



**CITY OF HIDDEN HILLS**  
6165 SPRING VALLEY ROAD  
HIDDEN HILLS, CA 91302

(818) 888-9281  
[WWW.HIDDENHILLSCITY.ORG](http://WWW.HIDDENHILLSCITY.ORG)

# ANNUAL BUDGET

**FISCAL YEAR 2023-24**

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# CITY MANAGER’S BUDGET MESSAGE

To: Honorable Mayor, City Council and Hidden Hills Residents  
From: Kerry Kallman, City Manager  
Subject: Fiscal Year 2023/24 Budget  
Date: June 26, 2023

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## INTRODUCTION

Attached for the City Council’s review and consideration is the proposed City budget for Fiscal Year 2023/24. The budget development process began on February 15, 2023 with the City Council Goals session. This was followed by the Mid-year budget review on March 13, 2023. The Mid-year budget took a detailed look at all City revenues and expenditures at the half-way point of the current fiscal year. Additionally, the Mid-year budget attempts to forecast the final revenue and expenditure amounts expected at the close of the fiscal year on June 30. Next, the City Council’s Budget Ad-hoc Committee met on April 26 and May 18 to review the draft budget. The draft budget was presented during the June 12 City Council Meeting prior to consideration by the full City Council tonight.

The budget document is broken up into several sections. These include Revenue, Expenditures, Restricted Funds, Five-year Capital Improvement Projects, Gann Appropriations limit, City Investment Policy, Reserve Policy and Balances, and Fiscal Health Report.

The City’s budget should be seen as a “spending” plan and a “living” document for the upcoming fiscal year. Although not ideal, nor planned, deviations from this plan can and will arise during the upcoming fiscal year. These changes, if any, will require the approval of a “budget adjustment” by the City Council and will be requested if needed.

## BUDGET HIGHLIGHTS

The City’s long-standing tradition of taking a conservative approach to budgeting combined with strategic investments and savings has placed the City in an extremely healthy position. The City will continue to see the rewards of these efforts as the FY 2023/24 anticipates an aggressive list of potential Capital Improvement projects.

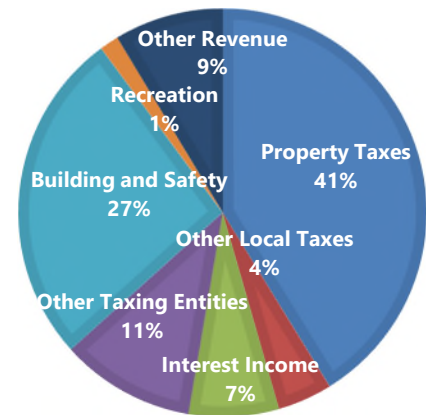
The Budget Ad-hoc Committee along with staff have made several changes to the budget document. These changes were done in part to provide a more transparent picture of City spending and begin to anticipate funding needed for capital improvement projects over the next five years. These changes include:

- Reformatting of the Summary Sheet on page 13 to provide a clearer snapshot of each fund
- Creation of a Five-year Capital Improvement plan on pages 26-30
- Update to the General Fund Reserve Policy on pages 32-34
- Creation of separate restricted Library Fund
- Separating all Transfers In and Out from Revenues and Expenditures

The FY 2023/24 includes General Fund revenues of \$3,775,156 with corresponding General Fund expenditures of \$3,344,458. In addition, a total of \$285,580 transfers from various restricted funds are being utilized to offset eligible operating expenses and transfers out of 2.4 million to reflect the Capital Improvement projects being funded by General Fund. This resulted in a decrease in fund balance of approximately \$1,687,270.

## REVENUE

<b>Revenues by Category</b>	<b>Amount</b>	<b>% of Total</b>
Property Taxes	1,555,352	41%
Other Local Taxes	164,000	4%
Interest Income	270,000	7%
Other Taxing Entities	400,705	11%
Building and Safety	1,002,600	27%
Recreation	57,500	2%
Other Revenue	324,999	9%
<b>Total</b>	<b>3,775,156</b>	<b>100%</b>



Total General Fund revenue for FY 2023/24 is \$3,775,156. Revenue is collected in the following seven categories:

### Property Tax Revenue

Property Tax revenue continues to be the City's largest single source of revenue representing over 41% of all City revenue.

### Other Local Taxes

Other local revenue includes Real Property Transfer taxes and a small amount of sales tax collected.

### Interest Income

Revenue generated from the City's investment in the Local Agency Investment Fund (LAIF) and with Charles Schwab. In 2022-23 the City's Schwab investment earned an average of 2.4% interest while LAIF earned an average of 2.2%.

### Other Taxing Entities

Revenue is generated from the State's Motor Vehicle in Lieu Tax swap which sees motor vehicle license fees used to backfill property taxes in local jurisdictions.

### Building and Safety

Building and Safety revenue continues to be the City's second highest revenue generator behind property taxes.

### Recreation

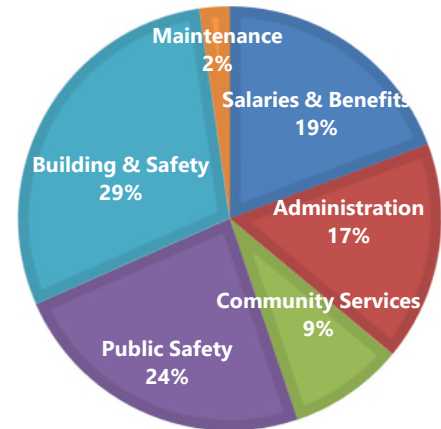
Fiesta revenue is included in Recreation revenue.

## Other Revenue

This revenue category is a catch all for uncategorized revenue sources for the City such as alarm registrations, investment fees, and franchise fees.

## **EXPENDITURES**

<b>Expenditures by Category</b>	<b>Amount</b>	<b>% of Total</b>
Salaries & Benefits	645,505	19%
Administration	559,632	17%
Community Services	293,895	9%
Public Safety	788,000	24%
Building & Safety	980,426	29%
Maintenance	77,000	2%
<b>Total</b>	<b>3,344,458</b>	<b>100%</b>



Total expenditures for FY 2023/24 are anticipated to be \$3,344,458. Public Safety and Building and Safety expenditures combined make up nearly half of the City's expenditures at \$1,768,426.

Expenditures are broken down into the following categories:

### Salaries and Benefits

Total expense for the City's payroll is expected to be \$645,505 which is approximately \$30,000 more than FY 2022/23. The FY 2023/24 contains cost of living adjustments for staff. The increase has been applied to all staff salaries, with the exception of the City Manager, to provide flexibility in staff reviews and salary increases. The City Manager's salary is set annually by the full City Council following the Manager's annual review.

### Administration

Expenses associated with the City's Administration Department are nearly \$100,000 higher than the current fiscal year. This increase can be attributed to several factors: (1) potential increased costs associated with legal services (\$20,000); (2) additional funding (\$30,000) in the City's election and legislation line item for unanticipated legislative actions or assistance; (3) \$10,000 in new funding under miscellaneous for a potential asset replacement study; (4) increase in office expense (\$15,000) related to new stationary and credit card merchant fees; and (5) \$17,000 increase in Data processing related to the licensing fee on the Building and Safety software. It should also be noted that charges related to credit card processing fees and Building and Safety online licensing fee should be offset by City Council approved convenience and technology fees.

### Community Services

The Community Services Department has been restructured by moving library-related services to a new restricted Library Fund that has been established. However, a library expense of \$48,895 was included to pay for the approved Library Consultant. Additionally, funding for the proposed Winter/Public Safety event has been added in this line item.



### Public Safety

There are no changes being made to the City's Sheriff contract and deployment level. The Sheriff's Department rates went up approximately 7.63% with the liability trust fund increasing by 11% to 12%. Additional increases in the Public Safety Department can be attributed to the following: (1) increase in costs associated with Crossing Guards (restricted funds used); (2) \$10,000 for update to Emergency Operations Plan; and (3) \$7,000 for update to Hazard Mitigation Plan in conjunction with the Council of Governments. Nearly \$140,000 of Supplemental Public Safety and \$100,000 of Sheriff services costs are offset by grants and/or restricted funds.

### Building and Safety

Expenses in this department are categorized in two ways: (1) fee related; and (2) non-fee related. Fee related expenses are fully offset by plan check and building permit revenue. Non fee related expenses include the administration of the department such as special projects, public information, and capital improvements.

### Maintenance

No significant changes in this department.

## **TRANSFERS**

All fund transfers have been removed from the Revenues and Expenditures categories in an effort to present a clearer budget format. This category includes Transfers to and from other funds to offset operations cost and to fund Capital Improvement projects.

### COPS Fund Transfer

COPS funds are provided to the City annually from the State's General fund to provide supplemental front-line law enforcement services. The City is expected to receive \$100,000 this year from the COPS fund. This is shown as a revenue in the restricted COPS Fund and is transferred to General Fund to offset the inclusion of COPS funded expense in the Public Safety Department.

### Gas Tax Fund Transfer

Transfer In from Gas Tax is used to offset Supplemental Public Safety Support expenses. These include the School Crossing Guards and Traffic Guard Support.

### Measure W Fund Transfer

In 2021, the City started receiving annual funding from Los Angeles County Safe, Clean Water Municipal Program funds. The fund is being tracked on a separate account in the restricted Measure W Fund and is being used to fund eligible water related projects and programs. Transfer In from Measure W is used to offset a portion of Environmental/NPDES expenditures.

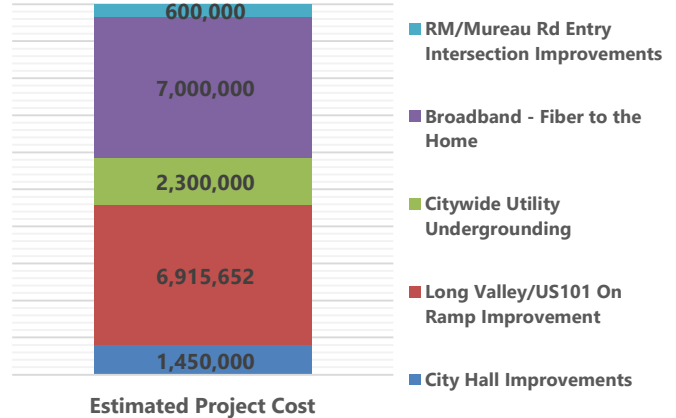
### Capital Projects Fund Transfer

Transfer Out to Capital Projects Fund represents Capital Improvement projects being funded by General Fund.

## Capital Improvement

The City's strategic fiscal planning and savings, continued solicitation of grants, and aggressive City investment strategy continues to pay off and positioned the City to make several re-investments in the community through Capital Improvement projects. Anticipated FY 2023/24 projects include:

- Fiber to the Home project
- Two Utility Underground projects
- Long Valley Entrance project
- Mureau/Round Meadow Landscaping project
- City Hall Outdoor Space project
- City Council Chambers renovation

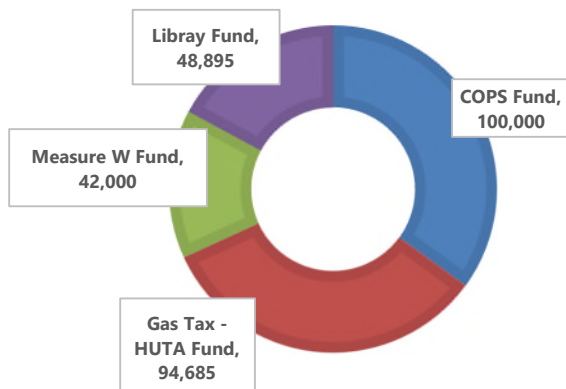


The proposed FY 2023/24 Budget Document includes an updated series of schedules related to Capital Improvements. This includes the introduction of a Five-year Capital Improvement Budget summary which anticipates Capital Improvement funding and expenses over the next five years. In addition, individual capital improvement project sheets including project descriptions were created. These documents can be found on pages 26-30.

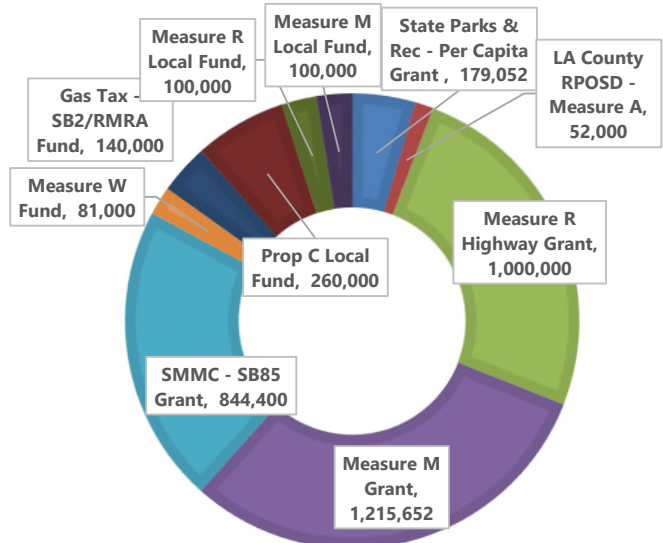
## Grant/Restricted Fund Use

The City continues to use as many restricted or grant funds to offset General Fund and Capital Project Fund spendings. The FY 2023/24 City budget aims to offset \$285,580 in General Fund operations costs and \$3.9 million in Capital Improvements projects costs with these funds.

**\$285,580 IN GENERAL FUND BUDGET FUNDED BY RESTRICTED FUNDS**



**\$3.9 MILLION IN CAPITAL IMPROVEMENT PROJECTS FUNDED BY GRANTS/RESTRICTED FUNDS**



## **Proposed General Fund Fiscal Reserve Policy**

In 2019, the City Council adopted the General Fund Fiscal Reserve Policy in its current format. At the time of adoption, it was anticipated that the City Council Budget Ad-hoc Committee and full City Council would review the policy each year and determine the fund levels as part of the budget creation and adoption process. The Budget Ad-hoc Committee is recommending a change to the General Fund Reserve Policy that would see the combining of three categories leaving a total of three Reserve Categories. Below is a summary of changes:

- Increase the Contingency Reserve to 100% of anticipated expenditures for FY 2023/24
- Combine the Capital Improvement Reserve, Underground Reserve, and Building Maintenance Reserve into one category. Funding levels for this will be based on the Capital Improvement Plan for FY 2023/24 with an additional \$500,000 for unanticipated costs associated with major facility repairs.
- The Undesignated Reserve will be made up of General Fund reserves not included in the Contingency Reserve and Capital Improvement Project Reserve.

A detailed explanation of the proposed General Fund Reserve Policy including funding levels can be found on pages 32-34 of this document.

## **Fiber to the Home Project**

The City's Fiber to the Home project continues to be a major priority for the City Council and staff. Significant progress on the project has been completed in the current fiscal year. This includes completion of the engineering design, completion of the phase 1 conduit project in the Jim Bridger area, drafting of a potential management agreement with Onward, and continued work on seeking bond financing. The proposed FY 2023/24 City budget shows revenue of \$7 million dollars for the project which may come from financing or a combination of General Fund and financing. In addition, the Five-year Capital Improvement Project Summary shows an expense of \$3.5 million in each of the next two years for the build out. As the actual costs, timing, and funding strategy have yet to be determined, it is anticipated that changes to the budget document will be made in the coming months.

## **ADDITIONAL BUDGET-RELATED DOCUMENTS**

In addition to the preliminary City budget, other items of interest attached include the following: (1) information pertaining to the City's proposed FY 2023/24 Gann Appropriations Limit; (2) description of City funds; (3) Statement of Investment Policy; and (4) "Fiscal Health Report" examining the City's financial condition in the General Fund.



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## ABOUT THE CITY



### **HISTORY**

The City of Hidden Hills was founded by A.E. Hanson in the early 1950s.

### **INCORPORATED**

October 19, 1961

### **GOVERNMENT**

Hidden Hills is a General Law city operating under the Council-Manager form of government.

### **COUNTY**

Los Angeles County

### **SCHOOL DISTRICT**

LVUSD (Las Virgenes Unified School District)

### **POPULATION**

1,702

### **SIZE**

Under 2 square miles in area

### **LOCATION**

The City of Hidden Hills is nestled in between the western foothills of the San Fernando Valley in Los Angeles County, California.

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## CITY COUNCIL



**ENIKO GOLD**  
MAYOR PRO TEM



**LAURA MCCORKINDALE**  
COUNCIL MEMBER



**STEVE FREEDLAND**  
MAYOR

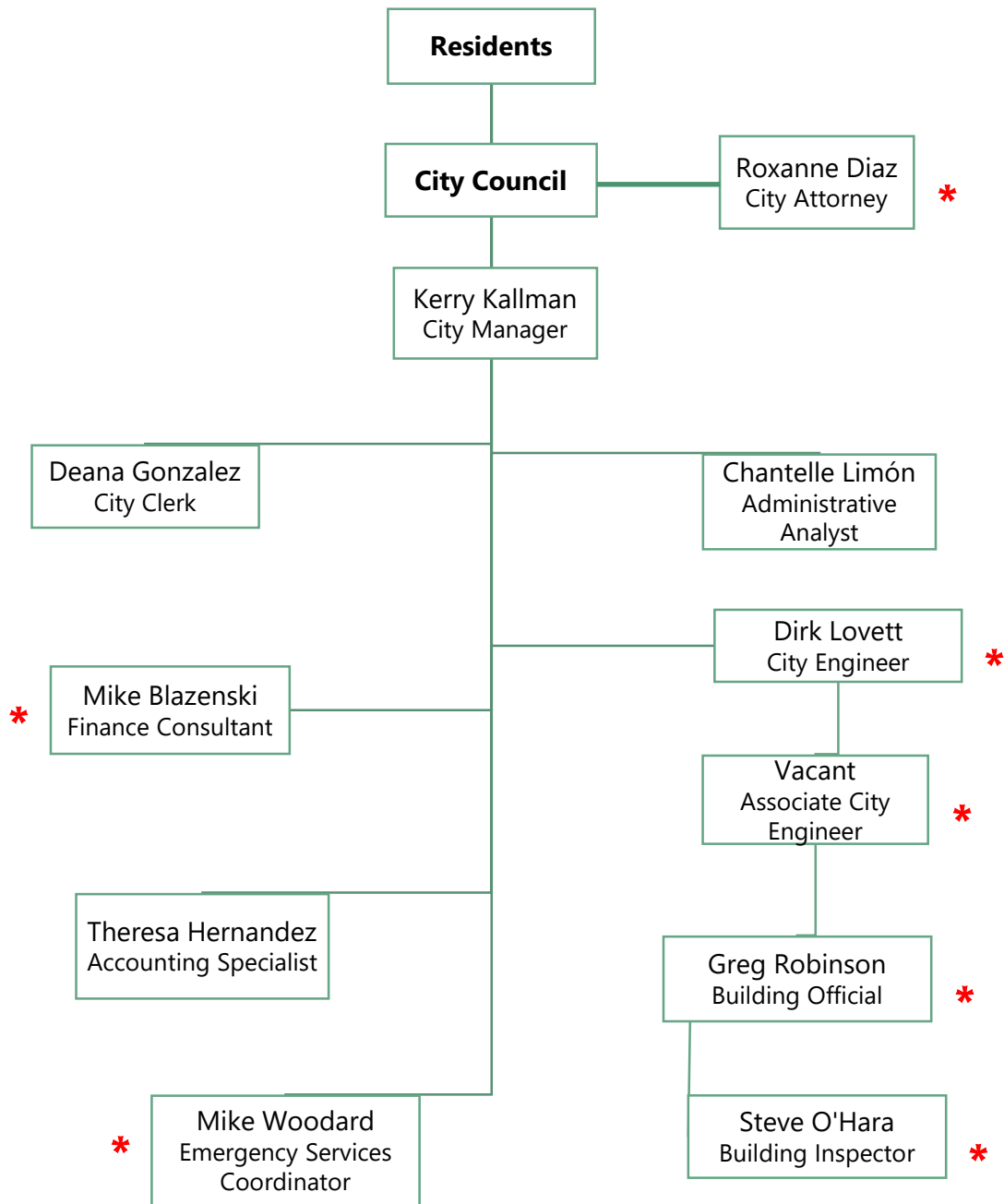


**LARRY G. WEBER**  
COUNCIL MEMBER



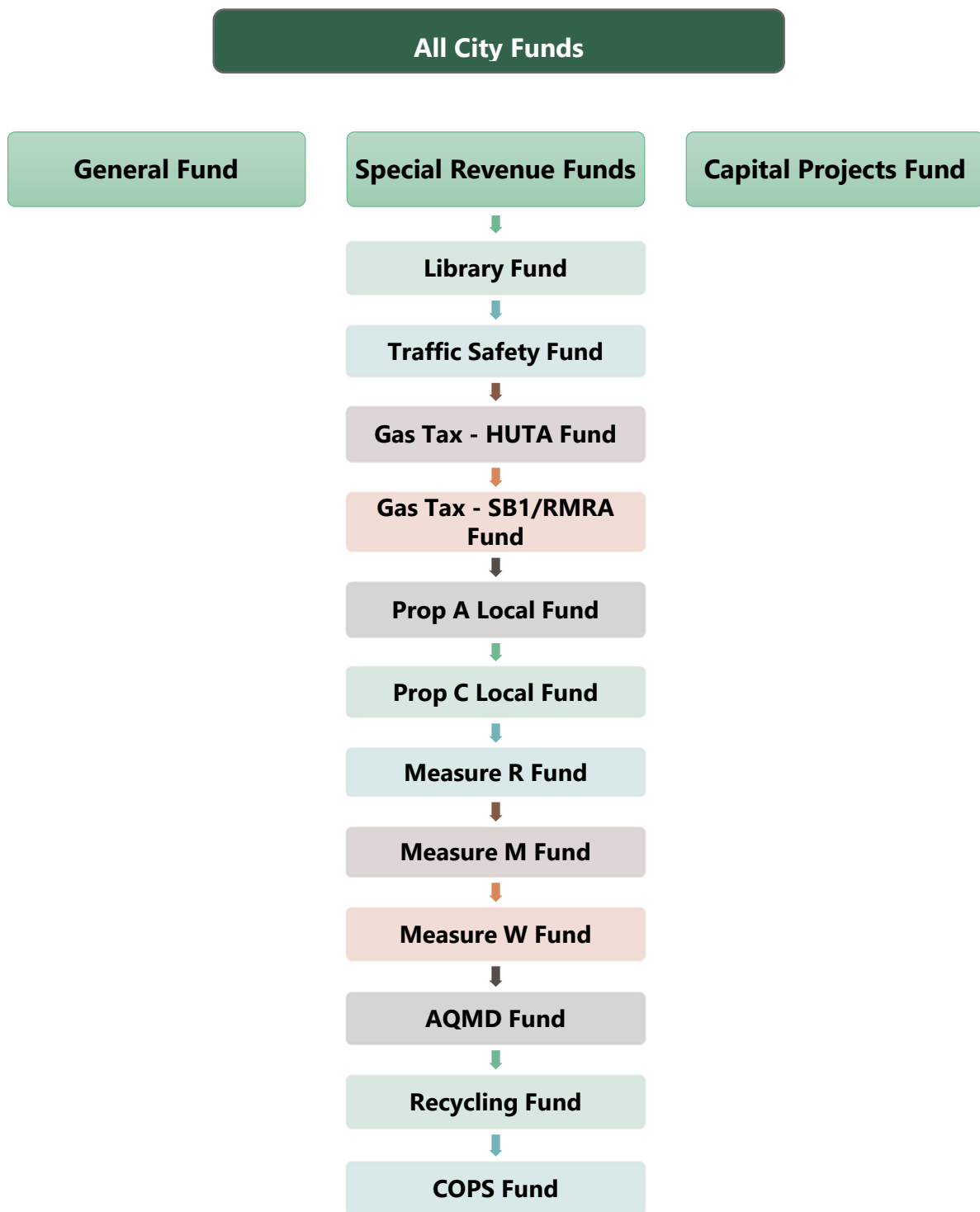
**JOE LOGGIA**  
COUNCIL MEMBER

# ORGANIZATIONAL CHART



\* **Contract Staff**

## FUND STRUCTURE



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## FUND DESCRIPTIONS

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. City of Hidden Hills, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**General Fund (Fund 10)** is the City's primary operating fund used to account for all financial resources necessary to carry out basic governmental activities of the City which is not accounted for in another fund.

General Fund revenues include property tax, sales and user tax, permits, franchise fees and charges for services. Expenditures of this fund include the general operating expenses such as city administration and maintenance, community services, building and safety and public safety.

**Special or Restricted Revenue Funds** are used to account for the proceeds from specific revenue sources (other than trusts or major capital projects) that are legally restricted to expenditures for specific purposes. These restricted funds, by law, are designed to finance particular functions or activities of government and which therefore cannot be diverted to other uses. A more detailed description of each fund is outlined below.

Fund Account	Fund Description
<b><u>Library (Fund 12)</u></b>	A newly created fund used to account for library resources and expenditures. The primary revenue source comes from property tax and is used to fund library services.
<b><u>Traffic Safety (Fund 20)</u></b>	Fines and forfeitures received as a result of arrests for vehicle code violations. Funds can be used for traffic control devices, maintenance of equipment and supplies for traffic law enforcement and traffic accident prevention, improvement or construction of public streets, and the compensation of school crossing guards.
<b><u>Gas Tax-HUTA (Fund 40-1)</u></b>	The Gasoline Tax (Motor Vehicle Fuel License Tax) is allocated to cities based on population. HUTA stands for Highway User Tax Account. It is where the State Controller deposits gas tax before it is apportioned to cities and counties. The use of revenue is restricted to the construction, improvement, and maintenance of public streets or roads.
<b><u>Gas Tax-SB1/RMRA (Fund 40-2)</u></b>	SB1 or RMRA (Road Maintenance and Rehabilitation Account) is a separate restricted fund created to account for the gas tax apportionment and can be used for basic maintenance and rehabilitation on public streets and roads.
<b><u>Prop A Local (Fund 50)</u></b>	A Tax imposed by Los Angeles County which increased the sales tax 1/2 cent to fund public transportation in the County. The use of this fund is restricted to public transportation services.

<b>Fund Account</b>	<b>Fund Description</b>
<b><u>Prop C Local (Fund 55)</u></b>	Similar to Prop A Local but this fund can be used for both public transportation services and capital improvement projects for public transit including street and landscape maintenance and irrigation.
<b><u>AQMD (Fund 60)</u></b>	30 percent of the funds collected from the Department of Motor Vehicle registration fees is provided to the Air Quality Management District (AQMD) for vehicle emission reduction programs. This fund can be used to purchase or lease hybrid and CNG vehicles including purchase of fuel and maintenance associated with the use of these vehicles.
<b><u>Measure R (Fund 65)</u></b>	Measure R is a half-cent sales tax for Los Angeles County to finance roadway improvements or new transportation projects and programs and accelerate those already in the pipeline.
<b><u>Measure M (Fund 67)</u></b>	Measure M is a half-cent sales tax for Los Angeles County to finance traffic improvement plan. It aims to improve freeway traffic flow and reduce bottlenecks and improve neighborhood streets and intersections.
<b><u>Measure W (Fund 68)</u></b>	Measure W is a special tax for parcels located in the Los Angeles County Flood Control District. This fund is being used for projects that improve water quality.
<b><u>Recycling (Fund 70)</u></b>	Cal Recycle purpose is to address issues related to sources reduction of waste material, recycling and composting, and environmentally safe transformation and land disposal of solid waste.
<b><u>COPS (Fund 80)</u></b>	AB 3229 established the Citizen's Options for Public Safety (COPS) program and allocated state funds, based on population, to supplement the needs of local law enforcement. This fund is to be used for front line policing services.

**Capital Projects Fund (Fund 15)** is a fund used to account for resources for the planning, design, construction, and acquisition of major capital improvements.

Capital Projects Fund revenues consist of operating transfers from General Fund, General Fund reserves and restricted funds. In addition, the fund also includes various State and County grants.



## FUND BALANCES SUMMARIES

Fund Account	Projected Beginning Fund Balance as of 07/01/23	Proposed Budget FY2023-24			Projected Ending Fund Balance as of 06/30/24
		Revenues	Expenditures	Transfers	
General Fund					
10 General Fund	11,082,547	3,775,156	3,344,458	(2,117,968)	9,395,276
<b>Total General Fund</b>	<b>11,082,547</b>	<b>3,775,156</b>	<b>3,344,458</b>	<b>(2,117,968)</b>	<b>9,395,276</b>
Special/Restricted Funds					
12 Library Fund	-	587,636	538,741	(48,895)	-
20 Traffic Safety Fund	7,798	10,000	5,000	-	12,798
40-1 Gas Tax Fund - HUTA	410,730	54,593	11,500	(94,685)	359,138
40-2 Gas Tax Fund - SB1/RMRA	136,490	42,964	-	(140,000)	39,454
50 Prop A Fund	68,554	50,230	5,000	-	113,784
55 Prop C Fund	258,753	41,665	12,000	(260,000)	28,418
60 AQMD Fund	9,996	2,400	-	-	12,396
65 Measure R Fund	122,798	31,248	-	(100,000)	54,046
67 Measure M Fund	136,187	32,415	-	(100,000)	68,602
68 Measure W Fund	47,261	85,000	-	(123,000)	9,261
70 Recycling Fund	66,138	5,000	5,000	-	66,138
80 COPS Fund	52,542	100,000	-	(100,000)	52,542
<b>Total Special/Restricted Funds</b>	<b>1,317,247</b>	<b>1,043,151</b>	<b>577,241</b>	<b>(966,580)</b>	<b>816,577</b>
Capital Projects Fund					
15 Capital Projects Fund	0	10,291,104	9,875,652	3,084,548	3,500,000
<b>Total Capital Projects Fund</b>	<b>0</b>	<b>10,291,104</b>	<b>9,875,652</b>	<b>3,084,548</b>	<b>3,500,000</b>
<b>Total</b>	<b>12,399,794</b>	<b>15,109,410</b>	<b>13,797,350</b>	<b>-</b>	<b>13,711,854</b>

## GENERAL FUND – BUDGET SUMMARY

	Prior Year Actual FY 2021-22	Approved Budget FY 2022-23	Year End Projected FY 2022-23	Proposed Budget FY 2023-24
Revenues				
Property Taxes	1,351,145	1,395,171	1,467,313	1,555,352
Other Local Taxes	311,496	165,500	165,500	164,000
Interest Income	242,107	247,161	290,873	270,000
Other Taxing Entities	335,070	359,825	372,856	400,705
Building and Safety	1,517,191	852,200	1,249,020	1,002,600
Recreation	48,913	48,714	57,574	57,500
Other Revenue	(280,287)	226,100	261,205	324,999
<b>Total Revenue</b>	<b>3,525,635</b>	<b>3,294,671</b>	<b>3,864,341</b>	<b>3,775,156</b>
Expenditures				
Salaries & Benefits	575,539	621,049	615,620	645,505
Administration	405,740	483,993	458,189	559,632
Community Services	178,279	192,454	205,063	293,895
Public Safety	703,809	718,672	700,000	788,000
Building & Safety	979,735	1,103,924	1,025,090	980,426
Maintenance	72,906	83,154	74,885	77,000
<b>Total Expenditures</b>	<b>2,916,007</b>	<b>3,203,245</b>	<b>3,078,848</b>	<b>3,344,458</b>
Transfers				
Transfers In from Other Funds	335,375	219,052	249,642	285,580
Transfers (Out) to Capital Projects	(251,530)	(3,159,763)	(704,221)	(2,403,548)
<b>Total Net Transfers</b>	<b>83,845</b>	<b>(2,940,711)</b>	<b>(454,579)</b>	<b>(2,117,968)</b>
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<b>693,474</b>	<b>(2,849,285)</b>	<b>330,914</b>	<b>(1,687,270)</b>
<b>Beginning Fund Balance 07/01</b>	<b>10,058,159</b>	<b>10,751,633</b>	<b>10,751,633</b>	<b>11,082,547</b>
<b>Ending Fund Balance 06/30</b>	<b>10,751,633</b>	<b>7,902,348</b>	<b>11,082,547</b>	<b>9,395,276</b>

## GENERAL FUND – BUDGET DETAIL

	Prior Year Actual FY 2021-22	Approved Budget FY 2022-23	Year End Projected FY 2022-23	Proposed Budget FY 2023-24
Revenues				
Property Taxes				
4100-00 Property Tax	1,351,145	1,395,171	1,467,313	1,555,352
Total - Property Taxes	1,351,145	1,395,171	1,467,313	1,555,352
Other Local Taxes				
4210-10 Real Property Transfer Tax	266,903	149,000	149,000	149,000
4220-10 Sales & Use Tax	44,593	16,500	16,500	15,000
Total - Local Taxes	311,496	165,500	165,500	164,000
Interest Income				
4400-10 LAIF & Banks	10,114	7,161	50,873	70,000
4401-10 Charles Schwab	231,992	240,000	240,000	200,000
Total - Interest Income	242,107	247,161	290,873	270,000
Other Taxing Entities				
4120-10 Property Tax in Lieu of VLF	332,860	357,825	371,074	398,905
4245-10 Motor Vehicle In Lieu	2,210	2,000	1,782	1,800
Total - Other Taxing Entities	335,070	359,825	372,856	400,705
Building and Safety				
4613-10 Building & Safety Permits	1,467,888	804,000	1,163,968	852,000
4614-10 Planning Fees	24,192	23,800	65,349	122,600
4615-10 Engineering Fees	7,447	2,400	6,473	6,000
4616-10 Environmental Fees	17,664	22,000	13,230	22,000
Total - Building & Safety	1,517,191	852,200	1,249,020	1,002,600
Recreation				
4830-10 Fiesta	48,913	48,714	57,574	57,500
Total - Recreation	48,913	48,714	57,574	57,500
Other Revenue				
4105-10 PSAF Revenue	28,286	25,000	25,000	26,000
4215-10 Schwab Market Revenue	(574,174)	-	-	-
4230-10 Sale of Prop A Funds	87,845	-	-	-
4605-10 Franchise Fees - Telephone	2,889	3,000	3,000	3,000
4610-10 Franchise Fees - Edison	62,038	50,000	71,872	72,000
4620-10 Franchise Fees - Gas	19,737	18,000	20,998	21,000
4621-10 Franchise Fees - Waste Hauler	55,475	54,000	54,000	56,000
4622-10 Franchise Fees - Cable	11,151	10,800	10,800	11,500
4623-10 Waste Management Fee	7,941	8,000	8,000	8,000
4625-10 Alarm Registration	8,810	10,000	10,000	9,000
4850-10 Miscellaneous Income	9,715	2,300	12,000	30,000
6560-10 Grant Revenue	-	45,000	45,535	88,499
Total - Other Revenue	(280,287)	226,100	261,205	324,999
<b>Total Revenues</b>	<b>3,525,635</b>	<b>3,294,671</b>	<b>3,864,341</b>	<b>3,775,156</b>

## GENERAL FUND – BUDGET DETAIL

	<b>Prior Year Actual FY 2021-22</b>	<b>Approved Budget FY 2022-23</b>	<b>Year End Projected FY 2022-23</b>	<b>Proposed Budget FY 2023-24</b>
<b>Expenditures</b>				
Salaries & Benefits				
5100-10 City Manager	197,285	213,068	215,496	213,068
5115-10 Cell Phone Allowance	900	900	900	900
5101-10 Staff Salaries	240,338	259,470	256,430	275,037
5150-10 Payroll Taxes	13,458	14,500	14,000	15,500
5160-10 Workers Comp	4,475	6,000	5,000	6,000
5170-10 CalPERS Retirement	56,361	61,000	61,000	70,000
5175-10 CalPERS Unfunded Liability	2,487	5,166	4,994	-
5180-10 Group Health Insurance	55,865	55,945	53,000	60,000
5190-10 Dental & Vision Insurance	4,369	5,000	4,800	5,000
<b>Total - Salaries &amp; Benefits</b>	<b>575,539</b>	<b>621,049</b>	<b>615,620</b>	<b>645,505</b>
Administration				
5200-10 Legal Services	77,554	80,000	80,000	100,000
5205-10 City Auditor	26,810	34,000	34,000	41,500
5210-10 Dues - LVMCOG	25,000	25,000	25,000	25,000
5215-10 Dues & Subscriptions	20,836	25,000	25,101	27,000
5220-10 Liability Insurance	23,959	20,000	19,407	25,000
5225-10 Blanket Fidelity Bond	827	893	868	911
5230-10 Property Insurance	5,326	5,900	5,899	7,221
5250-10 Election & Legislation	25,000	90,000	73,114	90,000
5255-10 Miscellaneous Expense	19,737	5,000	5,000	15,000
5260-10 Public Information	17,451	23,200	23,200	25,000
5270-10 Office Expense	40,072	40,000	40,000	55,000
5275-10 Data Processing/IT Support	22,318	32,000	33,600	50,000
5280-10 Telephone	12,218	6,000	6,000	6,000
5285-10 Utilities	40,281	33,000	23,000	33,000
5290-10 Travel & Meetings	4,122	14,000	14,000	19,000
5295-10 Schwab Service Charges	44,229	50,000	50,000	40,000
<b>Total - Administration</b>	<b>405,740</b>	<b>483,993</b>	<b>458,189</b>	<b>559,632</b>
Community Services				
5240-10 Community Assistance	-	15,000	15,000	15,000
5500-10 Fiesta	178,279	177,454	190,063	220,000
5501-10 Other Events	-	-	-	10,000
5510-10 Library Expense	-	-	-	48,895
<b>Total - Community Services</b>	<b>178,279</b>	<b>192,454</b>	<b>205,063</b>	<b>293,895</b>

## GENERAL FUND – BUDGET DETAIL

	Prior Year Actual FY 2021-22	Approved Budget FY 2022-23	Year End Projected FY 2022-23	Proposed Budget FY 2023-24
Public Safety				
5600-10 Police Protection/STAR	569,414	500,000	500,000	540,000
5610-10 Supplemental P.S. Support	107,935	138,000	138,000	176,000
5620-10 Emergency Svcs Coordinator	8,975	30,000	30,000	30,000
5625-10 Disaster Preparedness	8,390	38,672	20,000	30,000
5640-10 Animal Control	9,095	12,000	12,000	12,000
Total - Public Safety	703,809	718,672	700,000	788,000
Building & Safety				
5700-10 Engineering	158,543	249,000	237,335	216,000
5710-10 Building and Safety	501,556	483,500	480,080	506,000
5720-10 Planning	128,943	204,400	140,621	91,400
5730-10 NPDES/Environmental	190,692	167,024	167,055	167,026
Total - Building & Safety	979,735	1,103,924	1,025,090	980,426
Maintenance				
5800-10 Janitorial	24,000	25,000	20,000	20,000
5805-10 Street Cleaning	2,079	2,154	2,885	4,000
5810-10 Garden Service	4,042	35,000	31,000	32,000
5820-10 Repairs/Maintenance	42,785	21,000	21,000	21,000
Total - Maintenance	72,906	83,154	74,885	77,000
<b>Total Expenditures</b>	<b>2,916,007</b>	<b>3,203,245</b>	<b>3,078,848</b>	<b>3,344,458</b>
Transfers				
Transfers In				
4901-10 Transfer from COPS Fund	197,817	100,000	129,430	100,000
4905-10 Transfer from Gas Tax	53,774	82,052	83,212	94,685
4907-10 Transfer from Measure W	83,783	37,000	37,000	42,000
4911-10 Transfer from Library	-	-	-	48,895
Total Transfers In	335,375	219,052	249,642	285,580
Transfers (Out) to Capital Projects				
5901 City Hall Improvement	(56,879)	(94,763)	(40,000)	(1,147,948)
5903 Long Valley/US-101 Imp	-	(125,000)	-	-
5909 Undergrounding	(165,679)	(840,000)	(212,093)	(1,255,600)
5910 Broadband Project	(28,971)	(2,100,000)	(452,128)	-
Total Transfers (Out)	(251,530)	(3,159,763)	(704,221)	(2,403,548)
<b>Total Net Transfers</b>	<b>83,845</b>	<b>(2,940,711)</b>	<b>(454,579)</b>	<b>(2,117,968)</b>
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<b>693,474</b>	<b>(2,849,285)</b>	<b>330,914</b>	<b>(1,687,270)</b>
<b>Beginning Fund Balance 07/01</b>	<b>10,058,159</b>	<b>10,751,633</b>	<b>10,751,633</b>	<b>11,082,547</b>
<b>Ending Fund Balance 06/30</b>	<b>10,751,633</b>	<b>7,902,348</b>	<b>11,082,547</b>	<b>9,395,276</b>

## SPECIAL REVENUE/RESTRICTED FUNDS – BUDGET DETAIL

<b>LIBRARY FUND</b>	<b>Prior Year Actual FY 2021-22</b>	<b>Approved Budget FY 2022-23</b>	<b>Year End Projected FY 2022-23</b>	<b>Proposed Budget FY 2023-24</b>
Revenues				
4115 Property Tax - Library	508,664	526,526	554,373	587,636
Total Revenues	508,664	526,526	554,373	587,636
Expenditures				
5510 Library Services	508,664	526,526	554,373	538,741
Total Expenditures	508,664	526,526	554,373	538,741
Transfers				
7601 Transfer (Out) to Gen Fund - Library	-	-	-	(48,895)
Total Transfers	-	-	-	(48,895)
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Beginning Fund Balance 07/01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Fund Balance 06/30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>TRAFFIC SAFETY FUND</b>	<b>Prior Year Actual FY 2021-22</b>	<b>Approved Budget FY 2022-23</b>	<b>Year End Projected FY 2022-23</b>	<b>Proposed Budget FY 2023-24</b>
Revenues				
6560 Intergovernmental Revenue	13,359	10,000	10,000	10,000
6400 Interest Income	-	-	-	-
Total Revenues	13,359	10,000	10,000	10,000
Expenditures				
7590 Traffic Studies	18,761	5,000	-	-
7590 Road/Street Maintenance	1,501	2,000	1,273	2,000
7590 Traffic Sign Maintenance	836	3,000	18,727	3,000
Total Expenditures	21,098	10,000	20,000	5,000
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<b>(7,739)</b>	<b>-</b>	<b>(10,000)</b>	<b>5,000</b>
<b>Beginning Fund Balance 07/01</b>	<b>25,537</b>	<b>17,798</b>	<b>17,798</b>	<b>7,798</b>
<b>Ending Fund Balance 06/30</b>	<b>17,798</b>	<b>17,798</b>	<b>7,798</b>	<b>12,798</b>



## SPECIAL REVENUE/RESTRICTED FUNDS – BUDGET DETAIL

<b>GAS TAX - HUTA FUND</b>	<b>Prior Year Actual FY 2021-22</b>	<b>Approved Budget FY 2022-23</b>	<b>Year End Projected FY 2022-23</b>	<b>Proposed Budget FY 2023-24</b>
Revenues				
6560 Intergovernmental Revenue - HUTA	49,955	60,714	49,705	54,593
6400 Interest Income	5,460	-	-	-
Total - Revenues	55,415	60,714	49,705	54,593
Expenditures				
7590 RM/Mureau Rd Stop Light Maintenance	1,604	4,000	2,918	4,000
7590 RM/Mureau Rd Street Maintenance	-	4,000	2,360	4,000
7590 State Controller - Street Audit	2,700	3,300	3,300	3,500
Total - Expenditures	4,304	11,300	8,578	11,500
Transfers				
7601 Transfer (Out) to Gen Fund - Crossing Guards	(32,430)	(53,052)	(53,052)	(64,525)
7601 Transfer (Out) to Gen Fund - Traffic Guards	(21,344)	(29,000)	(30,160)	(30,160)
Total Net Transfers	(53,774)	(82,052)	(83,212)	(94,685)
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<b>(2,663)</b>	<b>(32,638)</b>	<b>(42,085)</b>	<b>(51,592)</b>
<b>Beginning Fund Balance 07/01</b>	<b>455,478</b>	<b>452,815</b>	<b>452,815</b>	<b>410,730</b>
<b>Ending Fund Balance 06/30</b>	<b>452,815</b>	<b>420,177</b>	<b>410,730</b>	<b>359,138</b>

<b>GAS TAX - SB1/RMRA FUND</b>	<b>Prior Year Actual FY 2021-22</b>	<b>Approved Budget FY 2022-23</b>	<b>Year End Projected FY 2022-23</b>	<b>Proposed Budget FY 2023-24</b>
Revenues				
6560 Intergovernmental Revenue - SB1/RMRA	37,876	43,606	37,694	42,964
6400 Interest Income	1,589	-	-	-
Total - Revenues	39,465	43,606	37,694	42,964
Expenditures				
7590 Fund Expenses	-	-	-	-
Total Expenditures	-	-	-	-
Transfers Out				
7610 Transfer (Out) to Capital Projects	(2,640)	(70,000)	(10,000)	(140,000)
Total Net Transfers	(2,640)	(70,000)	(10,000)	(140,000)
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<b>36,825</b>	<b>(26,394)</b>	<b>27,694</b>	<b>(97,036)</b>
<b>Beginning Fund Balance 07/01</b>	<b>71,971</b>	<b>108,796</b>	<b>108,796</b>	<b>136,490</b>
<b>Ending Fund Balance 06/30</b>	<b>108,796</b>	<b>82,402</b>	<b>136,490</b>	<b>39,454</b>

## SPECIAL REVENUE/RESTRICTED FUNDS – BUDGET DETAIL

<b>PROP A LOCAL FUND</b>	<b>Prior Year Actual FY 2021-22</b>	<b>Approved Budget FY 2022-23</b>	<b>Year End Projected FY 2022-23</b>	<b>Proposed Budget FY 2023-24</b>
Revenues				
6560 Intergovernmental Revenue	47,173	46,671	46,671	50,230
6400 Interest Income	1,659	-	-	-
Total Revenues	<u>48,832</u>	<u>46,671</u>	<u>46,671</u>	<u>50,230</u>
Expenditures				
7590 Summer Bus Beach	-	5,000	-	5,000
7590 Prop A Exchange	117,127	-	-	-
Total Expenditures	<u>117,127</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<b>(68,295)</b>	<b>41,671</b>	<b>46,671</b>	<b>45,230</b>
<b>Beginning Fund Balance 07/01</b>	<b>90,178</b>	<b>21,883</b>	<b>21,883</b>	<b>68,554</b>
<b>Ending Fund Balance 06/30</b>	<b>21,883</b>	<b>63,554</b>	<b>68,554</b>	<b>113,784</b>

<b>PROP C LOCAL FUND</b>	<b>Prior Year Actual FY 2021-22</b>	<b>Approved Budget FY 2022-23</b>	<b>Year End Projected FY 2022-23</b>	<b>Proposed Budget FY 2023-24</b>
Revenues				
6560 Intergovernmental Revenue	39,129	38,712	38,712	41,665
6400 Interest Income	3,808	-	-	-
Total Revenues	<u>42,937</u>	<u>38,712</u>	<u>38,712</u>	<u>41,665</u>
Expenditures				
7590 RM/Mureau Rd Landscape	7,976	12,000	12,000	12,000
Total Expenditures	<u>7,976</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>
Transfers				
7610 Transfer (Out) to Capital Projects	(194)	(25,000)	(6,000)	(260,000)
Total Net Transfers	<u>(194)</u>	<u>(25,000)</u>	<u>(6,000)</u>	<u>(260,000)</u>
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<b>34,767</b>	<b>1,712</b>	<b>20,712</b>	<b>(230,335)</b>
<b>Beginning Fund Balance 07/01</b>	<b>203,274</b>	<b>238,041</b>	<b>238,041</b>	<b>258,753</b>
<b>Ending Fund Balance 06/30</b>	<b>238,041</b>	<b>239,753</b>	<b>258,753</b>	<b>28,418</b>

## SPECIAL REVENUE/RESTRICTED FUNDS – BUDGET DETAIL

<b>AQMD FUND</b>	<b>Prior Year Actual FY 2021-22</b>	<b>Approved Budget FY 2022-23</b>	<b>Year End Projected FY 2022-23</b>	<b>Proposed Budget FY 2023-24</b>
Revenues				
6560 Intergovernmental Revenue	1,543	2,400	2,400	2,400
6400 Interest Income	112	-	-	-
Total Revenues	<u>1,655</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>
Expenditures				
7590 Fund Expenses	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<u><b>1,655</b></u>	<u><b>2,400</b></u>	<u><b>2,400</b></u>	<u><b>2,400</b></u>
<b>Beginning Fund Balance 07/01</b>	<b>5,941</b>	<b>7,596</b>	<b>7,596</b>	<b>9,996</b>
<b>Ending Fund Balance 06/30</b>	<b>7,596</b>	<b>9,996</b>	<b>9,996</b>	<b>12,396</b>

<b>MEASURE R FUND</b>	<b>Prior Year Actual FY 2021-22</b>	<b>Approved Budget FY 2022-23</b>	<b>Year End Projected FY 2022-23</b>	<b>Proposed Budget FY 2023-24</b>
Revenues				
6560 Intergovernmental Revenue - Local	29,342	29,034	29,034	31,248
6560 Measure R Grant	132,814	-	53,000	-
6400 Interest Income	2,007	-	-	-
Total Revenues	<u>164,163</u>	<u>29,034</u>	<u>82,034</u>	<u>31,248</u>
Expenditures				
7590 Speed Humps	-	20,000	13,575	-
Total Expenditures	<u>-</u>	<u>20,000</u>	<u>13,575</u>	<u>-</u>
Transfers				
7610 Transfer (Out) to Capital Projects	(121,306)	-	(58,889)	(100,000)
Total Net Transfers	<u>(121,306)</u>	<u>-</u>	<u>(58,889)</u>	<u>(100,000)</u>
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<u><b>42,857</b></u>	<u><b>9,034</b></u>	<u><b>9,570</b></u>	<u><b>(68,752)</b></u>
<b>Beginning Fund Balance 07/01</b>	<b>70,371</b>	<b>113,228</b>	<b>113,228</b>	<b>122,798</b>
<b>Ending Fund Balance 06/30</b>	<b>113,228</b>	<b>122,262</b>	<b>122,798</b>	<b>54,046</b>

## SPECIAL REVENUE/RESTRICTED FUNDS – BUDGET DETAIL

<b>MEASURE M FUND</b>	<b>Prior Year Actual FY 2021-22</b>	<b>Approved Budget FY 2022-23</b>	<b>Year End Projected FY 2022-23</b>	<b>Proposed Budget FY 2023-24</b>
Revenues				
6560 Intergovernmental Revenue	33,204	32,906	26,597	32,415
6400 Interest Income	1,600	-	-	-
Total Revenues	<u>34,804</u>	<u>32,906</u>	<u>26,597</u>	<u>32,415</u>
Expenditures				
7590 Fund Expenses	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers				
7610 Transfer (Out) to Capital Projects	-	(70,000)	-	(100,000)
Total Net Transfers	<u>-</u>	<u>(70,000)</u>	<u>-</u>	<u>(100,000)</u>
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<u><b>34,804</b></u>	<u><b>(37,094)</b></u>	<u><b>26,597</b></u>	<u><b>(67,585)</b></u>
<b>Beginning Fund Balance 07/01</b>	<b>74,786</b>	<b>109,590</b>	<b>109,590</b>	<b>136,187</b>
<b>Ending Fund Balance 06/30</b>	<b>109,590</b>	<b>72,496</b>	<b>136,187</b>	<b>68,602</b>

<b>MEASURE W FUND</b>	<b>Prior Year Actual FY 2021-22</b>	<b>Approved Budget FY 2022-23</b>	<b>Year End Projected FY 2022-23</b>	<b>Proposed Budget FY 2023-24</b>
Revenues				
6560 Intergovernmental Revenue	83,783	80,000	84,261	85,000
Total Revenues	<u>83,783</u>	<u>80,000</u>	<u>84,261</u>	<u>85,000</u>
Expenditures				
7590 Fund Expenses	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers				
7601 Transfer (Out) to Gen Fund - NPDES/Env	(83,783)	(37,000)	(37,000)	(42,000)
7610 Transfer (Out) to Capital Projects	-	-	-	(81,000)
Total Net Transfers	<u>(83,783)</u>	<u>(37,000)</u>	<u>(37,000)</u>	<u>(123,000)</u>
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<u><b>-</b></u>	<u><b>43,000</b></u>	<u><b>47,261</b></u>	<u><b>(38,000)</b></u>
<b>Beginning Fund Balance 07/01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,261</b>
<b>Ending Fund Balance 06/30</b>	<b>-</b>	<b>43,000</b>	<b>47,261</b>	<b>9,261</b>

## SPECIAL REVENUE/RESTRICTED FUNDS – BUDGET DETAIL

<b>RECYCLING FUND</b>	<b>Prior Year Actual FY 2021-22</b>	<b>Approved Budget FY 2022-23</b>	<b>Year End Projected FY 2022-23</b>	<b>Proposed Budget FY 2023-24</b>
Revenues				
6560 Intergovernmental Revenue	25,188	5,000	5,000	5,000
6400 Interest Income	-	-	-	-
Total Revenues	<u>25,188</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Expenditures				
5907 Catch Basin Screen/Insert Retrofit	5,000	25,000	13,404	5,000
Total Expenditures	<u>5,000</u>	<u>25,000</u>	<u>13,404</u>	<u>5,000</u>
Transfers Out				
7610 Transfer (Out) to Capital Projects	-	-	-	-
Total Net Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<u><b>20,188</b></u>	<u><b>(20,000)</b></u>	<u><b>(8,404)</b></u>	<u><b>-</b></u>
<b>Beginning Fund Balance 07/01</b>	<b>54,354</b>	<b>74,542</b>	<b>74,542</b>	<b>66,138</b>
<b>Ending Fund Balance 06/30</b>	<b>74,542</b>	<b>54,542</b>	<b>66,138</b>	<b>66,138</b>

<b>COPS FUND</b>	<b>Prior Year Actual FY 2021-22</b>	<b>Approved Budget FY 2022-23</b>	<b>Year End Projected FY 2022-23</b>	<b>Proposed Budget FY 2023-24</b>
Revenues				
6560 Intergovernmental Revenue	161,285	100,000	165,271	100,000
6400 Interest Income	-	-	-	-
Total Revenues	<u>161,285</u>	<u>100,000</u>	<u>165,271</u>	<u>100,000</u>
Expenditures				
7590 Fund Expenses	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers Out				
7601 Transfer (Out) to Gen Fund - Sheriff	(197,817)	(100,000)	(126,430)	(100,000)
Total Net Transfers	<u>(197,817)</u>	<u>(100,000)</u>	<u>(126,430)</u>	<u>(100,000)</u>
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<u><b>(36,533)</b></u>	<u><b>-</b></u>	<u><b>38,842</b></u>	<u><b>-</b></u>
<b>Beginning Fund Balance 07/01</b>	<b>50,233</b>	<b>13,701</b>	<b>13,701</b>	<b>52,542</b>
<b>Ending Fund Balance 06/30</b>	<b>13,701</b>	<b>13,701</b>	<b>52,542</b>	<b>52,542</b>

## CAPITAL IMPROVEMENT PROJECTS – CONSOLIDATED 5-YEAR PROJECTION

	Prior Years Actual	Year End Projected FY 2022-23	Proposed Budget FY 2023-24	Projected			
				FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
<b>Funding</b>							
Grants	2,532,725	45,786	3,291,104	2,000,000	-	-	-
Financing	-	-	7,000,000	-	-	-	-
<b>Total Funding</b>	<b>2,532,725</b>	<b>45,786</b>	<b>10,291,104</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>							
Capital Improvements							
City Hall Improvements	240,553	40,000	1,460,000	-	-	-	-
Long Valley/ US-101 On-Ramp Improvement	2,720,025	40,186	2,215,652	2,000,000	-	-	-
Citywide Utility Undergrounding - Jed Smith	-	5,600	1,500,000	-	-	-	-
Citywide Utility Undergrounding - Little Hollow	-	206,493	600,000	-	-	-	-
Broadband- Fiber To The Home	80,216	452,128	3,500,000	3,500,000	-	-	-
RM/Mureau Rd Entry Intersection Improvements	35,230	16,000	600,000	-	-	-	-
<b>Total Expenditures</b>	<b>3,076,025</b>	<b>760,408</b>	<b>9,875,652</b>	<b>5,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers</b>							
Transfer In from Restricted Funds	35,230	16,000	681,000	-	-	-	-
Transfer In from General Fund	734,133	472,557	2,403,548	-	-	-	-
<b>Total Transfers</b>	<b>769,364</b>	<b>488,557</b>	<b>3,084,548</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues over Expenditures &amp; Transfers</b>	<b>226,064</b>	<b>(226,064)</b>	<b>3,500,000</b>	<b>(3,500,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>

*See Capital Improvement Project Information Sheets for details*



## CAPITAL IMPROVEMENT PROJECTS – BUDGET SUMMARY

	Prior Years Actual	Year End Projected FY 2022-23	Proposed Budget FY 2023-24	Projected				Total
				FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
<b>City Hall Improvements</b>								
Revenues	51,957	-	231,052	-	-	-	-	283,009
Expenditures	(240,553)	(40,000)	(1,460,000)	-	-	-	-	(1,740,553)
Transfers In	188,596	40,000	1,228,948	-	-	-	-	1,457,544
Total	-	-	-	-	-	-	-	-
<b>Long Valley/US101 On Ramp Improvement</b>								
Revenues	2,480,768	40,186	2,215,652	2,000,000	-	-	-	6,736,606
Expenditures	(2,720,025)	(40,186)	(2,215,652)	(2,000,000)	-	-	-	(6,975,864)
Transfers In	239,258	-	-	-	-	-	-	239,258
Total	-	-	-	-	-	-	-	-
<b>Citywide Utility Undergrounding - Jed Smith</b>								
Revenues	-	5,600	844,400	-	-	-	-	850,000
Expenditures	-	(5,600)	(1,500,000)	-	-	-	-	(1,505,600)
Transfers In	-	-	655,600	-	-	-	-	655,600
Total	-	-	-	-	-	-	-	-
<b>Citywide Utility Undergrounding - Little Hollow</b>								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	(206,493)	(600,000)	-	-	-	-	(806,493)
Transfers In	-	206,493	600,000	-	-	-	-	806,493
Total	-	-	-	-	-	-	-	-
<b>Broadband - Fiber to the Home</b>								
Revenues	-	-	7,000,000	-	-	-	-	7,000,000
Expenditures	(80,216)	(452,128)	(3,500,000)	(3,500,000)	-	-	-	(7,532,344)
Transfers In	306,280	226,064	-	-	-	-	-	532,344
Total	226,064	(226,064)	3,500,000	(3,500,000)	-	-	-	-
<b>RM/Mureau Rd Entry Intersection Improvements</b>								
Revenues	-	-	-	-	-	-	-	-
Expenditures	(35,230)	(16,000)	(600,000)	-	-	-	-	(651,230)
Transfers In	35,230	16,000	600,000	-	-	-	-	651,230
Total	-	-	-	-	-	-	-	-
<b>Beginning Fund Balance 07/01</b>	-	226,064	-	3,500,000	-	-	-	-
<b>Net Change in Fund Balance</b>	226,064	(226,064)	3,500,000	(3,500,000)	-	-	-	-
<b>Ending Fund Balance 06/30</b>	226,064	-	3,500,000	-	-	-	-	-

# CAPITAL IMPROVEMENT PROJECTS – BUDGET DETAIL INFORMATION SHEET

Account #	Project Name:
5901	City Hall Improvements

Specific Project:	Council Chamber	Outdoor Space
Projected Total Cost:	\$ 1,000,000.00	\$ 450,000.00
Initial Commencement Date:	October 2019	July 2022
Projected Completion Date:	TBD	TBD
Status:	Continued	New

## Project Description

This project began back in 2017 as part of the City Council goal to consider various external and internal upgrades and/or improvements to the City Hall Building and complex. In 2018, completed projects include improvement and installation of new furnitures for the first-floor administration area, second-floor City Manager's office and the new City Engineer's office. Last year in 2022, Building and Safety office has been remodeled and upgraded the permit system using SB2 Planning Grant fund. Various equipment upgrades has also been completed in the past years including AVR and Security Systems upgrades. Proposed project to continue on the interior and exterior improvements to City Hall focusing on the Council Chambers and Outdoor Space landscape and hardcape.

## Project Funding and Expenditure Detail

	Prior Years Actual	Current Yr Projected FY 2022-23	Proposed Budget FY 2023-24	Projected				Total
				FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
<b>Revenues</b>								
State Parks & Rec - Per Capita Grant	-	-	179,052	-	-	-	-	179,052
LA County RPOSD - Measure A	-	-	52,000	-	-	-	-	52,000
HCD - SB2 Planning Grant	51,957	-	-	-	-	-	-	51,957
<b>Total Revenues</b>	<b>51,957</b>	<b>-</b>	<b>231,052</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283,009</b>
<b>Expenditures</b>								
1st & 2nd Floor City Hall Improvements	114,912	-	-	-	-	-	-	114,912
Building & Safety Remodel	24,957	-	-	-	-	-	-	24,957
Building & Safety Online Permit System	27,000	-	-	-	-	-	-	27,000
Various Systems Upgrade	55,891	-	-	-	-	-	-	55,891
Various City Hall Improvements	4,922	19,262	50,000	-	-	-	-	74,184
Council Chamber Remodel	12,870	-	1,000,000	-	-	-	-	1,012,870
Outdour Space Landscape & Hardscape	-	20,738	410,000	-	-	-	-	430,738
<b>Total Expenditures</b>	<b>240,553</b>	<b>40,000</b>	<b>1,460,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,740,553</b>
<b>Transfers</b>								
Transfer In from General Fund	188,596	40,000	1,147,948	-	-	-	-	1,376,544
Transfer In from Measure W	-	-	81,000	-	-	-	-	81,000
<b>Total Transfers</b>	<b>188,596</b>	<b>40,000</b>	<b>1,228,948</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,457,544</b>
<b>Beginning Fund Balance 07/01</b>	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balance</b>	-	-	-	-	-	-	-	-
<b>Ending Fund Balance 06/30</b>	-	-	-	-	-	-	-	-

# CAPITAL IMPROVEMENT PROJECTS – BUDGET DETAIL INFORMATION SHEET

Account #	Project Name:
5903	Long Valley/US101 On Ramp Improvement

Projected Total Cost:	\$ 6,915,652.00
Initial Commencement Date:	April 2016
Projected Completion Date:	TBD
Status:	Continued

## Project Description

To improve traffic congestion and pedestrian access on the Long Valley Road on-ramp, the City of Hidden Hills proposes to install sidewalk and remove traffic that currently contributes to congestion. This would be accomplished by constructing a right turnout lane on Long Valley Road at the Long Valley Road intersection with the stop-controlled NB U.S. 101 on-ramp, the purchase of land and construction of a parking lot and staging area for vehicles waiting to enter Hidden Hills, and the construction of sidewalk and retaining wall on the Long Valley Road corridor/on-ramp and on Valley Circle Blvd.

## Project Funding and Expenditure Detail

	Prior Years Actual	Current Yr Projected FY 2022-23	Proposed Budget FY 2023-24	Projected				Total
				FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
Revenues								
Measure R Highway Grant	2,480,768	40,186	1,000,000	2,000,000	-	-	-	5,520,954
Measure M Grant	-	-	1,215,652	-	-	-	-	1,215,652
Total Revenues	2,480,768	40,186	2,215,652	2,000,000	-	-	-	6,736,606
Expenditures								
Long Valley/US101 project	2,720,025	40,186	2,215,652	2,000,000	-	-	-	6,975,864
Total Expenditures	2,720,025	40,186	2,215,652	2,000,000	-	-	-	6,975,864
Transfers								
Transfer In from General Fund	239,258	-	-	-	-	-	-	239,258
Total Transfers	239,258	-	-	-	-	-	-	239,258
Beginning Fund Balance 07/01	-	-	-	-	-	-	-	-
Net Change in Fund Balance	-	-	-	-	-	-	-	-
Ending Fund Balance 06/30	-	-	-	-	-	-	-	-

# CAPITAL IMPROVEMENT PROJECTS – BUDGET DETAIL INFORMATION SHEET

Account #	Project Name:
5909-02	Citywide Utility Undergrounding - Jed Smith

Projected Total Cost:	\$ 1,500,000.00
Initial Commencement Date:	May 2021
Projected Completion Date:	TBD
Status:	Continued

## Project Description

The City is currently working on the Jed Smith Utility Undergrounding project. Design work is expected to be completed next fiscal year. The project will remove 9 utility poles and underground all utilities on Jed Smith Road between Fitzpatrick Road and Kit Carson Road. Fiber conduit will be included.

## Project Funding and Expenditure Detail

	Prior Years Actual	Current Yr Projected FY 2022-23	Proposed Budget FY 2023-24	Projected				Total
				FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
Revenues								
SMMC - SB85 Grant	-	5,600	844,400	-	-	-	-	850,000
Total Revenues	-	5,600	844,400	-	-	-	-	850,000
Expenditures								
Jed Smith Undergrounding	-	5,600	1,500,000	-	-	-	-	1,505,600
Total Expenditures	-	5,600	1,500,000	-	-	-	-	1,505,600
Transfers								
Transfer In from General Fund	-	-	655,600	-	-	-	-	655,600
Total Transfers	-	-	655,600	-	-	-	-	655,600
<b>Beginning Fund Balance 07/01</b>	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balance</b>	-	-	-	-	-	-	-	-
<b>Ending Fund Balance 06/30</b>	-	-	-	-	-	-	-	-

Account #	Project Name:
5909-03	Citywide Utility Undergrounding - Little Hollow

Projected Total Cost:	\$ 800,000.00
Initial Commencement Date:	December 2021
Projected Completion Date:	TBD
Status:	Continued

## Project Description

Plans have been completed for the Little Hollow Utility Undergrounding project. Construction is scheduled for next fiscal year. The project will remove 4 utility poles and underground all utilities on Little Hollow Road. Fiber conduit will be included.

## Project Funding and Expenditure Detail

	Prior Years Actual	Current Yr Projected FY 2022-23	Proposed Budget FY 2023-24	Projected				Total
				FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
Expenditures								
Little Hollow Undergrounding	-	206,493	600,000	-	-	-	-	806,493
Total Expenditures	-	206,493	600,000	-	-	-	-	806,493
Transfers								
Transfer In from General Fund	-	206,493	600,000	-	-	-	-	806,493
Total Transfers	-	206,493	600,000	-	-	-	-	806,493
<b>Beginning Fund Balance 07/01</b>	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balance</b>	-	-	-	-	-	-	-	-
<b>Ending Fund Balance 06/30</b>	-	-	-	-	-	-	-	-

# CAPITAL IMPROVEMENT PROJECTS – BUDGET DETAIL INFORMATION SHEET

Account #	Project Name:
5910	Broadband - Fiber to the Home

Projected Total Cost:	\$ 7,000,000.00
Initial Commencement Date:	November 2019
Projected Completion Date:	TBD
Status:	Continued

## Project Description

This project is part of 2017 City Council goal to consider the development of a broadband enhancement program or strategy within the City by bringing a dedicated Fiber to the Home network. A consultant has been hired to assist with the project and solicited bids for this project. Recently, the City approved an MOU with a fiber consultant to do the design for Fiber to the Home which will be done in five phases. Phase 1A was completed last month.

## Project Funding and Expenditure Detail

	Prior Years Actual	Current Yr Projected FY 2022-23	Proposed Budget FY 2023-24	Projected				Total
				FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
Revenues								
Proceeds from Debt Issuance	-	-	7,000,000	-	-	-	-	7,000,000
Total Revenues	-	-	7,000,000	-	-	-	-	7,000,000
Expenditures								
Fiber to the Home	80,216	452,128	3,500,000	3,500,000	-	-	-	7,532,344
Total Expenditures	80,216	452,128	3,500,000	3,500,000	-	-	-	7,532,344
Transfers In								
Transfer from Gen Fund - ARP Fund	226,064	226,064	-	-	-	-	-	452,128
Transfer from Gen Fund - Cap Imp Reserve	80,216	-	-	-	-	-	-	80,216
Total - Transfers In	306,280	226,064	-	-	-	-	-	532,344
<b>Beginning Fund Balance 07/01</b>	-	<b>226,064</b>	-	<b>3,500,000</b>	-	-	-	-
<b>Net Change in Fund Balance</b>	<b>226,064</b>	<b>(226,064)</b>	<b>3,500,000</b>	<b>(3,500,000)</b>	-	-	-	-
<b>Ending Fund Balance 06/30</b>	<b>226,064</b>	-	<b>3,500,000</b>	-	-	-	-	-

# CAPITAL IMPROVEMENT PROJECTS – BUDGET DETAIL INFORMATION SHEET

Account #	Project Name:
5912	RM/Mureau Road Entry Intersection Improvements

Projected Total Cost:	\$ 600,000.00
Initial Commencement Date:	June 2020
Projected Completion Date:	TBD
Status:	Continued

## Project Description

Improvements include renovations to existing landscaping and irrigation, and pedestrian and bicycle rest area pathways and furniture at the Round Meadow Road and Mureau Road intersection. Proposed improvements will provide better traffic site distances and will improve and enhance the existing bicycle and pedestrian pathways and rest area. Work is considered road maintenance and rehabilitation as major portions of the improvements will be within in the street right of way. Improvements to the landscaping and bicycle/pedestrian facilities will increase safety by improving site distances and protecting street shoulders and parkways while providing complete street components.

## Project Funding and Expenditure Detail

	Prior Years Actual	Current Yr Projected FY 2022-23	Proposed Budget FY 2023-24	Projected				Total
				FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
Expenditures								
RM/Mureau Road Entry Intersection Imp	35,230	16,000	600,000	-	-	-	-	651,230
Total Expenditures	35,230	16,000	600,000	-	-	-	-	651,230
Transfers In								
Transfer from Gas Tax - SB2/RMRA	13,692	10,000	140,000	-	-	-	-	163,692
Transfer from Prop C Local	21,539	6,000	260,000	-	-	-	-	287,539
Transfer from Measure R Local	-	-	100,000	-	-	-	-	100,000
Transfer from Measure M Local	-	-	100,000	-	-	-	-	100,000
Total - Transfers In	35,230	16,000	600,000	-	-	-	-	651,230
<b>Beginning Fund Balance 07/01</b>	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balance</b>	-	-	-	-	-	-	-	-
<b>Ending Fund Balance 06/30</b>	-	-	-	-	-	-	-	-



# GANN APPROPRIATION LIMIT

## Background

Article XIII-B of the California State Constitution (also known as Proposition 4, or the "Gann Initiative", restricts the total amount of appropriation allowed in any given fiscal year from the "proceeds of taxes."

Changes made:

1980 – The State Legislature added Section 9710 to Government Code requiring the governing body of each local jurisdiction to establish, by resolution, an appropriation limit for the following year. The appropriations limit for any fiscal year was equal to the previous year's limit, adjusted for population changes and the change in the U.S. Consumer Price Index (or California per Capita Personal Income, if smaller). This statistical information is provided by the California Department of Finance every year.

1990 - California voters approved Proposition 111, amending Article XIII-B. A City may choose annual adjustment factor including growth in the California Per Capita Income or the growth in the non-residential assessed valuation due to construction within the City, and the population growth within the City. Article XIII B originally required that excess revenues received by the state and local governments be rebated to taxpayers in the following year. Proposition 111 instead provides that excess revenues be established over a two-year period, and that they be divided equally between rebates to taxpayers and Proposition 98 educational spending.

"Appropriations subject to limitation" of an entity of local government means any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of state subventions to that entity (other than subventions made pursuant to Section 6)\* exclusive of refunds of taxes.

## Calculation

Fiscal Year	Growth Factor		Population Factor	Calculation Factor	Appropriations Limit	
2012-13	1.0380	x	1.0005	=	1.0385	1,444,297
2013-14	1.0600	x	1.0091	=	1.0696	1,532,059
2014-15	1.0040	x	1.0064	=	1.0104	1,538,187
2015-16	1.0376	x	0.9995	=	1.0371	1,596,023
2016-17	1.0537	x	1.0065	=	1.0605	1,692,660
2017-18	1.0369	x	1.0048	=	1.0419	1,763,544
2018-19	1.0367	x	1.0051	=	1.0420	1,837,590
2019-20	1.0385	x	0.999	=	1.0375	1,906,429
2020-21	1.0373	x	1.0032	=	1.0406	1,983,867
2021-22	1.0573	x	1.0063	=	1.0640	2,110,757
2022-23	1.0755	x	1.0012	=	1.0768	2,272,843
2023-24	1.0444	x	0.9920	=	1.0360	2,354,767

Note: Calculation is based on the State Department of Finance estimate of the percentage change in population (population factor) of local governments (Revenue and Taxation Code, Section 2227). Growth or Price Factor is the change in cost of living based on the change of California's per capita personal income as stated in Department of Finance Price and Population Information.

## GENERAL FUND FISCAL RESERVE

Reserve Fund Categories	<b>FY 2023-24 Proposed General Fund Reserve Allocation</b>	Per Reserve Policy
Contingency Reserve	3,344,458	100% of FY23/24 Expenditures
Capital Improvement Projects Reserve	2,903,548	Capital Improvement Projects
Undesignated Reserve	4,834,541	* Balance after all other categories
<b>Total General Fund Balance</b>	<b>11,082,547</b>	

*\* Undesignated Reserve final number is subject to change depending on the actual FY 2022-23 surplus per audit.*

### General Fund Reserve Policy Fiscal Year 2023-24

#### 1. INTRODUCTION

In an effort to ensure fiscal stability, sound fiscal management of public finances, and fiscal responsibility and accountability in the receipt and expenditure of City funds, it is appropriate for the City Council to adopt this Fiscal Reserve Policy. Through the adoption of this Policy, three distinct reserve categories are hereby established: (1) the Contingency Reserve; (2) Capital Improvement Projects Reserve; and (3) Undesignated Reserve.

#### 2. PURPOSE

The purpose of the City of Hidden Hills Fiscal Reserve Policy is to document the City's approach to establishing and maintaining categories among its General Fund reserves. In addition, it is anticipated that by establishing these spending priorities, residents shall be given a clear picture of the City's priorities while providing a road map for future City Council's to consider when evaluating future expenditures.

#### 3. ESTABLISHMENT OF RESERVE CATEGORIES

##### (A) Contingency Reserve

- (i) Description: This represents an annual uncommitted, unencumbered contingency reserve of the General Fund to protect the City's essential service programs and funding requirements.

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- (ii) Process for establishing annual reserve: Each fiscal year during the budget planning process, the Contingency Reserve shall be evaluated by the City Council's Budget Ad-hoc Committee and staff to determine appropriate reserve resources needed based on the current fiscal and economic conditions of the City. At the time of the adoption of the City's fiscal year budget, the Budget Ad-hoc Committee and staff shall recommend to the City Council, for adoption, a level of reserve sufficient to ensure the City maintains funding at a level equal to its operating expenditures.
  - (iii) Basis for funding reserve: For purposes of this Policy, the annual Contingency Reserve level shall be evaluated and established based on an analysis of the annual fiscal resources necessary to meet essential service and funding requirements during periods of economic downturn, natural disasters, reduction in revenue through actions by the State and/or Federal governments, other unexpected circumstances such as litigation arising from lawsuits, cash flow constraints, and working capital needs. There is no established or best practice for an appropriate level of contingency reserve as each municipality must balance their needs, resources, and economic conditions. A contingency reserve of 50% or higher can be considered a "fiscally strong city."
  - (iv) Establishment of Fiscal Year 2023/24 Contingency Reserve level: With the adoption of this policy the Fiscal Year 2023/24 General Fund Reserve level shall total \$3,344,458. This represents 100% of the anticipated expenditures for FY 2023/24.
  - (v) One-time uses of the Contingency Reserve: Notwithstanding the annually adopted reserve level, the City Council has the discretion to appropriate portions of the Contingency Reserve for one-time or extraordinary purposes which may result in the reserve falling below the target level in any given year. Should this occur, the City Manager shall be instructed to prepare a plan for consideration by the City Council to implement actions within a twelve-month period or longer, as determined by the City Council to rebuild the fund balance.
- (B) CAPITAL IMPROVEMENT PROJECTS RESERVE
- (i) Description: This represents a reserve dedicated to expenditures associated with the City's ongoing, multi-year Capital Improvement Projects as outlined in the Five-year Capital Improvement Budget Summary
  - (ii) Process for establishing annual reserve: After assessing the capital improvement priorities and attendant costs during the annual budget review process and taking into account potential upfront costs, the annual reserve level shall be evaluated and established by the City Council as part of the adoption of the City's budget.
  - (iii) Carry-over of Reserve: Any unspent Capital Improvement Program Reserve funds existing at the end of the fiscal year shall remain in this reserve and be carried-over to subsequent fiscal year for appropriation as deemed by the City Council.

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- (iv) Establishment of Fiscal Year 2023/24 Capital Improvement Reserve: With the adoption of this policy the FY 2023/24 Capital Improvement Program Fund Reserve shall total \$2,903,548. This is based on the five-year Capital Improvement project summary with an additional \$500,000 for unforeseen or anticipated costs for repairs to City facilities.

#### (C) UNDESIGNATED RESERVE

- (i) Description: This represents a reserve dedicated to ease temporary cash flow shortages and minor unanticipated expenses that could occur throughout the fiscal year. It can also be used for Capital Projects that will be reimbursed by outside funding. This reserve is not dedicated to a particular project or program and may be used to accommodate fluctuations in the timing of expenditures and the receipt of revenues.
- (ii) Process for establishing annual reserve: For purposes of this Policy, the annual Undesignated Reserve shall be made up of any funds not included in sections A or B above and will be reviewed each year as part of the budget adoption process by analyzing previous trends and uses.
- (iii) Carry-over reserve: Any unspent Undesignated Reserve may be carried over to the next fiscal year if needed. Undesignated Reserve may also be re-categorized if appropriate.
- (vi) Establishment of the Fiscal Year 2023/24 Undesignated Reserve: With the adoption of this policy the FY 2023/23 Undesignated Reserve shall total \$4,834,541.

#### 4. ADJUSTMENTS TO FISCAL RESERVE POLICY

The creation and subsequent adoption of this Fiscal Reserve Policy is intended to serve as a guidepost for not only the current fiscal year but for future fiscal years. Each year, as part of the budget planning process, City Council or staff may make recommendations for changes in the policy. It should also be noted that while it may not be ideal to make changes in the policy and subsequent reserve levels mid-year, the City Council does retain the right to make changes based on emergencies, unforeseen circumstances, and/or changes in spending priorities.

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# FISCAL HEALTH REPORT

## I. Overview

This "Fiscal Health Report" is a financial monitoring system that computes a number of "factors" and compares the results over time. Its purpose is to provide the City Council with a comprehensive look at the financial condition of the City over the previous ten-year period to help ensure the City's continued future fiscal health. Monitoring systems can give early warnings of trends before they become major problems.

## II. How the system works

The selected factors (see attached) are calculated over time and trends are established and graphed. Data for all factors has been extracted from annual audit reports from 2014 through 2022, and the latest year-end projections for revenues and expenditures account for the data reflected for 2023 (Fiscal Year 2022-23). Note that revenues and expenditures have not been adjusted for inflation and therefore do not represent constant dollar comparisons.

Trends are judged as stable, favorable or unfavorable. If a solid trend is not established, the factor may be rated as a combination such as stable/favorable or stable/unfavorable. Several factors use population as a component of the formula. The intent is to show if revenues and expenditures are keeping pace with population changes which might increase demand for services. While the City's population has historically been very stable, the per capita formula is still valid for purposes of establishing a relationship between the factors. Finally, it is also important to view the factors in relation to each other. Therefore, an unfavorable trend in expenditures combined with a favorable trend in revenues should not necessarily raise an immediate concern. On the other hand, stable or declining revenues combined with increasing expenditures could pose a problem in a very short time.

## III. Findings

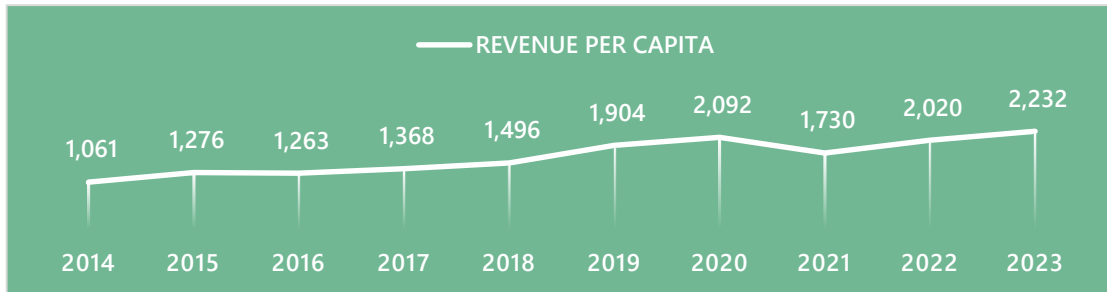
In reviewing the findings reflected in the various factors, a total of two factors were judged as favorable and five were stable as noted below:

	FACTOR	TREND
#1	Revenue Per Capita	Favorable
#2	Property Tax Revenue Per Capita	Favorable
#3	Expenditure Per Capita	Stable
#4	Public Safety Expenditure Per Capita	Stable
#5	Revenue & Expenditure Per Capita	Stable
#6	Population Growth	Stable
#7	Building Permit Revenue as a % of Total General Fund	Stable

## IV. Conclusions

Several conclusions can be drawn from this year's fiscal health "report card." First, it is evident that the City's fiscal health remains strong. It is also noted that the seven categories are rated either "favorable" or "stable." This strong report is bolstered by a stable property tax base and building related revenue. Finally, continued scrutiny by the City Council, staff, and residents is imperative to ensure the fiscal health of the City for generations to come.

## FACTOR 1 - REVENUE PER CAPITA



**DESCRIPTION** - This factor is designed to show whether revenues are keeping pace with expenditures, growth in the community, etc. For example, if revenues are decreasing, a municipality might not be able to maintain service levels unless new revenue sources are found. While the City's population has not changed dramatically over the past years, it dropped by 7% last year. Revenue per capita should be examined in conjunction with expenditures per capita (see FACTOR 3) to provide a relevant comparison of performance. This factor should be watched closely in relation to FACTOR 3.

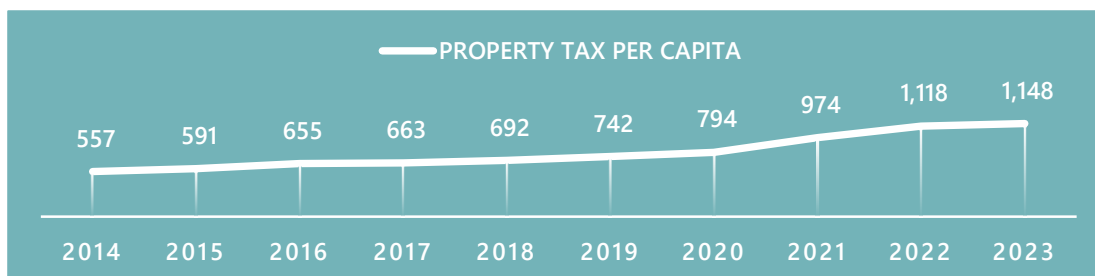
**FORMULA** - 
$$\frac{\text{Total Operating Revenue}}{\text{Population}}$$

**WARNING SIGN** - Decreasing operating revenue per capita sustained over multiple years.

**TREND** - Favorable

*Note: Increased revenue in FY 2020 is mainly attributed to the City's one-time revenue related to Woolsey Fire settlement.*

## FACTOR 2 – PROPERTY TAX PER CAPITA

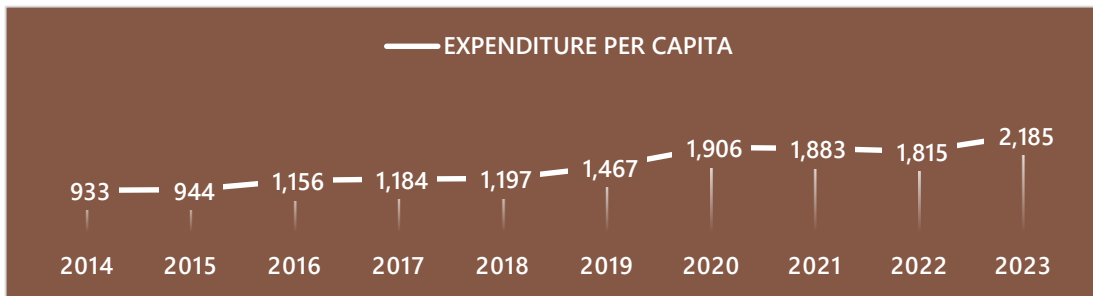


**DESCRIPTION** - Since the property tax constitutes such a large percentage of the General Fund revenue, this factor is examined against City of Hidden Hills population. At a minimum, property revenue should not be decreasing when compared to population. In the case of Hidden Hills, property tax has increased an average of 6% over the last 10 years. However, staff should make it a practice to continually monitor this critical revenue source.

**FORMULA** - 
$$\frac{\text{Prop Tax} + \text{Prop Tax In Lieu of VLF}}{\text{Population}}$$

**TREND** - Favorable

### FACTOR 3 – EXPENDITURE PER CAPITA



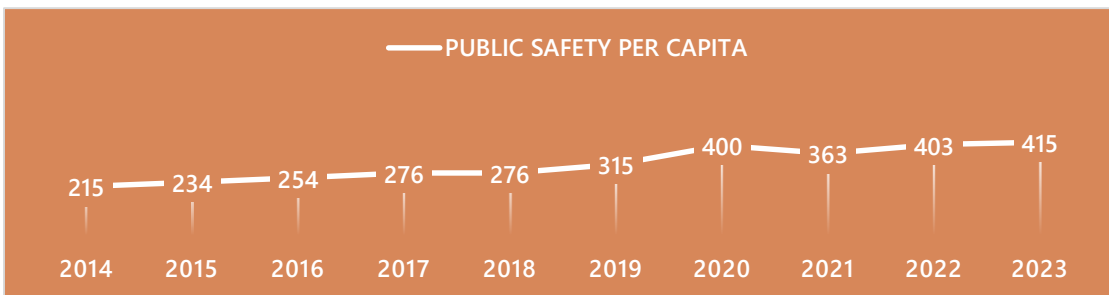
DESCRIPTION - This factor is designed to show the cost-per-person of providing City services. Increasing expenditures per capita are troublesome if revenues per capita are stable or declining. This factor should be monitored carefully especially in line with revenue per capita in the coming years. Expenditure per capita is anticipated to increase by 19% this year mainly due to Capital Improvement projects.

FORMULA - 
$$\frac{\text{Total Operating Expenditures}}{\text{Population}}$$

WARNING SIGN - Significantly increasing operating expenditure per capita, especially when combined with a stable or unfavorable trend in FACTOR 1 - Revenues Per Capita.

TREND - Stable

### FACTOR 4 - PUBLIC SAFETY EXPENDITURE PER CAPITA



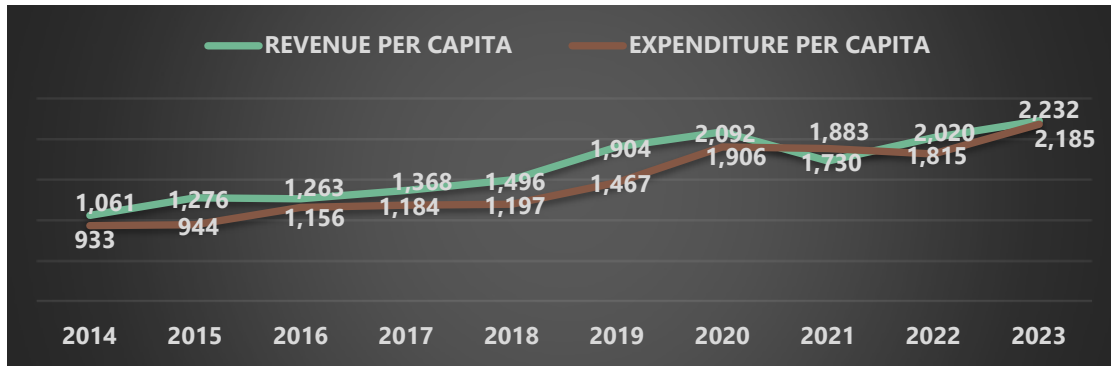
DESCRIPTION - Since public safety expenditures represent such a large portion of total operating expenditures, this item was examined separately. Public Safety Expenditures per capita include costs associated with emergency preparedness, disaster preparedness and other supplemental public safety (school crossing guards, fire brush clearance, etc), and animal care and control. Following the 2019 Woolsey Fire and increase in residential burglaries, the City increased Public Safety spending primarily on emergency preparedness, equipment purchases, and law enforcement.

FORMULA - 
$$\frac{\text{Public Safety Expenditures}}{\text{Population}}$$

WARNING SIGN - Significantly increasing per capita expenditures

TREND - Stable

## FACTOR 5 - REVENUES AND EXPENDITURES PER CAPITA

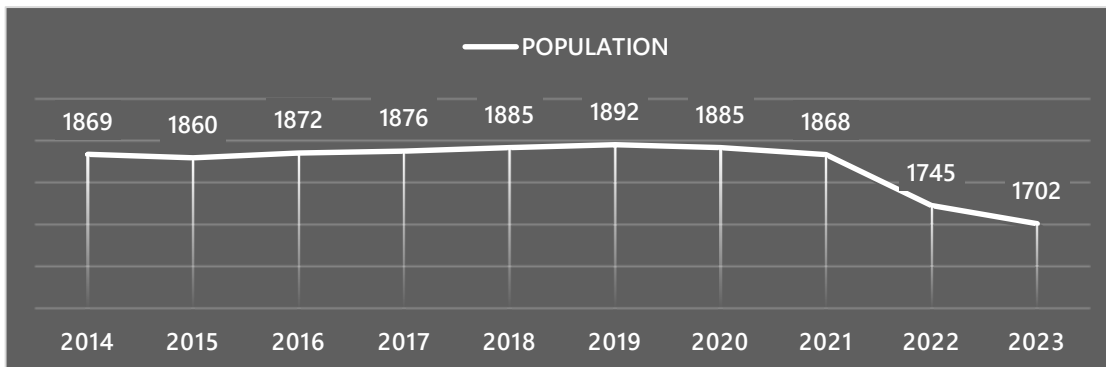


**DESCRIPTION** - This table shows Factors 1 and 3 combined and provides a graphic display of the relationship between the two. The increase in expenditure per capita in 2021 is mainly attributed to the ongoing Capital Improvement projects particularly the Utility Undergrounding project.

**WARNING SIGN** - Significantly increasing per capita expenditures combined with stable or declining per capita revenues.

**TREND** - Stable

## FACTOR 6 - POPULATION GROWTH



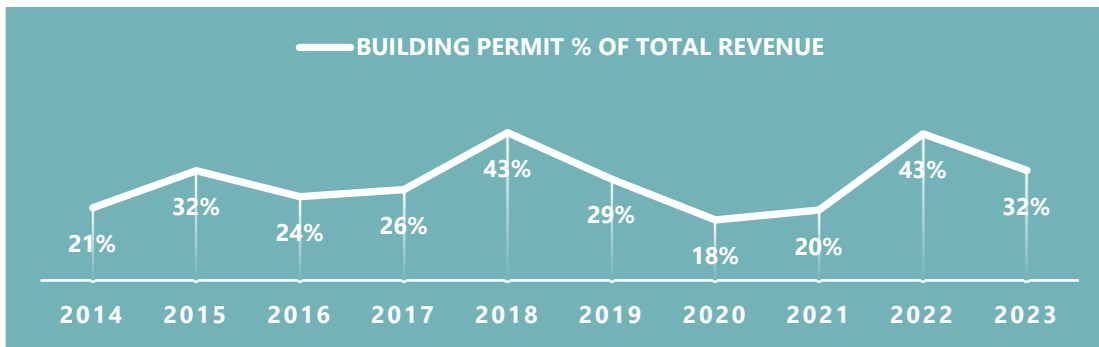
**DESCRIPTION** - This table simply illustrates population growth based on both State Department of Finance (Population Research Unit) and the U.S. Department of Commerce, Bureau of Census and Neighborhood Statistics Program. For emerging or developing cities, population growth is usually a key contributor to an increase in service delivery costs. Hidden Hill's population growth has been essentially flat over the past years. However, last year there was a significant decrease of 7% in Hidden Hills' population.

**WARNING SIGN** - Increasing population and accompanying service demands in the face of static or declining General Fund Revenues.

**TREND** - Stable



## FACTOR 7 - BUILDING PERMIT REVENUE AS A PERCENTAGE OF TOTAL GENERAL FUND REVENUES



DESCRIPTION - This factor illustrates the effect on permit revenue related to declines in construction activity and should be watched closely. Following the 2008 recession, Building activity began to rebound in 2012 while reaching a pinnacle in 2018. Prior to the 2020 pandemic, staff began to notice a decrease in building permit revenue. This trend continued during the pandemic. However, building permit revenue rebounded in 2022. Additionally, the City Council updated the building permit valuation tables in 2022 which should result in higher fees. This revenue source should be monitored carefully in spite of the fact that a high percentage of building-related expenses is tied directly to the building revenue.

FORMULA - 
$$\frac{\text{Total Permit Revenues}}{\text{Total General Fund Revenues}}$$

WARNING SIGN - Decreased revenue without corresponding decreases in expenditures.

TREND - Stable

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## STATEMENT OF INVESTMENT POLICY

### 1.0 Policy:

This Investment Policy applies to the City of Hidden Hills ("City"). It is the policy of the City to protect, preserve and maintain its respective assets. The City shall invest public funds in a manner that will provide the highest investment return commensurate with maximum security, while meeting the respective cash flow demands of the City and conforming to all State and Local statutes governing the investment of public funds.

### 2.0 Scope:

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by outside fiscal agents under the provisions of bond indentures, or other funds as designated by the City Council or the City Treasurer. Funds contained in the City's pool are designated as "General Portfolio". This investment policy applies to the investment of surplus funds contained in the "General Portfolio". These funds are accounted for in the Annual Financial Statements and include:

- The General Fund

- All Special Revenue Funds

- All Trust and Agency Funds

### 3.0 Prudence:

The City is held to the prudent investor standard set forth in Section 53600.3 of the Government Code which states: "When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims to safeguard the principle and maintain the liquidity needs of the agency."

Accordingly, this is the standard of prudence to be used and applied by the City Treasurer (and other persons under the supervision and responsibility of the Treasurer pursuant to Section 5.3) to manage the City's investment portfolio, per the delegation of authority by the City Council to the Treasurer set forth in Section 5.3 of this Investment Policy.

It is the City's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars. However, it is realized that market prices of securities will vary depending on economic and interest rate conditions at any point in time. It is further recognized that in a well-diversified investment portfolio, occasional measured losses are inevitable due to economic, bond market or individual security credit analysis. These occasional losses must be considered within the context of the overall investment program objectives and the resultant long-term rate of return.

### 4.0 Objectives:

The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus ensuring the investment of monies to the fullest extent possible. The City strives to maintain the level of investment of surplus funds as near to 100% as possible. Consistent with this factor, investments are made under the terms and conditions of Articles 1 (commencing with Section 53600) and 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code of California.

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Consistent with Government Code Section 53600.5, the primary objectives, in priority order, of the investment activities of the City shall be:

4.1. Safety: Safety of principal is the foremost objective of the investment program. "Safety" means that the overall value of invested public funds shall not be diminished in the process of securing and investing those funds or over the duration of the investments. To attain this objective, portfolio diversification is required.

a. Reduction of Credit Risk: Credit risk is defined as the risk of loss due to failure of the issuer of a security. This risk shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the City's capital base and cash flow.

b. Reduction of Market Risk: Market risk is defined as market value fluctuations due to overall changes in the general level of interest rates. This risk shall be mitigated by limiting the average maturity of the City's investment portfolio to two years, the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long term securities for the sole purpose of short term speculation.

4.2. Liquidity. The investment portfolio of the City will remain sufficiently liquid to enable such agency to meet all operating requirements of such agency which might be reasonably anticipated. Additionally, since all possible cash demands cannot be anticipated, a large portion of the securities held should be those for which active secondary markets exist. The liquidity of each type of authorized investment is included in its description in Section 8 "Authorized and Suitable Investments" section of this policy.

4.3. Return on Investment (Yield): The investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of such portfolio.

In general, the California Government Code limits authorized investments to those classes of securities which have lower risk (and therefore lower yields) than other higher risk investment choices. In each investment transaction the anticipated return on investment is subordinate to the preceding requirements of safety and reduction of credit and interest rate risk.

## 5.0 Delegation of Authority:

Authority to manage the investment program of the City is derived from Government Code Sec. 53601 and 53607 (which respectively authorize a legislative body to invest public funds, and the legislative body's delegation of such authority to the treasurer of the corresponding agency) and the City's Municipal Code.

5.1 Responsibilities of the City Council. The City Council shall consider and adopt yearly a written investment Policy. As provided in this policy, the Council shall receive and review quarterly Investment Reports.

5.2. Responsibilities of the City Manager. The City Manager is responsible for supervising the City Treasurer. The City Manager is also responsible to keep the City Council fully advised of the investment portfolio and as to the financial condition of the City.

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5.3. Responsibilities of the City Treasurer. Pursuant to Government Code Section 53607, the City Council delegates the authority to invest or reinvest surplus funds, and to sell or exchange securities so purchased for and on behalf of the City, to the City Treasurer for the one-year period commencing from the date of adoption of this Investment Policy, and the City Treasurer shall make a monthly report of those transactions to the City Council.

No person may engage in an investment transaction except as provided under the terms of this policy. The City Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of investment advisors. The City Treasurer is charged with responsibility for the conduct of all treasury functions, including the custody and investment of City funds, the development of procedures to implement this Investment Policy, and the rendering of the monthly transactions reports and quarterly investment reports (containing such information as specified in Section 15.0) required by this policy.

#### 6.0 Ethics and Conflicts of Interest:

Officers and employees involved in the investment process are required by the City of Hidden Hills Conflict of Interest Policy and State Government Code Section 81000 to disclose annually to the City Council any material financial interests in financial institutions that conduct business within the City and further to disclose any large personal financial/investment positions that could be related to the performance of the City, particularly with regard to the time of purchase and sales, as part of the City's conflict of interest reporting requirements.

#### 7.0 Authorized Financial Dealers, Institutions and Portfolio Managers:

The City Treasurer will maintain a list of financial institutions authorized to provide investment services, including portfolio management. The City Treasurer will exercise prudence in the selection of any portfolio managers, provide suitable safeguards to prevent abuse in the exercise of discretion by a portfolio manager, and will remain responsible for any investment decisions made by the portfolio manager. In addition, a list will also be maintained of security broker/dealers approved to provide direct services to the City. These broker/dealers shall be selected by credit worthiness and be authorized to provide broker-dealer services in the State of California. In addition, broker dealers selected for the list shall meet the requirements of Government Code Section 53601.5 (which currently requires that they be one of the following: (i) an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, (ii) a member of a federally regulated securities exchange, (iii) a national or state-chartered bank, (iv) a savings association or federal association (as defined by Section 5102 of the Financial Code), or (v) a brokerage firm designated as a primary government dealer by the Federal Reserve Bank). These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15c3-1 (uniform net capital rule), so long as such dealers also meet one of the foregoing criteria of Government Code Section 53601.5. No public deposit shall be made except in a qualified public depository and pursuant to the collateralization (or federal insurance) and depository contract requirements as established by state law (including, without limitation, Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code). Financial institutions authorized to provide investment services to the City, including portfolio management, shall utilize security broker/dealers who are duly licensed and authorized to provide investment services in the State of California and otherwise meet one of the requirements of Government Code Section 53601.5 but shall not be limited to the list of approved broker/dealers maintained by the City.

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Anyone providing financial services to the City, including portfolio management, must adhere to the investment policies of the City as adopted annually by the City Council.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions, including portfolio management, must supply the City Treasurer with the following:

- Audited financial statements for the institutions three most recent fiscal years;
- Proof of Financial Industry Regulatory Authority (FINRA) registration;
- Proof of State registration; and
- Certification of having read and understood the investment policy and the depository contracts of the City.

A current audited financial statement is required to be on file for each financial institution, broker/dealer and portfolio manager with which the City invests.

Selection of financial institutions and broker/dealers authorized to engage in transactions with the City shall be at the sole discretion of the City. An annual review of the financial condition of qualified bidders will be conducted by the City Treasurer.

#### 8.0 Authorized and Suitable Investments:

Investable funds, which include funds not needed for the immediate needs of the City, are determined by the City Treasurer. Notwithstanding, one year's anticipated revenues shall be invested in Local Agency Investment Funds administered by the State Treasurer's Office pursuant to the authority conferred by Government Code Section 16429.1. All other investments shall be made in accordance with Sections 53600 et seq., of the Government Code. If not otherwise specified herein, the maximum term or remaining maturity shall be as specified in Section 11.0 of this policy. Within the context of limitations, the following investments are authorized, as further limited herein by this Policy and subject to the portfolio concentration limits set forth herein and in Table 1, appended to this policy:

8.1 U.S. Treasury Bonds, Notes & Bills and "Strips" - United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

In addition, through the commercial book-entry system, a Treasury fixed-principal note or bond or a Treasury inflation-protected security may be stripped, and each interest payment and the principal payment becomes a separate security (also known as Separate Trading of Registered Interest and Principal of Securities or "STRIPS"). Each component has its own identifying number and can be held or traded separately. Broker/dealers may market the principal portion of these "stripped" securities or "Strips" at deep discounts. In accordance with Government Code Section 53601.6, interest-only Strips are not authorized for the City. However, principal-only Strips (also known as "zero-coupon Treasury securities" or "Discount Notes") are authorized investments, if they meet the requirements of Government Code Section 53601.6(b), which specifies that a local agency shall not invest any of its surplus funds in any security that could result in zero interest accrual if held to maturity.

8.2 Federal Agency Obligations or United States Government-Sponsored Enterprise (GSE) Obligations – Federal agency or United States government-sponsored enterprise (GSE) obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. As to GSEs, there are numerous

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government-sponsored enterprises which issue debt instruments, but many lack the liquidity necessary to fit the portfolio requirements of the City. Purchases of government-sponsored enterprise securities should be limited to the issues of the Government National Mortgage Association, the Federal Farm Credit Bank, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Home Loan Bank.

To the extent the investment is (a) a mortgage-pass through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond and (b) not fully guaranteed as to principal and interest by federal agencies or a GSE, the investment shall also meet the criteria specified in Section 8.6 of this policy.

8.3 Repurchase Agreements - A repurchase agreement is a contractual agreement between a financial institution or dealer and the City by which the City purchases securities from a counterparty seller, the counterparty seller agrees to repurchase the securities on or before a specified date and for a specified amount, and the counterparty delivers the underlying securities to the City by book entry, physical delivery, or by third-party custodial agreement. Repurchase agreements authorized by this section shall not exceed 20 percent of the City's surplus moneys that may be invested pursuant to this policy.

Repurchase agreements may only be made with primary dealers of the Federal Reserve Bank of New York. The City will not enter into repurchase agreements for a period greater than 7 days. The market value of the securities that underlie a repurchase agreement will not be less than the greater of (a) 102% of the funds borrowed by the counterparty seller against those securities or (b) the sum of the funds borrowed by the counterparty seller against the securities plus accrued interest. And, the securities will be only treasuries meeting the requirements of Section 8.1 of this policy and agencies of the United States government meeting the requirements of Section 8.2 of this policy.

8.4 Medium term corporate notes or bonds (rated A or above by a nationally recognized statistical rating organization (NRSRO)) – all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States may be bought only through major banks or primary dealers which offer competitive secondary markets for the purchase or sale of the notes before maturity, such as Bank of America, Goldman Sachs, and J. P. Morgan. Purchases of medium term corporate notes or bonds shall not exceed 30 percent of the City's surplus moneys that may be invested pursuant to this policy.

8.5 Commercial paper - (which must have a rating of the highest ranking or of the highest letter and number rating as provided for by a NRSRO (e.g., A1 (S&P) or P1 (Moody's)) - may be bought through major banks or primary dealers which can offer or arrange competitive secondary markets for the purchase or sale of the paper before maturity. The longest maturity approved for commercial paper is 270 days.

The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (a) or (b):

a. The entity (i) is organized and operating in the United States as a general corporation; (ii) has total assets in excess of five hundred million dollars (\$500,000,000); and (iii) has debt other than commercial paper, if any, that is rated "A" or higher by an NRSRO.

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b. The entity (i) is organized within the United States as a special purpose corporation, trust, or limited liability company; (ii) has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; and (iii) has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

The City may invest no more than 25 percent of its moneys in eligible commercial paper. The City may not purchase more than 10 percent of the outstanding commercial paper of any single issuer.

8.6 Mortgage-backed securities – a mortgage-pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond with a fixed coupon issued by an agency of the U.S. government or a GSE, provided that the stated final maturity of such security does not exceed five (5) years from the date of purchase. To be eligible, the issuer of such security, obligation, bond, or certificate must have an A or higher rating for the issuer's debt as provided by an NRSRO, and the security, obligation, bond, or certificate itself must be rated in a rating category of AA or its equivalent or better by an NRSRO. Purchases of securities, obligations, bonds, or certificates authorized by this section shall not exceed 20 percent of the City's surplus moneys that may be invested pursuant to this policy.

8.7 Negotiable Certificates of Deposit (CDs) or Non-negotiable, FDIC-insured CDs or Time Deposits with fixed coupons and fixed maturity date which may not exceed five (5) years and are issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of CDs and time deposits shall not, in total, exceed 30 percent of the City's funds that may be invested pursuant to this policy.

8.8 Local Agency Investment Funds (LAIF) administered by the State Treasurer's Office.

8.9 Passbook accounts maintained solely to provide for ongoing operational needs shall not exceed the maximum amount insured by the FDIC and shall be subject to the requirements of this policy.

8.10 Shares of Beneficial Interest Issued by a Joint Powers Authority – the joint powers authority must be organized pursuant to Government Code Section 6509.7 and invest in the securities and obligations authorized for local agency investment by Government Code Section 53601.

To be eligible, the joint powers authority issuing the shares (each of which shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority) shall have retained an investment adviser that (i) is registered or exempt from registration with the U.S. Securities and Exchange Commission; (ii) has not less than five years of experience investing in the securities and obligations authorized for local agency investment by Government Code Section 53601; and (iii) has assets under management in excess of five hundred million dollars (\$500,000,000).

8.11 State and Local Agency Bonds, Warrants and Treasury Notes (rated "BBB" or above (or equivalent) by a NRSRO before insurance). The following may be purchased except that the remaining term to maturity at the time the investment is purchased cannot exceed five years.

a. Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled,



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or operated by the State of California or by a department, board, agency, or authority of the State of California.

b. Registered treasury notes or bonds of any of the other 49 states in the U.S., including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states in the U.S.

c. Bonds, notes, warrants, or other evidences of indebtedness of a local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

No more than 5 percent of the City's funds that may be invested pursuant to this policy shall be invested in bonds, warrants, notes, or other evidences of indebtedness of a single local agency within the State of California or of a single state. For purposes of the foregoing limitation, bonds, warrants, notes, or other evidences of indebtedness of a related entity of a local agency or state shall be included in the calculation with respect to moneys invested in such local agency or state.

Also, no more than 15% of the City's funds that may be invested pursuant to this policy shall be invested in bonds, warrants, notes, or other evidences of indebtedness (of states within the U.S. and/or California local agencies) that have been assigned a rating within the "BBB" (or equivalent) rating category (i.e., "BBB" or "BBB+". "BBB-" rated obligations are below the minimum eligible rating of "BBB").

8.12 Shares of Beneficial Interest Issued by "Money Market Funds" – shares of beneficial interest issued by diversified management companies that are money market funds registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940.

To be eligible, the investment company (i.e., money market fund) must meet either of the following criteria: (a) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs, or (b) retained an investment adviser registered or exempt from registration with the U.S. Securities Exchange with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). The shares authorized by this section must be of the type sold without any sales commission or sales charge of any kind (true no-load funds). Purchases of money market fund shares shall not exceed 20 percent of the City's moneys that may be invested pursuant to this policy.

#### 8.13 Other Investment Guidelines:

Securities may be sold at a loss in order to improve the risk or return characteristics of the portfolio, to prevent anticipated further erosion of principal or when trading for securities that result in an expected net economic gain to the City. If securities owned by the City are downgraded by both Moody's and S&P to a level below the quality required by this Investment Policy, it shall be the City's policy to sell such securities promptly.

Exemptions - Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.



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Prohibited Investments - The list of eligible securities contained in the California Government Code is extensive and includes a number of categories which are not suitable investments for funds of the City. The categories in the list which have such limitations are as follows:

The City shall not invest any funds pursuant to Section 53600, et. seq., in inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.

#### 9.0 Collateralization:

All investments of the City shall be collateralized to the extent required by the State Government Code. (E.g., repurchase agreements, and deposits exceeding the maximum amount insured by the FDIC.)

The collateral for deposits exceeding the maximum amount insured by the FDIC in local savings associations is held at the Federal Home Loan Bank of San Francisco. The collateral for such deposits in local banks is held in the City's name in the trust department of one of the banks with which the City has a current safekeeping agreement (so long as the issuer of the deposit is not the same bank as the bank holding the collateral) and is authorized pursuant to Government Code Sections 53656(b) and 53657 by the Administrator of Local Agency Security designed by Government Code Section 53661 (presently, the Commissioner of Business Oversight) or with the Federal Reserve Bank of San Francisco.

Acceptable collateral instruments are U.S. Treasury or Federal Agency or GSE issues of the types authorized by Government Code Sections 53651(a) and 53651(f), respectively, equal in market value to at least 110% of the deposit of the City. Alternatively, prime seasoned first trust deeds meeting the requirements of Government Code Section 53651.2 and equal in value to at least 150% of the deposit of the City may also be placed by savings associations with the Federal Home Loan Bank of San Francisco to cover collateral requirements for City deposits.

Securities which serve as collateral for repurchase agreements with banks may be held in the issuing bank's trust department, provided that a master repurchase agreement has been executed ensuring the fiduciary separation of these assets from other bank assets.

#### 10.0 Safekeeping and Custody:

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian and evidenced by safekeeping receipts. Pursuant to Government Code Section 53608, the third party custodian shall be a federal or state association (as defined by Section 5102 of the Financial Code), a trust company or a state or national bank located within the State of California, the Federal Reserve Bank of San Francisco or any branch thereof within the State of California, or any Federal Reserve Bank or any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System.

The transferring of investment funds will be carried out exclusively by use of the Federal Reserve Bank's electronic wire transfer system. Each Banker or Primary Dealer with which the City does business shall receive in writing from the City Treasurer and City Manager or designee a listing which limits transfers of funds to pre-authorized bank accounts only.

The listing will also contain the names of the City staff authorized to request such transfers and will be updated in writing for changes of authorized staff and bank accounts as necessary.

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Transfers from one account of the City to another shall require the request of only one authorized staff member. Transfers from the City's account to third parties shall require the request of two authorized staff members.

#### 11.0 Maximum Maturities:

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Pursuant to Government Code Section 53601, if not otherwise specified herein, no investment shall be made in any security, other than a security underlying a repurchase agreement authorized by Section 8.3, that at the time of the investment has a term remaining to maturity in excess of five (5) years from the date of purchase, unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the City Council no less than three months prior to the investment.

#### 12.0 Internal Control and Audits:

The City Treasurer shall establish an annual process of independent review by an external auditor. This review may be part of the City's annual financial audit performed by an independent certified public accountant which is designed to meet the requirements of the federal Single Audit Act of 1984 and related Office of Management and Budget Circular A-128 or at any other time as determined by the City Treasurer.

#### 13.0 Reporting and Investment Policy Adoption:

The City Treasurer in conjunction with the City Manager and City Attorney shall review and update this Investment Policy annually and present the written, updated policy to the City Council, for consideration and adoption as provided in Government Code Section 53646 et al.

#### 14.0 Interest Earnings:

All moneys earned and collected from investments authorized in this policy shall be allocated yearly to various fund accounts based on the monthly cash balance in each fund as a percentage of the entire pooled portfolio.

#### 15.0 Reporting and Reviews:

The City Treasurer shall make a monthly report to the City Council of the transactions to invest or reinvest surplus funds, and to sell or exchange securities so purchased for and on behalf of the City, in compliance with California Government Code Section 53607.

The City Treasurer shall review and render quarterly reports to the City Manager and City Council in compliance with California Government Code Section 53646(b). These reports will include the face amount and the purchase price of the cash investment, the classification of the investment, the name of the issuer institution or entity, the rate of interest, the maturity date, the current market value and accrued interest due for all securities.

The quarterly report will include a statement of the portfolio's compliance with the City's investment policy and a statement denoting the City's ability to meet its expenditure requirements for the next six months. Additionally, and if applicable, the report will include the amount held by the City's deferred compensation administrator(s).

## 16.0 Legislative Changes:

Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into the City of Hidden Hills' Investment Policy and supersede any and all previous applicable language.

## 17.0 Investment Policy Adoption:

The City's Investment Policy shall be adopted by Resolution of the City Council on an annual basis. This Investment Policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to City Council for approval.

TABLE 1

Investment Type:	<u>Dollar or Percent Limits</u> (calculated separately for each agency's portfolio)	<u>Maturity</u> (Not to Exceed)	<u>Liquid</u>
1. General Instruments			
State Investment Fund (LAIF)	The maximum set by LAIF	On demand	Yes
U.S. Treasury Bonds, Notes & Bills	None	5 yrs.	Yes
Federal Agency or U.S. Government Sponsored-Enterprises	None (subject to Sections 8.2 and 8.6 (mortgage-backed securities) of the investment policy)	5 yrs.	Yes
Obligations of the State of California, any of the other 49 states, or any local agency of the State of California with a rating of "BBB" or above (or equivalent) before insurance.	5% of total portfolio with respect to obligations of a single local agency within the State of California or of a single state  15% of total portfolio with respect to obligations rated "BBB" or "BBB+" ("BBB-" is not eligible)	5 yrs.	Yes
2. Collateralized Investments			
Repurchase Agreements	20% of total portfolio	7 days	Yes
Deposit accounts	Amounts above FDIC-insurance must be collateralized	On demand	Yes
3. Uncollateralized Instruments			
Non-negotiable, FDIC-insured CDs or Time Deposits	30% of total portfolio*	5 years	No
Negotiable Certificates of Deposit (CDs)	30% of total portfolio*	5 years	Yes

Medium Term Corporate Notes* and Bonds*	30% of total portfolio**	5 years	Yes
Commercial Paper	25% of total portfolio	270 days	Yes
Mortgage-Backed Securities	Not to exceed 20%	5 yrs.	Yes
<p>*Percent Limit (30% of total portfolio) is a collective limit as to Time Deposits, non-negotiable FDIC-insured CDs, and negotiable CDs.</p> <p>** Percent Limit is a collective limit as to Medium Term Corporate Notes &amp; Corporate Bonds, which are governed by Gov. Code Sec. 53601(k).</p>			
4. Other Instruments			
Shares of "money market funds" which are sold without any sales commission or sales charge of any kind (true no-load funds) and rated the highest ranking or highest letter and numerical rating provided by at least two NRSROs	20% of total portfolio	On demand	Yes
Shares of beneficial interest issued by a JPA	None	On demand	Yes

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## STAFFING LEVEL AND SALARY RANGE

### Listing of Full-Time Positions

Fiscal Year 2023-24

Position	Salary Range
City Manager	\$213,068 (Per Contract)
City Clerk	\$70,000 - \$101,966 annually (exempt)
Accounting Specialist	\$25.19 to \$45.71 per hour (non-exempt)
Administrative Analyst	\$28.85 to \$40.38 per hour (non-exempt)

