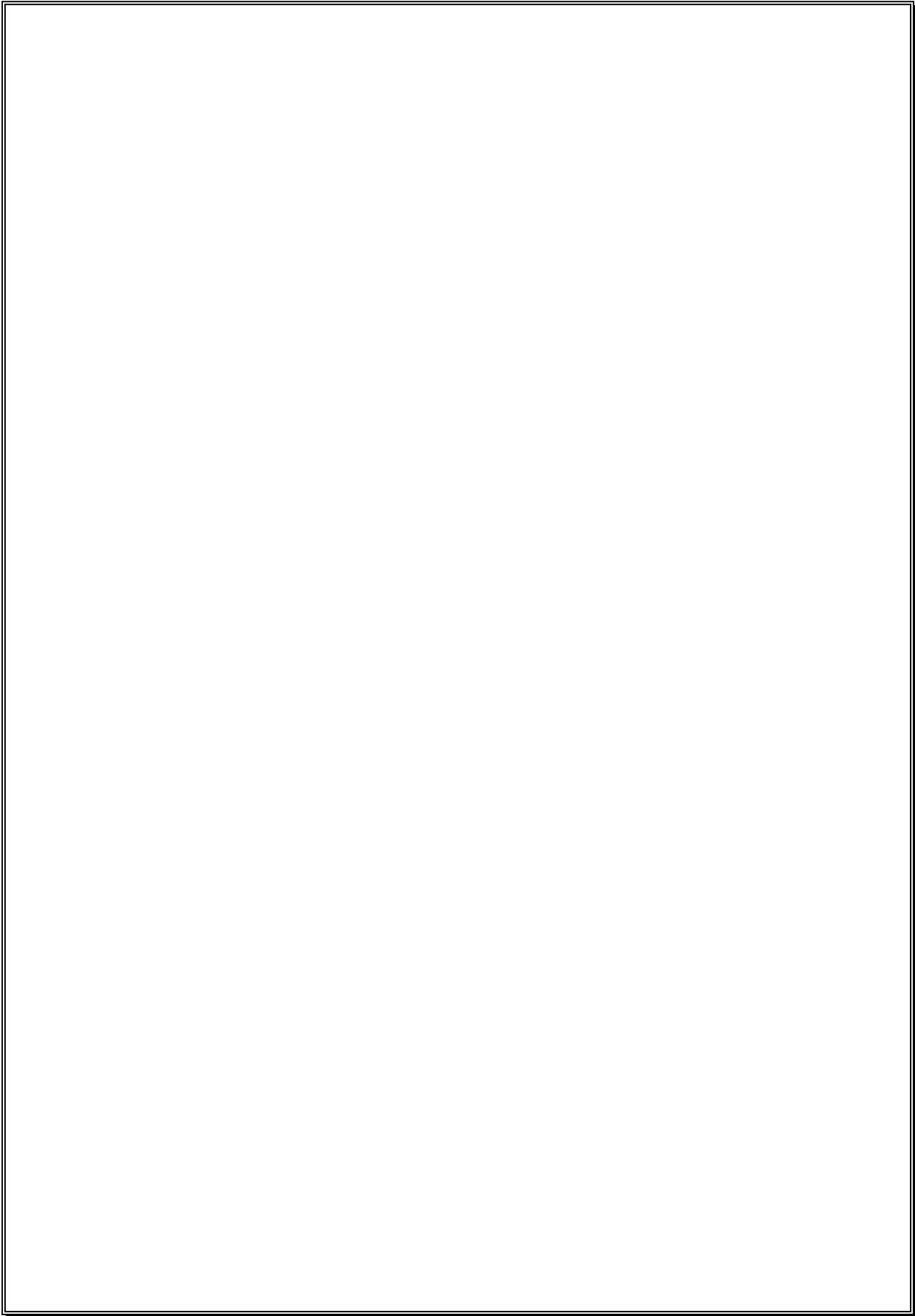
- ✓ Prepared a Resolution of Intent to amend the sections of the Municipal Code pertaining to lot yield and slope density standards.
- ✓ Updated the Town's permit tracking system by incorporating property information such as trail and conservation easements.

2011-13 Objectives

- ✓ Complete the General Plan Update process.
- ✓ Assist the Town Council in the prioritization of the Strategies in the new General Plan.
- ✓ Complete the update of the Residential Design Guidelines.
- ✓ Review and propose amendments to the Municipal Code based on the updated General Plan.
- ✓ Develop green building guidelines and organize green building workshops.
- ✓ Develop new handouts and checklists.
- ✓ Implement the Housing Element.
- ✓ Continue to update and add parcel information to TrakIt.







## **BUILDINGS AND GROUNDS DEPARTMENT**

The Buildings and Grounds Department oversees the operational, maintenance and janitorial services that are needed to support Town Hall facilities, the Woodside Community Museum, and open space areas. Landscape maintenance of the Town Center and other Town properties is also the responsibility of this department.

### **EXPENDITURE SUMMARY**

	2010-11 ADOPTED	2011-12 ADOPTED	% CHANGE	2012-13 APPROVED	% CHANGE
Salaries/Benefits	\$ 16,890	\$ 18,771	11.1	\$ 18,922	0.8
Services/Supplies	113,000	86,400	(23.5)	86,400	0.0
Capital Improvements	105,000	120,000	14.3	-	--
<b>Total</b>	<b>\$ 234,890</b>	<b>\$ 225,171</b>	<b>(4.1)</b>	<b>\$ 105,322</b>	<b>(53.2)</b>

### **BUDGET HIGHLIGHTS**

This department supports the maintenance and preservation of Town facilities. For 2011-12, a decrease in funding of 4.1% is included, followed by a decrease of 53.2% for 2012-13. Discussion of this budget is divided between the general day-to-day maintenance activities and the capital improvement plans.

- ✓ **General Maintenance:** The base budget for general maintenance has been reduced from approximately \$130,000 in 2010-11 to \$105,000 for fiscal years 2011-12 and 2012-13. This reduction reflects the actual cost of providing utilities to Town facilities and contractual janitorial and landscape maintenance. The costs covered by this budget include a twenty percent allotment of the salary and benefits of one member of the Town's maintenance crew to support the work the crew does in keeping up the buildings and grounds. The salaries and benefits increase from the adopted 2010-11 budget reflects the increased costs associated with pension contributions, health insurance, workers' compensation insurance, and retiree health benefits.
- ✓ **Capital Improvements:** This departmental budget covers the cost of improvements to the Town's facilities, including Town Hall, Independence Hall, and the Community Museum. The budget for capital improvements for these facilities varies from year-to-year. The 2010-11 budget for this purpose included \$80,000 to replace the HVAC systems in Town Hall and Independence Hall and \$25,000 for re-roofing Town Hall. Neither of these projects were undertaken during the fiscal year, and funding in the amount \$80,000 for HVAC replacement and \$40,000 for roof replacement is included for 2011-12. The increase in the budget for the roof replacement is based on responses to bids received during the last year. No capital improvement needs have been identified for the 2012-13.

### **AUTHORIZED PERSONNEL**

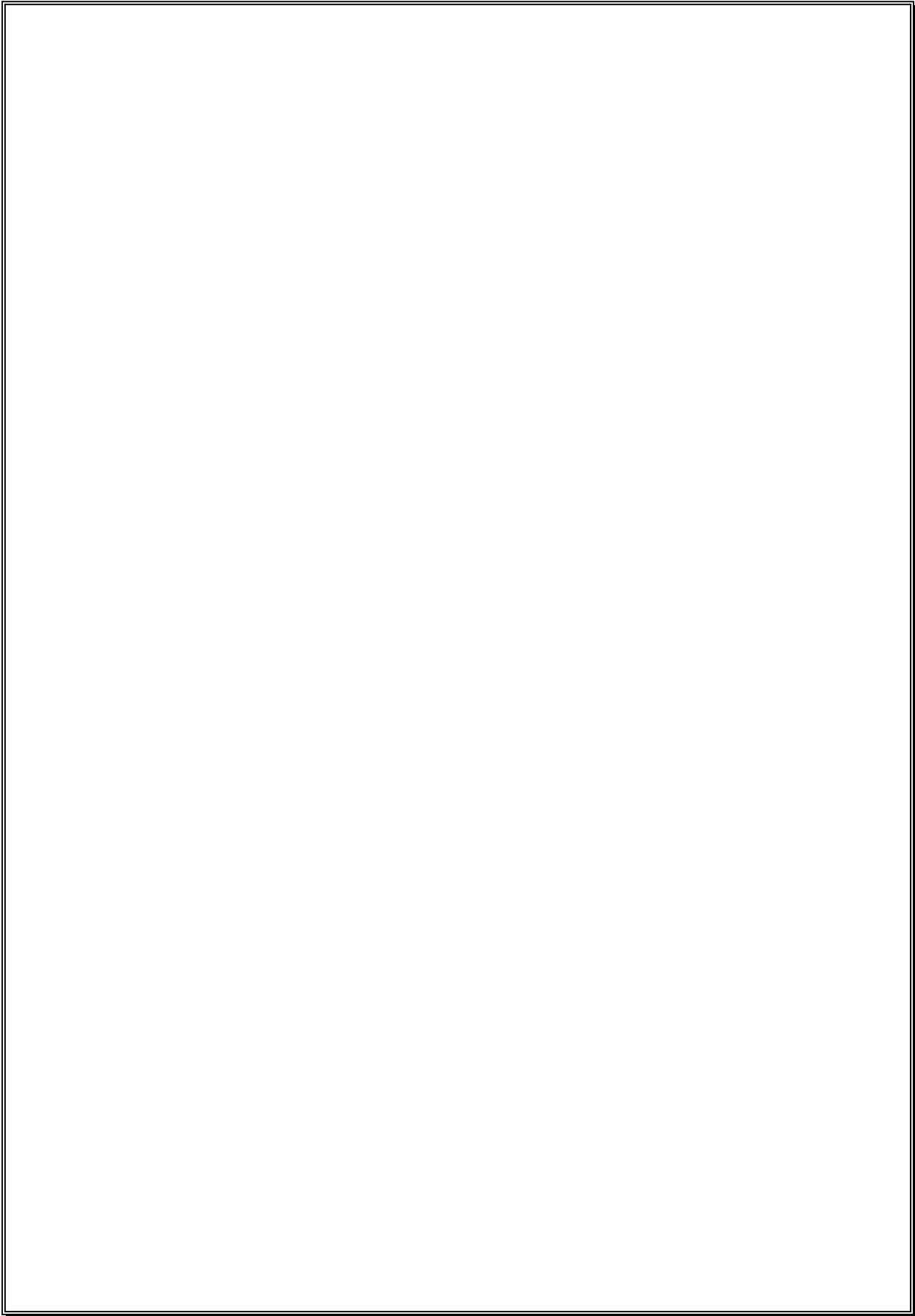
	2010-11 ADOPTED	2011-12 ADOPTED	# CHANGE	2012-13 APPROVED	# CHANGE
Maintenance Worker	0.20	0.20	0.00	0.20	0.00
<b>Total</b>	<b>0.20</b>	<b>0.20</b>	<b>0.00</b>	<b>0.20</b>	<b>0.00</b>

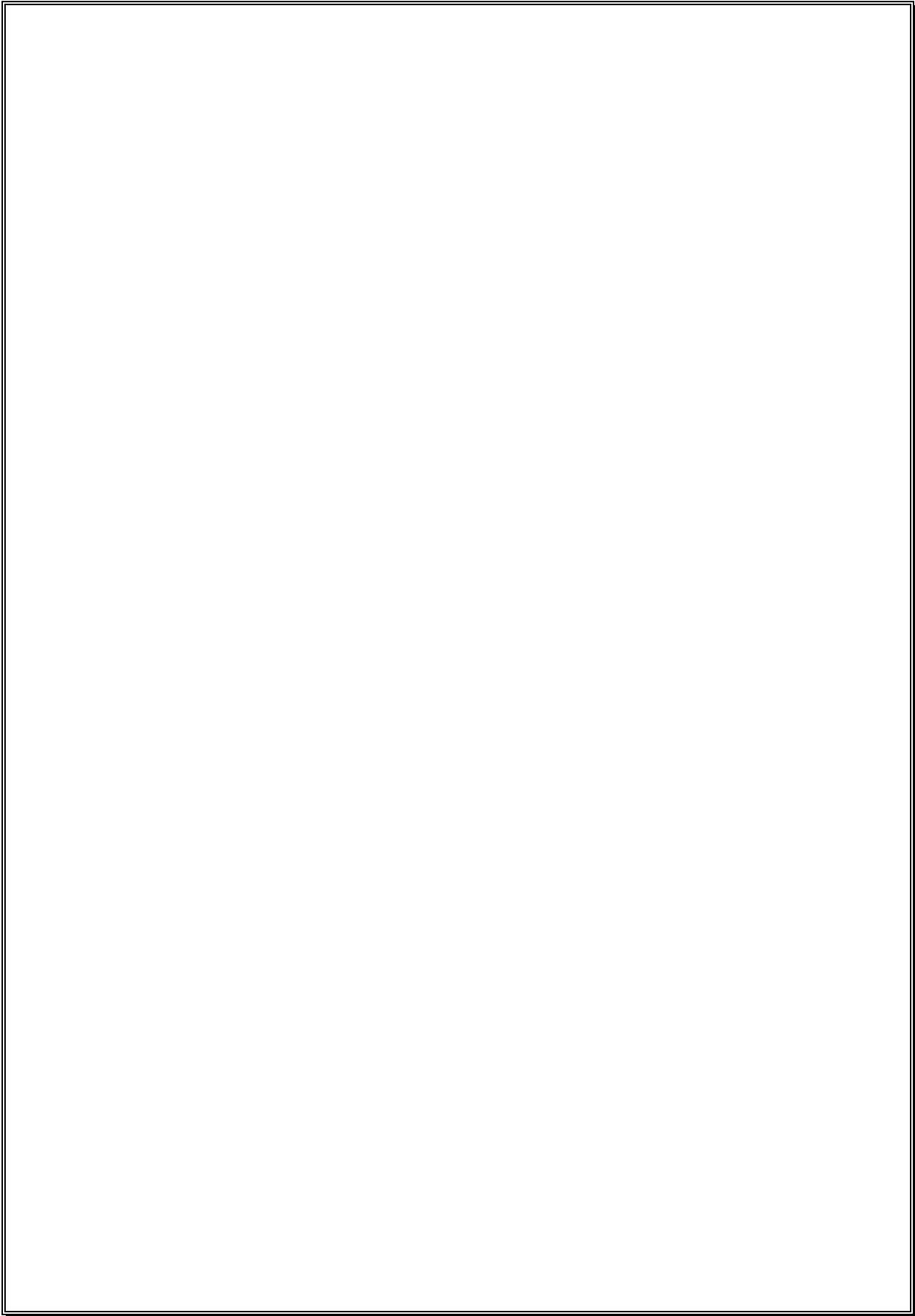
### **FUNDING SOURCE SUMMARY**

This departmental budget is totally supported by the General Fund.

**WORK PLAN HIGHLIGHTS**

There is no Work Plan for this department.





## **TOWN-WIDE OVERHEAD DEPARTMENT**

The Town-wide Overhead Department budget was established to provide a central collection point for expenditures that support all Town programs and functions.

### **EXPENDITURE SUMMARY**

	2010-11	2011-12	%	2012-13	%
	ADOPTED	ADOPTED	CHANGE	APPROVED	CHANGE
Salaries/Benefits	\$ 47,700	\$ 54,000	13.2	\$ 54,000	0.0
Services/Supplies	355,500	315,000	(11.4)	297,000	(5.7)
Equipment	20,000	20,000	0.0	20,000	0.0
<b>Total</b>	<b>\$ 423,200</b>	<b>\$ 389,000</b>	<b>(8.1)</b>	<b>\$ 371,000</b>	<b>(4.6)</b>

### **BUDGET HIGHLIGHTS**

An 8.1% decrease is included for this department in 2011-12, followed by an additional 4.6% decrease in 2012-13. This department supports a mixture of diverse costs not linked to any specific Town program. These costs are categorized into three areas:

- ✓ **Salaries and Benefits:** Every year, the Town Council includes a \$50,000 reserve for future salary and benefit adjustments in the proposed budget. An additional \$4,000 is a standing reserve for unemployment insurance claims.
- ✓ **Services and Supplies:** The funding for this category of expenditure reflects a 11.4%, or \$40,500, decrease in 2011-12 and a decrease by 5.7%, or \$18,000 in 2012-13. Covered costs in this budget include telephone utilities, office supplies, postage, equipment rental and maintenance (copiers, postage machine, printers, telephones, computers, etc.), the Town newsletter ("The Woodsider"), liability insurance, and computer network support services. The decrease for 2011-12 is the result of a reduction of \$22,000 needed to support the update of the Town's website, which is currently in process, and over \$38,000 in reductions to the base budget resulting from new copier leases, a new phone system, and a new phone service contract. The 2012-13 budget is reduced by another \$18,000, reflecting the completion of the website update in 2011-12.
- ✓ **Equipment:** A central fund of \$20,000 is maintained in this departmental budget to support needed equipment acquisitions identified during the year.

### **AUTHORIZED PERSONNEL**

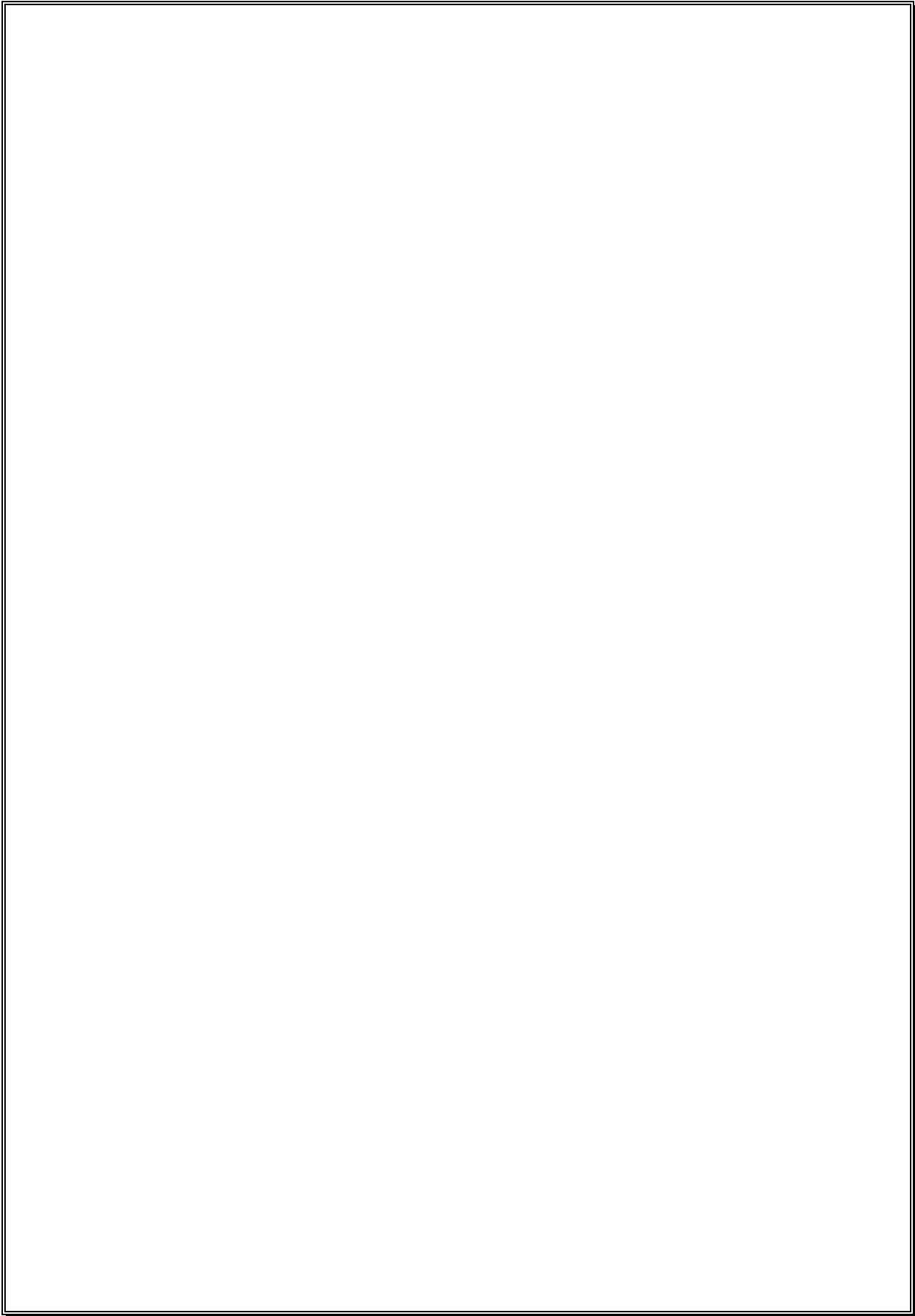
There are no authorized positions assigned to this department.

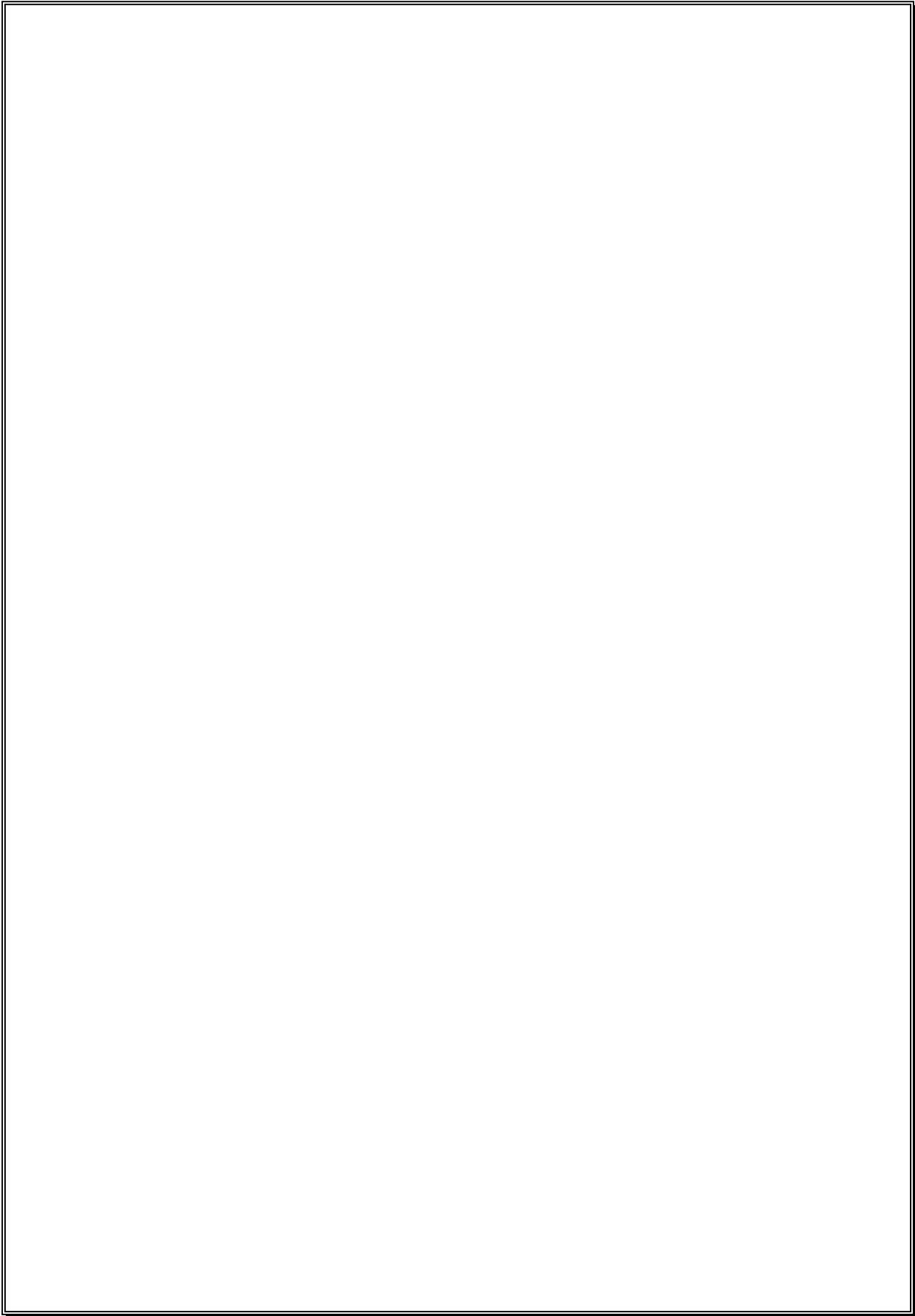
### **FUNDING SOURCE SUMMARY**

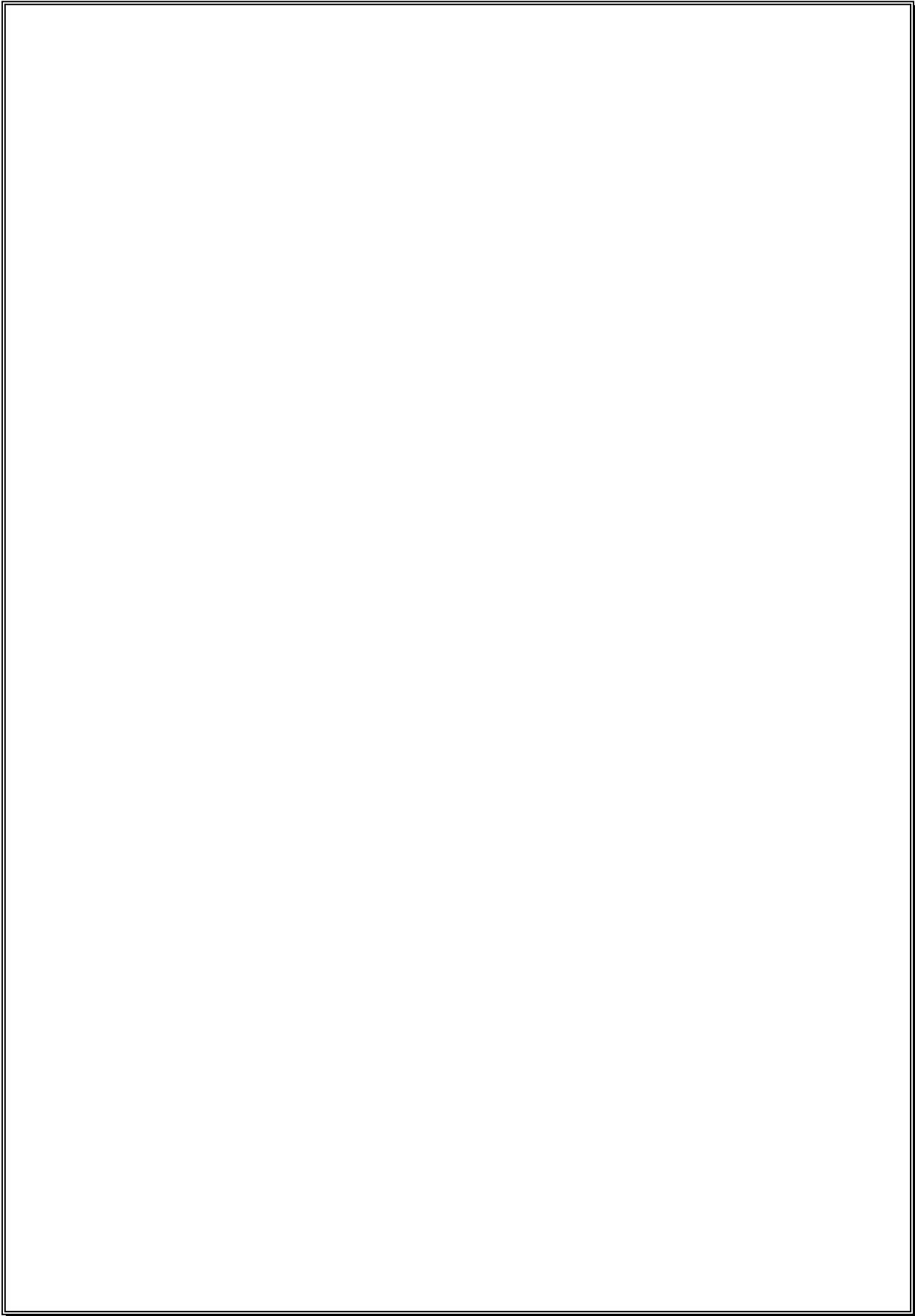
The cost of supporting this departmental budget is fully borne by the General Fund.

### **WORK PLAN HIGHLIGHTS**

There is no Work Plan for this department.







## **SAFETY SERVICES DEPARTMENT**

This department supports the various public safety activities essential to the health and safety of Town residents, businesses, and visitors. Included in this department are the contracts for San Mateo County Sheriff Department services, animal control services, emergency preparedness/civil defense assistance, and fire risk management initiatives.

### **EXPENDITURE SUMMARY**

	2010-11 ADOPTED	2011-12 ADOPTED	% CHANGE	2012-13 APPROVED	% CHANGE
Services/Supplies	\$ 1,447,690	\$ 1,461,737	1.0	\$ 1,556,737	6.5
<b>Total</b>	<b>\$ 1,447,690</b>	<b>\$ 1,461,737</b>	<b>1.0</b>	<b>\$ 1,556,737</b>	<b>6.5</b>

### **BUDGET HIGHLIGHTS**

The adopted budgets for 2011-12 and 2012-13 for the Safety Services Department include increases in funding of 1.0% and 6.5%, respectively.

There are several functions supported by this departmental budget:

- ✓ **Police Services:** There are three components to the Town's current agreement with the County of San Mateo for police services which expires on June 30, 2012: the basic contract services, the Town's dedicated motorcycle unit, and the supplemental services provided through the State's Citizens' Option for Public Safety (COPS) Program. Below is a chart that summarizes the cost components of the current agreement.

Service	2009-10	2010-11	2011-12
Basic Contract	\$ 792,437	\$ 852,679	\$ 917,893
Motorcycle Unit	207,661	224,479	242,720
COPS Contract	198,270	218,279	240,155
<b>Total Contract</b>	<b>\$ 1,198,368</b>	<b>\$ 1,295,437</b>	<b>\$ 1,400,768</b>
Less COPS Grant	(100,000)	(100,000)	(100,000)
<b>Net Town Cost</b>	<b>\$ 1,098,368</b>	<b>\$ 1,195,437</b>	<b>\$ 1,300,768</b>

As discussed in the letter of transmittal, the future of the State's COPS Program is far from certain. The proposed budget assumes that the \$100,000 from the State will no longer be available past June 30, 2011, and that the Town will not replace the State funds with a General Fund augmentation. There is a provision in the Town's agreement with the Sheriff that the services provided by the COPS Program funds will be reexamined should State funding be decreased or eliminated. Discussions with the Sheriff have begun. More detail is provided in the Letter of Transmittal about this issue.

- ✓ **Office of Emergency Services:** A total of \$19,880 is provided in 2011-12 to fund the Town's cost of basic emergency services provided through the San Mateo Emergency Services Operational Area Joint Powers Agency (JPA). This funding level is continued into 2012-13, pending further information about future year JPA costs.
- ✓ **Animal Control Services:** The Town secures Animal Control Services through a contract with the County of San Mateo, which in turn contracts with the Peninsula Humane Society (PHS) for these basic services. For 2011-12, a 10.0%, or \$8,715, increase to \$96,089 has been included in the proposed budget, pursuant to the service delivery terms of the Town's agreement with the County and the other San Mateo County cities. Each year's costs are now based upon each jurisdiction's relative share of the PHS' service response data from the prior year.

- ✓ **Woodside Fire Protection District Chipper Program:** Since 2006, the Town has participated with the Fire Protection District in the annual Chipper Program. The adopted budget includes \$15,000 in each year to support this program.
- ✓ **Defensible Space Matching Fund Program:** In the fall of 2010, the Town introduced this program which reimburses property owners up to \$1,000 to conduct fire fuel load reduction on their property. Twelve applications were approved in 2010-11 and \$7,094 was spent during 2010-11. The budget includes \$25,000 in each year to continue this program.
- ✓ **Citizens for Emergency Response and Preparedness Program (CERPP):** The budget includes funding of \$5,000 for CERPP in both 2011-12 and 2012-13. CERPP is undergoing a review of its operational structure and may be coming to the Towns of Woodside and Portola Valley in the near future to request additional funding support. The extent of this request was unknown as this budget document was being prepared.

#### **AUTHORIZED PERSONNEL**

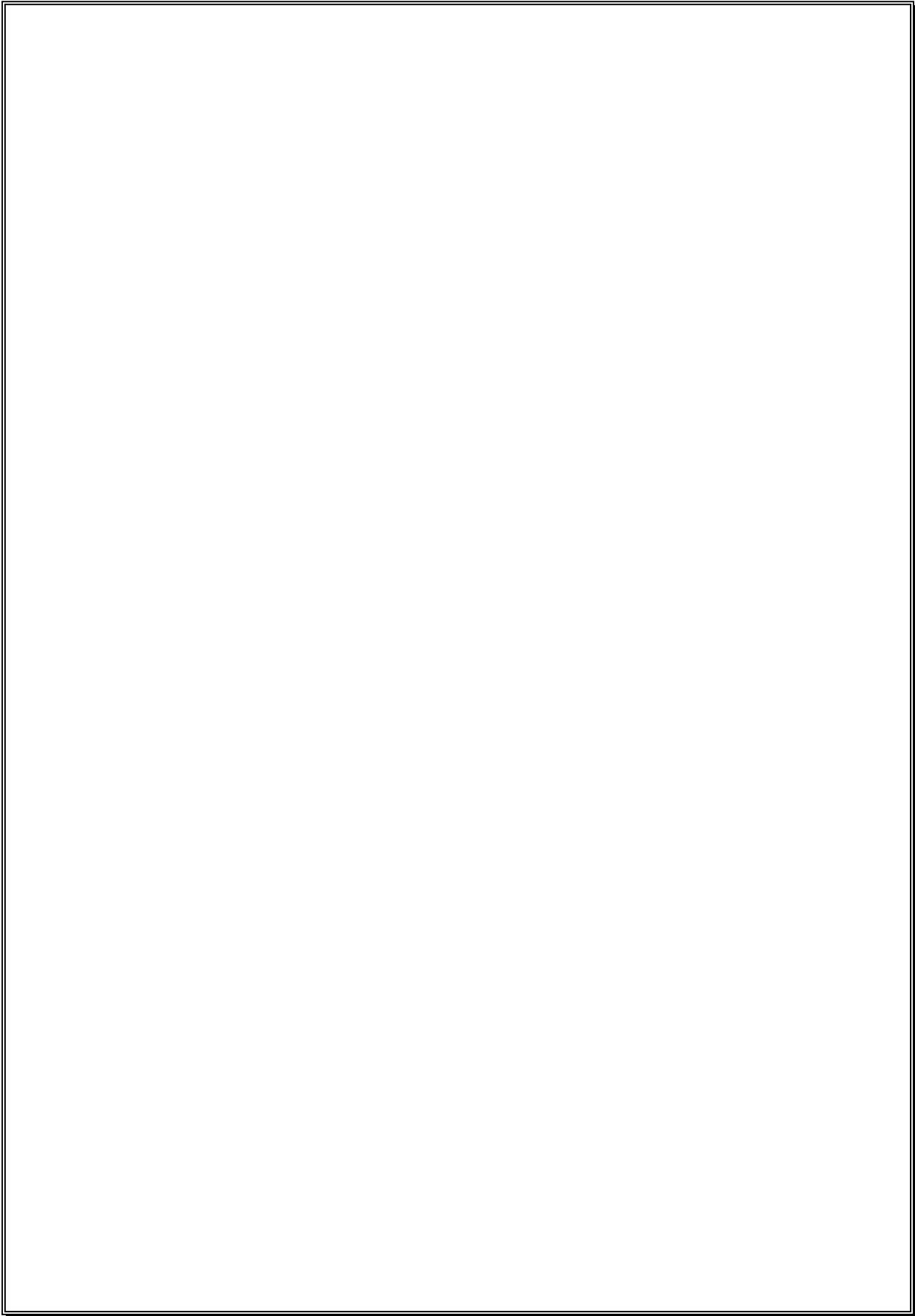
There are no authorized positions assigned to this department.

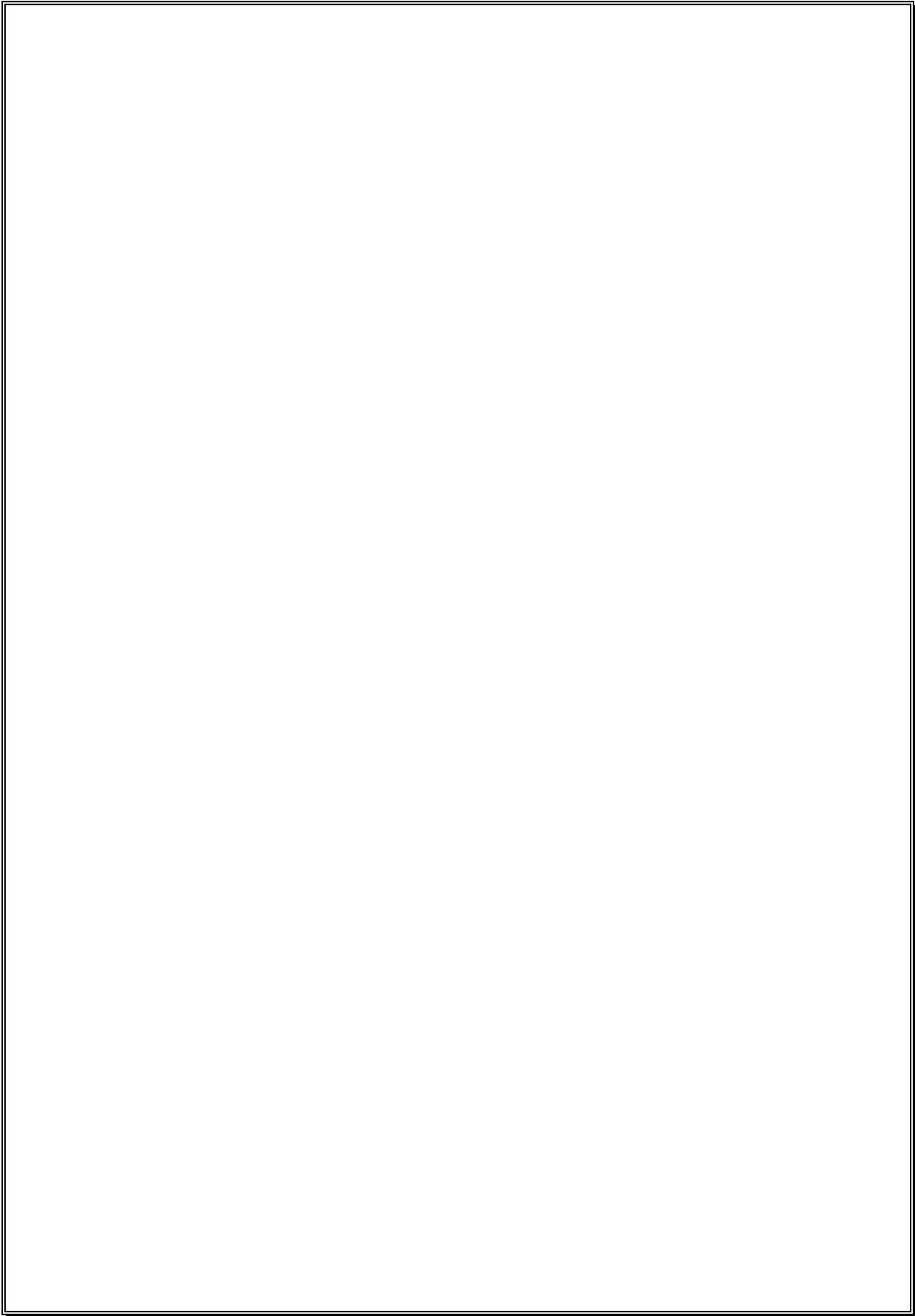
#### **FUNDING SOURCE SUMMARY**

This department is supported by the General Fund and historically by a \$100,000 grant received from the Citizens' Option for Safety (COPS) Program, funded by the State of California. As described in the letter of transmittal, the adopted budget assumes that the COPS program will expire on June 30, 2011.

#### **WORK PLAN HIGHLIGHTS**

There is no Work Plan for this department.





## **TRAILS DEPARTMENT**

The Trails Department provides services for the Town's network of equestrian trails, under the general guidance of the Town's Trails Committee, ensuring maintenance, upkeep, and safe conditions.

### **EXPENDITURE SUMMARY**

	2010-11	2011-12	%	2012-13	%
	ADOPTED	ADOPTED	CHANGE	APPROVED	CHANGE
Salaries/Benefits	\$ 25,411	\$ 28,440	11.9	\$ 28,676	0.8
Services/Supplies	1,100	1,100	0.0	1,100	0.0
Capital Projects	33,770	33,770	0.0	33,770	0.0
Overhead Charges	6,569	7,069	7.6	7,140	1.0
Interfund/Dept. Transfers	29,150	29,150	0.0	29,150	0.0
<b>Total</b>	<b>\$ 96,000</b>	<b>\$ 99,529</b>	<b>3.7</b>	<b>\$ 99,836</b>	<b>0.3</b>
<b>Less: Interfund Transfers</b>	<b>(29,150)</b>	<b>(29,150)</b>	<b>0.0</b>	<b>(29,150)</b>	<b>0.0</b>
<b>Net Total</b>	<b>\$ 66,850</b>	<b>\$ 70,379</b>	<b>5.3</b>	<b>\$ 70,686</b>	<b>0.4</b>

### **BUDGET HIGHLIGHTS**

The budget for the Trails Department reflects a 5.3% increase for 2011-12 and an increase of 0.4% for 2012-13. The increases in each year reflect the employee benefit costs associated with pension contributions, health insurance premiums, workers' compensation insurance, and retiree health benefits.

### **AUTHORIZED PERSONNEL**

	2010-11	2011-12	#	2012-13	#
	ADOPTED	ADOPTED	CHANGE	APPROVED	CHANGE
Maintenance Worker	0.15	0.15	0.00	0.15	0.00
Town Engineer	0.05	0.05	0.00	0.05	0.00
<b>Total</b>	<b>0.20</b>	<b>0.20</b>	<b>0.00</b>	<b>0.20</b>	<b>0.00</b>

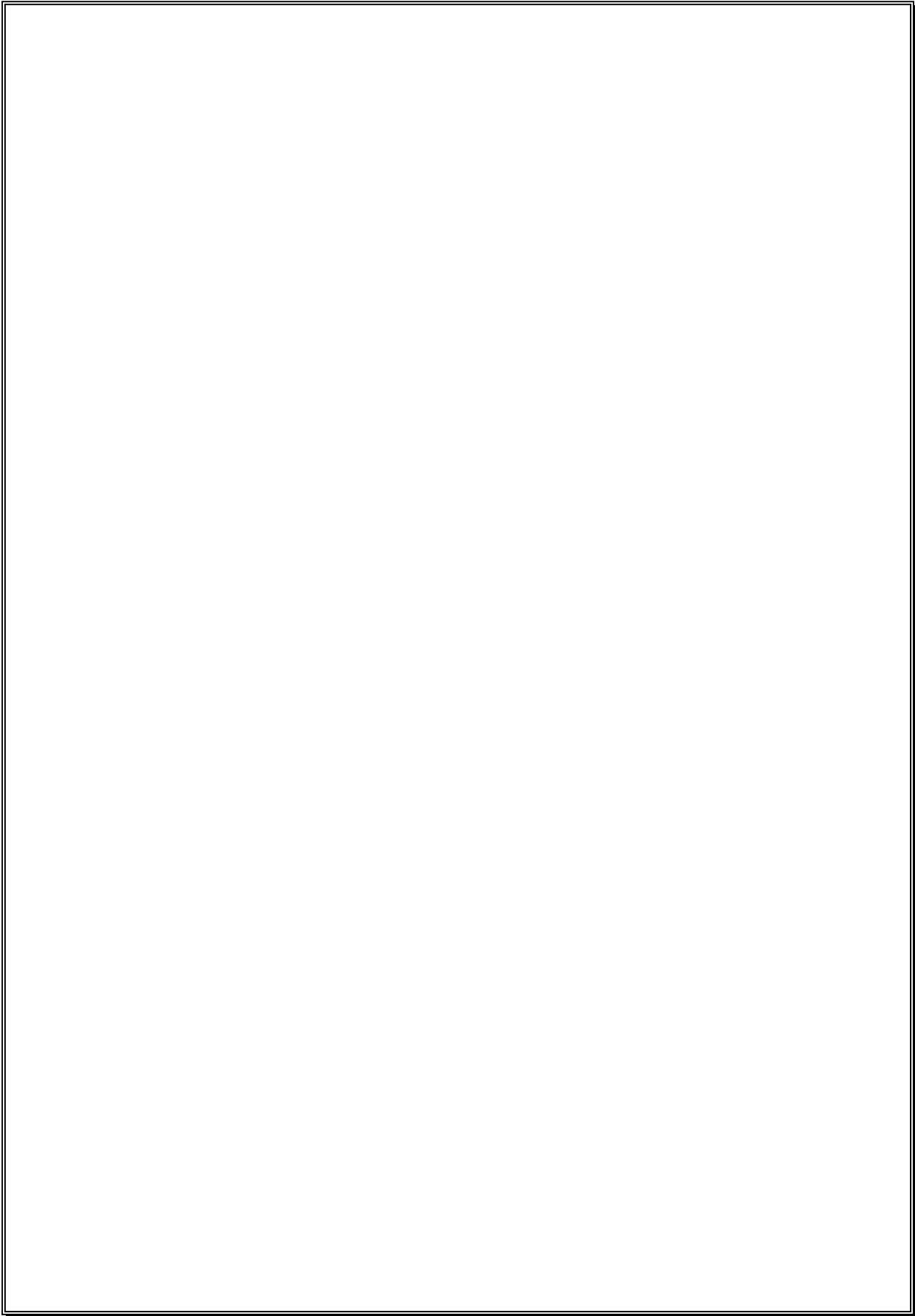
### **FUNDING SOURCE SUMMARY**

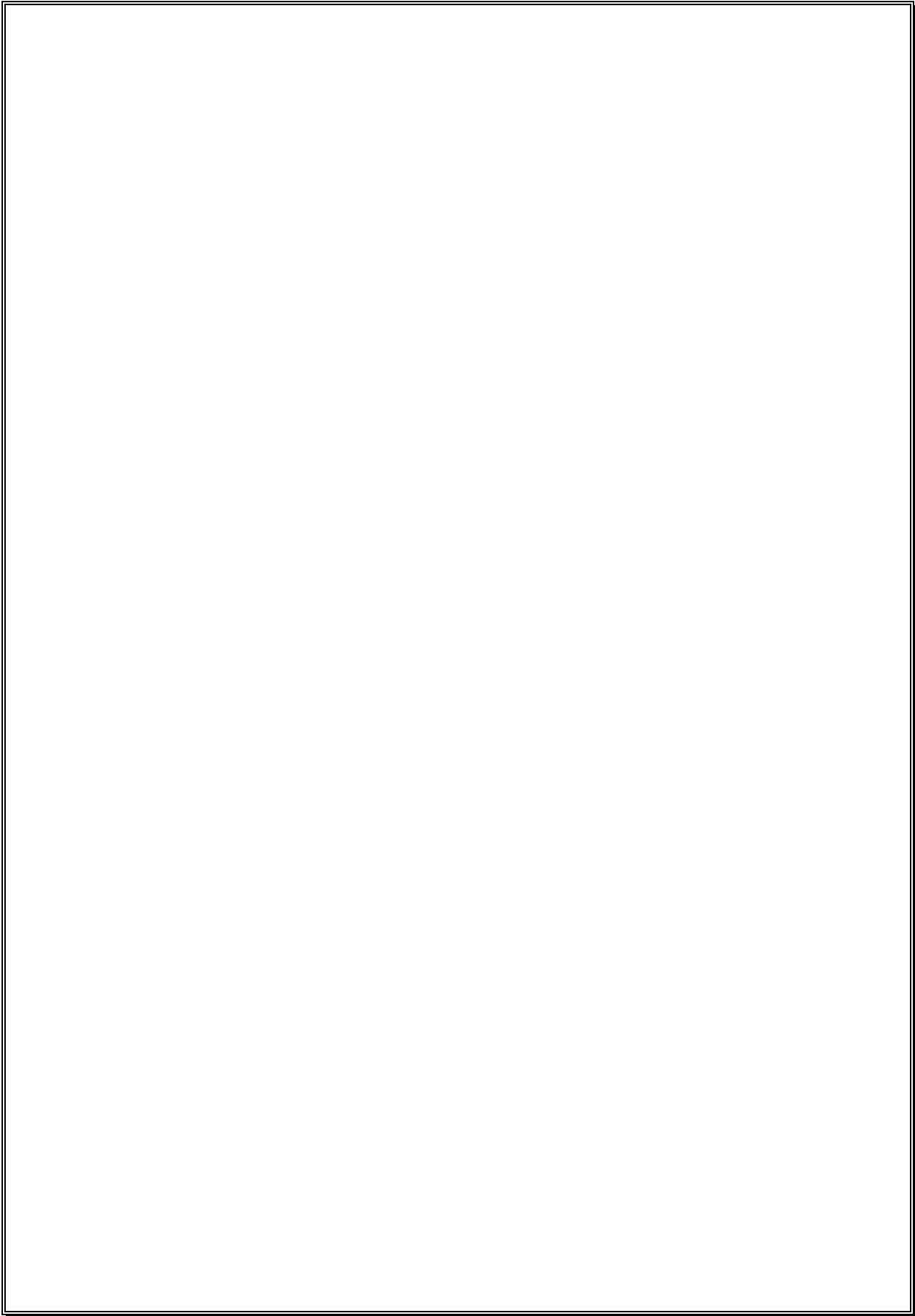
Funding for the Trails budget has traditionally been made up of equal contributions from Trails Maintenance Fee revenue and the General Fund. The adopted budget reflects this practice continuing for 2011-12 and 2012-13. The Trails Fund maintains a healthy balance of over \$80,000 to supplement expenditures for the next two years.

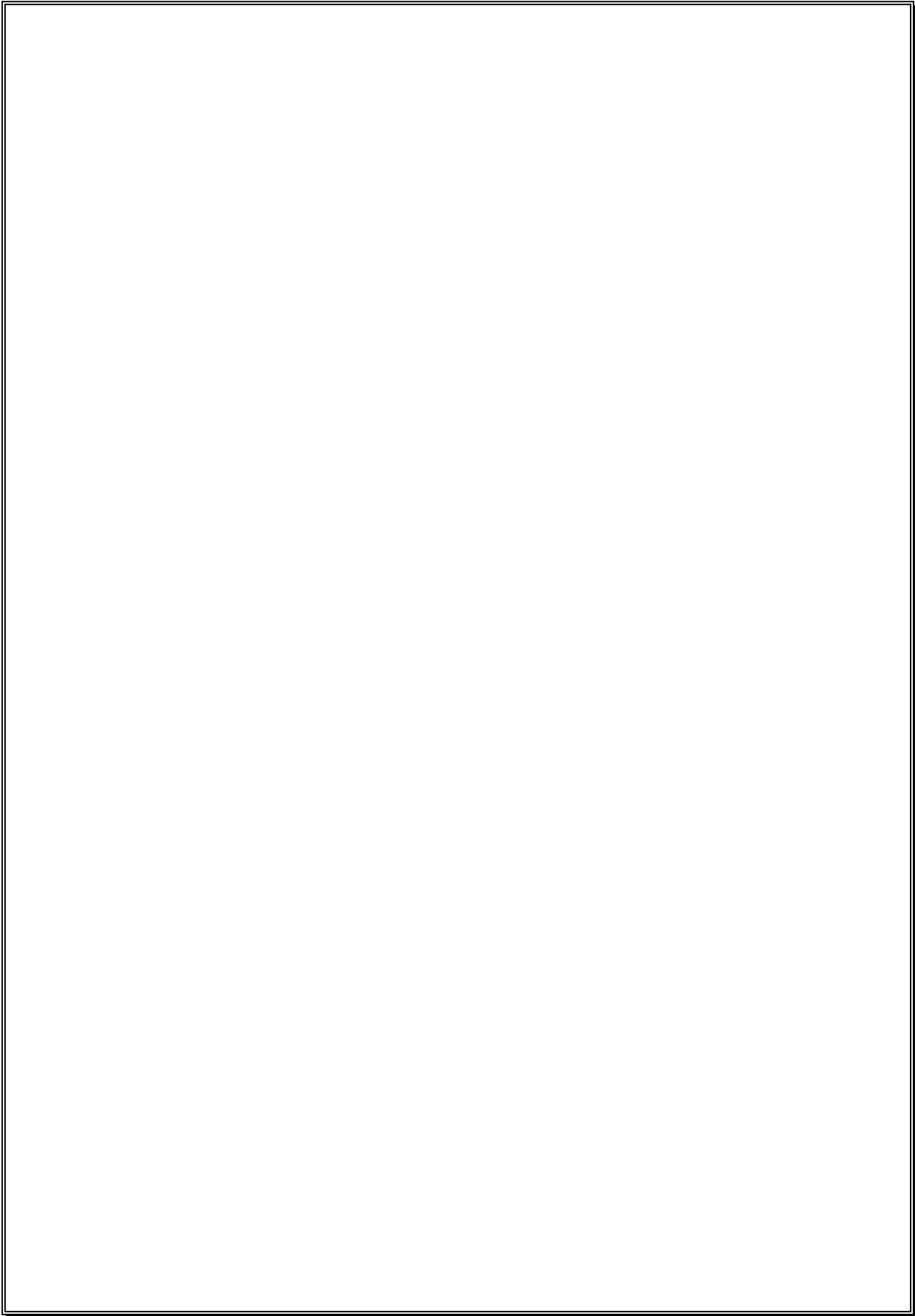
	2010-11	2011-12	%	2012-13	%
	ADOPTED	ADOPTED	CHANGE	APPROVED	CHANGE
Trails Users Fee	\$ 29,150	\$ 29,150	0.0	\$ 29,150	0.0
General Fund Transfer	29,150	29,150	0.0	29,150	0.0
Interest Income	500	500	0.0	500	0.0
Carryover Fund Balance	8,050	11,579	43.8	11,886	2.7
<b>Total</b>	<b>\$ 66,850</b>	<b>\$ 70,379</b>	<b>5.3</b>	<b>\$ 70,686</b>	<b>0.4</b>

### **WORK PLAN HIGHLIGHTS**

There is no Work Plan for this department.







## **PUBLIC WORKS DEPARTMENT**

The Public Works Department oversees the construction and maintenance of the public infrastructure, primarily sewers and roads. It also provides a variety of engineering support services to the Town's planning activities and public utilities. Building regulation, in compliance with the California Building Code and companion codes, is also a departmental responsibility and permits are issued for all construction work. Plans are checked for compliance with geological and structural requirements of Town codes and ordinances and industry standards.

### **EXPENDITURE SUMMARY**

The following tables display the Public Works Department budget in two ways. The first table organizes the budget by categories of expenditure, with a further breakdown by program area within each category. The second table provides the total budget detailed by program area.

#### **BUDGET BY CATEGORY OF EXPENDITURE**

<b>CATEGORY</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>	<b>% CHANGE</b>	<b>2012-13 APPROVED</b>	<b>% CHANGE</b>
<b>Salaries/Benefits</b>					
General Fund	\$ 628,305	\$ 712,695	13.4	\$ 588,805	(17.4)
Road Program	530,045	566,538	6.9	570,976	0.8
Sewer Program	63,776	77,447	21.4	79,099	2.1
Deposit Funds	63,039	48,740	(22.7)	35,857	(26.4)
<b>Total</b>	<b>\$ 1,285,165</b>	<b>\$ 1,405,420</b>	<b>9.4</b>	<b>\$ 1,274,737</b>	<b>(9.3)</b>
<b>Services/Supplies</b>					
General Fund	\$ 124,300	\$ 150,200	20.8	\$ 161,200	7.3
Road Program	101,877	101,877	0.0	101,877	0.0
Sewer Program	146,873	161,873	10.2	146,873	(9.3)
Deposit Funds	50,000	50,000	0.0	50,000	0.0
<b>Total</b>	<b>\$ 423,050</b>	<b>\$ 463,950</b>	<b>9.7</b>	<b>\$ 459,950</b>	<b>(0.9)</b>
<b>Capital/Equipment</b>					
Road Program	\$ 699,000	\$ 721,500	3.2	\$ 350,000	(51.5)
Sewer Program	24,000	24,000	0.0	24,000	0.0
<b>Total</b>	<b>\$ 723,000</b>	<b>\$ 745,500</b>	<b>3.1</b>	<b>\$ 374,000</b>	<b>(49.8)</b>
<b>Depreciation</b>					
Sewer Program	\$ 90,883	\$ 90,883	0.0	\$ 90,883	0.0
<b>Debt Service</b>					
Assmt. Districts	\$ 130,343	\$ 135,580	4.0	\$ 135,285	(0.2)
<b>Overhead Charges</b>					
Road Program	206,000	206,000	0.0	208,060	1.0
Sewer Program	56,381	59,931	6.3	60,530	1.0
<b>Total</b>	<b>\$ 262,381</b>	<b>\$ 265,931</b>	<b>1.4</b>	<b>\$ 268,590</b>	<b>1.0</b>
<b>Interfund Transfers</b>					
General Fund	\$ 500,000	\$ 500,000	0.0	\$ 500,000	0.0
<b>Total</b>	<b>\$ 3,414,822</b>	<b>\$ 3,607,264</b>	<b>5.6</b>	<b>\$ 3,103,445</b>	<b>(14.0)</b>
Less: Interfund Transfers	(500,000)	(500,000)	0.0	(500,000)	0.0
<b>Total Net Budget</b>	<b>\$ 2,914,822</b>	<b>\$ 3,107,264</b>	<b>6.6</b>	<b>\$ 2,603,445</b>	<b>(16.2)</b>
<b>RECAP:</b>					
Salaries/Benefits	\$ 1,285,165	\$ 1,405,420	9.4	\$ 1,274,737	(9.3)
Services/Supplies	423,050	463,950	9.7	459,950	(0.9)
Capital Projects	723,000	745,500	3.1	374,000	(49.8)
Depreciation	90,883	90,883	0.0	90,883	0.0
Debt Service	130,343	135,580	4.0	135,285	(0.2)
Overhead Charges	262,381	265,931	1.4	268,590	1.0
<b>Total Net Budget</b>	<b>\$ 2,914,822</b>	<b>\$ 3,107,264</b>	<b>6.6</b>	<b>\$ 2,603,445</b>	<b>(16.2)</b>

### BUDGET BY PROGRAM AREA

PROGRAM	2010-11 ADOPTED	2011-12 ADOPTED	% CHANGE	2012-13 APPROVED	% CHANGE
General Engineering	\$ 865,644	\$ 961,635	11.1	\$ 835,862	(13.1)
Sewer Program	381,913	414,134	8.4	401,385	(3.1)
Road Program	1,536,922	1,595,915	3.8	1,230,913	(22.9)
Assmt. District Debt Service	130,343	135,580	4.0	135,285	(0.2)
<b>Total Net Budget</b>	<b>\$ 2,914,822</b>	<b>\$ 3,107,264</b>	<b>6.6</b>	<b>\$ 2,603,445</b>	<b>(16.2)</b>

### BUDGET HIGHLIGHTS

A 6.6% increase is included for the Public Works Department for 2011-12, followed by a decrease of 16.2% in 2012-13. The specifics of these changes are provided in the individual program summaries included later in this “Budget Highlights” section of the departmental budget. The department supports several distinct and diverse types of activities that are funded by the revenues earned in thirteen different Town funds. With the exception of moneys from the General Fund, these revenues are restricted as to their use. They support General Engineering, the Road Program, the Sewer Program, and debt service on assessment district bonds. Appendix B provides a description of the sources of these revenues and of the specific limitations placed upon the expenditure of revenues from each of these funds. The funds that support this department include:

Fund #	Fund Name	Activity Supported
101	General	General Engineering
204	Traffic Safety	Roads
206/207	Gas Tax Construction and Maintenance	Roads
210	Measure A Tax	Roads
242	Road Impact Fee	Roads
441/450	Parking Assessment District Debt and Reserve	Debt Service
525	Canada Corridor	Sewers
528	Sewer Utility	Sewers
529	Town Center Pump Station	Sewers
537	Sewer Revolving	Sewers
900's	Development Deposit Funds	General Engineering

The following is a brief description of each program and of the major budgetary changes proposed for each:

- ✓ **General Engineering:** The General Fund and development-related fees and deposit funds support this activity, which includes general oversight of Town rights-of-way and properties, enforcement of Town rules and regulations, and processing of development permits and applications. A \$95,991, or 11.1%, increase is included for this program area in 2011-12, followed by a decrease of \$125,773, or 13.1%, in 2012-13. The increase in 2011-12 is attributable to the offsetting impacts of base budget adjustments and recommended staffing actions, which are discussed the Letter of Transmittal to this budget. Following are details of these adjustments:
  - In the base budget, three Project Manager positions have been transferred to the Public Works Department from the Planning Department, along with the roughly \$278,000 that supports them. One of these positions is further discussed below.
  - The base budget for plan check services has been increased by \$10,000 reflecting actual expenditures for this service.
  - Other base budget increases of about \$13,000 have been included for the increased costs of pension contributions, health insurance premiums, workers’ compensation insurance, and retiree health benefits.
  - As is detailed in the Letter of Transmittal, the following changes were approved: (1) the funding for the vacant Project Manager position was eliminated in both 2011-12 and 2012-13, for a savings of about \$95,000 in each year; (2) the Building Official position will be held vacant following the retirement of the current incumbent during 2011-12, saving about

\$132,000 in the first year of the budget and increasing to about \$173,500 annually over the two-year period; (3) the half-time Town Geologist position will be eliminated in January 2012, following the retirement of the current incumbent, saving about \$50,000 in the first year and increasing to about \$84,000 in 2012-13; (4) the Building Inspector will be promoted to Deputy Building Inspector and the services of a contract Building Official will be engaged, at a cost of about \$27,000 in 2011-12 and \$37,000 in 2012-13; (5) needed Town Geologist services will be contracted out at a cost of about \$5,000 in 2011-12 and \$10,000 in 2012-13; and (6) \$50,000 is provided in one-time funds to pay for accrued leave balances of retirees.

The following table summarizes the two-year impact of these actions. Note that the 2012-13 adjustments reflect only the incremental savings or costs of these actions, as a portion of each becomes part of the base in 2011-12.

	Salaries	Services	Total
<b>2010-11 Adopted</b>	<b>\$ 691,344</b>	<b>\$ 174,300</b>	<b>\$ 865,644</b>
2011-12 Adjustments			
Base Adjustments	291,455	2,900	
Project Manager	(95,218)	-	(95,218)
Building Official	(131,731)	18,000	(113,731)
Deputy Building Official	9,045		
Town Geologist	(54,436)	5,000	(49,436)
Leave Payouts	50,976	-	50,976
<b>2011-12 Adopted</b>	<b>\$ 761,435</b>	<b>\$ 200,200</b>	<b>\$ 961,635</b>
2012-13 Adjustments:			
			-
Building Official	(41,786)	6,000	(35,786)
Town Geologist	(57,133)	5,000	(52,133)
Base Adjustments	(41,826)		(41,826)
Deputy Building Official	3,972	-	3,972
<b>2012-13 Approved</b>	<b>\$ 624,662</b>	<b>\$ 211,200</b>	<b>\$ 835,862</b>

- ✓ **Sewer Program:** Four funds support the Town's sewer program. They are the Cañada Corridor Sewer Maintenance Fund (525), the Sewer Utility and Town Center Pump Funds (528 and 529), which support the Town Center Sewer District, and the Sewer Revolving Fund (537), which supports activities related to the Redwood Creek Sewer System. Activities supported by these funds are fully covered by the assessment of maintenance and user fees to the residences and businesses that are connected to the various sewer systems. An 8.4%, or \$32,221, increase is included for 2011-12, followed by a 3.1%, or \$12,749, decrease in 2012-13. These changes are primarily the result of the addition of \$15,000 in the first year for the preparation of a sewer rate analysis and the allocation of more of the Town Engineer and Deputy Town Engineer's time to the sewer program. Following completion of the sewer rate analysis, it is likely that sewer service maintenance charges will require adjustment and the necessary public hearings will have to be scheduled. The Town's Sewer Program will require funding augmentation not only for locally generated capital projects, but will have to pay its fair share of the capital improvements undertaken by Redwood City and the County of San Mateo.
- ✓ **Road Program:** Six funds support the Town's Road Program, including the Traffic Safety (204), Gas Tax Construction (206), Gas Tax Maintenance (207), Measure A (210), and Road Impact Fee (242) funds, as well as the General Fund (101). The 2011-13 Adopted Road Program, which is included in its entirety in Appendix B of this budget document, is summarized in the following chart:

Program Category	2011-12	2012-13	Total
Rehabilitation	\$ 290,194	\$ 229,000	\$ 519,194
Dig-outs	106,206	81,000	187,206
Other Projects:			
School Sidewalk Improvement	215,600	-	215,600
Pedestrian Improvements	40,000	20,000	60,000
Town-wide Crack Seal	5,000	5,000	10,000
Town-wide Striping	10,000	10,000	20,000
Bridge Rehab. & Analysis	54,500	5,000	59,500
In-house Maintenance			
Salaries and Benefits	566,538	570,976	1,137,514
Services and Supplies	101,877	101,877	203,754
Overhead	206,000	208,060	414,060
<b>Total Program</b>	<b>\$ 1,595,915</b>	<b>\$ 1,230,913</b>	<b>\$ 2,826,828</b>

Total Road Program expenditures reflect an increase of 3.8% in 2011-12, followed by a decrease of 22.9% in 2012-13. The 2011-12 Road Program includes the Woodside Road school safety improvement at the Elementary School, discussed in the Letter of Transmittal. This project is eligible for Federal Highway Safety Improvement Program (HSIP) funds of \$194,000. The Town will contribute a match of \$21,600 for this project. The 2011-12 Adopted Budget also includes \$49,500 in support of bridge analysis needed to determine the scope of work for the bridge rehabilitation projects. The 2012-13 reflects reduced spending on the Road Program, including the elimination of funding for the school sidewalk improvement project and the bridge analysis.

- ✓ **Debt Service:** Two funds support the debt service paid through this departmental budget. They are the Woodside Road/Whiskey Hill Road Parking Assessment District (450), and its reserve fund (441). They support all non-General Fund debt service for the Woodside Road/Whiskey Hill Road Parking Assessment District improvement bonds. All required principal and interest payments have been included in the budget for the parking assessment district for 2011-12 and 2012-13, supported by the assessments against the properties benefiting from the improvements, as provided for in the Town's various bond issuance documents.

**AUTHORIZED PERSONNEL**

	2010-11 ADOPTED	2011-12 ADOPTED	# CHANGE	2012-13 APPROVED	# CHANGE
Town Engineer	0.85	0.85	0.00	0.85	0.00
Deputy Town Engineer	0.90	0.95	0.05	0.95	0.00
Supervising Maint. Worker	1.00	1.00	0.00	1.00	0.00
Maintenance Worker	1.55	1.55	0.00	1.55	0.00
Development Svcs. Engineer	1.00	1.00	0.00	1.00	0.00
Building Official*	1.00	1.00	0.00	1.00	0.00
Dep. Bldg. Off./Bldg. Insptr.	1.00	1.00	0.00	1.00	0.00
Senior Project Manager	0.00	1.00	1.00	1.00	0.00
Project Manager	0.00	2.00	2.00	2.00	0.00
Town Geologist*	0.50	0.25	(0.25)	0.00	(0.25)
Intern*	1.00	1.00	0.00	1.00	0.00
<b>Total</b>	<b>8.80</b>	<b>11.60</b>	<b>2.80</b>	<b>11.35</b>	<b>(0.25)</b>

\* Services provided on either a contractual or temporary employment basis.

## **FUNDING SOURCE SUMMARY**

The Public Works Department is supported by a number of special revenues that are earmarked for specific purposes, such as gas taxes or sewer maintenance fees. Additionally, the department receives General Fund revenues from fees and charges, primarily from building permit and plan check fees. The table below outlines the revenue sources by program area.

	2010-11	2011-12	%	2012-13	%
	ADOPTED	ADOPTED	CHANGE	APPROVED	CHANGE
Traffic Fines	\$ 30,000	\$ 30,000	0.0	\$ 30,000	0.0
Gas Taxes	111,700	111,700	0.0	111,700	0.0
Measure A Sales Tax	235,000	235,000	0.0	235,000	0.0
Road Impact Fees	350,000	275,000	(21.4)	325,000	18.2
Debt Service Assessments	130,343	135,430	3.9	135,135	(0.2)
Sewer Maintenance Fees	171,368	171,368	0.0	171,368	0.0
Fees and Charges	647,125	459,625	(29.0)	459,625	0.0
Deposit Funds	150,000	102,740	(31.5)	89,857	(12.5)
Interest Income	31,250	7,350	(76.5)	7,350	0.0
Carryover Balances	469,697	472,441	0.6	250,030	(47.1)
Other Income	19,820	207,340	946.1	2,000	(99.0)
General Fund	568,519	899,270	58.2	786,380	(12.6)
<b>Total</b>	<b>\$ 2,914,822</b>	<b>\$ 3,107,264</b>	<b>6.6</b>	<b>\$ 2,603,445</b>	<b>(16.2)</b>

The available resources that support the Public Works Department are derived from many sources. For 2011-12, an increase of 6.6%, or \$192,442, is required, followed by a decrease of 16.2%, or \$503,819 in 2012-13. Projections of fee and permit revenues, as well as Road Impact Fee revenues, have been reduced based on recent and expected performance over the next two years. Fee and permit revenues support the General Engineering program while Road Impact Fees support the Road Program. Loans to property owners for the Canada Corridor sewer project are scheduled to be paid off during 2011-12. The Town has applied for a federal Highway Safety Improvement Program (HSIP) grant to fund the Woodside Road sidewalk improvement project at the Elementary School. The \$194,000 grant is included in the other revenue category for the Road Program in 2011-12.

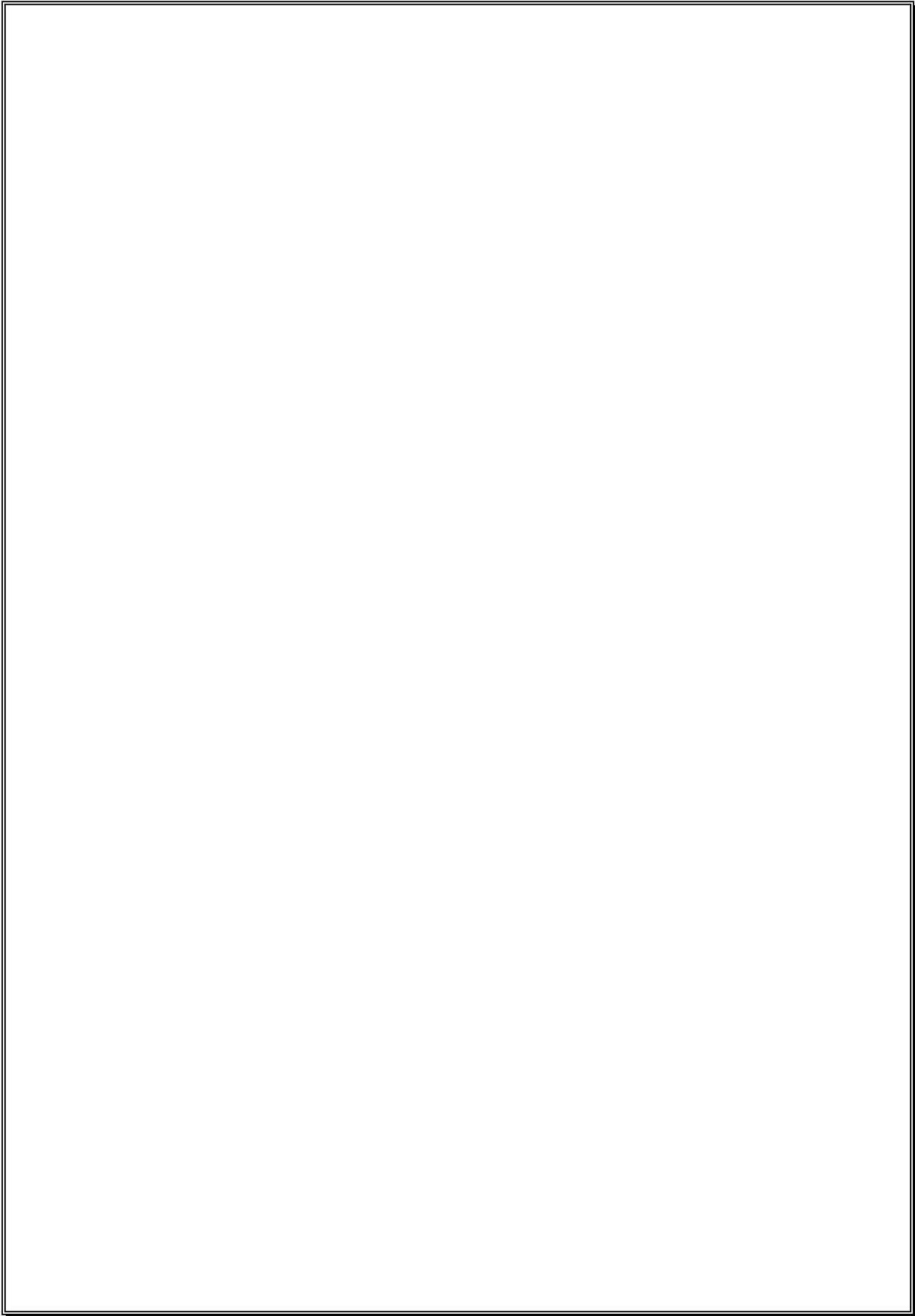
## **WORK PLAN HIGHLIGHTS**

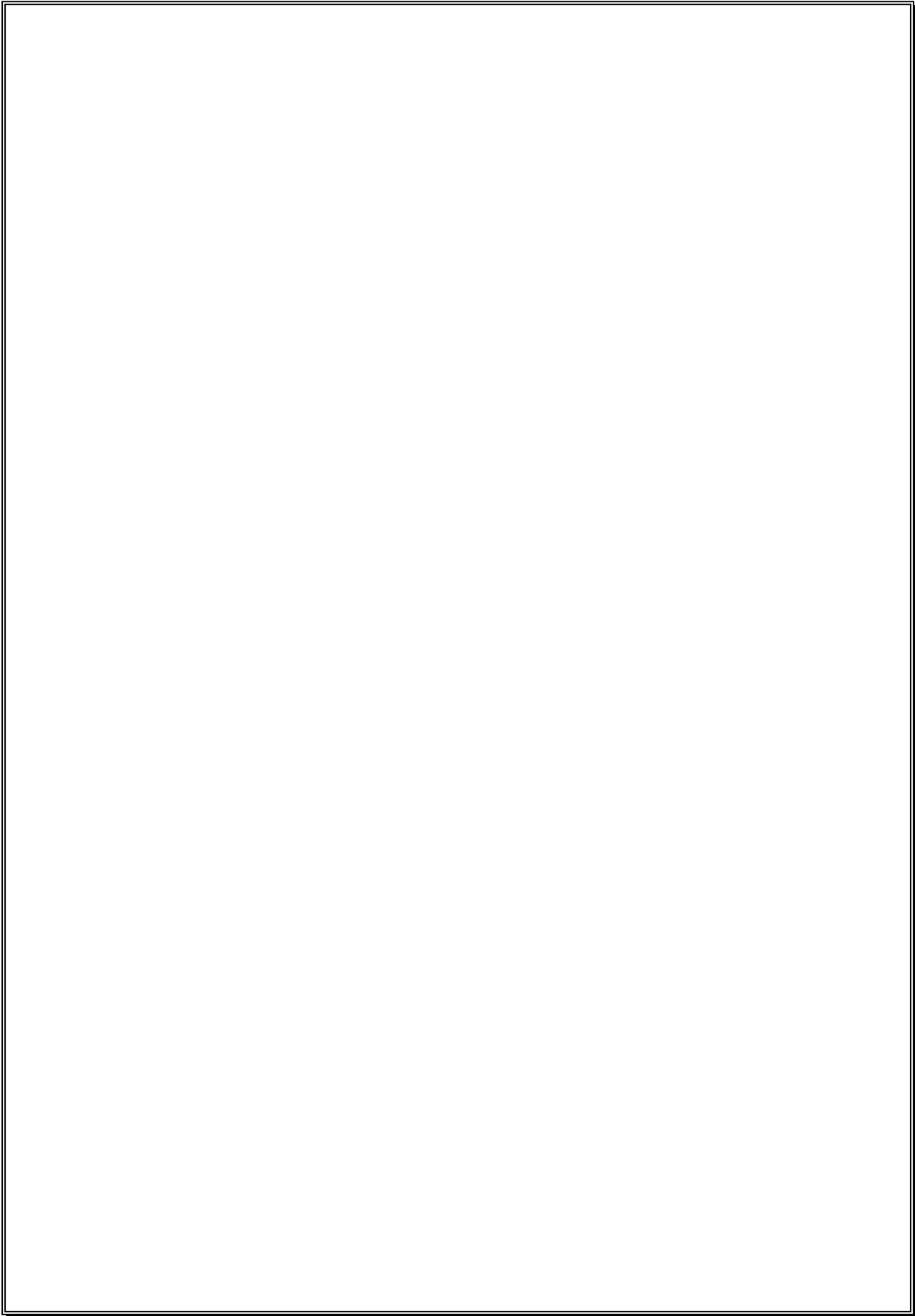
### 2010-11 Highlights

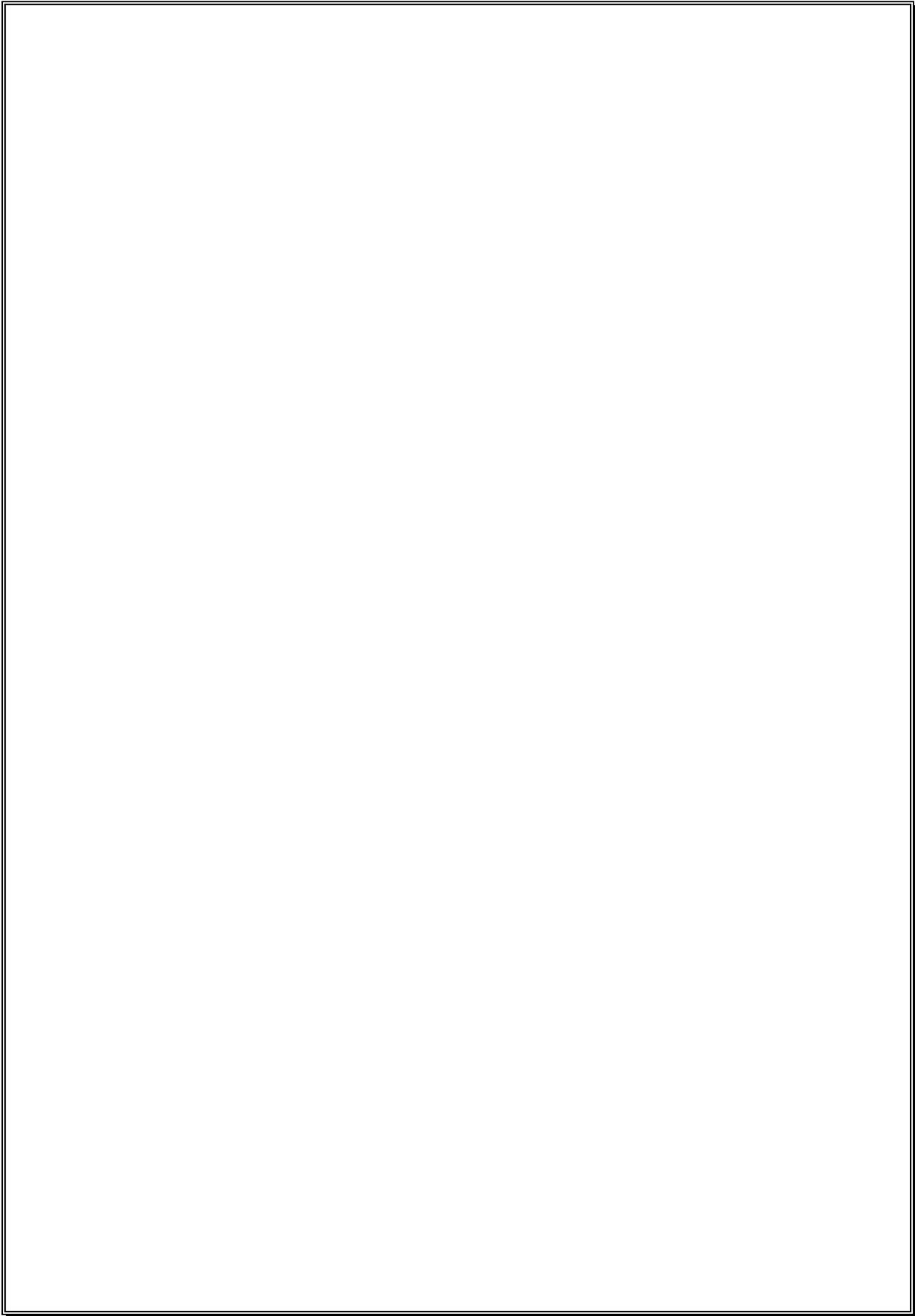
- ✓ Completed the 2010 Road Rehabilitation Project, improving 2.3 miles of Town roads.
- ✓ Worked with the Elementary School, Library, and Village Church to implement new parking regulations on Woodside Road.
- ✓ Completed the adoption of the 2010 California Building Code.
- ✓ Worked on the planning and review of the Woodside Library renovation project.

### 2011-13 Objectives

- ✓ Complete the incorporation of new regulations for fire-resistant construction into the Municipal Code.
- ✓ Complete the renovation of the Woodside Library.
- ✓ Construct the Woodside Road school safety project at the Elementary School.
- ✓ Complete the update of the Town's Geology regulations and Geologic map.
- ✓ Successfully implement the 2011-13 Roads Program and continue to seek State and federal grants to support road projects.
- ✓ Implement energy efficiency improvements at Town Hall.
- ✓ Replace Town Hall roof.
- ✓ Replace Town Hall HVAC system.
- ✓ Draft new on-site wastewater disposal regulations.
- ✓ Complete sewer rate analysis and prepare modification to sewer maintenance charges.







## **RECREATION DEPARTMENT**

The Recreation Department, through the Recreation Committee, oversees the planning for and provision of a variety of recreation programs for the residents of Woodside, including various classes and special events. The committee also provides input to Town staff on potential capital projects for which the Town staff seeks grant funding.

### **EXPENDITURE SUMMARY**

	2010-11	2011-12	%	2012-13	%
	ADOPTED	ADOPTED	CHANGE	APPROVED	CHANGE
<b>Recreation Fund</b>					
Services/Supplies	\$ 104,800	\$ 128,000	22.1	\$ 112,000	(12.5)
Equipment	1,000	-	(100.0)	-	0.0
Overhead Charges	9,725	9,725	0.0	9,822	1.0
<b>Total</b>	<b>\$ 115,525</b>	<b>\$ 137,725</b>	<b>19.2</b>	<b>\$ 121,822</b>	<b>(11.5)</b>

### **BUDGET HIGHLIGHTS**

This departmental budget includes the Town's Recreation Program, overseen by the Recreation Committee. The Recreation Program's expenditures are fully supported by the fees raised by the Recreation Committee and are separately accounted for in the Recreation Fund (135). The Recreation Committee assists in the development of its budget, based upon planned activities and events and charges fees sufficient to cover the cost of most activities, plus a twenty-five percent overhead charge to cover the administrative costs of the program. For 2011-12, a 19.2%, or \$22,200, increase in funding is included for the Recreation Fund's budget. The increase reflects the addition of \$16,000 for the Barn Dance, which is held biennially, and an increase for expenditures for the yoga classes, offset by the elimination of the music class and reductions in the cost of advertising and website management based on actual spending patterns. The decrease of 12.5% in the funds included for 2012-13 reflects the elimination of \$16,000 to support the Barn Dance, which does not occur during the year.

### **AUTHORIZED PERSONNEL**

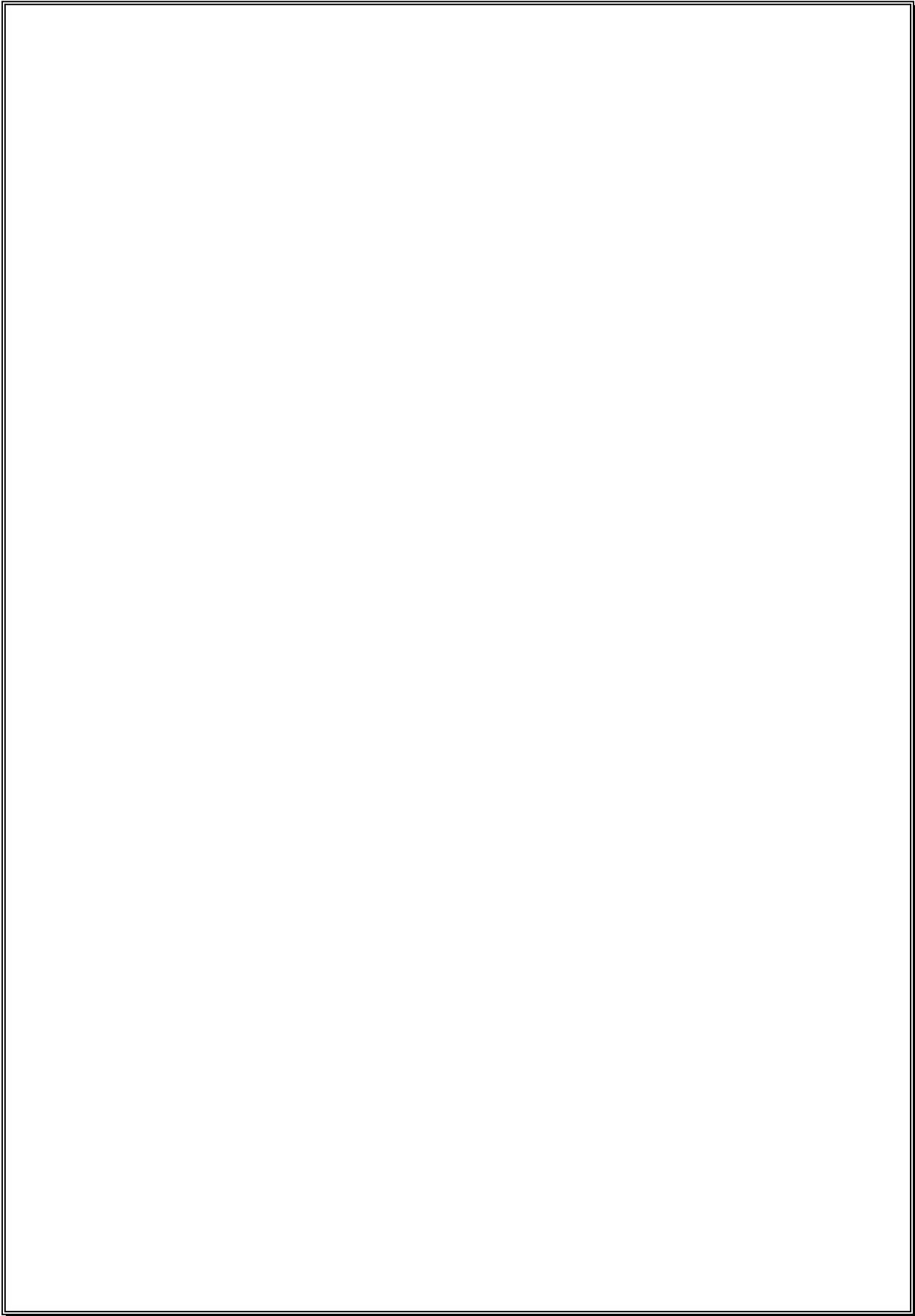
There are no authorized personnel for this department.

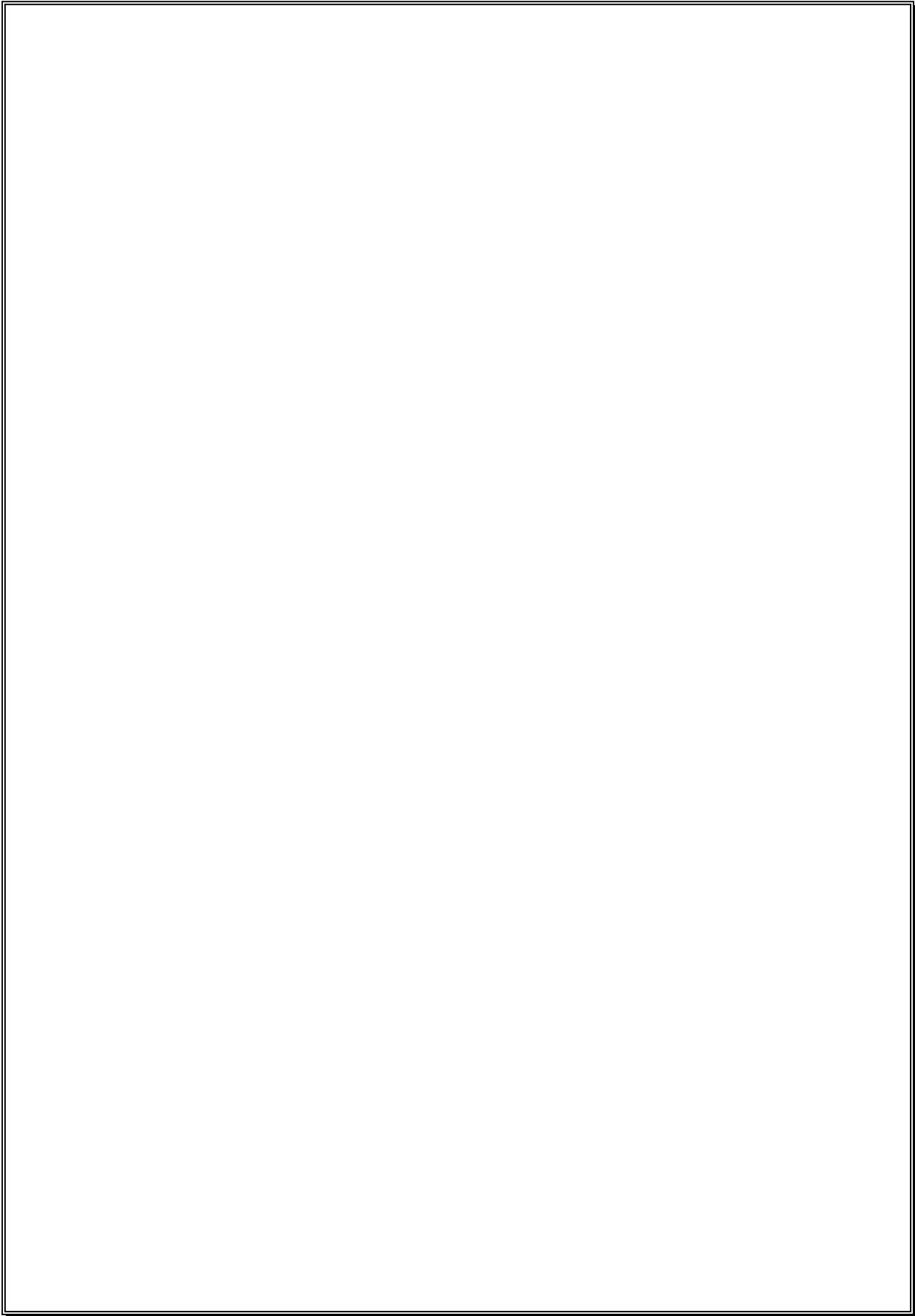
### **FUNDING SOURCE SUMMARY**

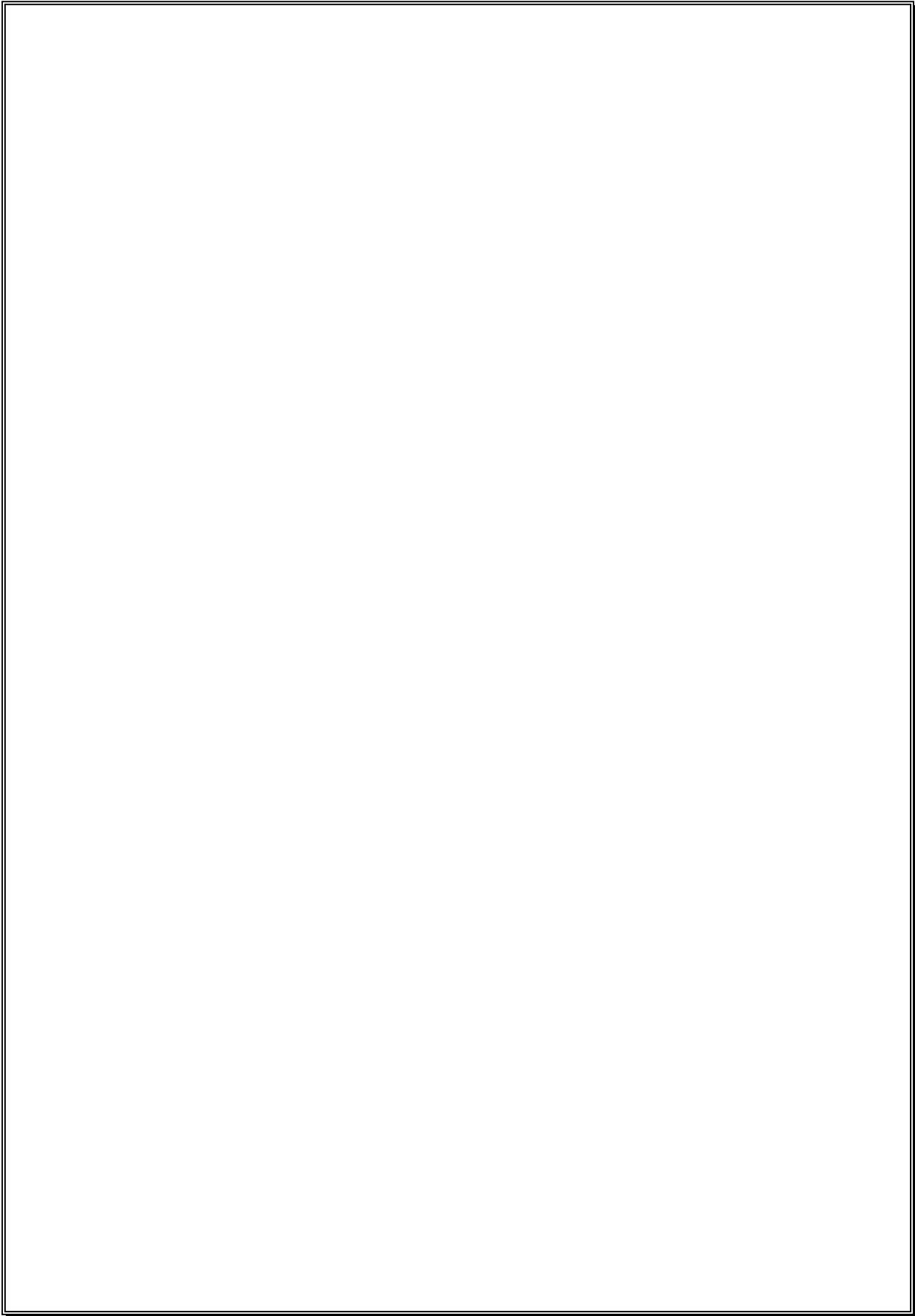
This budget is fully supported by Recreation Program fees.

### **WORK PLAN HIGHLIGHTS**

There is no Work Plan for this department.







## **WOODSIDE LIBRARY DEPARTMENT**

The Woodside Library Department supports the upkeep and maintenance of the library building, including janitorial services, day-to-day repairs, preventative maintenance, and capital improvements.

### **EXPENDITURE SUMMARY**

	2010-11	2011-12	%	2012-13	%
	ADOPTED	ADOPTED	CHANGE	APPROVED	CHANGE
Salaries/Benefits	\$ 54,334	\$ 48,468	(10.8)	\$ 48,808	0.7
Services/Supplies	45,184	45,184	0.0	45,184	0.0
Capital Projects	900,000	-	(100.0)	1,770,000	
Overhead	27,400	29,400	7.3	29,694	1.0
<b>Total</b>	<b>\$ 1,026,918</b>	<b>\$ 123,052</b>	<b>(88.0)</b>	<b>\$ 1,893,686</b>	<b>1,438.9</b>

### **BUDGET HIGHLIGHTS**

The Town approved the San Mateo County Library System Joint Powers Agreement (JPA) during late 1998-99. Under the terms of the agreement, the County deeded the library building to the Town, which already owned the underlying property, and the Town agreed to maintain the building beginning on July 1, 1999. The agreement also provides that the cost of this maintenance will be supported by property tax revenues generated by the Woodside Branch Library that are in excess of the funds needed to maintain existing direct library service levels.

During the first two years of the agreement, the County reimbursed the Town for its library-related expenses from the accruing “excess” property tax revenues. In 2001-02, the County transferred all accrued excess revenue balances to the Town and has remitted the full annual amount of excess revenues in every successive fiscal year. The following chart recounts the fiscal activity that the Town’s Woodside Library Fund (Fund 250) has experienced since its inception and estimated through June 30, 2011.

Fiscal Year	Revenue	Expense	Net Balance	Accumulated Fund Balance
1999-00	\$ 41,213	\$ 41,584	\$ (371)	\$ (371)
2000-01	26,044	28,657	(2,613)	(2,984)
2001-02	226,714	30,208	196,506	193,522
2002-03	226,746	27,131	199,615	393,137
2003-04	199,100	66,135	132,965	526,102
2004-05	228,968	32,167	196,801	722,903
2005-06	323,878	330,068	(6,190)	716,713
2006-07	385,576	46,273	339,303	1,056,016
2007-08	360,000	72,746	287,254	1,343,270
2008-09	377,986	91,087	286,899	1,630,169
2009-10	504,313	111,153	393,160	2,023,329
2010-11 *	254,746	181,864	72,882	2,096,211

\* Projected

As the chart demonstrates, the Town’s library fund has amassed a healthy surplus since 1999.

The normal day-to-day cost of maintaining the library building is about \$123,000 annually and funding to support these activities is included in the budgets adopted for both 2011-12 and 2012-13. The Woodside Library continues to waive patron hold fees of about \$12,400 each year and this amount is deducted from the library’s gross property taxes before the residual is transferred to the Town.

As discussed in the Letter of Transmittal, the Town and the Library have completed planning a renovation of the Woodside Library. Originally planned for construction in 2010-11 with a budget of \$900,000, this project is now proposed for the 2012-13 fiscal year, and \$1,770,000 has been added to the Capital Projects budget to support the renovation.

**AUTHORIZED PERSONNEL**

	2010-11 ADOPTED	2011-12 ADOPTED	# CHANGE	2012-13 APPROVED	# CHANGE
Assistant Town Manager	0.00	0.05	0.05	0.05	0.00
Town Engineer	0.10	0.10	0.00	0.10	0.00
Maintenance Worker	0.10	0.10	0.00	0.10	0.00
Deputy Town Engineer	0.10	0.00	(0.10)	0.00	0.00
<b>Total</b>	<b>0.30</b>	<b>0.25</b>	<b>(0.05)</b>	<b>0.25</b>	<b>0.00</b>

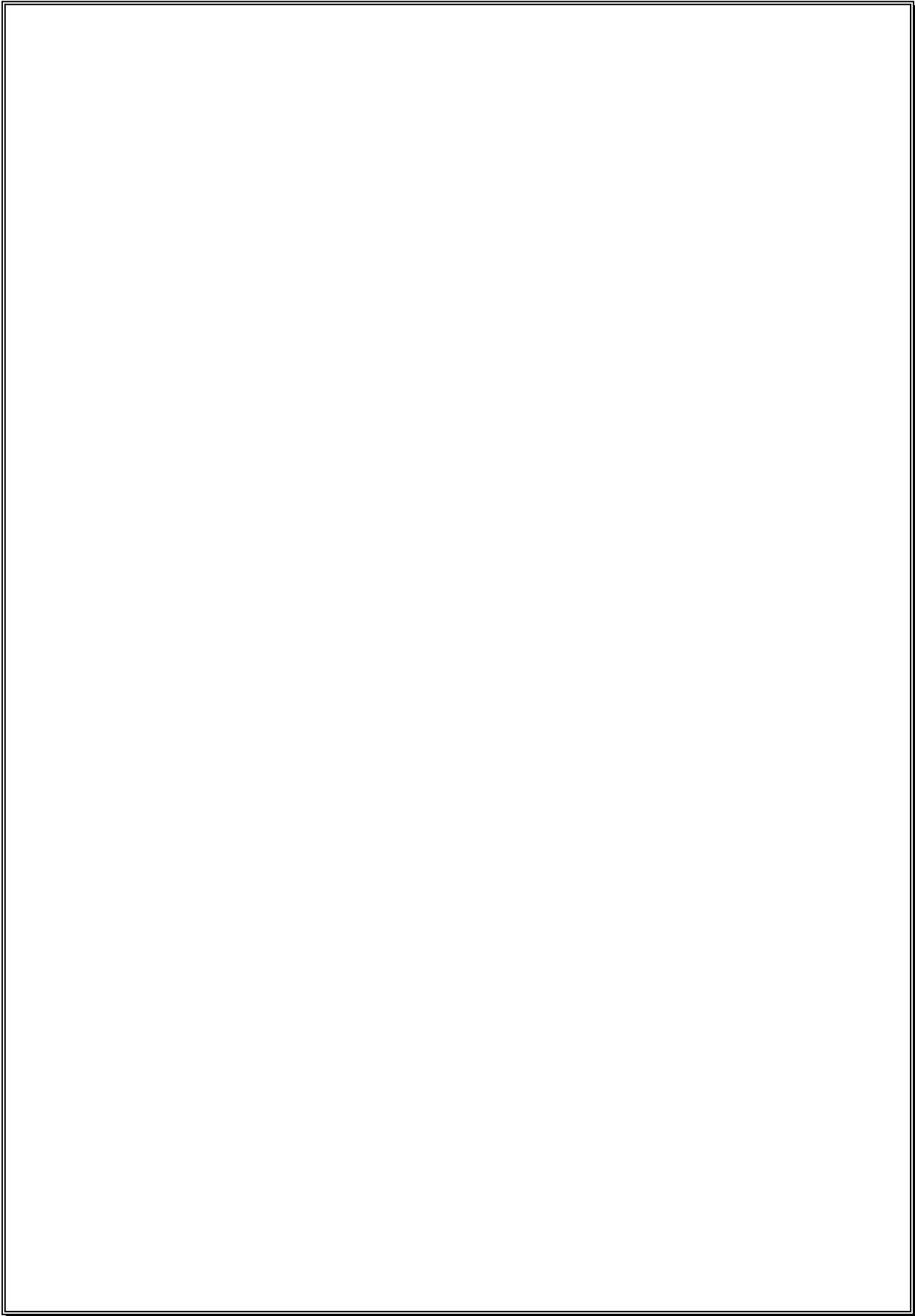
The Town’s maintenance crew allocates the equivalent of about four hours a week to library maintenance issues over the course of each fiscal year and the Woodside Library Fund is directly charged for this time. A portion of the Town Engineer’s time is now being charged directly to the library fund in order to recoup the Town’s cost of overseeing the day-to-day maintenance and one-time capital projects undertaken by the Town on behalf of the library. Additionally, a portion of the Assistant Town Manager’s time is charged directly to the library fund to support the time spent participating on the JPA Operations Committee.

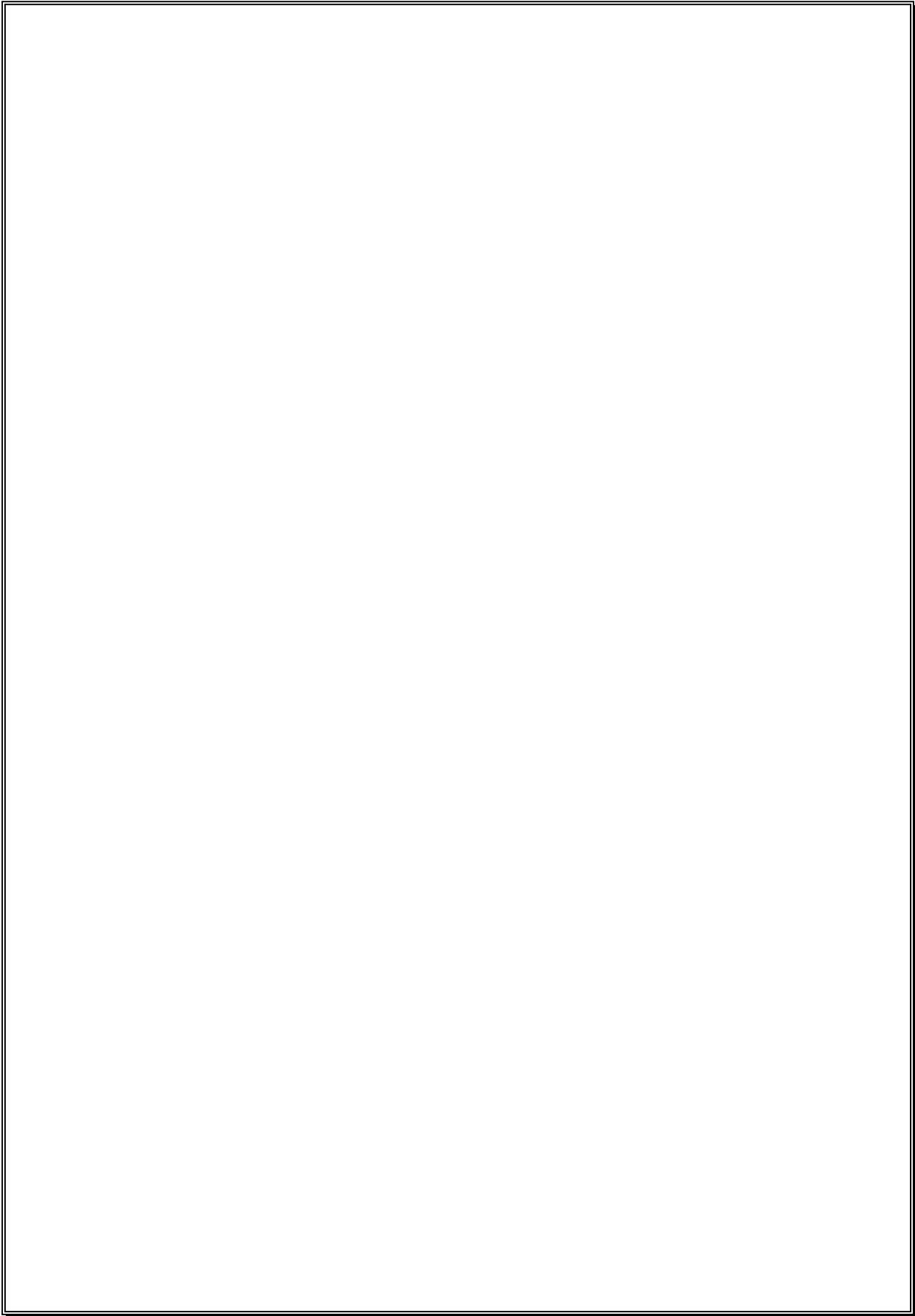
**FUNDING SOURCE SUMMARY**

All of the expenditures for this department are funded through property taxes paid by Woodside property owners for the benefit of the Woodside Library and passed on to the Town by the San Mateo County Library System Joint Powers Agency. There is no General Fund cost.

**WORK PLAN HIGHLIGHTS**

There is no Work Plan for this department.





## **BARKLEY FIELDS AND PARK DEPARTMENT**

The Barkley Fields and Park Department supports the day-to-day upkeep, maintenance, and scheduling of the park and fields and provides ongoing capital renovation activities as required.

### **EXPENDITURE SUMMARY**

	2010-11	2011-12	%	2012-13	%
	ADOPTED	ADOPTED	CHANGE	APPROVED	CHANGE
Services/Supplies	130,700	130,700	0.0	130,700	0.0
Interfund Transfers	165,700	155,200	(6.3)	155,200	0.0
<b>Subtotal</b>	<b>\$ 296,400</b>	<b>\$ 285,900</b>	<b>(3.5)</b>	<b>\$ 285,900</b>	<b>0.0</b>
Less: Interfund Transfers	(165,700)	(155,200)	(6.3)	(155,200)	0.0
<b>Total Net Budget</b>	<b>\$ 130,700</b>	<b>\$ 130,700</b>	<b>0.0</b>	<b>\$ 130,700</b>	<b>0.0</b>

### **BUDGET HIGHLIGHTS**

The Adopted Budgets for 2011-12 and 2012-13 include \$130,700 to cover the costs of maintaining and operating the park. These costs cover water and power, landscaping and field maintenance, as well as patrol of the park during the overnight hours.

Under the Agreement Governing the Donation of property for Barkley Fields, the Town is required to contribute \$35,000 annually to a Capital Maintenance Fund to support periodic capital improvements and rehabilitations at the Park. The Town set up and began contributing to this fund in 2006-07.

The General Fund supports most of the operating and maintenance budget, as well as the contribution to the Capital Maintenance Fund. With the adoption of the updated Fee Schedule, field reservation fees now contribute \$10,500 each year to the operation of the field, lowering the necessary contribution from the General Fund from \$130,700 to \$120,200. This change is reflected in the reduction in Interfund Transfers required for this Department.

### **AUTHORIZED PERSONNEL**

There are no authorized personnel for this department.

### **FUNDING SOURCE SUMMARY**

The Alpine/West Menlo Little League and the Alpine Football Club of California Youth Soccer (CYSO) and Woodside/Portola Valley American Youth Soccer Organization (AYSO) now contribute a combined \$10,500 in field use fees in support of the Park.

### **WORK PLAN HIGHLIGHTS**

There is no Work Plan for this department.

## TOWN OF WOODSIDE

Report to Town Council

July 28, 2011

From: Susan George, Town Manager

**SUBJECT: 2011-13 ADOPTED ROAD PROGRAM**

### RECOMMENDATION

It is recommended that the Town Council accept this report, which transmits the 2011-13 Adopted Road Program, as incorporated into the 2011-13 Adopted Budget.

### DISCUSSION

On March 8, 2011, the Town Council reviewed and preliminarily approved the attached report on the 2011-13 Road Program. In the ensuing months, a review of projected resources and requirements led to minor changes to the Road Program's In-house Maintenance costs and the addition of funds to support two additional projects: (1) the Woodside Road Safety Improvement Project at the Woodside Elementary School and (2) preliminary engineering for three bridge replacement/rehabilitation projects. These are discussed in detail on the Letter of Transmittal at the front of this budget document.

The following chart summarizes the two-year Road Program.

#### 2011-13 ADOPTED ROAD PROGRAM

Program Category	2011-12	2012-13	Total
Rehabilitation	\$ 290,194	\$ 229,000	\$ 519,194
Dig-outs	106,206	81,000	187,206
Other Projects:			
Woodside Road Safety Improvements	215,600		
Pedestrian Improvements	40,000	20,000	
Bridge Rehab. & Analysis	54,500	5,000	59,500
Town-wide Crack Seal	5,000	5,000	10,000
Town-wide Striping Project	10,000	10,000	20,000
In-house Maintenance	874,415	880,913	1,755,328
<b>Total Program</b>	<b>\$ 1,595,915</b>	<b>\$ 1,230,913</b>	<b>\$ 2,826,828</b>

The attached schedule provides an update of the Five-year Road Program Forecast. The Town Council reviewed the Road Program during its June 14, 2011 budget deliberations.

Attachments

**TOWN OF WOODSIDE  
FIVE-YEAR ROAD PROGRAM  
2011-12 to 2015-16  
MARCH 2011**

**ATTACHMENT A**

	ACTUAL 2009-10	ADOPTED 2010-11	PROJECTED 2010-11	ADOPTED 2011-12	APPROVED 2012-13	PROJECTED 2013-14	PROJECTED 2014-15	PROJECTED 2015-16	FIVE-YEAR TOTAL
BEGINNING BALANCES TOTAL	977,910	1,038,903	1,038,903	840,772	595,007	570,244	540,896	505,544	840,772
REVENUES									
204-TRAFFIC SAFETY	30,192	30,000	30,000	30,000	30,000	30,000	30,000	30,000	150,000
206-GAS TAX CONSTRT	26,618	29,100	29,100	29,100	29,100	26,618	29,100	29,100	143,018
207-GAS TAX MAINT.	73,115	82,600	82,600	82,600	82,600	73,115	82,600	82,600	403,515
210-MEASURE A	225,871	235,000	235,000	235,000	235,000	235,000	235,000	250,000	1,190,000
242-ROAD IMPACT FEE	306,636	350,000	225,000	275,000	325,000	350,000	350,000	350,000	1,650,000
GENERAL FUND CONTRIBUTION	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000
INTEREST INCOME GENERAL	2,318	7,500	1,350	950	950	950	950	950	4,750
INTEREST INCOME (RIF)	2,582	7,500	1,500	1,500	1,500	1,500	1,500	1,500	7,500
GRANT FUNDS/OTHER	294,885	2,000	175,000	196,000	2,000	2,000	2,000	2,000	204,000
TOTAL	1,462,217	1,243,700	1,279,550	1,350,150	1,206,150	1,219,183	1,231,150	1,246,150	6,252,783
EXPENDITURES									
IN-HOUSE MAINTENANCE	885,331	837,922	852,681	874,415	880,913	898,531	916,502	934,832	4,505,193
ROAD PROJECTS	515,893	699,000	625,000	721,500	350,000	350,000	350,000	350,000	2,121,500
TOTAL	1,401,224	1,536,922	1,477,681	1,595,915	1,230,913	1,248,531	1,266,502	1,284,832	6,626,693
ENDING BALANCES AVAILABLE:									
TOTAL	1,038,903	745,681	840,772	595,007	570,244	540,896	505,544	466,862	466,862

## TOWN OF WOODSIDE

Report to Town Council

Agenda Item 5

Prepared by: Kevin Bryant, Assistant Town Manager

March 8, 2011

Approved by: Susan George, Town Manager

**SUBJECT: 2011-13 ANNUAL ROADS PROGRAM AND PROJECT FUNDING PROPOSALS**

### RECOMMENDATION

It is recommended that the Town Council consider this report, receive public input on its contents, and preliminarily adopt the included recommendations for project funding for the Road Program project years 2011-12 and 2012-13.

### BACKGROUND

The Town's Municipal Code includes requirements for annual reporting of the financial and project status of the Town's Road Program. The Code specifies that two annual reports on the Road Program must be transmitted to the Town Council. The first of these is to be prepared and presented in December of each fiscal year. It is to provide a status report on the progress of that year's road projects. The second report is to be available by early February and presented for consideration at a hearing to be held in March of each fiscal year. The second report should provide three elements:

- ⇒ An eighteen-month financial status report.
- ⇒ An updated five-year financial forecast.
- ⇒ A two-year project funding recommendation.

This is the second required report for 2010-11. It was prepared in accordance with the requirements of the Municipal Code and includes the necessary financial updates and project funding recommendations.

### DISCUSSION

The Town is responsible for the maintenance of over forty-five miles of public roads and the provision of adequate funding to support this maintenance task has been a top priority for the Town Council since 1998. Over \$6 million in General Fund monies has been contributed to the Road Program during the last twelve fiscal years. The General Fund contribution now represents about thirty-five percent of available road fund revenues. The chart on the next page provides a five-year overview of the Town's Road Program, covering the period from July 1, 2006 to June 30, 2011. Several points about this five-year period can be gleaned from the chart:

- ⇒ About \$7.7 million will have been spent on the Town's roads by June 30, 2011, during this five-year period.
- ⇒ Of this total, about 48%, or \$3.7 million has been dedicated for major road rehabilitation projects.
- ⇒ The General Fund contribution amounted to \$2.5 million and is clearly the most stable source of funding for the Road Program, as all other sources fluctuate depending upon the economy and/or development activity. The chart clearly depicts the fluctuating receipts patterns of those other sources, most notably Gas Taxes, Measure A funds and Road Impact Fees.

**FIVE-YEAR ROAD PROGRAM HISTORY  
2006-07 to 2010-11**

	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
	Actual	Actual	Actual	Actual	Adopted	
Beginning Balance	\$ 1,259,271	\$ 1,282,267	\$ 1,288,389	\$ 977,909	\$ 1,039,202	\$ 1,259,271
Revenues by Source:						
Traffic Safety	\$ 32,218	\$ 33,117	\$ 25,562	\$ 30,646	\$ 32,200	\$ 153,743
Gas Taxes	109,266	82,262	127,364	100,177	111,700	530,769
Measure A	249,892	259,251	241,559	227,591	242,300	1,220,593
Road Impact Fees	405,990	465,068	334,518	309,218	357,500	1,872,294
General Fund	500,000	500,000	500,000	500,000	500,000	2,500,000
Grants/Other	122,400	39,202	447,677	294,885	-	904,164
<b>Total Revenues</b>	<b>\$ 1,419,766</b>	<b>\$ 1,378,900</b>	<b>\$ 1,676,680</b>	<b>\$ 1,462,517</b>	<b>\$ 1,243,700</b>	<b>\$ 7,181,563</b>
Expenditures by Category:						
In-House Services	\$ 621,278	\$ 816,775	\$ 817,442	\$ 885,331	\$ 837,922	\$ 3,978,748
Road Projects	775,492	556,003	1,169,718	515,893	699,000	3,716,106
<b>Total Expenditures</b>	<b>\$ 1,396,770</b>	<b>\$ 1,372,778</b>	<b>\$ 1,987,160</b>	<b>\$ 1,401,224</b>	<b>\$ 1,536,922</b>	<b>\$ 7,694,854</b>
Ending Balance	\$ 1,282,267	\$ 1,288,389	\$ 977,909	\$ 1,039,202	\$ 745,980	\$ 745,980

The Municipal Code requires that the financial status of the Road Program be reported for an eighteen-month period that encompasses the prior fiscal year and the first six months of the fiscal year in progress at the time of the Annual Report. The following chart summarizes this required information for the period July 1, 2009 to December 31, 2010.

**EIGHTEEN-MONTH FINANCIAL SUMMARY  
JULY 1, 2009 TO DECEMBER 31, 2010**

	Traffic Safety (204)	Gas Tax (206 and 207)	Measure A (210)	Road Impact Fee (242)	Total
Balance at 7/1/09	\$ 24,925	\$ 89,005	\$ 455,071	\$ 408,908	\$ 977,909
Total Revenues	44,230	189,157	1,069,565	455,600	1,758,552
Available Resources	\$ 69,155	\$ 278,162	\$ 1,524,636	\$ 864,508	\$ 2,736,461
Expenditures					
In-House Services	\$ 40,794	\$ 140,324	\$ 543,477	\$ 563,054	\$ 1,287,649
Road Projects	-	-	979,697	77,295	1,056,992
Total Expenditures	\$ 40,794	\$ 140,324	\$ 1,523,174	\$ 640,349	\$ 2,344,641
Balance at 12/31/10	\$ 28,361	\$ 137,838	\$ 1,462	\$ 224,159	\$ 391,820

This eighteen-month summary is not a very useful depiction of the Road Program's fiscal performance, as it offers no insight into projected activity for the balance of the current fiscal year. It is required by the Municipal Code to demonstrate that Road Program funds were not being idly held, but were actually spent as planned in the annual budget.

## Project Funding Proposals for 2011-12 and 2012-13

A two-year Road Program project proposal has been developed for the Town Council's consideration, in compliance with the Municipal Code. It is based upon several factors:

- The Town Council's Financial Management Policies;
- Historic and current financial data;
- A proposed ongoing annual General Fund contribution of \$500,000;
- The updated Five-year Road Program Forecast (**Attachment A**);
- Available grant funding; and
- The Town Engineer's assessment of current road conditions and priorities.

A total of \$2.56 million in expenditure on the Roads Program is proposed for the upcoming two-year period. The following table allocates these funds by project category for each year.

Program Category	2011-12	2012-13	Total
Rehabilitation	\$ 290,625	\$ 228,505	\$ 519,130
Dig-outs	106,637	81,020	187,657
Drainage & Bridges	-	-	-
Other Projects:	-	-	
Pedestrian Improvements	40,000	20,000	
Bridge Rehab. & Analysis	5,000	5,000	10,000
Town-wide Crack Seal	5,000	5,000	10,000
Town-wide Striping Project	10,000	10,000	20,000
In-house Maintenance	863,059	888,951	1,752,010
<b>Total Program</b>	<b>\$ 1,320,321</b>	<b>\$ 1,238,476</b>	<b>\$ 2,558,797</b>

**Rehabilitation** projects involve more intensive repair and maintenance work, including reconstruction of failed pavement with the installation of new pavement, varying from five to eight inches in depth. It can also include fabric overlays, where failed pavement is replaced by installing geotextile fabric and an inch and a half overlay to provide for a new structural surface. Chip sealing is also included in this category, calling for replacement of failed pavement by installing a coat of hot asphalt covered by a layer of chips approximately ¼ inch in size. Slurry sealing also falls into this category, with the installation of a layer of asphalt mixed with sand to provide a surface, which protects the pavement and base.

**"Dig-outs"** describes a category of project that includes the isolation of segments of roadways which may be subject to other treatments, but which may require more immediate or separate repair. Sections of road are removed and replaced independently of the final treatment of the balance of the road.

In addition to these projects, the Town annually undertakes pedestrian improvements, drainage and bridge improvements, a pavement striping and marking project, and other projects that are identified by the Town Engineer.

The following charts summarize the Road Program recommendations for 2011-12 and 2012-13, with the Rehabilitation and Dig-out projects organized by Road Impact Fee area.

### 2011-12 Proposed Projects

Road Impact Fee Area	Rehabilitation	Dig-outs	Drainage & Bridges	Total
Kings Mountain Rd.	\$ 5,570	\$ 7,626	\$ -	\$ 13,196
Woodside Rd.	11,333	2,105	-	13,438
Cañada Rd.	145,820	8,572	-	154,392
Woodside Drive	19,984	4,686	-	24,670
The Glens	15,000	8,750	-	23,750
Manzanita Rd.	-	15,252	-	15,252
Jefferson Ave.	-	21,205	-	21,205
Mountain Home Rd.	13,332	-	-	13,332
Portola Rd.	-	8,750	-	8,750
Skyline Area	15,000	7,188	-	22,188
Woodside Heights	5,000	5,630	-	10,630
Old La Honda Rd.	59,586	12,022	-	71,608
Whiskey Hill Rd.	-	4,851	-	4,851
<b>Subtotal</b>	<b>\$ 290,625</b>	<b>\$ 106,637</b>	<b>\$ -</b>	<b>\$ 397,262</b>
<b>Other Projects:</b>				
Pedestrian Improvements				40,000
Bridge Rehabilitation				5,000
Town-wide Crack Seal				5,000
Town-wide Striping				10,000
In-House Maintenance				863,059
<b>Total Program</b>				<b>\$ 1,320,321</b>

### 2012-13 Preliminary Proposed Projects

Road Impact Fee Area	Rehabilitation	Dig-outs	Drainage & Bridges	Total
Kings Mountain Rd.	\$ 6,470	\$ 2,850	\$ -	\$ 9,320
Woodside Rd.	8,795	3,782	-	12,577
Cañada Rd.	87,561	15,247	-	102,808
Woodside Drive	12,856	6,588	-	19,444
The Glens	12,352	5,234	-	17,586
Manzanita Rd.	-	6,147	-	6,147
Jefferson Ave.	17,693	5,428	-	23,121
Mountain Home Rd.	11,525	4,829	-	16,354
Portola Rd.	-	6,539	-	6,539
Skyline Area	8,459	2,633	-	11,092
Woodside Heights	6,952	2,361	-	9,313
Old La Honda Rd.	55,842	14,856	-	70,698
Whiskey Hill Rd.	-	4,526	-	4,526
<b>Subtotal</b>	<b>\$ 228,505</b>	<b>\$ 81,020</b>	<b>\$ -</b>	<b>\$ 309,525</b>
<b>Other Projects:</b>				
Pedestrian Improvements				20,000
Bridge Rehabilitation				5,000
Town-wide Crack Seal				5,000
Town-wide Striping				10,000
In-House Maintenance				888,951
<b>Total Program</b>				<b>\$ 1,238,476</b>

The project funding proposed for 2011-12 has been slightly modified since the Town Council last saw it in June of 2010. About \$30,000 has been shifted from the major rehabilitation category and \$10,000 from Bridge Rehabilitation and Town-wide Crack Sealing to create a Pedestrian Improvements Project, in line with recent Town Council discussions. The funding and projects proposed for 2012-13 will be subjected to subsequent review when the 2011-13 Proposed Budget is developed and again with the two Road Program Reports for 2011-12. Recommended adjustments will be forwarded to the Town Council as circumstances warrant, based upon any new information available.

### Five-year Forecast

As required by the Municipal Code, an updated five-year financial forecast for the Roads Program is included as **Attachment A**. It provides an overview of the resources available for allocation during the period from July 1, 2011 to June 30, 2016. It also provides a broad allocation of these funds between projects and in-house maintenance needs. The annual \$500,000 contribution from the Town's General Fund has been factored into all five years of the forecast, consistent with the current financial forecast for that fund. The forecast projects that a total of about \$6.4 million will be spent on the Road Program during the five years under examination.

### **CONCLUSION**

The Town Council continues to make the Town's road system a top priority, devoting much of its discretionary funding to road projects and day-to-day maintenance. A proposal for the next two-year period is now before the Town Council for public review and input and for preliminary approval. The proposals provide for the expenditure of about \$2.56 million on the roads. During the next two months, further refinement will be made to the program, as necessary, with final Town Council review and approval to be scheduled with the adoption of the 2011-13 budget in June of this year.

Attachment

**BUDGET GUIDE**



## **TOWN OF WOODSIDE OVERVIEW OF TOWN FUNDS**

A governmental accounting system has to satisfy two basic requirements. First, it must provide the basis for showing that the municipal entity is in compliance with all technical accounting and legal provisions that affect it. Second, a clear and understandable means must be provided for determining the Town's financial position and results of financial operations within the governmental entity. These requirements are partially attained through the use of fund accounting. Each fund is established to account for monies, properties, obligations, and transactions involved in the area of governmental activity.

The definition of a fund, as it is used in governmental accounting, has two parts. A fund is:

- (1) A sum of money or other resources set aside for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations;
- (2) An independent fiscal entity with a self-balancing group of accounts. The latter group of each fund identifies the fund's resources and obligations, receipts and disbursements, and revenues and expenditures.

The Town of Woodside's funds are classified into three fund types: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

### **GOVERNMENTAL FUND TYPES**

There are four subsets of funds that fall within the governmental fund type category in Woodside's chart of accounts.

⇒ **General Funds** are the most commonly used fund types and account for all resources not otherwise devoted to specific activities. This fund subset finances most of the basic municipal functions, such as planning, police services, and administration. The Town has seven different funds that fall into this subset:

- General Fund (101) - Accounts for all general revenue and tax receipts and their allocation and expenditure.
- Trails Fund (105) - Accounts for the receipt of Trail Maintenance Fee revenues and their use in maintaining the Town's trails system.
- Open Space Fund (120) - Accounts for receipts of the Town's dwelling unit tax, in support of the acquisition and maintenance of parks and open space areas.
- Recreation Fund (135) - Accounts for the activities of the Recreation Program, including fees for service and expenditures in support of recreational activities.
- Barkley Fields and Park Operating Fund (150) – Accounts for the day-to-day operating and maintenance costs of the Town's only park.
- Barkley Fields and Park Construction and Maintenance Fund (151) – Accounts for the costs of periodic rehabilitation of the soccer/baseball fields at Barkley Fields and Park and of other periodic major maintenance projects at the park.
- Deposit Fund (900) - Accounts for deposits received from individuals or businesses

wishing to undertake certain development projects within the Town and used to support various costs of the project as it progresses. Deposits on hand in the fund are essentially deferred charges.

⇒ **The Special Revenue Funds** are used to account for the receipts from revenue sources that have been earmarked to finance particular functions or activities. The Town has eight of these funds:

- Traffic Safety Fund (204) - Accounts for receipts from fines and forfeitures from violations of the California Vehicle Code, utilized to support the Town's Road Program.
- Gas Tax Construction Fund (206) - Used to account for receipts of State Gas Tax revenues, designated for road construction projects.
- Gas Tax Maintenance Fund (207) - Used to account for receipts and expenditures of State Gas Tax revenues, earmarked for the maintenance of Town roads.
- Transit Measure A Tax Fund (210) - Accounts for receipts of the Town's share of a special County-wide sales tax, earmarked for road repairs and construction.
- Road Impact Fees Fund (242) - Used to account for receipts of road impact fees, assessed against all building projects and used for road maintenance purposes.
- Supplemental Law Enforcement Fund (243) - Used to account for receipts of State revenues derived from the Citizens for Public Safety (COPS) Program that can only be spent on direct law enforcement/public safety activities.
- California Law Enforcement Equipment Program (CLEEP) (244) – Used to account for State of California grant funds available for law enforcement equipment acquisitions.
- Woodside Library Fund (250) - Used to account for expenses and reimbursements derived from the Town's membership in the San Mateo County Library System Joint Powers Agency.

⇒ **The Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities. These funds are established when new capital projects, such as the Barkley Fields and Park Construction Project, are approved and funded. Once the project is completed, the fund is retired.

⇒ **The Debt Service Funds** are used to account for the accumulation of financial resources for, and the payment of, long-term debt principal, interest and related debt costs of governmental funds. The Town has one Debt Service Fund:

- Woodside Road/Whiskey Hill Road Parking Assessment District Debt Service Fund (450) - Used to account for the payment of principal, interest, and administrative costs associated with the 1999 issuance of limited obligation improvement bonds for the construction of a parking assessment district in Town Center, supported by special assessments against properties within the district. Fund 441 is the legally required reserve fund for this issuance.

## **PROPRIETARY FUND TYPES**

The Town has one fund subset that falls into this category.

⇒ **The Enterprise Funds** are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis should be financed or recovered primarily through user charges. The Town has four Enterprise Funds:

- Cañada Corridor Sewer Fund (525) –Used to account for the operating costs and user fees associated with the Cañada Corridor Sanitary Sewer Area.
- Sewer Utility Fund (528) - Used to account for the operating costs and user fees associated with the Town Center Sewer District. Fund 529 is a related reserve fund, used to accumulate revenues in support of prior year sewer operating costs, to be paid when negotiations with other agencies are completed.
- Town Center Pump Station Fund (529) - Used to account for the assets and liabilities of the Town Center Sewer District and to hold reserves for meeting all prior year liabilities to Redwood City and the County of San Mateo for the treatment, transportation, and capacity rental needs of the District.
- Sewer Capital Improvement Fund (537) - Used to account for revenues received from sewer connections to the Redwood Creek Sewer assessment District, to be allocated to sewer system improvements and rehabilitation.

## **FIDUCIARY FUND TYPES**

One subset of this fund type, the **Trust and Agency Funds**, is utilized by the Town. Such funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations, other governmental units, and/or other funds. The Town has several of these funds. They are not utilized in the budget process.

## THE BUDGET PROCESS

The Town's annual budget represents the official financial and organizational plan by which Town policies and programs are implemented. This document presents the adopted budget for the upcoming fiscal year running from July 1 to June 30. The Town established a two-year budget process starting with fiscal years 2001-02 and 2002-03. The following describes how this two-year process works.

To establish a fiscal blueprint for the upcoming two-year period, decisions must be made as to how scarce resources will be allocated among the various departments and programs.

- ⇒ The budget process begins during the second half of the prior budget year when the Town Manager asks department heads to begin preparing budget proposals for the upcoming two fiscal years. In this request, the Town Manager outlines the Town's financial condition and sets policies and criteria for all budget proposals to follow. The policies and criteria are based upon the Town Council's formal program objectives and priorities. The Town Council's Financial Management Policies, adopted in June of 1993, provide the guiding foundation for the budget formulation process. In advance of receiving departmental proposals, the Town Manager prepares a base budget for each of the two years in question. A base budget identifies the full cost of continuing the existing approved service level.
- ⇒ Department heads submit their budget requests to the Town Manager, who reviews these requests for conformance with established policies, community needs, and the Town's financial condition. Based upon the Town Manager's assessment of these various influencing factors, a formal two-year Proposed Budget is prepared and submitted to the Town Council and the public. The budget document explains the changes from the current fiscal year that are recommended for the first of the two years under review and any additional changes that are recommended for the second of the two years.
- ⇒ Budget discussion sessions are scheduled for several evenings in June for the Town Council to review and consider the proposed budget. The sessions offer the opportunity for the Town Council to discuss the budget in detail and to modify the proposed budget to reflect the Council's priorities. These sessions also permit public comment and participation in the budget process. Copies of the proposed budget are made available for public viewing at the local public library and at Town Hall.
- ⇒ After this review and deliberation, the Town Council convenes a formal public hearing for purposes of adopting the budget via resolution. Adoption is scheduled for late June. The resolution provides for the formal adoption of a budget for the first of the two years, establishing appropriations of funds as outlined in the budget document. The resolution also provides for the approval of the budget for the second of the two years, but it does not establish formal budgetary authority or appropriations. Along with the budget resolution, the Council must also adopt a resolution establishing the Appropriation Limit for tax proceeds for the first of the two fiscal years, as required by Article XIII(B) of the State Constitution.
- ⇒ After adoption, the Town Manager prepares the approved budget document. This document represents the official fiscal policy and plan of the Town of Woodside for the two fiscal years. It serves as a communication medium for the general public concerning Town activities, as well as a directive to Town staff concerning management and operations of Town activities. It also establishes appropriation control over expenditures for the first budget year.

- ⇒ During the fiscal year, the Town Manager reviews purchasing transactions and payment requests for compliance with the Town's rules, regulations and budgetary limits. Monthly budget detail reports are prepared and analyzed for significant variances. These reports show the budget amount authorized and the revenues and expenditures to date. The reports are presented to the Town Council for review and discussion. The Town Council also reviews the Town's total financial position after each quarter's conclusion in a comprehensive manner.
- ⇒ During the course of the budget year, it may become necessary to amend, transfer, or adjust the amounts appropriated in the adopted budget. Any subsequent changes in total fund appropriations require the approval of the Town Council. This is done formally through a budget amendment resolution.
- ⇒ During May and June of the first fiscal year in the two-year budget, the Town Manager prepares necessary modifications to the approved budget for the second year and delivers an abbreviated version of the budget document to the Town Council for its review and deliberation in June. The second budget year is formally adopted late in June of the first fiscal year, following a public hearing. The Town Council adopts resolutions which establish the needed appropriations and the Appropriation Limit for tax proceeds.
- ⇒ The second year of the two-year budget goes into effect on July 1<sup>st</sup> of the second year and is subjected to the same review and modification rules that apply to the first year.

## **REVENUE SOURCES - A GUIDE**

For classification purposes, revenues are usually grouped into major and minor categories. For financial reporting purposes, the California State Controller's Office has established a classification scheme that local governments are required to use when reporting their financial affairs to the State.

### **Property Taxes**

The property tax is a major source of revenue for critical Town services such as police, public works, planning and maintenance. Approximately 45% of the Town's General Fund revenue is derived from local property taxes. Property, primarily real estate such as land and buildings, is valued by the County Assessor and taxed at one percent of assessed value. The one percent is shared among several local government entities, such as schools, special districts, and the County of San Mateo. The Town of Woodside receives approximately 7.0% of all property taxes collected within the Town, less funds shifted to the Education Revenue Augmentation Fund (ERAF), which go to support school programs.

### **Sales Tax**

Sales tax receipts normally account for approximately 7% of all General Fund revenues. All taxable retail sales in the Town of Woodside are charged a 9.25% tax. The amount includes .5% that goes to local governments for public safety programs, pursuant to Proposition 172, approved by the voters in November of 1993. Of the remaining tax, 1% is returned to the Town of Woodside by the State for general purposes. Sales tax revenue can vary from year to year due to fluctuations in the economy. Beginning in 2004-05, the State of California began shifting 25% of each local agency's sales taxes to its own coffers to dedicate to the repayment of \$15 billion in deficit reduction bonds approved by the voters in 2004. The State transfers an equal amount of Education Revenue Augmentation Funds (ERAF) back to each local agency for the duration of the life of the bonds. For 2011-12, this will reduce sales tax revenues for the Town by about \$113,000 and increase revenue from other governmental agencies by a like amount. This shift and replacement mechanism is known as the "Triple Flip."

### **Fees and Charges**

Service charges or fees are imposed on users of services provided by the Town under the rationale that benefiting parties should pay for the cost of that service, rather than the general public. Examples of such services include various planning activity fees, recreation program fees, sewer fees, and stable fees.

### **Business Taxes**

The Town of Woodside's Municipal Code requires a license as a pre-requisite for conducting businesses, trades or professions in the Town. The Code further imposes an annual tax for the privilege of conducting such businesses, at differing rates depending on the type of business.

### **Real Property Transfer Tax**

The California Government Code authorizes the County of San Mateo to impose a transfer tax at the rate of \$1.30 per \$1,000 value on real property sold. These taxes are evenly allocated between the county and the city or town in which the sale occurs.

### **Charges for Services**

The California Government Code and the State Constitution give cities the authority to assess certain charges

for services rendered as a means of recovering the cost of regulating various activities. Examples include: Planning Commission applications, sale of documents, and police alarm permits.

### **Fines and Penalties**

The California Vehicle and Penal Codes impose fines and penalties for traffic, parking, and local ordinance infractions. Local governments receive a portion of these revenues. Parking violation fines are deposited into the General Fund. All others are deposited into the Traffic Safety Fund for road maintenance purposes.

### **Franchise Fees**

The Town imposes fees on gas, electric, water, garbage and cable television companies for the privilege of using Town streets and rights-of-way. These fees are generally a fixed percentage of gross revenues earned by the utility company within the Town. The specific percentage may be limited by federal or state law and is specified in a formal franchise agreement between the Town and the company.

### **Interfund Transfers**

Programs within the Town of Woodside which are supported by other than the General Fund often receive services from General Fund supported departments. This revenue category includes reimbursement for these services, the level of which is derived through a formal cost, or overhead, allocation to effect a contribution from one fund to another for a specified purpose.

### **Other Governmental Agencies**

The Town receives revenues from other governments, primarily the State of California. The two major revenue sources classified in this manner are: (1) the replacement sales tax funds that are a part of the "Triple Flip" which is discussed under the foregoing discussion of Sales Tax and (2) funds provided by the State in lieu of the Town's historic share of motor vehicle license fees. The State eliminated these fees, but made local governments whole through a transfer of State general fund revenues. This "in lieu" revenue is guaranteed through an amendment to the State constitution.

## GLOSSARY OF TERMS

**Adopted Budget** - The final budget document which reflects the formal action taken by the Town Council to set the spending plan for the fiscal year.

**Adoption** - Formal action by the Town Council to accept a document.

**Amended Budget** - The final adopted budget document plus modifications approved by the Town Council since initial adoption.

**Annual Budget** - The total budget for a given fiscal year, as approved by Town Council.

**Appropriation** - An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

**Audit** - A review of the Town's accounts by an independent accounting firm to verify that the Town's financial statements accurately reflect the Town's financial position.

**Budget** - A comprehensive financial plan of operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

**Budget Adjustment** - A change in appropriations approved by Town Council after the formal adoption of the budget.

**Capital Acquisitions and Improvements** - All items of a permanent or semi-permanent nature, regardless of cost.

**Capital Improvements** - A permanent major addition to the Town's real property assets, including the cost of design, construction, purchase, or major renovation of land, buildings or facilities. Examples are the installation or repair of new or existing roads, traffic signals, sewer lines, and parks.

**Contractual Services** - The expenditure class for payments made for services rendered by external parties. These may be based upon either formal contracts or ad hoc charges. The class is further detailed into sub-objects for different types of services.

**Cost Allocation** - Allocating costs for overhead support functions to units/activities that benefit from these activities, such costs including accounting, legal, office space and utilities, and general day-to-day administrative expenses.

**Debt Retirement Cost** - Costs associated with the closing, or final elimination, of debt.

**Debt Service** - The payment of interest and principal on borrowed funds.

**Debt Service Fund** - An account used to keep track of the monies set aside for debt service.

**Department** - A major administrative division of the Town which indicates overall management responsibility for an operation or a group of related operations within a functional area.

**Designated Reserve** - Funds specifically appropriated and set aside for anticipated future expenditure.

**Employee Services** - An expenditure category used to account for the salaries, overtime, and benefits for Town employees.

**Encumbrance** - A reservation of funds for goods or services for which the expenditure has not yet occurred, but for which a formal commitment has been made.

**Enterprise Fund** - A fund established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services that are entirely or predominantly self-supporting by user charges (sewer or water pollution control, for example).

**Equipment** - Tangible items for use in the office or field which cost in excess of \$1,000 and have a useful life of five or more years.

**Expenditure** - The amount of cash paid or to be paid for services rendered, goods received, or assets purchased.

**Fiscal Year** - A twelve-month period specified for recording financial transactions. The Town of Woodside's fiscal year starts on July 1 and ends on June 30.

**Fixed Assets** - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

**Full-time Equivalent (FTE)** - Part-time and hourly positions expressed as a fraction of full-time positions (2080 hours per year). Example: 3 positions working 1/2 time equals 1 1/2 FTE's.

**Fund** - A separate independent accounting entity used to set forth the financial position and results of operation related to the specific purpose for which the fund was created.

**Fund Balance** - The total dollars remaining in a fund after current expenditures for operations and capital expenditures are subtracted.

**General Fund** - The Town's principal operating fund, which is supported by general taxes and fees and which can be used for any general governmental purpose.

**Grant Fund** - Monies received from another government, such as the state or federal government, usually restricted for a specific purpose.

**Interfund Transfers** - The movement of money from one fund to another either as reimbursement for support costs incurred by the receiving fund on behalf of the transferring fund (overhead allocation) or as a direct contribution to the operations of the receiving fund.

**Intergovernmental Revenue** - Grants, entitlements and cost reimbursements from another governmental unit.

**Modified Accrual Basis** - The basis of accounting where revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period and expenditures are recognized when liabilities are incurred.

**Non-Departmental** - Program costs that do not relate to any one particular department, but represent costs of a general, Town-wide nature.

**Non-Recurring Costs** - Expenditures for one-time activities which should be budgeted only in the fiscal year in which the activities are undertaken.

**Objective** - A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year.

**Operating Budget** - Annual appropriation of funds for ongoing program costs, including employee services, supplies, and equipment.

**Performance/Workload Measures** - Number or percentage of work category completed or performed. The performance/workload measures provide an indicator of the amount of work performed by a department program from year-to-year.

**Program** - An activity or group of activities which is an organizational subunit of a department and is directed toward providing a particular service or support function. Each Town department is usually responsible for a number of programs.

**Proposed Budget** - The initial spending plan for fiscal year presented to the Town Council by the Town Manager for review, potential modification, and adoption.

**Reserves** - Those monies that are set aside in the budget for contingencies, for future projects, for debt services, or for cash flow purposes.

**Resources** - Total amount available for appropriation, including estimated revenues, beginning fund balances, and interfund transfers.

**Revenue** - Income received during the fiscal year from taxes, fees, permits, licenses, interest, and intergovernmental sources.

**Special Assessments** - Compulsory charges levied by a government for the purpose of financing a particular public service performed for the benefit of a limited group of property owners.

**Structural Deficit** - The permanent financing gap that results when, discounting economic cycles, ongoing revenues do not match or keep pace with ongoing expenditures.

**Supplies and Services** - An expenditure category used to account for all expenses except for employee services, capital and equipment costs, and debt service.