



**AGENDA**  
**Town of Atherton**  
**CITY COUNCIL**  
**ATHERTON CHANNEL DRAINAGE DISTRICT**  
**December 21, 2011**  
**7:00 p.m.**  
**COUNCIL CHAMBERS**  
94 Ashfield Road  
Atherton, California  
**REGULAR MEETING**

**PLEASE NOTE:**

*Times listed on the Agenda are an approximation and not a time certain. The Council may take up items out of order. Please arrive well in advance of the time listed for any item in which you are interested.*

- 7:00 P.M.    1.    **PLEDGE OF ALLEGIANCE**
- 7:02 P.M.    2.    **ROLL CALL**      Lewis, Dobbie, Widmer, McKeithen, Carlson
- 7:03 P.M.    3    **PRESENTATIONS**
- MESSAGE FROM OUTGOING MAYOR** – Jim Dobbie
- SELECTION OF MAYOR AND VICE MAYOR** – Administered by City Clerk
- OATH OF OFFICE** -Mayor and Vice Mayor, Administered by City Clerk
- 7:30 P.M.    4.    **PUBLIC COMMENTS** *(This portion of the meeting is reserved for persons wishing to address the Council on any matter not on the Agenda that is within the subject matter jurisdiction of the City Council. State law prohibits the Council from acting on items not listed on the Agenda except by special action of the City Council under specified circumstances. Speakers' time is limited to three minutes.)*
- 7:45 P.M.    5.    **REPORT OUT OF CLOSED SESSION**
- 7:45 P.M.    6.    **CITY MANAGER'S REPORT**
- 7:50 P.M.    7.    **COMMUNITY ORGANIZATION ROUNDTABLE REPORT**
- 7:50 P.M.    **CONSENT CALENDAR** (Items 8-18)

*(Consent Calendar items are routine in nature and are generally considered in one motion and adopted by a single vote of the City Council. If discussion regarding a Consent Calendar item is desired, the member(s) of the City Council, public, and/or staff wishing to pull the item should so indicate at the time the Mayor calls for consideration of the Consent Calendar.)*

8. **APPROVAL OF NOVEMBER 16, 2011 REGULAR MEETING**  
**Recommendation:** Approve November 16, 2011 regular meeting minutes
9. **APPROVAL OF BILLS AND CLAIMS FOR NOVEMBER, 2011 IN THE AMOUNT OF \$831,368**  
**Recommendation:** Approve Bills and Claims in the amount of \$831,368
10. **APPROVAL OF LETTER TO CALPERS EXTENDING TIME OF PERFORMANCE FOR INTERIM CITY MANAGER AND AMEND CONTRACT TO INCLUDE ADDITIONAL TIME AS DEFINED BY CALPERS**  
**Report:** City Attorney Bill Connors  
**Recommendation:** 1. City Council sign the letter of extension to the CalPERS Board, and 2. City Council direct the City Attorney to amend the Interim City Manager contract to include additional time as defined by CalPERS and direct the Mayor to authorize the contract extension
11. **ACCEPTANCE OF FISCAL YEAR 2010-2011 BASIC FINANCIAL STATEMENTS, REPORT ON COMPLIANCE WITH THE AGREEMENT FOR DISTRIBUTION OF SAN MATEO COUNTY MEASURE A FUNDS FOR LOCAL TRANSPORTATION PURPOSE, AGREED UPON PROCEDURES REPORT ON COMPLIANCE WITH THE PROPOSITION 111 APPROPRIATIONS LIMIT, AND MEMORANDUM ON INTERNAL CONTROL AND REQUIRED COMMUNICATIONS**  
**Report:** Finance Director Debra Auken  
**Recommendation:** Accept FY 2010-2011 Basic Financial Statements, Report on Compliance with the Agreement for Distribution of San Mateo County Measure A Funds, Agreed Upon Procedures Report on Compliance with the Proposition 111 Appropriations Limit, and the Memorandum on Internal Control and Required Communications
12. **TOWN CENTER TASK FORCE COMMITTEE REPORT – UPDATE ONLY**  
**Report:** Town Center Task Force  
**Recommendation:** Receive report
13. **CONTINUATION OF SWEEPING CONTRACT WITH CONTRACT SWEEPING FOR ONE (1) ADDITIONAL YEAR**  
**Report:** Public Works Director Mike Kashiwagi  
**Recommendation:** Staff recommends approving contract change order 2A continuing for one (1) additional year town sweeping services to Contract sweeping services of San Jose for the amount not to exceed \$13,912.40 (\$11,912.40 plus 10% emergency contingency), for a total authorization of 13,912.40
14. **ACCEPTANCE OF WORK, AUTHORIZATION TO RECORD NOTICE OF COMPLETION AND APPROVAL OF CONTRACT**

**CHANGE ORDERS IN THE AMOUNT OF \$12,495.46 FOR A TOTAL PROJECT COST OF \$393,666.71 FOR THE 2011 CAPE/SLURRY PROJECT, PROJECT NUMBER 56049**

**Report:** Public Works Director Mike Kashiwagi

**Recommendation:** Accept work and authorize recording of a notice of completion and approving contract change orders in the amount of \$12,495.46 for a total project cost of \$393,666.71 for the 2011 Cape/Slurry Project, Project Number 56049

**15. APPROVE A MAINTENANCE AGREEMENT WITH THE COUNTY OF SAN MATEO FOR COUNTY DRAINAGE IMPROVEMENT PROJECT AT CAMINO DE LOS ROBLES WITHIN THE TOWN OF ATHERTON JURISDICTION**

**Report:** Community Services Director Mike Kashiwagi

**Recommendation:** Approve a Maintenance Agreement with the County of San Mateo for County Drainage Improvement Project at Camino De Los Robles and authorize the Public Works Director to execute the Maintenance Agreement

**16. RECOMMENDATION BY RAIL COMMITTEE TO APPROVE A LETTER TO CALIFORNIA HIGH SPEED RAIL AUTHORITY REAFFIRMING THE TOWN OF ATHERTONS OPPOSITION TO CONSTRUCTION OF HIGH SPEED RAIL AS DESCRIBED IN THE NEWLY REVISED BUSINESS PLAN**

**Report:** Rail Committee

**Recommendation:** Approve letter to California High Speed Rail Authority

**17. APPROVE AN AGREEMENT WITH DEBRA AUKER FOR FINANCE DIRECTOR SERVICES FOR THE TOWN**

**Report:** Interim City Manager John Danielson

**Recommendation:** Approve an agreement with Debra Auker to provide interim finance director services on a month to month basis in the amount of \$112 per hour, and authorize City Manager to execute a contract on behalf of the Town

**18. SECOND READING AND ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON INCREASING THE RATES FOR SOLID WASTE/RECYCLING COLLECTION SERVICES**

**Report:** Interim City Manager John Danielson

**Recommendation:** Waive further reading, and adopt ordinance increasing the rates for solid waste/recycling collection services

**8:00 P.M. PUBLIC HEARINGS - None**

**8:15 P.M. REGULAR AGENDA – (Items 19-21)**

- 19. **CONTINUATION OF EVENT BOOKINGS AT HOLBROOK-PALMER PARK THROUGH THE 2012 CALENDAR YEAR**  
**Report:** Community Services Director Mike Kashiwagi  
**Recommendation:** Provide direction to staff to regarding the continuation of full event bookings at Holbrook-Palmer Park through December 31, 2012
  
- 20. **LIBRARY EIR – CLARIFICATION OF PROJECT**  
**Report:** Community Services Director Mike Kashiwagi  
**Recommendation:** It is recommended that the City Council adopt a motion providing clarification to Staff and the Environmental Consultant regarding:
  1. Limits for the footprint of the preferred alternative for the new library in Holbrook Palmer Park.
  2. Proposed amendments to the Holbrook-Palmer Park Master Plan.
  3. Proposed reuse of the existing Atherton Library Building.
  
- 21. **CONSIDERATION AND ACTION ON DISBANDMENT OF THE ENVIRONMENTAL PROGRAMS COMMITTEE**  
**Report:** Interim City Manager John Danielson  
**Recommendation:** To Be Determined

10:15 P.M. 22. **COUNCIL REPORTS**

10:20 P.M. 23. **FUTURE AGENDA ITEMS**

10:25 P.M. 24. **PUBLIC COMMENTS**

10:30 P.M. 25. **ADJOURN**

**PLEASE NOTE THE FOLLOWING INFORMATION:**

*If you challenge a Town zoning, planning, or any other decision in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this agenda, or in written correspondence delivered to the City Council at, or prior to, the public hearing. Judicial review of any Town administrative decision may be had only if a petition is filed with the court not later than the 90th day following the date upon which the decision becomes final. Judicial review of environmental determinations may be subject to a shorter time period.*

*Copies of all staff reports and documents subject to disclosure that relate to each item of business referred to on the agenda are available for public inspection by 5:00 p.m. the Friday before each regularly scheduled City Council meeting at the Atherton Library, 2 Dinklespiel, Station Lane, and the Town Administrative Offices, 91 Ashfield Road, Atherton, CA 94027. Additionally, agendas and staff reports may be accessed on the town website at: [www.ci.atherton.ca.us](http://www.ci.atherton.ca.us)*

*In compliance with SB 343, materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the Town Administrative Offices,  
 91 Ashfield Road, during normal business hours.*

Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact the City Clerk's Office at (650) 752-0500. Notification of 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (29 CRF 35.104 ADA Title II)



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: JOHN H. DANIELSON, INTERIM CITY MANAGER**

**DATE: FOR THE REGULAR MEETING OF DECEMBER 21, 2011**

**SUBJECT: CITY MANAGER WRITTEN REPORT**

**COMMUNITY SERVICES DEPARTMENT:** - See attached report

#### P.G.& E – Hydrostatic Testing

On November 28<sup>th</sup>, Councilmember Carlson and staff met with representatives from P.G.& E to get briefed regarding the status of hydrostatic pressure tests P,G,& E is conducting on their gas transmission mains. These tests are part of their ongoing safety program to verify the capability of their natural gas pipelines to operate safely. Due to the nature and importance of this testing, staff is working with P,G,& E to prepare an informational report to Council which outlines:

- Purpose, status, and summary of the hydrostatic testing program
- What facilities are being tested as part of this program
- For gas facilities not covered by the Hydrostatic Testing Program, what other safety programs does P.G.& E have in place to test and monitor those facilities
- Which lines are nearby/affect the Town of Atherton and what is the testing status of those lines
- Problems/issues encountered to date as a result of the testing program both system-wide and within the vicinity of Atherton

Staff expects an informational report will be prepared for the January Council meeting.

**FINANCE DEPARTMENT:** None

**PLANNING DEPARTMENT:** - See attached Community Services Department update

## **POLICE DEPARTMENT:**

Operations: During the month of November 2011, Officers issued 481 traffic citations, and made 23 in-custody arrests for a variety of crimes that include driving on a suspended driver's license, public intoxication, driving while under the influence of alcohol (DUI), misdemeanor and felony arrest warrants, possession of marijuana for sale, and grand and petty thefts.

On November 30, 2011, our canine Lotty passed away after she ingested a Sago Palm, a deadly plant that is extremely toxic to animals and humans. Veterinarians tried valiantly to save Lotty, but the poison from the deadly plant shut down her liver. The PD gives our condolences to Officer and K-9 handler Dean DeVlugt.

Investigations: During the month of October 2011, there were approximately seven theft-related reports taken from students of Menlo School. The items stolen were, gift cards, credit cards, U.S. currency, Apple iPads, and an Apple Macbook. Detective Yoakum conducted an investigation of these thefts. After interviewing a witness, Detective Yoakum was able to identify Michael Taylor as a possible suspect who was employed as an athletic coach for Menlo School during the time of the thefts.

On November 16, 2011, Taylor came to the Atherton Police Department for a voluntary interview. During the interview, Taylor confessed to Detective Yoakum that he stole two Apple iPads from Menlo School students, while on campus. Detective Yoakum had previously obtained a search warrant for Taylor's residence with the intent of searching for the stolen property. Detective Yoakum, Sergeant Nichols, and Officer Lane responded to Taylor's residence in San Leandro. With the assistance of San Leandro Police Officers, they served the search warrant which resulted in the recovery of the two stolen Apple iPads. A criminal complaint has been forwarded to the District Attorney's Office for review.

Training: Officer Krystal Pronske graduated from the Crisis Intervention Training Academy, a three day course designed to educate and assist officers in dealing with the mentally ill.

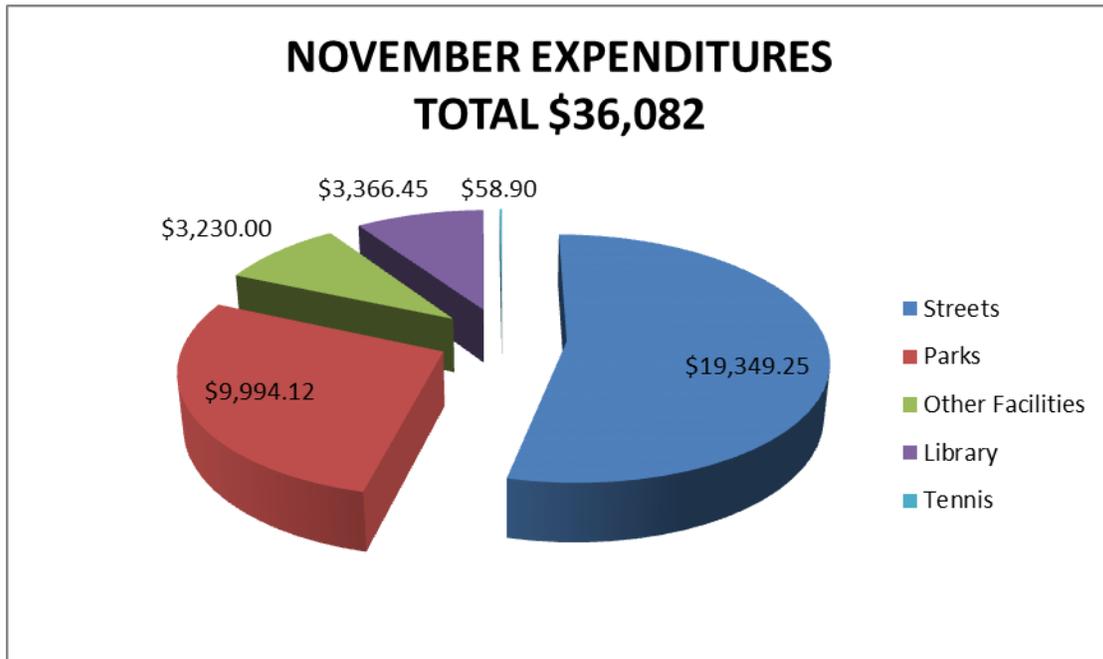
## **PUBLIC WORKS PROJECT UPDATES:**

- Replaced 2 rear doors in Knox Playschool.
- All HVAC units in town serviced.
- Serviced town emergency power systems.
- Refresh bike lane markings along Middlefield Road from Fair Oaks to Lane Place (approximately 1000 linear ft).
- Install specialty signs and/or stripes at Holbrook Lane and Irving/Heather
- 1510 linear feet of shoulder backing material installed along various locations of roadside.
- Approximately 40.5 miles of curb/gutter swept rendering 24 cu. yards(10.56 tons) of materials removed from Atherton streets by sweeper.

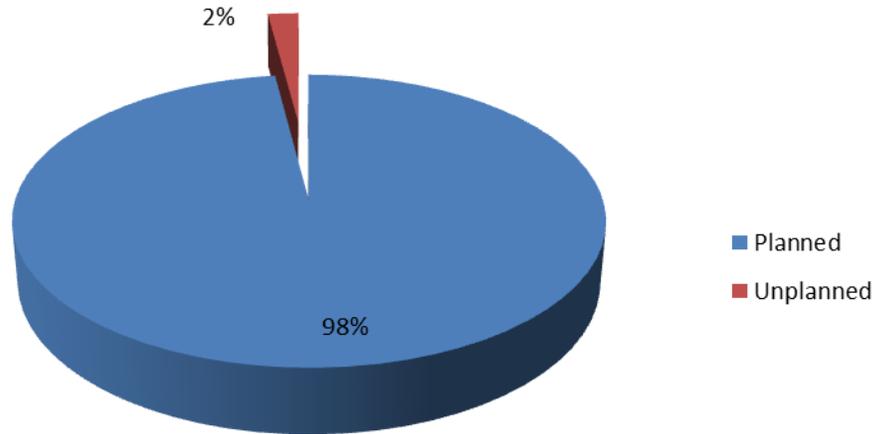
- Approximately 14 cubic yards of leaves swept/gathered by manual forces.
- Installed an instant hot-water system in the upstairs kitchen of the Atherton Library per request of library staff.
- Hung holiday lights at Atherton Library.
- Upgraded 8 valves to two wire system (in park).
- Aerate entire park and spray pre-emergent.
- General duties (litter, trash, facilities, corp yards, town center and ROW landscape).

**Public Works Contract – Maintenance Service Review**

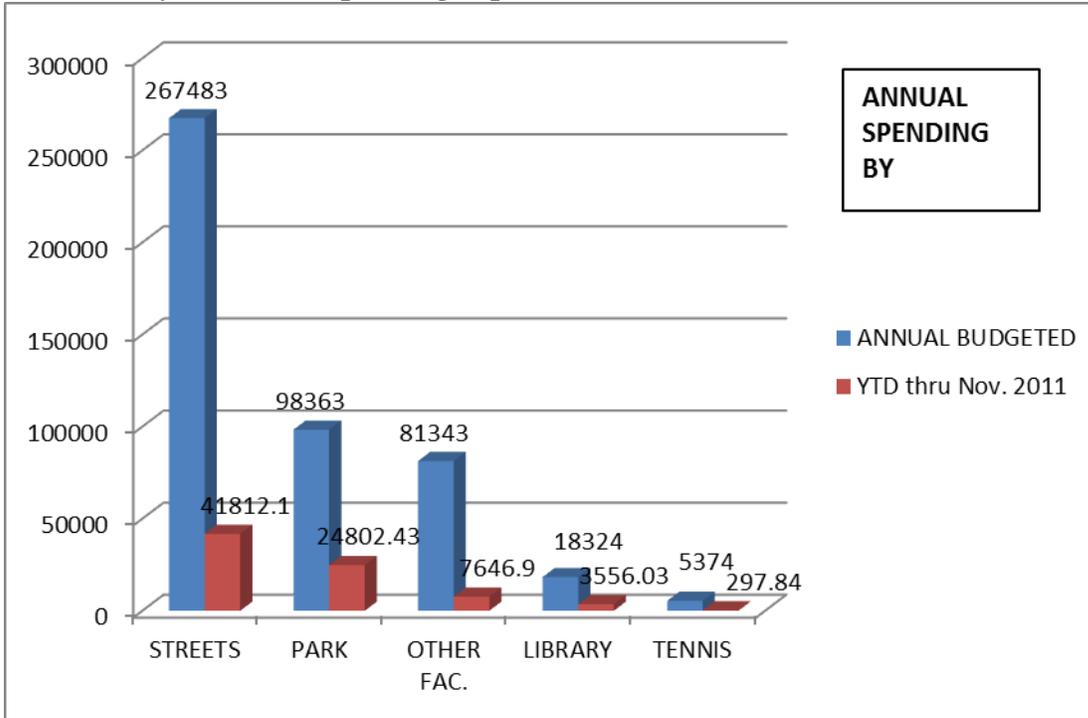
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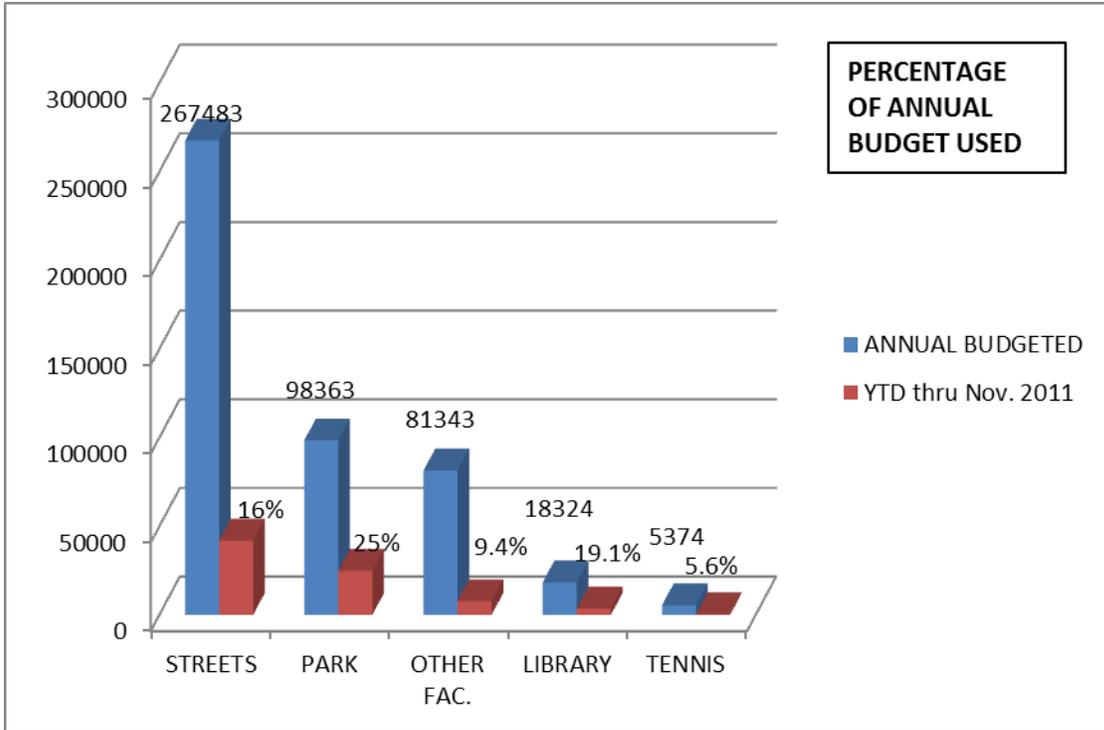


## PLANNED WORK VS. UNPLANNED MAINTENANCE HOURS



### Atherton – year to date spending Sept 11 – Nov 11







**Draft Minutes**

**ITEM 8**

**Town of Atherton**

**CITY COUNCIL**

**ATHERTON CHANNEL DRAINAGE DISTRICT**

**November 16, 2011**

**7:00 p.m.**

**JENNINGS PAVILION**

150 Watkins Ave

Atherton, California

**REGULAR MEETING**

Mayor Dobbie called the meeting to order at 7:00 p.m.

**1. PLEDGE OF ALLEGIANCE**

**2. ROLL CALL Lewis, Dobbie, Widmer, McKeithen, Carlson**

Mayor Dobbie informed Council that an urgency item has been placed before Council and a vote needs to be taken on whether or not to add it to the agenda.

**Urgency Item:** An item came to the attention of staff after the posting of the Agenda for the November 16, 2011 City Council meeting, and there is an urgent need for immediate action on the matter such that we hereby request the City Council to add a new item No. 20.5 entitled "Appointment of Acting Interim City Manager". Such item shall require an affirmative vote of 4 Councilmembers to add to the agenda, and the item shall require a majority vote to affirm the appointment.

The need that has arisen is that the City Manager is currently absent from the state, and because of illness it is unclear exactly when he will return. He did not designate a person to act in his place upon departure, and therefore to ensure both administrative and emergency continuity in his absence, it is recommended that the City Council appoint an appropriate person to act as City Manager until the current Interim City Manager can return.

Therefore, it is staff's recommendation based on the representation of the City Manager that Police Chief Ed Flint be designated the Acting Interim City Manager by resolution, to act in both capacities until the return of the Interim City Manager, or until otherwise excused from acting in this dual capacity by the City Council.

**MOTION by Carlson, second by Widmer to add the urgency item to the agenda. The motion passed unanimously.**

The item was taken up.

Council Member McKeithen read a letter into the record from Atherton resident Kimberley Sweidy who was opposed to appointing the Chief of Police as the Acting City Manager.

**MOTION by Dobbie, second by Lewis to approve a Resolution appointing Police Chief Ed Flint as the Acting Interim City Manager until the return of the Interim City Manager; or until otherwise excused from acting in this dual capacity by City Council. The motion passed unanimously.**

**3      PRESENTATIONS**

**D.A.R.E/ RED RIBBON AWARDS – Bruce Potts**

On behalf of the Atherton Police Department, Reserve Officer Bruce Potts presented the following individuals with awards:

Sacred Heart School: Maya Libraro, Dena Aalaei, Reese Weiden, Kate Goltz, Cathertin Jewitt, Kathryn Sweeney, Joey Guardino, Dasha Sokolov, Claire Borchers, Alberto Farias-Pintor, and Andrew Churukian.

Encinal School: Ganny Anaya, John Quinlan, Eva Brouwer, Sara Lowell, Giselle Valdez, and Luca St. Goar.

The Mayor thanked Bruce Potts and his wife for the amount of time and effort they put into the D.A.R.E program.

**4.      PUBLIC COMMENTS**

Carol Flaherty, Atherton resident, recognized Finance Director Louise Ho as an extraordinary employee who made a positive impact on the organization.

**5.      REPORT OUT OF CLOSED SESSION – None.**

**6.      CITY MANAGER’S REPORT –**

Vice Mayor Widmer asked Chief Flint to discuss an incident where Officer Gomez saved a 2-year olds life in Redwood City. Chief Flint said Officer David Gomez was responsible for saving a child’s life on at approximately 1230 hours on Friday, 21 October 2011. David was with his family on his day off near the Target store in Redwood City. David saw a 2-year old girl lying on the ground unconscious and not breathing and took immediate action and began life saving CPR on the little girl. The little girl started breathing again as RWC Fire Department arrived on the scene, who administered additional medical help.

**7.      COMMUNITY ORGANIZATION ROUNDTABLE REPORT - None**

**CONSENT CALENDAR (Items 8-16)**

Vice Mayor Widmer removed item 9.

Council Member McKeithen removed items 12, 13 and 14.

Council Member Carlson sought clarification on item 8.

**8. APPROVAL OF OCTOBER 19, 2011 REGULAR MEETING**

**Recommendation:** Approve October 19, 2011 regular meeting minutes

Carlson said that on page 11 there was an amendment to the motion to designate Holbrook-Palmer Park as the preferred site in the library, and it wasn't clear as to what exactly the amendment was intended for. Carlson asked Vice Mayor Widmer to clarify.

Vice Mayor Widmer said that his intent was to amend the motion so that the dimensions of the library would be exactly the same size as the main house and no green space would be lost.

Vice Mayor Widmer said he also had very minor changes that he passed onto the City Clerk.

**10. ACCEPTANCE OF TREASURER'S REPORT FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2011**

**Report:** Finance Director Louise Ho

**Recommendation:** Accept the Treasurer's Report for the Second Quarter Ended September 30, 2011

**11. ADOPTION OF RESOLUTION ACCEPTING EXPEDITURES FOR BALANCE OF FISCAL YEAR 2011/12 SUPPLEMENTAL LAW ENFORCMENT SERVICES FUND (SLESF), CITIZEN'S OPTION FOR PUBLIC SAFETY (COPS) GRANT**

**Report:** Interim Police Chief Ed Flint

**Recommendation:** Adopt a resolution accepting the recommended expenditures of the remaining balance of FY 2011-12 Supplemental Law Enforcement Services Fund (SLESF), Citizen's Option for Public Safety (COPS) Grant in the amount of \$100,000.00 in accordance with state requirements

**15. ACCEPTANCE OF WORK, AUTHORIZATION TO RECORD NOTICE OF COMPLETION AND APPROVAL OF CONTRACT CHANGE ORDERS IN THE AMOUNT OF \$ 1934.00 FOR A TOTAL PROJECT COST OF \$66,156.00 FOR THE SOUTH MEADOW IRRIGATION AND TURF REHABILITATION PROJECT NUMBER 56019**

**Report:** Interim Public Works Director Mike Kashiwagi

**Recommendation:** authorizing recording of a notice of completion and approving contract change orders in the amount of \$1934.00 for a total project cost of \$66,156.00 for the South Meadow/Irrigation and Turf Rehabilitation Project Number 56019

**16. 70 CAMINO POR LOS ARBOLES (APN 070-302-300) INTRODUCE ORDINANCE TO PRE-ZONE THE SITE TO R1-A AND AMEND THE GENERAL PLAN MAP TO INCLUDE THE PROPERTY FOR ANNEXATION TO THE TOWN OF ATHERTON**

**Report:** Town Planner Lisa Costa Sanders

**Recommendation:** adopt the Ordinance pre-zoning the site R1-A and amend the General Plan Map to include a portion of the property located at 70 Camino por los Arboles for annexation into the Town of Atherton based on the finding in the staff report.

**MOTION by Lewis, second by Carlson to approve the consent calendar consisting of items 8, 10, 11, 15, and 16. The motion passed.**

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

**PUBLIC HEARINGS - (Item 17)**

**17. INTRODUCTION OF AN ORDINANCE TO ADOPT REFUSE AND RECYCLING COLLECTION RATES**

**Report:** Interim City Manager John Danielson

**Recommendation:** Hold a public hearing, determine whether a majority protest has been received, and if there is no majority protest, introduce the attached Ordinance increasing refuse and recycling rates. A two-thirds vote is required (i.e.; four affirmative votes).

Vice Mayor Widmer gave a PowerPoint presentation on the introduction of an ordinance to adopt refuse and recycling collection rates. [A copy of the presentation is available in the City Clerk’s office].

Widmer reviewed the Recology contract and cost drivers, SBWMA and Recology forecasts, Allied Waste’ final settlement, the noticed rates, and recommendations for paying off Allied Waste and for new rates.

Widmer noted that Atherton residents received a notice in late September with the following recommended rates:

<b>Black Garbage Container</b>	<b>2012 rates</b>
20 gallon	\$30.00
32 gallon	\$65.00
64 gallon	\$125.00
96 gallon	\$185.00

**Additional Green Waste Carts** above the 2 included in the package above:

Carts 3 and 4	\$10.00 each
Carts 5 and above	\$15.00 each

**\*Commercial Rates:**

	<b>Current Rate</b>	<b>2012 Rates</b>	<b>Amount Increase</b>
1-96 Gallon	\$82.18	\$185.00	\$102.82
1-1yd	\$115.73	\$200.00	\$84.27
1-2yd	\$231.46	\$400.00	\$168.54
1-3yd	\$347.19	\$550.00	\$202.81

**\*Organic Rates for Commercial:**

**96 Gallon = \$15.00 per cart**

Vice Mayor Widmer said Council recommends that the residential rates be changed as follows:

<b>Black Garbage Container</b>	<b>2012 rates</b>
20 gallon	\$27.00
32 gallon	\$55.00
64 gallon	\$110.00
96 gallon	\$164.00

Widmer said Council recommends that everything else including the residential green waste, and commercial rates noticed in the September mailing should stay the same.

**MOTION by Dobbie, second by Lewis to accept the recommendation proposed by the ad-hoc subcommittee above. The motion passed.**

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

**REGULAR AGENDA – (Items 18-20)**

**18. PARK & RECREATION RECOMMENDATION TO CONDUCT A TOWN-WIDE SURVEY OF RESIDENT OPINIONS CONCERNING LOCATION OF A NEW LIBRARY IN HOLBROOK PALMER PARK**

**Report:** Interim City Manager John Danielson

**Recommendation:** Consider the Park and Recreation Commission recommendation to conduct a Town-wide survey of resident’s opinion concerning location of a new library in Holbrook Palmer Park

Mayor Dobbie noted that this issue was voted on at the last Council meeting by amendment brought forth from Council Member Carlson, but because it wasn’t properly agendized it has been added to this agenda.

Council Member Carlson said Park & Recreation Commission recommended that there should be a town-wide poll on the issue of whether the library should be in the park. Carlson said many residents have raised their concern and he felt Council should work on a process to develop community consensus. Carlson said that because of the 3-2 vote, and the public outcry that has been generated, should push Council to develop consensus. Carlson added that this is an unusual issue that involves a major capital investment and Council should show respect for its citizens. Carlson concluded that there has been talk about a citizen’s initiative and it will be costly for the Town and he hopes Council doesn’t allow it to go that far.

Council Member McKeithen wrote out her thoughts and placed them on a table for the audience to read. McKeithen declared her reasons for opposing a survey in the park. She said the Town has had surveys in the past that did not get stellar responses. One of the hottest issues was in 1996 with Little League in the park and the community was divided. Out of 2500 surveys sent out there were 1,154 responses with very unclear results because it was almost equally split. McKeithen added that without a clear understanding of all of the complex issues surrounding the library it would be impossible for the average resident to make a knowledgeable response to the survey. McKeithen said it is precisely for this reason that Council appointed a library committee who have held

extensive publicized meetings and conducted extensive public outreach. McKeithen believed it was possible that questions in a survey could affect the results; and she was concerned with who gets to determine results and decide how they are utilized because they could be biased. McKeithen said that because the library issue has become so politicized, a survey would likely be answered by perceived social pressures. She concluded by questioning whether a survey is really appropriate for a library issue at a local government level.

Vice Mayor Widmer said the library committee has had several open public meetings over the last two years to allow the community to provide their input. The community will have their say one way or another. Widmer said that perhaps there are several other issues to survey the Town including the little league and whether or not the town needs an ethics committee. Widmer added that he has lived in Atherton for 15 years and the only survey he has ever come across is a library survey. Widmer concluded that Council has already voted on this once and there should be no additional time spent on it.

Council Member Lewis said this item is on the agenda because it was overlooked by staff. The Town has written rules for when a committee makes a recommendation to Council and this should have been on the previous agenda. Lewis said the Park & Recreation Commission should be valued as members of the community who have the best interest of the Town and the park since that is the purpose of the Commission. Lewis said it is obvious that many residents want the process for the library to slow down. She added that she has always felt that the park would be a wonderful location as long as the residents of the Town agree. Lewis said Council has a duty and an obligation to accept the Commission's recommendation and move forward with a survey that is straight forward and non-biased. Lewis read a letter into the record from Atherton resident Peter Carpenter who is in support of a survey. Lewis concluded that if Council doesn't do a survey voluntarily then residents could do a citizens initiative which will be costly for the Town and create more divisiveness. She implored Council to set aside their differences and listen to the people.

Mayor Dobbie said Council already voted the park as the preferred site of the library subject to an EIR. He added that surveys can be very biased and are not appropriate for this issue.

Mayor Dobbie opened up for public comment.

Karen Bliss, Atherton resident and Library committee member, felt that a survey is a waste of time because residents cannot possibly make an informed decision without all the facts. Bliss said the behavior of Council is downright shameful, and it is time to move on.

Earl Nielsen, Atherton resident, said the library committee is composed of people who have pride of ownership that's incorporated in the endorsement. Nielsen said he tried to speak at one of the library meetings but Chair Kupperman wouldn't allow it. Nielsen endorsed a survey of the Town and felt the Town has some of the most intelligent people he knows.

Denise Kupperman, Library committee Chair, said she respects the Park & Recreation Commission. She said Council has chosen to both agree at times and disagree at times with the Commission's recommendations.

Walter Sleeth, Atherton resident, said that the public outcry is not enough to stop this process; the issue has gone on long enough and the process should move forward.

Charles Marsala, former Council Member, said the public should know that a decision on the location of the library is being with the knowledge that a majority of the people who go to the library are not from Atherton. Marsala concluded that a 3-2 vote right now might have been a 2-3 vote ten years ago, and to decide this on one split vote is not the right way to go.

Valerie Gardner, Atherton resident, said she loves living in Atherton, but she is embarrassed that a sanctioned committee makes a sham out of the community input process that they were supposed to have conducted. Gardner questioned the integrity of the public outreach process because she felt stonewalled when she has asked for information and questions of the committee.

Denise Kupperman noted that there is a binder full of information regarding the findings of the library committee in the current library.

Scott Mitchell, Atherton resident, felt this meeting is a microcosm of what is happening in our country. Mitchell said he can't see how Council can move forward with the library project without taking every other facility in town for account.

Bill Aubrey, Atherton resident, said he really loves Holbrook-Palmer Park. He said there were community meetings where residents were not given the chance to ask questions because they were told it would take too much time. Aubrey said the Town stands a better chance with a survey.

Jon Tiemann, Atherton resident, said he felt insulted and is suspicious when he is told that the library issue is complex but residents shouldn't worry.

David Barca, Atherton resident, spoke in favor of a survey.

Rachel Croft, former Park & Recreation Commissioner, supported a survey.

Sherry Shenk, Atherton resident, said she was in favor of a new library but was shocked to see the proposal of how large it is, and she questioned whether we actually need it.

John Rugeiro, Atherton resident, spoke on behalf of several residents who couldn't make the meeting and were opposed to a library in the park. Rugeiro asked everyone in the audience to raise their hand if they supported a survey and majority of people raised their hand.

Valerie Gardner questioned whether the library committee has actually surveyed a sizable group of resident about whether they want the library in the park. Gardener said the job of Council is to represent the Town and wondered how they can decide on this issue without input from the whole Town.

Mayor Dobbie closed for public comment.

Council Member McKeithen said it will be very difficult to make a decision if someone hasn't read the reports and attended meetings to fully understand what is at stake. McKeithen said she would still abandon the process if the EIR proves it is not the right place. McKeithen said the library committee did extensive public outreach and questioned what more they really need to do. She added that she has been to all of the library committee meetings and there have always been opportunities for the public to attend, speak, and be heard. She added that the main house is used for Atherton Dames, storage, weddings and park & recreation meetings. McKeithen said the town is

losing hundreds of thousands of dollars per year on weddings. She concluded that the current library has been deemed seismically unsafe.

Council Member Carlson said he has heard a lot of comments and he still thinks everyone in town should have an opportunity to have their voice heard. He added that it is a waste of time to dwell on whether the processes up to this point were adequate or not. Carlson said the EIR process will give alternatives for the library site and this will allow residents to weigh in at that point in time. Carlson said Council really should get a sense of what the silent majority feels about the issue. He concluded that once this is done we can move forward and take pride in what we've decided.

Council Member Lewis said this issue has split the Council and it needs to be fixed. All issues can be mitigated and solved by doing this right. Lewis concluded that a 3-2 vote is not appropriate.

**MOTION by Lewis, second by Carlson to accept the Park and Recreation Commission recommendation to conduct a Town-wide survey of resident's opinion concerning location of a new library in Holbrook Palmer Park. The motion failed.**

Ayes: 2      Nays: 2(Dobbie, McKeithen)      Abstain: 1 (Widmer)      Absent: 0

**19.    ATHERTON LIBRARY BUILDING PROJECT**  
**(a) ENVIRONMENTAL IMPACT REPORT**  
**(b) AMENDMENT TO LSA ASSOCIATES PROFESSIONAL SERVICE AGREEMENT**

**Report:** Interim Public Works Director Mike Kashiwagi

**Recommendation:** Direct Staff to proceed with the preparation of an Environmental Impact Report for the Atherton Library Building Project, and Approve the First Amendment to the Professional Services Agreement with LSA Associates for preparation of a Focused Environmental Impact Report;

Deputy Town Planner Costa Sanders said that there is a provision in the LSA agreement that stated if an EIR were required instead of a Mitigated Negative Declaration that a new scope of work and additional fee would need to be negotiated. LSA has prepared a work plan for the EIR. A Scoping Session (public meeting) would be held early in December to solicit public input on environmental issues and alternatives to be addressed in the EIR. The Draft EIR should be available in early March 2012.

Vice Mayor Widmer asked how realistic the schedule is.

Costa Sanders said staff believes the schedule can be followed, but continuance of public meetings can always delay the schedule.

Charles Marsala, Atherton resident, said it sounds like the EIR has already been done based on comments about the train noise and other issues. Marsala said the Town should get resident input before spending \$150,000 on an EIR.

Council Member Lewis said she is concerned with spending the money just because it is there. Once the funds are used on EIRs and planning it will go quickly. Lewis said she wants to be fiscally responsible in spending the additional \$150,000 and that would be done best by a survey of the entire town.

Council Member Carlson felt the early December meeting for scoping is too early and a majority of people won't be able to make it because of the holidays. Carlson said he has concerns with what size library the environmental process will review. He said that with the clarification under Item 8 from Vice Mayor Widmer that the library will not be bigger than the main house, suggests that the library would have to be very tall in order to accommodate up to 11,000 square feet. Carlson felt the proposed size of the library is twice the size of the recommendation made in the Needs Assessment document; and the size of the library will have a big effect on the environmental review. Carlson reviewed several concerns he has with the library studies.

Mayor Dobbie said when Vice Mayor Widmer was amending the motion at the October 19<sup>th</sup> meeting he intended that the new library be no bigger than the size of the main house including the concrete footprint.

Council Member Carlson said that was not the answer Widmer gave earlier.

Council Member Widmer said it is the main house and a little bit of the patio so it is about 10,000 square feet.

Council Member McKeithen said the environmental study is not something the committee had to do, but because of the public outcry it was worth the additional costs to do an EIR. McKeithen said the issues will be looked at and resolved, and the site will be looked at from every perspective imaginable.

**MOTION by to proceed with the preparation of an Environmental Impact Report for the Atherton Library Building Project. The motion passed.**

Ayes: 4 Nays: 1 (Lewis) Abstain: 0 Absent: 0

**MOTION by McKeithen, second by Dobbie to approve the First Amendment to the Professional Services Agreement with LSA Associates for preparation of a Focused Environmental Impact Report which may include just the sites referred to or other sites if they are raised at the scoping meeting or any other time. The motion passed.**

Ayes: 3 Nays: 2 (Carlson, Lewis) Abstain: 0 Absent: 0

**20. CONTINUATION OF EVENT BOOKINGS AT HOLBROOK-PALMER PARK THROUGH THE 2012 CALENDAR YEAR/  
PARK EVENTS – REVENUE VS. DIRECT COSTS**

**Report:** Interim City Manager John Danielson

**Recommendation:** Provide direction to staff regarding the continuation of full event bookings at Holbrook-Palmer Park through December 31, 2012

Public Works Superintendent Steve Tyler said that Council, at its October 19 meeting directed staff to come back with detailed figures on direct costs associated with the events. Tyler said staff made assumptions about what would they consider events. Events include weddings, social events, and corporate meetings and seminars. Tyler said a detailed cost analysis was conducted and revenues for the last four years were reviewed. Tyler explained that prediction of the potential revenues was done by taking an average of the past 4 years of revenues. He added that the Town stands to net

approximately \$91,000 per year based on those predictions under the new process where the events are being contracted out.

Council Member McKeithen said the reason the books were closed for 2012 was because the Town was losing so much money. She added that Finance Director Ho could not predict whether or not the Town would end up with a positive revenue stream under the new contract. McKeithen concluded that the costs in the staff report are not detailed and she finds some of the figures hard to believe.

Mayor Dobbie asked if appreciation was accounted for.

Tyler said no. As far as costs went staff went back one year and looked at the costs for that year and used them for what it would cost in 2012.

Mayor Dobbie felt that appreciation needs to be built into the costs.

Council Member McKeithen asked who prepared the report. Tyler said the Public Works Department did the analysis.

Mayor Dobbie said weddings and other major events in the park take up just about every parking spot available in the park. Dobbie felt the park needs to be open for Atherton residents. Dobbie concluded that weddings should be eliminated on the weekends, and other events should be limited to a maximum count and charged on a per-head basis.

Vice Mayor Widmer suggested a continuance until we get more data. He noted that we are running out of time for bookings.

Tyler noted that staff turned down three bookings for 2012 weddings, today alone.

Council Member Lewis said \$91,000 in revenue to the Town is a positive thing. Lewis felt Council Members were not giving enough credit to staff for their analysis and for the new contract model in the park. Lewis concluded by questioning who made the decision to stop 2012 bookings in the first place.

Council Member Carlson said this is not “rocket science.” Cutting coffee and other small costs are microscopic compared to the opportunity costs with renting the facilities. If the Town receives income and the park expenses are covered then Council should move forward.

Council Member McKeithen said she didn't feel Council had the necessary figures to support their recommendation. She added that the Town has always lost money on weddings and until we figure out if we really are making a profit we shouldn't be booking events. McKeithen discussed the costs associated with events including grounds maintenance and the potential damage to the irrigation system.

Charles Marsala, Atherton resident, said that with the elimination of an Atherton employee in the park the Town removes \$120,000 in cost associated with weddings. He added that the grounds and facilities maintenance do not cost as much as what would be generated.

There was a short discussion on fees charged in the park.

City Attorney Connors noted that the Town has full discretion over setting fees to rent their facilities. Since it is proprietary it can be charged at whatever the market will bear.

Council Member Lewis said staff did a great job on the report and felt Council should move forward.

**MOTION by Dobbie, second by McKeithen to continue this item to the next Council meeting until staff can review and analyze the costs further.**

Ayes: 4 Nays: 1 (Lewis) Abstain: 0 Absent: 0

**9. APPROVAL OF BILLS AND CLAIMS FOR OCTOBER, 2011 IN THE AMOUNT OF \$1,258,593**

**Recommendation:** Approve Bills and Claims in the amount of \$1,258,593

Vice Mayor Widmer noted that the purchase of two cars is already in this month's bills and claims, and the purchase has not been Council approved. He reminded staff that there is a \$15,000 purchasing limit which must be followed in the Towns ordinance.

**MOTION by McKeithen, second by Carlson to approve Bills and Claims in the amount of \$1,258,593. The motion passed.**

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

**12. NARROW BANDING PURCHASE**

**Report:** Interim Police Chief Ed Flint

**Recommendation:** (1) Authorize the purchase or lease of 23 P-25 compatible radios with antennas and two lithium-ion batteries for each radio, to bring Atherton Police Department into compliance with Federal Communications System (FCC) requirements; and enable interoperable public safety communications between Atherton Police and the other police and fire agencies providing public safety services in San Mateo County and beyond; and (2) Authorize Atherton Police Department to reconfigure its current public safety base station radio to compliance with the new requirements.

Council Member McKeithen asked what the cost of a lease option would be.

City Attorney Connors said a lease is to be treated as if it were all due and payable in the first year. Connors said it would be better to use your own cash since you would have to keep that amount of money in a reserve during the lease, and with current interest rates a lease is not economical.

Council Member McKeithen asked Vice Mayor Widmer if this is the most cost effective way.

Vice Mayor Widmer said he has done review and purchasing the equipment is the best choice.

**MOTION by Dobbie, second by McKeithen to Authorize the purchase or lease of 23 P-25 compatible radios with antennas and two lithium-ion batteries for each radio, to bring Atherton Police Department into compliance with Federal Communications System (FCC) requirements; and enable interoperable public safety communications between Atherton**

**Police and the other police and fire agencies providing public safety services in San Mateo County and beyond; and Authorize Atherton Police Department to reconfigure its current public safety base station radio to compliance with the new requirements. The motion passed.**

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

**13. POLICE MOTORCYCLE PURCHASE**

**Report:** Interim Police Chief Ed Flint

**Recommendation:** Staff recommends that Council authorize the Police Department to purchase two (2) new 2012 BMW R1200RT-P motorcycles as replacement motorcycles for a total cost of \$47,461.24, which includes sales tax, documentation fees, and installation of communications and radar equipment

Council Member McKeithen asked if the Town intends to have more than one person on a motorcycle at a time. Chief Flint said the Department plans to double the motorcycles and cover the entire week to improve in the traffic and safety program.

Council Member McKeithen asked what kind of condition the current bikes are in and are the repairs too costly. Chief Flint said both bikes are double the age of the industry standard and there has been approximately \$15,000 in maintenance cost since 2006 which will continue to grow as the bikes age.

Mayor Dobbie asked what would happen if the purchase was put off for one more year. Chief Flint said the Town would lose the bid price, the trade-in value of the current bikes, and two potential price increases.

**MOTION by McKeithen, second by Carlson to authorize the Police Department to purchase two (2) new 2012 BMW R1200RT-P motorcycles as replacement motorcycles for a total cost of \$47,461.24, which includes sales tax, documentation fees, and installation of communications and radar equipment. The motion passed.**

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

**14. POLICE PATROL VEHICLE PURCHASE**

**Report:** Interim Police Chief Ed Flint

**Recommendation:** Authorize the Police Department to purchase two 2011 Ford Crown Victoria Interceptors as replacement patrol vehicles for a cost of \$70,000.00, which includes tax, license, emergency equipment, and installation costs

Council Member McKeithen asked if these vehicles were already purchased.

Chief Flint said staff can only order these cars about two times a year through the manufacturer who produces these cars. He added that the previous Chief ordered the vehicles over the summer and they have been sitting in the Redwood City corporation yard ever since.

**MOTION by McKeithen, second by Lewis to Authorize the Police Department to purchase two 2011 Ford Crown Victoria Interceptors as replacement patrol vehicles for a cost of**

**\$70,000.00, which includes tax, license, emergency equipment, and installation costs. The motion passed.**

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

**21. COUNCIL REPORTS**

Council Member Lewis noted that the Town Center Task Force is planning to make a recommendation to Council on selection of an architect at the January, 2012 meeting. She added that the Task Force will request staff involvement in the groundwork. The next public meeting is scheduled for December 1, 2011.

**22. FUTURE AGENDA ITEMS**

**A. MASTER FACILITIES PLAN**

**Report:** Council Members Carlson and Lewis

Council Member Lewis read the colleagues memorandum for the record.

Dobbie said that a master plan would be useless when the Town has a resident who just created a great master plan for the Town.

Carlson said he looked at the same master plan created by the resident and thought it was a very innovative approach and it should be one of the options looked at.

Dobbie said the master plan created by a resident should be left at Town Hall for residents to view and comment on it.

McKeithen said she favors a master plan for the Town center.

Vice Mayor Widmer felt that an overall master plan for the town center is good but it shouldn't be used to supersede the library because the EIR will cover the library. Widmer said he understood the building replacement fund can only be used for building department facilities.

Carlson asked if Council can agree to agendize a master plan for the town center to discuss.

**MOTION by Dobbie, second by McKeithen to not add this to a future agenda. The motion failed.**

Ayes: 2 Nays: 3 (Widmer, Carlson, Lewis) Abstain: 0 Absent: 0

**B. POLLING TOWN VOTERS**

**Report:** Council Members Carlson and Lewis

Council Member Carlson removed the item.

**23. PUBLIC COMMENTS – None.**

**24. ADJOURN**

**MOTION by Carlson, second by McKeithen to adjourn the meeting. The motion passed.**

Mayor Dobbie adjourned the meeting at 10:29 p.m.

**Respectfully submitted,**

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**Theresa DellaSanta  
Deputy City Clerk**

**TOWN OF ATHERTON**  
CLAIMS LIST **NOVEMBER 2011**

	<u>Amount</u>
A/P Checks (#13081-13179)	\$ 370,365
Payroll Checks (#285-294)	12,116
Direct Deposit - Payroll	202,766
Electronic Transfer - A/P & Payroll	246,121
<b>NOVEMBER 2011 Total</b>	<b>831,368</b>

I, John Danielson, Interim City Manager of the Town of Atherton, do hereby certify that the demand listed above, check numbers **285-294** (payroll), and **13081-13179** (accounts payable), and electronic transfers for employees direct deposits, federal payroll taxes and fees, inclusive, amount to **\$831,368** are true and correct based on the information provided to me and that there are sufficient funds for payment.

\_\_\_\_\_  
John Danielson  
Interim City Manager

The above claims, check numbers **285-294** (payroll), and **13081-13179** (accounts payable), and electronic transfers for employees direct deposits, federal payroll taxes and fees, inclusive, amount to **\$831,368** are true and correct and are authorized for payment.

\_\_\_\_\_  
James Dobbie  
Mayor, Town of Atherton

**SOURCE OF FUNDS**

<b>101</b>	General Fund	\$ 723,867
<b>105</b>	Tennis	209
<b>201</b>	Special Parcel Tax	32,429
<b>202</b>	Measure A	1,300
<b>203</b>	Gas Tax	10,398
<b>210</b>	Road Const. Impact	2,704
<b>213</b>	Library	26,883
<b>403</b>	Ath Channel Drainage Dt	2,310
<b>610</b>	Equipment Replacement	6,365
<b>616</b>	Employee Benefits	24,903
<b>TOTAL</b>		<b>831,368</b>

Town of Atherton							
Checks by Date - Detail by Check Number							
For the Month of November 2011							
Check#	Check Date	Vendor Name	Invoice#	Fund	Dept	Description	Amount
13081	11/4/2011	AFLAC		General Fund		PR Batch 501 10 2011 AFLAC Hospital Indemnity	76.76
13081	11/4/2011	AFLAC		General Fund		PR Batch 501 10 2011 AFLAC Intensive Care	24.39
13081	11/4/2011	AFLAC		General Fund		PR Batch 501 10 2011 AFLAC Specified Health	27.90
13081	11/4/2011	AFLAC		General Fund		PR Batch 501 10 2011 AFLAC-STD After Tax	41.35
13081	11/4/2011	AFLAC		General Fund		PR Batch 501 10 2011 AFLAC Accident Indemnity	186.66
13081	11/4/2011	AFLAC		General Fund		PR Batch 501 10 2011 AFLAC Cancer Ins	176.28
13081	11/4/2011	AFLAC		General Fund		PR Batch 501 10 2011 AFLAC Dental Ins PreTx	109.43
13081	11/4/2011	AFLAC		General Fund		PR Batch 502 10 2011 AFLAC Accident Indemnity	186.66
13081	11/4/2011	AFLAC		General Fund		PR Batch 502 10 2011 AFLAC Cancer Ins	176.28
13081	11/4/2011	AFLAC		General Fund		PR Batch 502 10 2011 AFLAC Dental Ins PreTx	109.43
13081	11/4/2011	AFLAC		General Fund		PR Batch 502 10 2011 AFLAC Hospital Indemnity	76.76
13081	11/4/2011	AFLAC		General Fund		PR Batch 502 10 2011 AFLAC Intensive Care	24.39
13081	11/4/2011	AFLAC		General Fund		PR Batch 502 10 2011 AFLAC Specified Health	27.90
13081	11/4/2011	AFLAC		General Fund		PR Batch 502 10 2011 AFLAC-STD After Tax	41.35
<b>13081 Total</b>							1,285.54
13082	11/4/2011	TEAMSTERS LOCAL 856 H & W		General Fund		PR Batch 501 10 2011 Dental Insurance	4,464.00
<b>13082 Total</b>							4,464.00
13083	11/4/2011	TEAMSTERS UNION LOCAL 856		General Fund		PR Batch 502 10 2011 Teamsters Dues	80.31
<b>13083 Total</b>							80.31
13084	11/4/2011	VISION SERVICE PLAN		General Fund		PR Batch 501 10 2011 Vision Insurance	479.13
13084	11/4/2011	VISION SERVICE PLAN	November 2011	General Fund	Police	Vision for D. Gomez November 2011	28.28
13084	11/4/2011	VISION SERVICE PLAN	November 2011	General Fund	DPW-Street Maint.	Vision for M. Rubalcava November 2011	10.88
<b>13084 Total</b>							518.29
13085	11/4/2011	AT&T CALNET 2	000002761000	General Fund	Non-Dept	8099 Town Hall front desk line 9/27/11 - 10/26/11	420.23
13085	11/4/2011	AT&T CALNET 2	000002744944	General Fund	Police	1053 Teleminder loop line PD 9/20/11 - 10/19/11	83.94
<b>13085 Total</b>							504.17
13086	11/4/2011	BKF ENGINEERS	11060120	Special Tax	DPW-Engineering	Upper Atherton channel restoration 4/18/11 - 5/22/11	9,477.74
13086	11/4/2011	BKF ENGINEERS	11070338	Special Tax	DPW-Engineering	Upper Atherton channel restoration 5/23/11 - 6/19/11	3,760.00
13086	11/4/2011	BKF ENGINEERS	11100351	Special Tax	DPW-Engineering	Upper Atherton channel restoration 8/22/11 - 9/18/11	19,191.00
<b>13086 Total</b>							32,428.74
13087	11/4/2011	CA EMPLOYMENT DEV DEPT (UI)	L1167389824	Employee Benefits Funds	Police	Unemployment insurance charge PD 7/1/11 - 9/30/11	6,365.00
<b>13087 Total</b>							6,365.00
13088	11/4/2011	CSG CONSULTANTS INC	021011	General Fund	Non-Dept	Code enforcement officer services 8/27/11 - 9/30/11	4,944.00
<b>13088 Total</b>							4,944.00
13089	11/4/2011	DANIELSON ASSOCIATES INC	169	General Fund	Administration	Interim City Manager October 2011	15,000.00

Town of Atherton							
Checks by Date - Detail by Check Number							
For the Month of November 2011							
Check#	Check Date	Vendor Name	Invoice#	Fund	Dept	Description	Amount
<b>13089 Total</b>							15,000.00
13090	11/4/2011	FLINT EDWIN F.	11-06	General Fund	Police	Interim Police Chief service October 2011	14,500.00
<b>13090 Total</b>							14,500.00
13091	11/4/2011	GROUP 4 ARCHITECTURE, RESEARCH PLANING, INC.	8121	Library Fund	Non-Dept	Library architectural service September 2011	20,520.70
13091	11/4/2011	GROUP 4 ARCHITECTURE, RESEARCH PLANING, INC.	8157	Library Fund	Non-Dept	Library proj community meeting/travel exp, digit plotting reimb.	523.00
<b>13091 Total</b>							21,043.70
13092	11/4/2011	KIELTY KEVIN R.	2129	General Fund	Planning	Kielty arborist services 26% Planning Dept 10/3/11 - 10/31/11	2,171.00
13092	11/4/2011	KIELTY KEVIN R.	2129	General Fund	Building	Kielty arborist services 74% Building Dept 10/3/11 - 10/31/11	6,179.00
<b>13092 Total</b>							8,350.00
13093	11/4/2011	MYLES JOHN R.	201102	General Fund	Finance	Physical inventory of Assets 9/1/11 - 10/21/11 final billing	3,200.00
<b>13093 Total</b>							3,200.00
13094	11/4/2011	NEC CORPORATION OF AMERICA	TM0000027780	General Fund	Non-Dept	Change voicemail pw PD/ Remove call fwd data test Bldg 10/14/11	489.00
<b>13094 Total</b>							489.00
13095	11/4/2011	PG & E	5678831050/1011	General Fund	Administration	Ashfield/Town Hall 9/24/11 - 10/24/11	609.49
13095	11/4/2011	PG & E	5678831560/1011	General Fund	Planning	Station Lane 9/24/11 - 10/24/11	17.17
13095	11/4/2011	PG & E	5678831560/1011	General Fund	Building	Station Lane 9/24/11 - 10/24/11	102.98
13095	11/4/2011	PG & E	74579693321/101	General Fund	Police	83 Ashfield Rd PD 9/24/11 - 10/24/11	2,327.66
13095	11/4/2011	PG & E	5678831560/1011	General Fund	DPW-Engineering	Station Lane 9/24/11 - 10/24/11	51.49
13095	11/4/2011	PG & E	5678831025/1011	General Fund	DPW-Street Maint.	Signal-Middlefield/Oak Grove 9/27/11 - 10/25/11	38.22
13095	11/4/2011	PG & E	5678831015/1011	General Fund	DPW-Street Maint.	Signal E/S Middlefield 9/27/11 - 10/25/11	46.39
13095	11/4/2011	PG & E	5678831020/1011	General Fund	DPW-Street Maint.	Signal-Marsh/Middlefield 9/27/11 - 10/25/11	8.58
13095	11/4/2011	PG & E	5678831002et/10	General Fund	DPW-Street Maint.	Street Lights 10/1/11 - 10/31/11	4,059.14
13095	11/4/2011	PG & E	34579695882/101	General Fund	DPW-Street Maint.	Signal El Camino/Atherton 9/24/11 - 10/24/11	75.67
13095	11/4/2011	PG & E	5678831040/1011	General Fund	DPW-Park Maint.	Pump 150 Watkins 9/27/11 - 10/25/11	250.55
13095	11/4/2011	PG & E	08963023620/101	General Fund	DPW-Park Maint.	160 Watkins (CM House) 9/27/11 - 10/25/11	56.18
13095	11/4/2011	PG & E	5678831030/1011	General Fund	DPW-Park Program	Activity Bldg 150 Watkins 9/27/11 - 10/25/11	253.37

Town of Atherton							
Checks by Date - Detail by Check Number							
For the Month of November 2011							
Check#	Check Date	Vendor Name	Invoice#	Fund	Dept	Description	Amount
13095	11/4/2011	PG & E	5678831035/1011	General Fund	DPW-Park Program	Modular Building 150 Watkins 9/27/11 - 10/25/11	577.13
<b>13095 Total</b>							8,474.02
13096	11/4/2011	USPS	052684-01-P-046	General Fund	Non-Dept	Reimb stamp audit shortage 10/27/11	59.88
<b>13096 Total</b>							59.88
13097	11/4/2011	ALTUNA NURIA	239	General Fund		Refund park deposit Inv# 239, event date 10/26/11	250.00
<b>13097 Total</b>							250.00
13098	11/4/2011	BRYAN ERIC	234	General Fund		Refund park deposit Inv#234, event date 10/23/11	250.00
<b>13098 Total</b>							250.00
13099	11/4/2011	DAVEY III JOHN	075	General Fund		Refund park deposit Inv#075, event date 10/23/11	250.00
<b>13099 Total</b>							250.00
13100	11/4/2011	DORE PAMELA	216	General Fund		Refund park deposit Inv# 216, event date 10/21/11	250.00
<b>13100 Total</b>							250.00
13101	11/4/2011	MCFADDEN FONTAINE	240	General Fund		Refund park deposit Inv# 240, event date 10/26/11	250.00
<b>13101 Total</b>							250.00
13102	11/4/2011	PHILLIPS JACK	229	General Fund		Refund park deposit Inv# 229, event date 10/22/11	1,000.00
<b>13102 Total</b>							1,000.00
13103	11/4/2011	VILLA TRACI	233	General Fund		Refund park deposit Inv# 233, event date 10/19/11	250.00
<b>13103 Total</b>							250.00
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	4960/10-24-11TD	General Fund	City Council	Snacks for City Council meetings	37.47
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	4960/10-24-11TD	General Fund	City Council	Blue painter tape to tape down wires during city council meeting	8.11
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	4960/10-24-11TD	General Fund	Administration	Hanger hooks for hanging Town center concepts designs	16.83
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	4960/10-24-11TD	General Fund	Administration	Hanger hooks for hanging Town center concepts designs	16.22
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	4960/10-24-11TD	General Fund	Administration	Name plates for E. Flint and M. Kashiwagi	19.49
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	7190/10-24-11LH	General Fund	Finance	Ethics seminar L. Ho (to be refund)	99.00
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	7190/10-24-11LH	General Fund	Finance	Shuttle - CalPers education forum L. Ho	35.00

Town of Atherton							
Checks by Date - Detail by Check Number							
For the Month of November 2011							
Check#	Check Date	Vendor Name	Invoice#	Fund	Dept	Description	Amount
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	7190/10-24-11LH	General Fund	Finance	Airfare - CalPers education forum L. Ho	189.40
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	Car wash PD August 2011 & September 2011	360.00
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	Tarp/cords to cover tire rack PD	32.76
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	Returned shipping fee - flashlight PD	8.78
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	Radar/Lidar course registration fee D. Gomez PD 11-1/11 - 11/4/1	100.00
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	Discount coupon PD	(14.00)
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	(2) HP laserjet 49A black toner cartridge PD	173.18
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	(1) pk 3 volt lithium battery PD	9.19
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	(2) pk 9 volt battery PD	30.23
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	(1) pk ready index 12 tab multi PD	27.05
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	(1) ct 8.5x11 copy paper PD	51.03
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	(5) ea 1 inch view binder periwinkle PD	27.01
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	(3) pk 2 pocket port PD	12.96
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	Discount coupon PD	(25.00)

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13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	(10) pk 3 volt lithium battery PD	85.45
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	(25) Safety vests - traffic control PD	503.95
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	Monthly crime reports subscription PD 10/1/11 - 10/30/11	99.00
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	Crime prevention manuals-binding PD	148.57
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5432/10-24-11JF	General Fund	Police	(10) 24" Tri-color glowstick necklaces PD	229.90
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5408/10-24-11ST	General Fund	DPW-Street Maint.	Trench plate rentals- Monte Vista 8/29/11 - 9/12/11	405.00
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5408/10-24-11ST	General Fund	DPW-Park Program	Internet service HP Park October 2011	60.00
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5408/10-24-11ST	General Fund	DPW-Park Program	(2) Pods rental, onsite storage HP park October 2011	378.88
13104	11/4/2011	IMPAC. GOVERNMENT SERVICES	5408/10-24-11ST	General Fund	DPW-Park Program	Receipt book for park events 10/4/11	9.19
<b>13104 Total</b>							3,134.65
13105	11/9/2011	CONNERS WILLIAM B.	October2011	General Fund	City Attorney	City Attorney Retainer October 2011	6,533.33
13105	11/9/2011	CONNERS WILLIAM B.	October2011	General Fund	City Attorney	City Attorney Retainer October 2011	3,266.67
<b>13105 Total</b>							9,800.00
13106	11/17/2011	ABAG POWER PURCHASING POOL	8003967	General Fund	Administration	91 Ashfield - admin 9/24/11 - 10/24/11	33.88
13106	11/17/2011	ABAG POWER PURCHASING POOL	8003967	General Fund	Planning	Station Lane/Town Hall Planning 9/24/11 - 10/24/11	14.51
13106	11/17/2011	ABAG POWER PURCHASING POOL	8003967	General Fund	Building	Station Lane/Town Hall Bldg 9/24/11 - 10/24/11	87.07
13106	11/17/2011	ABAG POWER PURCHASING POOL	8003967	General Fund	Police	91 Ashfield - PD 9/24/11 - 10/24/11	57.69
13106	11/17/2011	ABAG POWER PURCHASING POOL	8003967	General Fund	DPW-Engineering	Station Lane/Town Hall Public Works 9/24/11 - 10/24/11	43.54

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13106	11/17/2011	ABAG POWER PURCHASING POOL	8003967	General Fund	DPW-Street Maint.	99 Dinkenspiel Corp Off/Storage 9/24/11 - 10/24/11	96.95
13106	11/17/2011	ABAG POWER PURCHASING POOL	8003967	General Fund	DPW-Park Maint.	160 WATKINS (CM House) 9/24/11 - 10/24/11	72.61
13106	11/17/2011	ABAG POWER PURCHASING POOL	8003967	General Fund	DPW-Park Program	150 Watkins HP Activities 9/27/11 - 10/25/11	90.16
13106	11/17/2011	ABAG POWER PURCHASING POOL	8003967	Library Fund	Non-Dept	2 Dinkenspiel/Sta Ln Library 9/24/11 - 10/24/11	53.80
<b>13106 Total</b>							550.21
13107	11/17/2011	ACCONTEMPS	34237155	General Fund	Finance	Temp Phonpradith, Noy 10/24/11 - 10/27/11	1,279.36
<b>13107 Total</b>							1,279.36
13108	11/17/2011	AT&T CALNET 2	000002760999	General Fund	Non-Dept	0600 PBX line system 9/27/11 - 10/26/11	111.90
13108	11/17/2011	AT&T CALNET 2	000002773239	General Fund	Non-Dept	4859 HP main house 10/1/11 - 10/31/11	58.11
13108	11/17/2011	AT&T CALNET 2	000002719455	General Fund	Non-Dept	2677 Park elevator 9/10/11 - 10/09/11	15.36
13108	11/17/2011	AT&T CALNET 2	000002721906	General Fund	Non-Dept	1470 PW Corp yard 9/11/11 - 10/10/11	22.50
13108	11/17/2011	AT&T CALNET 2	000002760998	General Fund	Police	0280 Disaster line PD 9/27/11 - 10/26/11	210.54
13108	11/17/2011	AT&T CALNET 2	000002760997	General Fund	Police	0686 Alarm PD shed 9/27/11 - 10/26/11	15.60
<b>13108 Total</b>							434.01
13109	11/17/2011	CA DEPT JUSTICE ACCOUNTING OFF	877257	General Fund	DPW-Park Maint.	Fingerprint apps DPW Park maint.	32.00
<b>13109 Total</b>							32.00
13110	11/17/2011	CAL WATER SERVICE	62126158/10-11	General Fund	City Council	94 Ashfield 9/3/11 - 10/4/11	345.39
13110	11/17/2011	CAL WATER SERVICE	91512699/10-11	General Fund	Planning	Station Lane Meter 9/3/11 - 10/4/11	2.38
13110	11/17/2011	CAL WATER SERVICE	91512699/10-11	General Fund	Building	Station Lane Meter 9/3/11 - 10/4/11	14.29
13110	11/17/2011	CAL WATER SERVICE	91512664/10-11	General Fund	Police	83 Ashfield 9/3/11 - 10/4/11	96.43
13110	11/17/2011	CAL WATER SERVICE	91512699/10-11	General Fund	DPW-Engineering	Station Lane Meter 9/3/11 - 10/4/11	7.15
13110	11/17/2011	CAL WATER SERVICE	62051509/10-11	General Fund	DPW-Street Maint.	Alameda/Atherton 9/3/11 - 10/4/11	87.97
13110	11/17/2011	CAL WATER SERVICE	62051499/10-11	General Fund	DPW-Street Maint.	El Camino Real 9/3/11 - 10/4/11	170.95
13110	11/17/2011	CAL WATER SERVICE	97947324/10-11	General Fund	DPW-Street Maint.	El Camino Real (2) 9/27/11 - 10/26/11	72.42
13110	11/17/2011	CAL WATER SERVICE	62051537/10-11	General Fund	DPW-Park Program	150 Watkins 9/27/11 - 10/26/11	186.53
13110	11/17/2011	CAL WATER SERVICE	62051537FirePro	General Fund	DPW-Park Program	150 Watkins (Fire Protection) 10/1/11 - 10/31/11	29.31
13110	11/17/2011	CAL WATER SERVICE	89783897/10-11	Library Fund	Non-Dept	Maple 9/3/11 - 10/4/11	374.38
13110	11/17/2011	CAL WATER SERVICE	97127159/10-11	Library Fund	Non-Dept	2 Station Lane 9/3/11 - 10/4/11	60.11
<b>13110 Total</b>							1,447.31
13111	11/17/2011	CENTRAL MAINTENANCE COMPANY	3152-1111	General Fund	DPW-Park Maint.	Janitorial services Park November 2011	550.00

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13111	11/17/2011	CENTRAL MAINTENANCE COMPANY	3152-1111	General Fund	DPW-Building Maint.	Janitorial services PD November 2011	419.00
13111	11/17/2011	CENTRAL MAINTENANCE COMPANY	3152-1111	General Fund	DPW-Building Maint.	Janitorial services Admin November 2011	319.00
13111	11/17/2011	CENTRAL MAINTENANCE COMPANY	3152-1111	General Fund	DPW-Building Maint.	Janitorial services Building/Planning November 2011	245.00
13111	11/17/2011	CENTRAL MAINTENANCE COMPANY	3152-1111	General Fund	DPW-Building Maint.	Janitorial services Public Works November 2011	130.00
13111	11/17/2011	CENTRAL MAINTENANCE COMPANY	3152-1111	Library Fund	Non-Dept	Janitorial services Library November 2011	332.00
<b>13111 Total</b>							1,995.00
13112	11/17/2011	CITY OF REDWOOD CITY	BR26503	General Fund	Police	PM service oil/air filter, lubricant Camry hybrid PD	141.36
13112	11/17/2011	CITY OF REDWOOD CITY	BR26503	General Fund	Police	PM service oil filter, lubricant Crown Victoria patrol PD	263.83
13112	11/17/2011	CITY OF REDWOOD CITY	BR26503	General Fund	Police	Repair asphalt stuck under radiator Crown Victoria patrol PD	59.75
13112	11/17/2011	CITY OF REDWOOD CITY	BR26503	General Fund	Police	PM service oil/air filter, lubricant Crown Victoria patrol PD	272.68
13112	11/17/2011	CITY OF REDWOOD CITY	BR26503	General Fund	Police	Repair axel seal, fix spot lights, oil cooler Crown Victoria PD	449.14
13112	11/17/2011	CITY OF REDWOOD CITY	BR26503	General Fund	Police	Replace flat tire, mount balance patrol PD	160.33
13112	11/17/2011	CITY OF REDWOOD CITY	BR26503	General Fund	Police	Replace right rear brake light bulb command unit PD	23.90
13112	11/17/2011	CITY OF REDWOOD CITY	BR26503	General Fund	Police	Replace alternator, charge battery Crown Victoria PD	524.92
13112	11/17/2011	CITY OF REDWOOD CITY	BR26503	General Fund	Police	Replace front tires, fix rear grab handle 2008 Ford Taurus PD	443.49
13112	11/17/2011	CITY OF REDWOOD CITY	BR26503	General Fund	Police	Replace break pad, spark plug and boots Crown Victoria- sgt PD	1,735.48
13112	11/17/2011	CITY OF REDWOOD CITY	BR26503	General Fund	Police	PM services trans/fuel filter, lubricant Crown victoria- sgt PD	554.94
13112	11/17/2011	CITY OF REDWOOD CITY	BR26503	General Fund	Police	Replace cooling fan and thermostat Crown victoria patrol PD	178.60
<b>13112 Total</b>							4,808.42
13113	11/17/2011	CITY OF REDWOOD CITY	BR26530	General Fund	Police	Fuel charge PD 9/16/11 - 10/15/11	4,310.90

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13113	11/17/2011	CITY OF REDWOOD CITY	BR26530	General Fund	DPW-Engineering	Fuel charge DPW Engineering 9/16/11 - 10/15/11	61.85
<b>13113 Total</b>							4,372.75
13114	11/17/2011	COLANTUONO & LEVIN PC	22427	General Fund	City Attorney	Telephone call regarding audit letter FY 2011	23.50
13114	11/17/2011	COLANTUONO & LEVIN PC	22427	General Fund	City Attorney	Finalize audit letter FY 2011	47.00
13114	11/17/2011	COLANTUONO & LEVIN PC	22427	General Fund	City Attorney	Copies & fax costs FY 2011	3.90
<b>13114 Total</b>							74.40
13115	11/17/2011	COUNTY OF SAN MATEO	AC1112-Atherton	General Fund	Police	Costs for FY 2011-12 share Animal Control Costs	52,175.00
<b>13115 Total</b>							52,175.00
13116	11/17/2011	COUNTY OF SANTA CLARA EMPL RELATI	FY2011-2012	General Fund	Administration	Bay Area Employee Relations Service membership fee FY 2011- 12	3,768.00
<b>13116 Total</b>							3,768.00
13117	11/17/2011	CRUZ MENNY	061	General Fund		Refund park deposit Inv#061 event date 10/29/11	1,000.00
<b>13117 Total</b>							1,000.00
13118	11/17/2011	DORCY BEN	102711APD	General Fund	Police	Recertification for CPR/First Aid includes basic life support	540.00
<b>13118 Total</b>							540.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Pavilion & Main house for Reception Inv# 075 10/23/11	2,250.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Carriage house for Reception Inv# 234 10/23/11	150.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Pavilion for Reception Inv# 240 10/26/11	300.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Carriage house for Dinner Inv# 239 10/26/11	150.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Pavilion for SHP Retreat Inv# 220 10/28/11	250.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Pavilion for Reception Inv# 061 10/29/11	1,000.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Pavilion for Team Development Inv# 228 10/6/11	250.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Carriage house for Retreat Inv# 230 10/8/11	225.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Carriage house for Birthday party Inv# 215 10/9/11	125.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Main house Course certified Inv# 205 10/10/11 - 10/14/11	1,000.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Pavilion for Tea Inv# 213 10/18/11	200.00

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13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Carriage house for Genentech INv# 233 10/19/11	125.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental 4 hours labor for ACIL 10/20/11	100.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Main house for SHP Retreat Inv# 219 10/21/11	200.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Pavilion for University of Wash. Inv# 218 10/21/11	250.00
13119	11/17/2011	FOODVILLE MEAT, INC.	1208	General Fund	DPW-Park Program	Rental Pavilion for Anniversary Inv# 229 10/22/11	1,000.00
<b>13119 Total</b>							7,575.00
13120	11/17/2011	GOMEZ DAVID	Nov1-4, 2011	General Fund	Police	Meal Radar/Lidar training D. Gomez PD 11/4/11	17.37
13120	11/17/2011	GOMEZ DAVID	Nov1-4, 2011	General Fund	Police	Mileage Radar/Lidar training D. Gomez PD 11/1/11 - 11/4/11	158.40
<b>13120 Total</b>							175.77
13121	11/17/2011	HEROPOULOS CHRISTINA	BP11-00371	General Fund		Refund recycling deposit BP11-00371, 465 Walsh Rd.	1,000.00
13121	11/17/2011	HEROPOULOS CHRISTINA	BP11-00728	General Fund		Refund recycling - demo deposit BP11-00728, 465 Walsh Rd.	1,000.00
<b>13121 Total</b>							2,000.00
13122	11/17/2011	KREFELD'S AWARDS, INC	22266	General Fund	Police	Plate engraved for employee board B. Lane PD	24.36
<b>13122 Total</b>							24.36
13123	11/17/2011	LSA ASSOCIATES, INC.	110744	Library Fund	Non-Dept	Environmental consulting service Library proj September 2011	3,210.00
<b>13123 Total</b>							3,210.00
13124	11/17/2011	MASSIHPOUR SHAHRIAR	39357	Road Const. Impact Fee		Replace stale check# 11892	2,704.09
<b>13124 Total</b>							2,704.09
13125	11/17/2011	MAZE & ASSOCIATES	788	General Fund	Finance	FY 2011 State Controller Report/Town	5,650.00
13125	11/17/2011	MAZE & ASSOCIATES	788	Ath Channel Drainage Dt	DPW-Engineering	FY 2011 State Controller Report Atherton Channel Drainage	2,310.00
<b>13125 Total</b>							7,960.00
13126	11/17/2011	METRO MOBILE COMMUNICATIONS INC	33359	General Fund	Police	Remote mount TK890 mobile radio PD	4,662.93
13126	11/17/2011	METRO MOBILE COMMUNICATIONS INC	33359	General Fund	Police	KCT-18 Ignition sense kit PD	29.66
13126	11/17/2011	METRO MOBILE COMMUNICATIONS INC	33359	General Fund	Police	L-917 Hot microphone modification PD	36.81

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<b>13126 Total</b>							4,729.40
13127	11/17/2011	MUNISERVICES LLC	BoyntonConst	General Fund		Business license Boynton Construction, Inc.	250.00
13127	11/17/2011	MUNISERVICES LLC	CobraElectric	General Fund		Business License Cobra Electric	100.00
<b>13127 Total</b>							350.00
13128	11/17/2011	NEAL MARTIN & ASSOCIATES	1169	General Fund	Pass-through	Menlo School pass - through 9/1/11 - 9/30/11	413.88
13128	11/17/2011	NEAL MARTIN & ASSOCIATES	1169	General Fund	Pass-through	Sacred Heart pass - through 9/1/11 - 9/30/11	526.75
13128	11/17/2011	NEAL MARTIN & ASSOCIATES	1169	General Fund	Planning	Contract Planner services 9/1/11 - 9/30/11	9,617.65
13128	11/17/2011	NEAL MARTIN & ASSOCIATES	1170	General Fund	Planning	Housing element planning services 9/1/11 - 9/30/11	431.63
13128	11/17/2011	NEAL MARTIN & ASSOCIATES	1171	Library Fund	Non-Dept	Library relocation planning services 9/1/11 - 9/30/11	1,254.63
<b>13128 Total</b>							12,244.54
13129	11/17/2011	OFFICE TEAM	34260331	General Fund	Administration	Temp help bulk mailing for garbage ordinance/PD message	154.00
13129	11/17/2011	OFFICE TEAM	34241151	General Fund	Administration	Temp help bulk mailing for garbage ordinance/PD message	154.00
<b>13129 Total</b>							308.00
13130	11/17/2011	PENINSULA UNIFORMS & EQUIPMENT	69100	General Fund	Police	2 pants - DARE Volunteers	173.09
13130	11/17/2011	PENINSULA UNIFORMS & EQUIPMENT	69100	General Fund	Police	1 Jacket - zipper repair - DARE vol.	25.98
<b>13130 Total</b>							199.07
13131	11/17/2011	SACRED HEART SCHOOLS	219	General Fund		Refund park deposit Inv# 219 event date 10/21/11	250.00
<b>13131 Total</b>							250.00
13132	11/17/2011	SAN MATEO CNTY CONTROLLERS OFFICE	October 2011	General Fund		Allocation of parking penalties PD October 2011	403.50
<b>13132 Total</b>							403.50
13133	11/17/2011	SAN MATEO CNTY SHERIFF'S OFFIC	Dec6-7,2011	General Fund	Police	Driver training update course J. Wheaton PD 12/6/11 - 12/7/11	450.00
<b>13133 Total</b>							450.00
13134	11/17/2011	SHANKAR MAMATHA	BP11-00114	General Fund		Refund recycling deposit BP11-00114, 211 Greenoaks Dr.	1,000.00
<b>13134 Total</b>							1,000.00
13135	11/17/2011	SHARP ELECTRONICS CORPORATION	C716429-541	General Fund	Administration	Sharp MXM550N copies Admin 9/16/11 - 10/16/11	194.56
<b>13135 Total</b>							194.56

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13136	11/17/2011	TAPIA CONSTRUCTION AND RESTORATION	BP11-00400	General Fund		Refund Demolition deposit BP11-00400, 187 James Ave.	6,787.50
<b>13136 Total</b>							6,787.50
13137	11/17/2011	TURBO DATA SYSTEMS INC	18296	General Fund	Police	Citation processing September & October 2011	70.52
<b>13137 Total</b>							70.52
13138	11/17/2011	UNIFIRST CORPORATION	3850005807	General Fund	DPW-Street Maint.	Lost uniform J.Andrade DPW Street maint. Final bill 9/22/11	70.13
13138	11/17/2011	UNIFIRST CORPORATION	3850005807	General Fund	DPW-Street Maint.	Lost uniform E.Lopez DPW Street maint. Final bill 9/22/11	31.67
13138	11/17/2011	UNIFIRST CORPORATION	3850005807	General Fund	DPW-Street Maint.	Environmental Fee DPW Street maint. Final bill 9/22/11	7.00
13138	11/17/2011	UNIFIRST CORPORATION	3850002793	General Fund	DPW-Street Maint.	Uniform service B.Butler DPW Street Maint. 8/18/11	15.84
13138	11/17/2011	UNIFIRST CORPORATION	3850002793	General Fund	DPW-Street Maint.	Environmental Fee DPW Street Maint. 8/18/11	7.00
13138	11/17/2011	UNIFIRST CORPORATION	3850002793	General Fund	DPW-Street Maint.	Uniform service J.Andrade DPW Street Maint. 8/18/11	15.84
13138	11/17/2011	UNIFIRST CORPORATION	3850002793	General Fund	DPW-Street Maint.	Uniform service E.Lopez DPW Street Maint. 8/18/11	15.84
13138	11/17/2011	UNIFIRST CORPORATION	3850002793	General Fund	DPW-Street Maint.	Uniform service B. Butler DPW Street Maint. 8/18/11	15.84
13138	11/17/2011	UNIFIRST CORPORATION	3850003995	General Fund	DPW-Park Program	Uniform service M.Anderson DPW Park Prgram 9/1/11	1.42
13138	11/17/2011	UNIFIRST CORPORATION	3850003995	General Fund	DPW-Park Program	Uniform service R.Espino DPW Park Program 9/1/11	18.07
13138	11/17/2011	UNIFIRST CORPORATION	3850003995	General Fund	DPW-Park Program	Environmental Fee DPW Park Program 9/1/11	7.00
13138	11/17/2011	UNIFIRST CORPORATION	3850005807	General Fund	DPW-Park Program	Lost dry Mops 36" DPW Park Program Final bill 9/22/11	34.57
13138	11/17/2011	UNIFIRST CORPORATION	3850005807	General Fund	DPW-Park Program	Lost dry Mop 48" DPW Park Program Final bill 9/22/11	41.48
<b>13138 Total</b>							281.70
13139	11/17/2011	WILLIAMS SCOTSMAN, INC	96002747	General Fund	Police	Trailer rental PD 10/29/11 - 11/28/11	698.33
<b>13139 Total</b>							698.33
13140	11/17/2011	WITMER-TYSON IMPORTS INC	T8900	General Fund	Police	Monthly K-9 maintenance training PD October 2011	500.00
13140	11/17/2011	WITMER-TYSON IMPORTS INC	T8900	General Fund	Police	Dog food PD October 2011	59.54
<b>13140 Total</b>							559.54

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For the Month of November 2011							
Check#	Check Date	Vendor Name	Invoice#	Fund	Dept	Description	Amount
13141	11/17/2011	BAUMGARTNER MELODY	235	General Fund		Refund park deposit Inv# 235 event date 11/11/2011	250.00
<b>13141 Total</b>							250.00
13142	11/17/2011	CANTY KAREN	231	General Fund		Refund park deposit Inv# 231 event date 11/10/11	250.00
<b>13142 Total</b>							250.00
13143	11/17/2011	NISHIMURA DWIGHT	241	General Fund		Refund park deposit Inv# 241 event date 11/13/11	250.00
<b>13143 Total</b>							250.00
13144	11/17/2011	USPS	November 2011	Library Fund	Non-Dept	Bulk mailing for library project 11/22/11	365.29
<b>13144 Total</b>							365.29
13145	11/23/2011	AFLAC		General Fund		PR Batch 501 11 2011 AFLAC Accident Indemnity	186.66
13145	11/23/2011	AFLAC		General Fund		PR Batch 501 11 2011 AFLAC Cancer Ins	176.28
13145	11/23/2011	AFLAC		General Fund		PR Batch 501 11 2011 AFLAC Dental Ins PreTx	109.43
13145	11/23/2011	AFLAC		General Fund		PR Batch 501 11 2011 AFLAC Hospital Indemnity	76.76
13145	11/23/2011	AFLAC		General Fund		PR Batch 501 11 2011 AFLAC Intensive Care	24.39
13145	11/23/2011	AFLAC		General Fund		PR Batch 501 11 2011 AFLAC Specified Health	27.90
13145	11/23/2011	AFLAC		General Fund		PR Batch 501 11 2011 AFLAC-STD After Tax	41.35
13145	11/23/2011	AFLAC		General Fund		PR Batch 502 11 2011 AFLAC Accident Indemnity	186.66
13145	11/23/2011	AFLAC		General Fund		PR Batch 502 11 2011 AFLAC Cancer Ins	176.28
13145	11/23/2011	AFLAC		General Fund		PR Batch 502 11 2011 AFLAC Dental Ins PreTx	109.43
13145	11/23/2011	AFLAC		General Fund		PR Batch 502 11 2011 AFLAC Hospital Indemnity	76.76
13145	11/23/2011	AFLAC		General Fund		PR Batch 502 11 2011 AFLAC Intensive Care	24.39
13145	11/23/2011	AFLAC		General Fund		PR Batch 502 11 2011 AFLAC Specified Health	27.90
13145	11/23/2011	AFLAC		General Fund		PR Batch 502 11 2011 AFLAC-STD After Tax	41.35
<b>13145 Total</b>							1,285.54
13146	11/23/2011	AFLAC		General Fund		PR Batch 501 10 2011 Flex Participation Fee - ER	25.00
13146	11/23/2011	AFLAC		General Fund		PR Batch 501 10 2011 Flex Participation Fee - EE	37.50
13146	11/23/2011	AFLAC	October 2011	General Fund	Police	Adj. admin fee for S. Pardorla October 2011	12.50
<b>13146 Total</b>							75.00
13147	11/23/2011	TEAMSTERS UNION LOCAL 856		General Fund		PR Batch 501 11 2011 Teamsters Dues	80.31
13147	11/23/2011	TEAMSTERS UNION LOCAL 856		General Fund		PR Batch 502 11 2011 Teamsters Dues	80.31
<b>13147 Total</b>							160.62
13148	11/23/2011	MOHR DAVIDLOW VENTURES	075	General Fund		Refund park deposit Inv# 075, 10/23/11	1,000.00
<b>13148 Total</b>							1,000.00
13149	11/23/2011	ACCOUNTEMPS	34331227	General Fund	Finance	Temp Phonpradith, Noy 11/7/11 - 11/10/11	1,279.36
<b>13149 Total</b>							1,279.36
13150	11/23/2011	AT&T CALNET 2	000002796264	General Fund	Police	1804 Dispatch fax PD 10/10/11 - 11/09/11	15.35
13150	11/23/2011	AT&T CALNET 2	000002794734	General Fund	Police	7653 Fax request service PD 10/10/11 - 11/09/11	14.38
13150	11/23/2011	AT&T CALNET 2	000002794738	General Fund	Police	6500 Main line PD 10/10/11 - 11/09/11	489.80
13150	11/23/2011	AT&T CALNET 2	000002794732	General Fund	Police	6131 Emergency line PD 10/10/11 - 11/09/11	103.20
13150	11/23/2011	AT&T CALNET 2	000002794099	General Fund	Police	9297 Dinkelspiel alarm line PD 10/10/11 - 11/09/11	15.63

Town of Atherton							
Checks by Date - Detail by Check Number							
For the Month of November 2011							
Check#	Check Date	Vendor Name	Invoice#	Fund	Dept	Description	Amount
13150	11/23/2011	AT&T CALNET 2	000002794733	General Fund	Police	6452 Voice print-911 PD 10/10/11 - 11/09/11	15.62
13150	11/23/2011	AT&T CALNET 2	000002794735	General Fund	Police	2801 Trailer PD 10/10/11 - 11/09/11	155.26
13150	11/23/2011	AT&T CALNET 2	000002794736	General Fund	Police	3220 Fax admin PD 10/10/11 - 11/09/11	15.62
13150	11/23/2011	AT&T CALNET 2	000002794737	General Fund	Police	9743 Direct connect fax line PD 10/10/11 - 11/09/11	16.40
13150	11/23/2011	AT&T CALNET 2	000002773237	General Fund	Police	5396 ESL service line PD 10/01/11 - 10/31/11	60.60
13150	11/23/2011	AT&T CALNET 2	000002797598	General Fund	DPW-Street Maint.	1470 PW Corp Yard 10/11/11 - 11/10/11	22.58
13150	11/23/2011	AT&T CALNET 2	000002795116	General Fund	DPW-Park Program	2677 Park elevator 10/10/11 - 11/09/11	15.42
<b>13150 Total</b>							939.86
13151	11/23/2011	BURKE,WILLIAMS&S ORENSEN LLP	147918	General Fund	City Attorney	Fees for professional services rendered June 2011	1,490.04
<b>13151 Total</b>							1,490.04
13152	11/23/2011	CITY OF REDWOOD CITY	BR26467	General Fund	Non-Dept	IT support services 22 hours for September 2011	3,098.70
<b>13152 Total</b>							3,098.70
13153	11/23/2011	DALUGDUG AARON	234	General Fund	City Council	Rental (2) speaker council meeting	90.00
13153	11/23/2011	DALUGDUG AARON	234	General Fund	City Council	Rental amplifier council meeting	100.00
13153	11/23/2011	DALUGDUG AARON	234	General Fund	City Council	Rental (2) wireless microphone council meeting	130.00
13153	11/23/2011	DALUGDUG AARON	234	General Fund	City Council	Rental (8) handheld microphone & stand council meeting	200.00
13153	11/23/2011	DALUGDUG AARON	234	General Fund	City Council	Rental tape recorder council meeting	25.00
13153	11/23/2011	DALUGDUG AARON	234	General Fund	City Council	Labor for setup and tear down equip. council meeting	25.00
<b>13153 Total</b>							570.00
13154	11/23/2011	DUNBAR ARMORED INC	2976210	General Fund	Finance	Armored car services fee November 2011	100.00
13154	11/23/2011	DUNBAR ARMORED INC	2976210	General Fund	Finance	Armored car services fuel surcharge fee November 2011	15.35
13154	11/23/2011	DUNBAR ARMORED INC	2976210	General Fund	Non-Dept	Armored car services maintenance fee November 2011	10.66
<b>13154 Total</b>							126.01
13155	11/23/2011	EDH, INC.	360309	General Fund	Police	DARE supplies; balls, shirts.	73.44
<b>13155 Total</b>							73.44
13156	11/23/2011	MCE CORPORATION	1110092	General Fund	DPW-Street Maint.	Street maintenance services October 2011	15,019.88
13156	11/23/2011	MCE CORPORATION	1110092	General Fund	DPW-Park Maint.	Park maintenance services October 2011	9,158.07
13156	11/23/2011	MCE CORPORATION	1110092	General Fund	DPW-Building Maint.	Facilities maintenance services October 2011	3,832.57
13156	11/23/2011	MCE CORPORATION	1110092	Tennis Fund	DPW-Park Program	Tennis court maintenance services October 2011	209.15
13156	11/23/2011	MCE CORPORATION	1110092	Library Fund	Non-Dept	Library maintenance services October 2011	189.58
<b>13156 Total</b>							28,409.25
13157	11/23/2011	PRIMA PRINTING	11370	General Fund	Police	Dog tags - DARE program	348.49
<b>13157 Total</b>							348.49

Town of Atherton							
Checks by Date - Detail by Check Number							
For the Month of November 2011							
Check#	Check Date	Vendor Name	Invoice#	Fund	Dept	Description	Amount
13158	11/23/2011	RECALL SECURE DESTRUCTION SERV	2303029487	General Fund	Police	Shred document PD 9/23/11	48.00
13158	11/23/2011	RECALL SECURE DESTRUCTION SERV	2303029487	General Fund	Police	Shred document PD 10/07/11	48.00
13158	11/23/2011	RECALL SECURE DESTRUCTION SERV	2303029487	General Fund	Police	Shred document PD 10/21/11	48.00
13158	11/23/2011	RECALL SECURE DESTRUCTION SERV	2303029487	General Fund	Police	Shred document security admin fee PD 10/21/11	15.00
<b>13158 Total</b>							159.00
13159	11/23/2011	RENNE SLOAN HOLTZMAN SAKAI LLP	19657	General Fund	Administration	2011 Labor negotiations services October 2011	547.47
<b>13159 Total</b>							547.47
13160	11/23/2011	REPUBLIC ITS INC	RR-121417	General Fund	DPW-Street Maint.	Traffic signal maintenance Middlefield/Encinal 10/10/11	104.67
13160	11/23/2011	REPUBLIC ITS INC	RR-121417	General Fund	DPW-Street Maint.	Traffic signal maintenance Middlefield/Marsh 10/10/11	104.67
13160	11/23/2011	REPUBLIC ITS INC	RR-121417	General Fund	DPW-Street Maint.	Traffic signal maintenance Middlefield/Oak Grove 10/10/11	104.67
<b>13160 Total</b>							314.01
13161	11/23/2011	SAN MATEO CNTY INFO SERV DEPT	1YAT11110	General Fund	Police	Microwave micro channel PD October 2011	152.00
13161	11/23/2011	SAN MATEO CNTY INFO SERV DEPT	1YAT11110	General Fund	Police	Message switch lines PD October 2011	1,154.08
<b>13161 Total</b>							1,306.08
13162	11/23/2011	STATE WATER RESOURCES CONTROL BOARD	WD-0068314	General Fund	DPW-Engineering	State Water Resources Control Board permit fee 7/1/11 - 6/30/12	4,852.00
<b>13162 Total</b>							4,852.00
13163	11/23/2011	TEAMSTERS LOCAL 856 H & W	Jun - Aug 2011	General Fund	Finance	Dental insurance adj. L. Colliau June - August 2011	432.00
<b>13163 Total</b>							432.00
13164	11/23/2011	TELECOMMUNICATIO NS ENGINEERING	41563	General Fund	Police	Facility mgmt and Maint for public safety communications center	934.00
<b>13164 Total</b>							934.00
13165	11/30/2011	ACCONTEMPS	34282952	General Fund	Finance	Temp Phonpradith, Noy 10/31/11 - 11/3/11	1,279.36
13165	11/30/2011	ACCONTEMPS	34383081	General Fund	Finance	Temp Phonpradith, Noy 11/14/11 - 11/17/11	1,279.36
<b>13165 Total</b>							2,558.72
13166	11/30/2011	AT&T CALNET 2	000002776051	General Fund	Non-Dept	4866 Fax post office credit card Admin 10/1/11 - 10/31/11	15.30
13166	11/30/2011	AT&T CALNET 2	000002773240	General Fund	Non-Dept	4866 Fax post office credit card Admin 10/1/11 - 10/31/11	0.31
<b>13166 Total</b>							15.61
13167	11/30/2011	CALIFORNIA KITCHEN	IRB11-00191	General Fund		Refund planning fee withdrawn IRB11-00191, 1 James Ave.	1,435.00

Town of Atherton							
Checks by Date - Detail by Check Number							
For the Month of November 2011							
Check#	Check Date	Vendor Name	Invoice#	Fund	Dept	Description	Amount
13167	11/30/2011	CALIFORNIA KITCHEN	BP11-00870	General Fund		Refund building plan review withdrawn BP11-00870, 1 James Ave.	980.82
<b>13167 Total</b>							2,415.82
13168	11/30/2011	COMCAST	0122498/1111	General Fund	Non-Dept	50mg Business class HSI 11/21/11 - 12/20/11	189.95
13168	11/30/2011	COMCAST	0122498/1111	General Fund	Non-Dept	13 Static IP 11/21/11 - 12/20/11	19.95
<b>13168 Total</b>							209.90
13169	11/30/2011	CONNERS WILLIAM B.	November2011	General Fund	City Attorney	City Attorney Retainer November 2011	9,800.00
<b>13169 Total</b>							9,800.00
13170	11/30/2011	CUTWATER INVESTOR SERVICES CORP.	15503A	General Fund	Finance	Investment advisory services 10/1/11 - 10/31/11	1,000.00
<b>13170 Total</b>							1,000.00
13171	11/30/2011	FLINT EDWIN F.	11-07	General Fund	Police	Interim Police Chief November 2011	14,500.00
<b>13171 Total</b>							14,500.00
13172	11/30/2011	G. BORTOLOTTO & CO	Retention	Gas Tax		2011 Spring patching project.- retention	10,398.22
<b>13172 Total</b>							10,398.22
13173	11/30/2011	J & N PRINTING	9322	General Fund	Building	(500) 8.5X11 Inspection record cards	96.34
13173	11/30/2011	J & N PRINTING	9333	General Fund	Building	(100) 8.5X11 3-pt construction site inspection reports	80.11
<b>13173 Total</b>							176.45
13174	11/30/2011	KESSLER ANDY	BP10-00465	General Fund		Refund grading & drainage deposit BP10-00465, 75 Catalpa Dr.	1,000.00
<b>13174 Total</b>							1,000.00
13175	11/30/2011	MAZE & ASSOCIATES	835	General Fund	Finance	Field work audit - FY2011	16,000.00
13175	11/30/2011	MAZE & ASSOCIATES	835	Measure A	DPW-Engineering	Measure A audit - FY2011	1,300.00
<b>13175 Total</b>							17,300.00
13176	11/30/2011	MUNISERVICES LLC	MealsOnWheels	General Fund		Bus Lic Meals on Wheels	50.00
<b>13176 Total</b>							50.00
13177	11/30/2011	PITNEY BOWES INC	636207	General Fund	Non-Dept	Rental DM series postage meter 12/16/11 - 3/15/11	165.00
<b>13177 Total</b>							165.00
13178	11/30/2011	SAN MATEO REGIONAL NETWORK INC	19860	General Fund	Police	Monthly T-1 access service fee November 2011	385.00
<b>13178 Total</b>							385.00
13179	11/30/2011	SHARP ELECTRONICS CORPORATION	C717931-541	General Fund	Administration	Sharp MXM550N copies Admin 10/16/11 - 11/16/11	80.69
<b>13179 Total</b>							80.69
<b>Grand Total</b>							370,365.21



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: JOHN H. DANIELSON, INTERIM CITY MANAGER**

**DATE: FOR THE MEETING OF DECEMBER 21, 2011**

**SUBJECT: APPROVAL OF LETTER TO CALPERS EXTENDING TIME OF PERFORMANCE FOR INTERIM CITY MANAGER AND AMEND CONTRACT TO INCLUDE ADDITIONAL TIME AS DEFINED BY CALPERS**

#### **RECOMMENDATION:**

1. City Council sign the letter of extension to the CalPERS Board.
2. City Council direct the City Attorney to amend the Interim City Manager contract to include additional time as defined by CalPERS and direct the Mayor to authorize the contract extension.

#### **INTRODUCTION:**

In light of the Town's transitional staffing situation, it becomes more important that the current Interim City Manager not leave until an acceptable replacement has been found. Unfortunately CalPERS has adopted a new policy towards retired annuitants that limits the amount of time that can be spent with one employer. CalPERS does offer some relief from this in the form of a letter of appeal from the governing body of the employer, in this case the Atherton City Council to the CalPERS Board asking for an extension.

#### **FISCAL IMPACT:**

\$15,000 per month by contract.



**Office of the City Manager  
Town of Atherton**

**91 Ashfield Road  
Atherton, California 94027  
Phone: (650) 752-0500  
Fax: (650) 614-1212**

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December 22, 2011

California Public Employees' Retirement System  
Attn: Rob Feckner, President  
Board of Administration  
P.O. Box 942711  
Sacramento, CA 94229-2711

**Subject: Resolution requesting an extension of employment for retired annuitant, John Danielson, pursuant to Government Code Section 21221 (h).**

Dear President Feckner and Boardmembers,

On December 21, 2011 the City Council of the Town of Atherton passed resolution 11-xx, a copy of which is attached, formally requesting the CalPERS Board of Administration grant an extension of interim employment up to an additional 12 months and not to exceed 960 hours without reinstatement from retirement or loss or interruption of benefits provided by this system to retired annuitant, John Danielson, in accordance with Government Code Section 21221 (h). The reasons for such an extension which we believe to be critical and urgent are set forth following.

Mr. Danielson was retained In December, 2010, as interim City Manager at a time when the Town of Atherton was in both a fiscal and administrative crisis. The Town projected a budget shortfall of \$855,000 and fund balances were declining at an alarming rate. Further, the Town had experienced an unprecedented loss of senior employees to retirements or other agencies. That situation has actually deteriorated during the past year, and at present, the key positions of Police Chief, Finance Director, Public Works Director, and Building Official are filled with interim or new contract employees. We have no Assistant City Manager, no City Clerk, and 13 of 16 general employees were laid off due to financial constraints. In short, we are in the middle of a fiscal restructuring that has been orchestrated and planned by Mr. Danielson. We have a new interim Finance Director that began work for the Town on December 9, 2011, and it is hoped she will become the full-time Director once other commitments are fulfilled. We are in the middle of contract negotiations with the Police Department personnel, and it is imperative that Mr. Danielson, who is the only Town employee intimately familiar with the process and details of negotiations to date, remain engaged.

In short, Mr. Danielson, working with the City Council, has begun a reformation of the Town's operations in a way that will hopefully lead us from the brink of financial catastrophe. It would be a substantial blow to this work in progress if he were forced to leave at the present time.

It should also be noted that the interim City Manager incurred a serious medical problem that required surgical intervention in November, cutting short his availability to perform his important duties as outlined above for much of the final two months of this year. It is doubtful he would have been able to complete many of the critical tasks that remain unfinished had been fully available, but this medical interference has imposed a substantial hardship on the Town because of his unexpected absence during recovery.

Additionally, the Town of Atherton is involved in several major lawsuits where Mr. Danielson will be a key witness for the Town. In fact, he may be the only witness, since it the matters involve actions taken during his tenure and under his direction, and his availability will be key both before and during the trials of these matters.

Mr. Danielson has made significant progress in resolving the Town's fiscal crisis and in providing leadership to departments that lack senior staff. Requiring termination of Mr. Danielson's contract with the Town at this point in time would have potentially devastating impacts on the organization. An extension of time would allow Mr. Danielson to complete his assigned tasks and help the Town find permanent replacements, not just for the critical position of City Manager, but for the other senior management positions that remain to be filled in the upcoming fiscal year.

The Town Council of Atherton therefore respectfully requests that the CalPERS Board of Administration grant Mr. Danielson an extension of time as not to exceed the requested extension outlined above.

Sincerely,

Jim Dobbie  
Mayor

**TOWN OF ATHERTON**

cc: Atherton City Council

Attachment: Resolution 11-xx

**RESOLUTION NO. 11-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF  
ATHERTON REQUESTING AN EXTENSION OF EMPLOYMENT FOR RETIRED  
ANNUITANT, JOHN DANIELSON, PURSUANT TO GOVERNMENT CODE SECTION  
21221 (h)**

**WHEREAS,** The Town of Atherton formally requests that the California Public Employees Retirement System Board of Administration grant an extension of interim employment up to an additional 12 months and not to exceed 960 hours without reinstatement from retirement or loss or interruption of benefits provided by this system to retired annuitant, John Danielson, in accordance with Government Code Section 21221 (h).

**WHEREAS,** Mr. Danielson has made significant progress in resolving the Town's fiscal crisis and in providing leadership to several departments that lack senior staff. Requiring termination of Mr. Danielson's contract with the Town at this point in time would have potentially devastating impacts on the organization.

**WHEREAS,** The City Council of the Town of Atherton approved a letter to CalPERS formally requesting an extension of employment for Mr. Danielson.

**WHEREAS,** The letter to CalPERS details all reasons the Town of Atherton believes to be critical in extending Mr. Danielson's employment.

**NOW, THEREFORE, BE IT RESOLVED,** that the City Council of the Town of Atherton does hereby formally request that the California Public Employees Retirement System Board of Administration grant an extension of interim employment to retired annuitant John Danielson.

**PASSED AND ADOPTED** at a meeting of the City Council of the Town of Atherton held on the 21<sup>st</sup> day of December, 2011 by the following vote:

AYES:            Council Members:  
NOES:            Council Members:  
ABSTAIN:        Council Members:  
ABSENT:         Council Members:

---

Mayor

ATTEST:

---

Theresa N. DellaSanta  
Deputy City Clerk



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
EDWIN F. FLINT, INTERIM CITY MANAGER**

**FROM: LOUISE HO, FINANCE DIRECTOR**

**DATE: FOR THE MEETING OF DECEMBER 21, 2011**

**SUBJECT: ACCEPTANCE OF FISCAL YEAR 2010-2011 BASIC FINANCIAL STATEMENTS, REPORT ON COMPLIANCE WITH THE AGREEMENT FOR DISTRIBUTION OF SAN MATEO COUNTY MEASURE A FUNDS FOR LOCAL TRANSPORTATION PURPOSE, AGREED UPON PROCEDURES REPORT ON COMPLIANCE WITH THE PROPOSITION 111 APPROPRIATIONS LIMIT, AND MEMORANDUM ON INTERNAL CONTROL AND REQUIRED COMMUNICATIONS**

### **RECOMMENDATION**

Accept FY 2010-2011 Basic Financial Statements, Report on Compliance with the Agreement for Distribution of San Mateo County Measure A Funds, Agreed Upon Procedures Report on Compliance with the Proposition 111 Appropriations Limit, and the Memorandum on Internal Control and Required Communications.

### **DISCUSSION**

The Town of Atherton selected Maze & Associates as the external auditor for FY 2008-09 and two subsequent years plus two one-year extensions. Staff is pleased to report that the FY 2010-2011 audit was done timely. The Town received an "unqualified" or "clean" opinion from Maze & Associates.

The Audit Committee reviewed and discussed all the attached reports with the audit partner from Maze & Associates on November 1, 2011. The Committee is recommending unanimously that the City Council accept the reports.

The acceptance of the audited financial reports will ensure the Town is in compliance with the Government Code which requires the Town to issue the annual audited financial reports within 180 days after the year ended. It will also close out the Traffic Congestion Relief Fund (Fund 220).

**FISCAL IMPACT**

None

Prepared by:

Approved by:

\_\_\_\_\_  
Louise Ho, Finance Director

\_\_\_\_\_  
Edwin F. Flint, Interim City Manager

Attachment:

1. FY 2010-2011 Basic Financial Statements
2. FY 2010-2011 Report on Compliance with the Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purposes
3. Agreed Upon Procedures Report on Compliance with the Proposition 111 Appropriations Limit
4. Memorandum on Internal Control and Required Communications

**TOWN OF ATHERTON, CALIFORNIA**  
**BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**Prepared by**  
**FINANCE DEPARTMENT**

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**TOWN OF ATHERTON**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2011**

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**TOWN OF ATHERTON**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2011**

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## INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS

To the City Council  
Town of Atherton, California

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Atherton as of and for the year ended June 30, 2011, as listed in the Table of Contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in *Governmental Auditing Standards* issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Atherton at June 30, 2011, and the results of its operations and the cash flows of its proprietary fund types where applicable thereof, and budgetary comparisons for major general and special revenue funds for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2011 on our consideration of the Town of Atherton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As of July 1, 2010, the Town adopted the provision of Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. As discussed in Note 7 to the financial statements, the provisions of this statement affect the classification of fund balances reported in the financial statements.

Management's Discussion and Analysis is required by the Government Accounting Standards Board, but is not part of the basic financial statements. We have applied certain limited procedures to this information, principally inquiries of management regarding the methods of measurement and presentation of this information, but we did not audit this information and we express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town of Atherton. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements, and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Maze & Associates*

October 28, 2011

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Atherton, we offer readers of the Town of Atherton's financial statements this narrative overview and analysis of the financial activities of the Town of Atherton for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here.

### FINANCIAL HIGHLIGHTS

- The assets of the Town of Atherton exceeded its liabilities at the close of the most recent fiscal year by \$45,664,098 (*net assets*). Of this amount, \$6,152,649 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$314,093. The increase is due higher building department revenues.
- As of the close of the current fiscal year, the Town of Atherton's governmental funds reported combined ending fund balances of \$16,959,562, a decrease of \$56,029 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$3,520,013, or 30.1 percent of total general fund expenditures. The Town adopted a fund balance policy of not dropping the unassigned fund balance below 20% of the actual annual operating expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town of Atherton's basic financial statements. The Town of Atherton's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Atherton's finances, in a manner similar to private-sector business.

The *Statement of Net Assets* presents information on all of the Town of Atherton's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town of Atherton is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Atherton that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Town of Atherton include general government, planning, building, public safety (Police), and public works.

The government-wide financial statements can be found on pages **12-13** of this report.

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**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Atherton, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Atherton can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Atherton maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Tax Special Revenue Fund, and Library Special Revenue Fund, all of which are considered to be major funds. The Town of Atherton also elected to include Facilities Construction Capital Projects Fund as major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Atherton adopts an annual appropriated budget for its General Fund, Special Tax Special Revenue Fund, and Library Special Revenue Fund. A budgetary comparison statement has been provided for the General Fund, Special Tax Special Revenue Fund, and Library Special Revenue Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages **16-22** of this report.

**Proprietary funds.** The Town of Atherton maintains one type of proprietary funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town of Atherton various functions. The Town of Atherton uses internal service funds to account for its fleet of vehicles and equipment, workers' compensation liability, general and employment liabilities, and employee benefits including compensated absences and other post-employment benefits other than pension. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 24-26 of this report.

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**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Atherton's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages **28** of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages **29-53** of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* providing a budgetary comparison statement for General Fund, Special Tax Special Revenue Fund, and Library Special Revenue Fund. Required supplementary information can be found on pages **20-22** of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages **56-70** of this report.

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Atherton, assets exceeded liabilities by \$45,664,098 at the close of the most recent fiscal year.

By far the largest portion of the Town of Atherton's net assets (63 percent) reflects its investment in capital assets (e.g., land, buildings, vehicles, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town of Atherton uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Atherton's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Town's of Atherton Net Assets**

	Governmental activities	
	2011	2010
Current and other assets	\$ 21,732,408	\$ 20,626,817
Capital assets	28,865,421	28,942,210
<b>Total assets</b>	<b>50,597,829</b>	<b>49,569,027</b>
Current liabilities	3,060,462	2,851,637
Noncurrent liabilities	1,873,269	1,367,385
<b>Total liabilities</b>	<b>4,933,731</b>	<b>4,219,022</b>
Net Assets:		
Invested in capital assets, net of related debt	28,785,929	28,862,718
Restricted	10,725,520	10,371,245
Unrestricted	6,152,649	6,116,042
<b>Total net assets</b>	<b>\$ 45,664,098</b>	<b>\$ 45,350,005</b>

An additional portion of the Town of Atherton net assets (23 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$6,152,649 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Atherton is able to report positive balances for all three categories of net assets related to governmental activities. The same situation held true for the prior fiscal year.

**Governmental activities.** Governmental activities increased the Town of Atherton's net assets by \$314,093. The increase was due to higher building department revenues.

### Town of Atherton's Changes in Net Assets

	Governmental activities	
	2011	2010
Revenues:		
Program revenues:		
Charges for services	\$ 2,895,492	\$ 1,783,484
Operating grants and contributions	677,424	467,302
Capital Grants and Contributions	506,273	533,582
General revenues:		
Taxes	10,502,924	10,573,623
Investment earnings	114,324	159,331
Other revenues	308,289	146,396
Total revenues	15,004,726	13,663,718
Expenses:		
General government	3,069,974	2,525,526
Public works	5,176,720	4,739,450
Police	5,089,329	5,391,165
Building	1,169,139	1,183,081
Planning	185,471	181,732
Total expenses	14,690,633	14,020,954
Change in Net Assets	314,093	(357,236)
Transfers	-	-
Net assets - Beginning	45,350,005	45,707,241
Net assets - Ending	45,664,098	45,350,005

- Charges for services increased by \$1,112,008 (62 percent) during the year. The increase was primarily due to higher building department revenues of \$495,506 and reimbursement to Road Construction Impact Fee Fund of \$902,355 from General Fund for prior years' incorrect charges. Without the refunding of \$327,972 road impact fees in FY 2011, charges for services actually increased by \$1,439,980 (81 percent).
- Operating grants and contribution increased by \$210,122 (45 percent) during the year. The increase was primarily due to higher San Mateo County Measure A revenue of \$40,361 and \$60,403 of Gas Tax revenue.
- Capital grants and contributions decreased by \$27,309 (5 percent) during the year. The decrease was primarily due to the Town's decision to stop collecting road impact fees on December 16, 2009.
- Taxes decreased by \$70,699 (0.7 percent) during the year. The decrease was primarily due to \$87,042 of business license refund income recognized in FY 2010.
- Investment earnings decreased by \$45,007 (28 percent) during the year. The decrease was primarily due to low interest environment.
- Other revenues increased by \$161,893 (111 percent) during the year. The increase was primarily due to one-time reimbursement of \$64,087 for public works repairs and \$75,655 for unclaimed property escheated.

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- General Government expense increased by \$544,448 (22 percent) during the year. The increase was primarily due to the accrual of \$337,328 expense true-up owed to Allied Waste Services and \$286,202 reimbursement to Road Construction Impact Fee Fund for prior years' incorrect administrative support charges.
  - Public Works expense increased by \$437,270 (9 percent) during the year. The increase was primarily due to \$432,713 reimbursement to Road Construction Impact Fee Fund for corporation yard construction.
  - Police expense decreased by \$301,836 (6 percent) during the year. The decrease was primarily due to two unfilled sworn positions.
  - Building expense decreased by \$13,942 (1 percent) during the year. The decrease was primarily due to salary savings.
  - Planning expense increased by \$3,739 (2 percent) during the year. The increase was primarily due to difference in how expenditures were rolled up in FY 2011. Planning expense actually decreased by \$9,784 (5 percent).

### **Financial Analysis of the Government's Funds**

As noted earlier, the Town of Atherton uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

For FY 2011, The Town adopted the provision of Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. Additional information can be found in Note 7 on pages 42 through 45 in the financial statements.

#### **Governmental funds:**

The focus of the Town of Atherton's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Atherton's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**General Fund** The general fund is the chief operating fund of the Town of Atherton. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,520,013 while total fund balance reached \$6,234,042. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30.1 percent of the total general fund expenditures, while total fund balance represents 53.3 percent of that same amount.

The fund balance of the Town of Atherton's general fund decreased by \$391,989 during the current fiscal year. Key factors in this decline are as follows:

- \$902,355 reimbursement to Construction Road Impact Fee Fund for prior years' incorrect charges.
- \$495,506 increase in building department revenues.

**Special Tax Special Revenue Fund** has a total fund balance of \$1,492,631, all of which is reserved for the street and drainage facility maintenance and polices services. Revenue in the fund showed no significant variation from prior year. Expenditure increased by \$1,369,441 of which \$1,169,939 is for Fletcher Ridgeview drainage project construction.

**Library Special Revenue Fund** has a total fund balance of \$5,574,263, all of which is

reserved for the library operation. Revenue was higher than prior year due to return of excess donor city fund.

**General Fund Budgetary Highlights**

During the year there was a \$1,289,238 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- \$902,355 to repay Road Construction Impact Fee Fund for prior years' incorrect charges.
- \$100,000 to cover higher city attorney department cost.
- \$30,000 for processing of road impact fee refunds.
- \$111,037 for building department outside plan check service.

During the year, the revenue budget increased by \$507,722. Followings are the main components of the increase:

- \$165,112 higher ERAF revenue.
- \$157,637 higher building department revenue.
- \$32,500 reimbursement for police assistance at the San Bruno fire.
- \$60,500 donations to Police Department.
- \$75,655 unclaimed property escheated.

**Capital Assets and Debt Administration**

**Capital assets.** The Town of Atherton's investment in capital assets for its governmental activities as of June 30, 2011, amounts to \$28,865,421 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings, furniture and fixtures, machinery and equipment, vehicles, streets, drainage systems, and construction in progress. Construction in progress increased by \$1,394,054 of which \$1,367,033 is for the Fletcher Ridgeview drainage project construction.

**Town of Atherton's Capital Assets  
(net of depreciation)**

	Governmental activities	
	2011	2010
Land	690,884	690,884
Construction in progress	2,062,765	668,711
Building	1,092,615	1,069,338
Other Improvements	491,177	507,996
Vehicles	363,923	379,500
Computer Equipment/Software	172,236	167,014
Furniture & Fixture	10,376	10,376
Machinery & Equipment	111,400	114,298
Infrastructure	23,870,045	25,334,093
Total Fixed Assets	28,865,421	28,942,210

Additional information about the Town's capital assets can be found in Note 5 on pages 39 through 41 in the financial statements.

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**Long-term debt.** At the end of the current fiscal year, the Town of Atherton has total debt outstanding of \$500,990.

**Town of Atherton's Outstanding Debt**

	Governmental activities	
	2011	2010
Software capital lease	48,660	72,990
Workers' compensation assessment	321,000	428,000
Total Debt	369,660	500,990

The Town of Atherton's reported \$369,660 of total debt during the current fiscal year.

- \$48,660 in capital lease with Springbrook Software for financial software licensing
- \$321,000 in assessment due to The Cities Group to cover negative workers' compensation reserve.

Additional information on the Town of Atherton's outstanding debt can be found in note 6 on page 41 – 42 of this report.

**Economic Factors and Next Year's Budgets**

At the date of publication of this report, there is continuing uncertainty regarding Town revenues for the coming fiscal year and beyond. Property taxes comprise 63% of the General Fund revenues and it appears that this will remain a stable source of revenue into the coming year. However, due to the slower than anticipated recovery in the economy, the property tax revenue is projected to increase by 2%.

The Town expects to face continued challenges in trying to maintain its moderate and responsible fiscal policies related to operating expenditures. The rising costs of employee benefits including healthcare and retirement are factors that are challenging to the Town and remain a major impediment to continuing to provide the current level of services.

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Atherton's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 91 Ashfield Road, Atherton, CA 94027 or [www.ci.atherton.ca.us](http://www.ci.atherton.ca.us).

**TOWN OF ATHERTON**

**STATEMENT OF NET ASSETS AND  
STATEMENT OF ACTIVITIES**

The Statement of Net Assets and the Statement of Activities summarize all of the Town's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the Town's assets and liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the Town's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between Town funds have been eliminated.

The Statement of Net Assets reports the difference between the Town's total assets and the Town's total liabilities, including all the Town's capital assets. The Statement of Net Assets presents similar information to the old balance sheet format, but presents it in a way that focuses the reader on the composition of the Town's net assets, by subtracting total liabilities from total assets.

The Statement of Net Assets summarizes the financial position of all the Town's Governmental Activities in a single column, and the financial position of all the Town's Business-Type Activities in a single column. These columns are followed by a Total column that presents the financial position of the entire Town.

The Town's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, and Capital Projects Funds.

The Statement of Activities reports increases and decreases in the Town's net assets. It is also prepared on the full accrual basis, which means it includes all the Town's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the Town's expenses, listed by program. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of governmental program. The Town's general revenues are then listed in the Governmental Activities column, as appropriate, and the Change in Net Assets is computed and reconciled with the Statement of Net Assets.

These financial statements, along with the fund financial statements and footnotes, are called *Basic Financial Statements*.

TOWN OF ATHERTON  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

	Governmental Activities
<b>ASSETS</b>	
Cash and investments (Note 3)	\$21,495,455
Receivables:	
Taxes	94,183
Grants	11,359
Interest	12,168
Other	110,527
Prepaid expenses	8,716
Capital assets (Note 5):	
Non-depreciable	2,753,649
Depreciable, net	26,111,772
Total Capital assets	28,865,421
Total Assets	50,597,829
<b>LIABILITIES</b>	
Accounts payable	1,162,796
Accrued liabilities	
Due in less than one year	605,525
Due in more than one year	84,332
Deposits payable	754,398
Compensated absences (Note 1F)	
Due in less than one year	406,413
Due in more than one year	260,599
Long-term debt (Note 6)	
Due within one year	131,330
Due in more than one year	238,330
Net OPEB obligation (Note 9)	
Due in more than one year	1,290,008
Total Liabilities	4,933,731
<b>NET ASSETS (Note 7)</b>	
Investment in capital assets, net of related debt	28,785,929
Restricted for:	
Streets and drainage maintenance and police services	1,492,631
Library operations	5,574,263
Public facilities constructions	1,928,464
Special revenue projects	1,346,447
Capital projects	383,715
Unrestricted	6,152,649
Total Net Assets	\$45,664,098

See accompanying notes to financial statements

TOWN OF ATHERTON  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Primary Government:</b>					
General government	\$3,069,974	\$852	\$15,277		(\$3,053,845)
Public works	5,176,720	1,199,829	417,393	\$506,273	(3,053,225)
Police	5,089,329	109,400	244,754		(4,735,175)
Building	1,169,139	1,396,978			227,839
Planning	185,471	188,433			2,962
<b>Total Governmental Activities</b>	<b>14,690,633</b>	<b>2,895,492</b>	<b>677,424</b>	<b>506,273</b>	<b>(10,611,444)</b>
<b>General revenues:</b>					
<b>Taxes:</b>					
Property taxes					9,328,258
Sales taxes					140,898
Other taxes					1,033,768
<b>Total Taxes</b>					<b>10,502,924</b>
Investment earnings					114,324
Miscellaneous					308,289
<b>Total general revenues</b>					<b>10,925,537</b>
Change in Net Assets					314,093
Net Assets-Beginning					45,350,005
Net Assets-Ending					<u><u>\$45,664,098</u></u>

See accompanying notes to financial statements

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<b>MAJOR GOVERNMENTAL FUNDS</b>
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The funds described below were determined to be Major Funds by the Town in fiscal 2011. Individual non-major funds may be found in the Supplemental Section.

**GENERAL FUND**

The General Fund accounts for all the general revenues and financial resources of the Town not specifically levied or collected for the other Town funds, as well as the related expenditures.

**SPECIAL TAX SPECIAL REVENUE FUND**

Accounts for parcel tax assessments received from property owners to be used for maintenance of streets drainage and police services.

**LIBRARY SPECIAL REVENUE FUND**

Accounts for the property tax funds dedicated to the Town's library operations.

**FACILITIES CONSTRUCTION CAPITAL PROJECTS FUND**

Accounts for the funds dedicated to facilities construction.

TOWN OF ATHERTON  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2011

	Major Funds					Total Governmental Funds
	General Fund	Special Tax Special Revenue Fund	Library Special Revenue Fund	Facilities Construction Capital Projects Fund	Other Governmental Funds	
<b>ASSETS</b>						
Cash and investments (Note 3)	\$7,392,928	\$1,934,294	\$5,681,543	\$1,928,464	\$2,029,264	\$18,966,493
Receivables:						
Taxes	88,854				5,329	94,183
Grants					11,359	11,359
Interest	12,168					12,168
Other	110,527					110,527
Prepays	8,716					8,716
Due from other funds (Note 4)	2,600					2,600
<b>Total Assets</b>	<b>\$7,615,793</b>	<b>\$1,934,294</b>	<b>\$5,681,543</b>	<b>\$1,928,464</b>	<b>\$2,045,952</b>	<b>\$19,206,046</b>
<b>LIABILITIES</b>						
Accounts payable	\$358,552	\$383,181	\$107,280		\$307,933	\$1,156,946
Accrued liabilities	254,587					254,587
Deposits payable	695,916	58,482				754,398
Claims payable	26,863					26,863
Due to other funds (Note 4)					2,600	2,600
Deferred Revenue	45,833				5,257	51,090
<b>Total Liabilities</b>	<b>1,381,751</b>	<b>441,663</b>	<b>107,280</b>		<b>315,790</b>	<b>2,246,484</b>
<b>FUND BALANCES</b>						
Fund balance (Note 7)						
Nonspendable	8,716					8,716
Restricted	938,691	1,492,631	5,574,263	\$1,875,765	1,480,077	11,361,427
Committed	1,751,776					1,751,776
Assigned	14,846			\$52,699	250,085	317,630
Unassigned	3,520,013					3,520,013
<b>Total Fund Balances</b>	<b>6,234,042</b>	<b>1,492,631</b>	<b>5,574,263</b>	<b>1,928,464</b>	<b>1,730,162</b>	<b>16,959,562</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$7,615,793</b>	<b>\$1,934,294</b>	<b>\$5,681,543</b>	<b>\$1,928,464</b>	<b>\$2,045,952</b>	<b>\$19,206,046</b>

See accompanying notes to financial statements

TOWN OF ATHERTON  
 Reconciliation of the  
 GOVERNMENTAL FUNDS -- BALANCE SHEET  
 with the  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2011

Total fund balances reported on the governmental funds balance sheet \$16,959,562

Amounts reported for Governmental Activities in the Statement of Net Assets  
 are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and  
 therefore are not reported in the Governmental Funds. 28,433,662

ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS

Internal service funds are not governmental funds. However they used by management to  
 change the costs of certain activities, such as insurance and central services and maintenance  
 to individual governmental funds. The net current assets of the Internal Service Funds are therefore  
 included in the Governmental Activities in the following line items in the Statement of Net Assets.

Cash and Investment	2,528,962
Capital assets, net	431,759
Accounts payable and other liabilities / contracts payable	(5,850)
Compensated absences	(667,012)
Claims Payable	(40,775)
Net OPEB Obligation	(1,290,008)
Long term debt	(369,660)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities.	51,090
Accrued liabilities	(367,632)

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$45,664,098

See accompanying notes to financial statements

TOWN OF ATHERTON  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2011

	Major Funds					Total Governmental Funds
	General Fund	Special Tax Revenue Fund	Library Special Revenue Fund	Facilities Construction Capital Projects Fund	Other Governmental Funds	
<b>REVENUES</b>						
Property taxes	\$6,594,434		\$784,143		\$79,831	\$7,458,408
Special assessments		\$1,869,850				1,869,850
Sales taxes	203,957					203,957
Other taxes	870,139					870,139
Measure A grants					264,583	264,583
From other governmental agencies	55,442	3,220			786,594	845,256
Permit and licenses	163,629					163,629
Fines and forfeitures	214,339					214,339
Service charges	2,068,902				573,608	2,642,510
Use of money and property	162,251	14,151	38,328	\$13,985	13,861	242,576
Miscellaneous	197,734				64,277	262,011
<b>Total Revenues</b>	<b>10,530,827</b>	<b>1,887,221</b>	<b>822,471</b>	<b>13,985</b>	<b>1,782,754</b>	<b>15,037,258</b>
<b>EXPENDITURES</b>						
Current:						
General government	2,629,881	4,984				2,634,865
Planning	185,471					185,471
Building	1,186,891					1,186,891
Police	5,020,073				98,161	5,118,234
Public Works	2,132,351	352,353			94,575	2,579,279
Non-departmental			162,416		11,814	174,230
Capital outlay	523,842	1,861,058			829,417	3,214,317
<b>Total Expenditures</b>	<b>11,678,509</b>	<b>2,218,395</b>	<b>162,416</b>		<b>1,033,967</b>	<b>15,093,287</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,147,682)</b>	<b>(331,174)</b>	<b>660,055</b>	<b>13,985</b>	<b>748,787</b>	<b>(56,029)</b>
Other Financing Sources (uses):						
Transfer in (Note 4)	888,463			153,356		1,041,819
Transfer (out) (Note 4)	(153,356)	(888,463)				(1,041,819)
<b>Total Other Financing Sources (uses)</b>	<b>735,107</b>	<b>(888,463)</b>		<b>153,356</b>		
<b>Net change in fund balances</b>	<b>(412,575)</b>	<b>(1,219,637)</b>	<b>660,055</b>	<b>167,341</b>	<b>748,787</b>	<b>(56,029)</b>
<b>BEGINNING FUND BALANCES</b>	<b>6,646,617</b>	<b>2,712,268</b>	<b>4,914,208</b>	<b>1,761,123</b>	<b>981,375</b>	<b>17,015,591</b>
<b>ENDING FUND BALANCES</b>	<b>\$6,234,042</b>	<b>\$1,492,631</b>	<b>\$5,574,263</b>	<b>\$1,928,464</b>	<b>\$1,730,162</b>	<b>\$16,959,562</b>

See accompanying notes to financial statements

TOWN OF ATHERTON  
 Reconciliation of the  
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
 with the  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2011

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$56,029)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are therefore added back to fund balance	2,068,504
Retirements, net, are deducted from fund balance	(3,421)
Depreciation expense is deducted from the fund balance	(2,084,348)

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Deferred Revenue	(49,537)
Accrued liabilities	164,455

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Asset - All Internal Service Funds	274,469
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$314,093

See accompanying notes to financial statements

TOWN OF ATHERTON  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES:</b>				
Property taxes	\$6,302,866	\$6,469,463	\$6,594,434	\$124,971
Sales taxes	142,000	145,218	203,957	58,739
Other taxes	765,000	785,000	870,139	85,139
Permits and licenses	150,000	145,000	163,629	18,629
Fines and forfeitures	24,000	35,000	214,339	179,339
From other governmental agencies	25,800	40,143	55,442	15,299
Service charges	1,505,050	1,681,245	2,068,902	387,657
Use of money and property	198,580	192,377	162,251	(30,126)
Other	45,700	173,272	197,734	24,462
<b>Total Revenues</b>	<u>9,158,996</u>	<u>9,666,718</u>	<u>10,530,827</u>	<u>864,109</u>
<b>EXPENDITURES:</b>				
Current:				
General government				
City council	22,875	22,875	14,949	7,926
Administration	809,457	812,067	766,114	45,953
City attorney	300,000	400,000	399,409	591
Finance	618,856	664,213	596,270	67,943
Non-departmental	520,848	858,943	853,139	5,804
<b>General government total</b>	<u>2,272,036</u>	<u>2,758,098</u>	<u>2,629,881</u>	<u>128,217</u>
Planning	193,980	193,980	185,471	8,509
Building	1,065,679	1,188,507	1,186,891	1,616
Public works	1,862,249	2,141,400	2,132,351	9,049
Police	5,004,124	4,901,298	5,020,073	(118,775)
Capital outlay	43,493	547,516	523,842	23,674
<b>Total Expenditures</b>	<u>10,441,561</u>	<u>11,730,799</u>	<u>11,678,509</u>	<u>(75,927)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,282,565)</u>	<u>(2,064,081)</u>	<u>(1,147,682)</u>	<u>916,399</u>
<b>OTHER FINANCING SOURCES USES</b>				
Transfer in (Note 4)	888,463	888,463	888,463	
Transfer (out) (Note 4)	(153,356)	(153,356)	(153,356)	
<b>NET CHANGE IN FUND BALANCE</b>	<u>(\$547,458)</u>	<u>(\$1,328,974)</u>	<u>(\$412,575)</u>	<u>916,399</u>
Fund balance, beginning of year			<u>6,646,617</u>	
Fund balance, end of year			<u>\$6,234,042</u>	

See accompanying notes to financial statements

TOWN OF ATHERTON  
SPECIAL TAX SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Special assessments	\$1,858,000	\$1,858,000	\$1,869,850	\$11,850
Use of money and property			14,151	14,151
From other governmental agencies			3,220	3,220
Total Revenues	<u>1,858,000</u>	<u>1,858,000</u>	<u>1,887,221</u>	<u>29,221</u>
EXPENDITURES:				
Current:				
General government	21,500	21,500	4,984	16,516
Public works	372,941	359,343	352,353	6,990
Capital outlay	<u>1,874,365</u>	<u>2,676,216</u>	<u>1,861,058</u>	<u>815,158</u>
Total Expenditures	<u>2,268,806</u>	<u>3,057,059</u>	<u>2,218,395</u>	<u>838,664</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out) (Note 4)	<u>(888,463)</u>	<u>(888,463)</u>	<u>(888,463)</u>	
Total Other Financing Sources (Uses)	<u>(888,463)</u>	<u>(888,463)</u>	<u>(888,463)</u>	
Net change in fund balance	<u>(1,299,269)</u>	<u>(2,087,522)</u>	(1,219,637)	<u>(867,885)</u>
Fund Balance, beginning of year			<u>2,712,268</u>	
Fund Balance, end of year			<u>\$1,492,631</u>	

See accompanying notes to financial statements

TOWN OF ATHERTON  
LIBRARY SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$850,000	\$850,000	\$784,143	(\$65,857)
Use of money and property	35,000	35,000	38,328	3,328
Total Revenues	885,000	885,000	822,471	(62,529)
EXPENDITURES:				
Library Maintenance	38,900	250,950	162,416	88,534
Total Expenditures	38,900	250,950	162,416	88,534
NET CHANGES IN FUND BALANCE	\$846,100	\$634,050	660,055	\$26,005
BEGINNING FUND BALANCE			4,914,208	
ENDING FUND BALANCE			\$5,574,263	

See accompanying notes to financial statements

<b>PROPRIETARY FUNDS</b>
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Proprietary funds account for Town operations financed and operated in a manner similar to a private business enterprise. The intent of the Town is that the cost of providing goods and services be financed primarily through user charges.

**INTERNAL SERVICE FUND**

Accounts for special activities and services performed by a designated Town department on a cost reimbursement basis.

TOWN OF ATHERTON  
 PROPRIETARY FUND  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2011

	<u>Governmental Activities - Internal Service Funds</u>
<b>ASSETS</b>	
Current assets	
Cash and investments (Note 3)	\$2,528,962
Noncurrent Assets:	
Capital assets (Note 5):	
Depreciable	1,047,093
Less accumulated depreciation	<u>(615,334)</u>
Total capital assets	<u>431,759</u>
Total noncurrent assets	<u>431,759</u>
Total Assets	<u>2,960,721</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	5,850
Compensated absences (Note 1F)	406,413
Long-term debt (Note 6)	<u>131,330</u>
Total current liabilities	<u>543,593</u>
Non-current liabilities:	
Compensated absences (Note 1F)	260,599
Long-term debt (Note 6)	238,330
Net OPEB obligation (Note 9)	1,290,008
Claims payable (Note 10)	<u>40,775</u>
Total noncurrent liabilities	<u>1,829,712</u>
Total Liabilities	<u>2,373,305</u>
<b>NET ASSETS (Note 7)</b>	
Invested in capital assets	431,759
Unrestricted	<u>155,657</u>
Total Net Assets	<u><u>\$587,416</u></u>

See accompanying notes to financial statements

TOWN OF ATHERTON  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities- Internal Service Funds
OPERATING REVENUES	
Charges for services	\$1,414,480
Total Operating Revenues	1,414,480
OPERATING EXPENSES	
Insurance	237,193
OPEB expense	58,853
Supplies and maintenance	5,908
Employee benefits earned	744,663
Depreciation	110,399
Total Operating Expenses	1,157,016
Operating Income	257,464
NONOPERATING REVENUES (EXPENSES)	
Interest income	17,005
Total Nonoperating Revenues	17,005
Income Before Transfers	274,469
Change in net assets	274,469
BEGINNING NET ASSETS	312,947
ENDING NET ASSETS	\$587,416

See accompanying notes to financial statements

TOWN OF ATHERTON  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities- Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Interdepartmental charges	\$1,414,480
Payments to suppliers	(508,669)
Cash Flows from Operating Activities	905,811
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets, net	(52,875)
Principal payments on long term debt	(131,330)
Cash Flow from Capital and Related Financing Activities	(184,205)
<b>CASH FLOWS FORM INVESTING ACTIVITIES</b>	
Interest Income	17,005
Cash Flow from Investing Activities	17,005
Net Cash Flow	738,611
Cash and investments at beginning of period	1,790,351
Cash and investment at end of period	\$2,528,962
<b>Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities</b>	
Operating income	\$257,464
Adjustments to reconcile operating income to cash flows from operating activities:	
Depreciation	110,399
Compensated absences	(77,651)
Changes in assets and liabilities:	
Accounts payable	(31,007)
Accrued liabilities	(3,729)
Net OPEB obligation	650,335
Cash Flows from Operating Activities	\$905,811

See accompanying notes to financial statements

<b>FIDUCIARY FUNDS</b>
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**FIDUCIARY FUNDS**

Agency funds are used to account for assets held by the Town as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

TOWN OF ATHERTON  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and investments (Note 3)	<u>\$30,382</u>
Total Assets	<u><u>\$30,382</u></u>
LIABILITIES	
Deposits payable	<u>\$30,382</u>
Total Liabilities	<u><u>\$30,382</u></u>

See accompanying notes to financial statements

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Atherton was incorporated as a general law City in 1923 and is situated between the cities of Menlo Park and Redwood City on the Peninsula of the San Francisco Bay Area. The Town operates under the Mayor-Council-Manager form of government. There are five Council Members who serve overlapping terms of four years, and the Council, in turn, elects one of the Council Members to serve as Mayor for one year. The Town provides the following services: public safety (police), public works and streets, park, building and planning, and general administration services.

The financial statements and accounting policies of the Town conform with generally accepted accounting principles applicable to governments. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

**A. Reporting Entity**

The financial statements of the Town of Atherton include the financial activities of the Town, as well as the Atherton Channel District, which are controlled by and dependent on the Town. Its financial activities has been aggregated and merged (termed “blended”) with those of the town in the accompanying financial statements.

The Atherton Channel District was established to assist in the maintenance and rehabilitation of the areas within the Town determined to be in the flood plain of the local stream. The District has all accounting and administrative functions performed by Town staff and the District receives advances from the Town to finance operations. The financial activities of the District have been included in the Atherton Channel District Capital Projects Fund in the accompanying basic financial statements.

**B. Basis of Presentation**

The Town’s Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Statements require that the financial statements described below be presented.

**Government-wide Statements:** The Statement of Net Assets and the Statement of Activities display information about the primary government (the Town). These statements include the financial activities of the overall Town government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, except where interfund services have been received or provided. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the Town's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as investment earnings, result from nonexchange transactions or ancillary activities.

**C. Major Funds**

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The Town may also select other funds it believes should be presented as major funds.

The Town reported the following major governmental funds in the accompanying financial statements:

**General Fund** - Accounts for all the general revenues and financial resources of the Town not specifically levied or collected for the other Town funds, as well as the related expenditures.

**Special Tax Special Revenue Fund** – Accounts for parcel tax assessments received from property owners to be used for the maintenance of streets and drainage; and police services.

**Library Special Revenue Fund** - Accounts for property tax funds dedicated to the Town's library operations.

**Facilities Construction Capital Projects Fund** - Accounts for the funds dedicated to facilities construction.

**Internal Service Fund** - Accounts for special activities and services performed by a designated Town department for other departments on a cost reimbursement basis.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Town also reports the following fund types:

**Fiduciary Funds.** Agency Funds are used to account for assets held by the Town as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

**D. Basis of Accounting**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are sales taxes, gas taxes, charges for services, and interest revenue. Fines, licenses and permits are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Town may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. The Town's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

The Town follows Statements and Interpretations of the Financial Accounting Standards Board and its predecessors that were issued on or before November 30, 1989, in accounting for its business-type activities, unless they conflict with Government Accounting Standards Board pronouncements.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Property Tax**

Revenue is recognized in the period for which the tax and assessment is levied. The County of San Mateo levies, bills and collects property taxes and sewer charges for the Town; the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on January 1 and becomes delinquent on August 31.

The term “unsecured” refers to taxes not secured by real property. These taxes are liens on the person or company named on the tax bill. Property tax revenues are recognized by the Town in the fiscal year they are assessed provided they become available as defined above.

San Mateo County distributes property taxes to jurisdictions according to the “alternate method of property tax distribution” known as the Teeter Plan. Under this plan, the County remits 100% of the levied taxes to the appropriate jurisdictions by June 30 each year, pursuing delinquencies and keeping related late penalties to cover their costs.

**F. Compensated Absences**

Compensated absences comprise accrued compensated time-off, vacation and holiday pay for all regular employees; vacation and holiday pay for management employees. The Town’s liability for compensated absences is recorded in Governmental Activities. The liability for compensated absences is determined annually. For all governmental funds, amounts expected to be permanently liquidated (matured due to termination) are recorded as fund liabilities; the long-term portion is recorded in the Statement of Net Assets.

The changes of the compensated absences were as follows:

Beginning Balance	\$744,663
Additions	457,332
Payments	<u>(534,983)</u>
Ending Balance	<u><u>\$667,012</u></u>
Current Portion	<u><u>\$406,413</u></u>

The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Expenditures in Excess of Budget**

The funds below incurred expenditures in excess of their budgets in the amounts below for the year ended June 30, 2011:

Fund Name	Amount
General Fund - Police	\$118,775
County Measure A Special Revenue Fund	64,933
Traffic Congestion Relief Special Revenue Fund	8,844

**H. Estimates and Assumptions**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**I. Closed Fund**

During the current fiscal year, the Town closed Traffic Congestion Relief Special Revenue Fund.

**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING**

**A. Budgets and Budgetary Accounting**

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- By June 30, the City Manager submits to the City Council a proposed operating and capital budget for the year commencing July 1. The operating and capital budget includes proposed expenditures and the means of financing them. Continuing appropriations are rebudgeted by the City Council as part of the adoption of subsequent year's budget.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of resolution during a City Council meeting in the month of June.
- The City Manager is authorized to transfer budget appropriations within departments in conformance with the adopted policies set by the City Council. All other transfers must be approved by the City Council. Any revisions that alter the total expenditures of any department must be approved by the City Council. Expenditures are budgeted at, and may not legally exceed, the department level for the General Fund and the fund level for Special Revenue and Capital Projects Funds. Budgeted amounts shown are as originally adopted, or as amended by the City Council during the year.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)**

- Formal budgeting is employed as a management control device during the year for the general and certain special revenue funds.

The following fund was not budgeted for:

- Facilities Construction Capital Projects Fund
- Budgets for the general and certain special revenue are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- Budgets for capital projects are adopted on a project life basis.

**NOTE 3 - CASH AND INVESTMENTS**

The Town's dependence on property tax receipts requires it to maintain significant cash reserves to finance operations during the remainder of the year. The Town receives property tax in November (5%), December (45%), March (5%), April (35%), May (5%) and June (5%). The Town pools cash from all sources and all funds except Cash with Fiscal Agents so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

**A. Policies**

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Town's cash on deposit or first trust deed mortgage notes with a value of 150% of the Town's cash on deposit as collateral for these deposits. Under California Law, this collateral is held in an investment pool by an independent financial institution in the Town's name and places the Town ahead of general creditors of the institution pledging the collateral.

The Town's investments are carried at fair value, as required by generally accepted accounting principles. The Town adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. In the Town's case, fair value equals fair market value, since all of the Town's investments are readily marketable.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

**B. Classification**

Cash and investments are classified in the financial statements as shown below.

*Statement of Net Assets*

Cash and investments available for operations \$21,495,455

*Fiduciary Funds*

Cash and investments available for operations 30,382

Total Cash and Investments \$21,525,837

Cash and investments as of June 30, 2011 consist of the following:

Cash on hand	\$873
Cash in Bank	1,850,745
Investments	<u>19,674,219</u>
Total Cash and Investments	<u><u>\$21,525,837</u></u>

Cash and investments are used in preparing the Proprietary Fund statement of cash flows since that fund participates in the Town-wide cash and investment pool. That fund's equity in the pool is in substance a demand deposit which may be drawn down at any time.

**C. Investments Authorized by the California Government Code and the Town's Investment Policy**

The Town's Investment Policy and the California Government Code allow the Town to invest in the following provided the credit ratings of the issuers are acceptable to the Town; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the Town's Investment Policy where it is more restrictive:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligation	5 years	N/A	No Limit	No Limit
U.S. Agency Securities	5 years	N/A	No Limit	No Limit
Repurchase Agreements	30 days	A / A-1	No Limit	No Limit
Commercial Paper	270 days	A / A-1	25%	5%
Medium Term Notes	5 years	AAA	5%	No Limit
Local Agency Investment Fund	N/A	N/A	50%	No Limit
Money Market Mutual Funds	N/A	AAAm	20%	No Limit

<b>Town of Atherton</b> <b>Notes to Basic Financial Statements</b> <b>For the fiscal year ended June 30, 2011</b>
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<b>NOTE 3 - CASH AND INVESTMENTS (Continued)</b>
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**D. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the Town's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity or earliest call date:

Investment Type	12 Months or less	13 to 24 Months	Total
U.S. Treasury Obligations	\$1,003,768	\$1,101,067	\$2,104,835
U.S. Agency Securities	6,502,185	510,324	7,012,509
California Local Agency Investment Fund	10,001,007		10,001,007
Money Market Mutual Fund	555,868		555,868
Total Investments	18,062,828	1,611,391	19,674,219
Cash in Banks			1,850,745
Petty Cash			873
Total Cash			1,851,618
Total Cash and Investments			\$21,525,837

**E. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual Standard and Poor's investment ratings as of June 30, 2011 are as follows:

Investment Type	AAA	AAAm-G	Not Rated	Total
U.S. Agency Securities	\$7,012,509			\$7,012,509
U.S. Treasury Obligations			\$2,104,835	2,104,835
California Local Agency Investment Fund			10,001,007	10,001,007
Money Market Mutual Fund		\$555,868		555,868
Total Investments	\$7,012,509	\$555,868	\$12,105,842	\$19,674,219

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

**F. S&P Downgrade of US Credit**

On August 5, 2011, Standard & Poor's Ratings Services (S&P) lowered its long-term credit rating on the United States of America from AAA to AA+. At the same time, S&P affirmed its A-1+ short-term rating on the United States of America.

On August 8, 2011, S&P lowered its issuer credit ratings and related issue ratings on ten of twelve Federal Home Loan Banks (FHLBs) and the senior debt issued by the FHLB System from AAA to AA+. S&P also lowered the ratings on the senior debt issued by the Federal Farm Credit Banks (FFCB) from AAA to AA+, and lowered the senior issue ratings on Fannie Mae (FNMA) and Freddie Mac (FHLMC) from AAA to AA+. The A subordinated debt rating and the C rating on the preferred stock of these entities remained unchanged. Finally, S&P affirmed the short-term issue ratings for these entities at A-1+. As of June 30, 2011, the Town's investments in these agencies that were subject to the downgrade were as follows: FHLB \$2,002,254, FFCB \$995,322, FNMA \$2,499,913, and FHLMC \$1,513,258.

**G. Concentration of Credit Risk**

Investments in the securities of any individual issuer, other than U. S. Treasury securities, mutual funds, and external investment fund that represent 5% or more of total Entity-wide investments are as follows at June 30, 2011:

Major Fund	Issuer	Investment Type	Reported Amount
General Fund	Federal National Mortgage Association	Federal Agency Securities	\$2,499,913
General Fund	Federal Home Loan Bank	Federal Agency Securities	2,002,254
General Fund	Federal Home Loan Mortgage Corporation	Federal Agency Securities	1,513,258

**H. Local Agency Investment Fund**

The Town is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Town reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporation. At June 30, 2011, these investments matured in an average of 237 days.

<p><b>Town of Atherton</b>  <b>Notes to Basic Financial Statements</b>  <b>For the fiscal year ended June 30, 2011</b></p>
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<p><b>NOTE 4 - INTERFUND TRANSACTIONS</b></p>
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**A. Current Interfund Balances**

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. Interfund balances as of June 30, 2011, are as follows:

Due From Other Funds	Due To Other Funds	
General Fund	Supplemental Law Enforcement Services/ COPS Grant Special Revenue Fund	<u>\$2,600</u>

**B. Transfers Between Funds**

With City Council approval, resources may be transferred from one Town fund to another. The purpose of the majority of transfers is to reimburse a fund, which has made an expenditure on behalf of another fund. Less often, a transfer may be made to open or close a fund.

Transfers between funds during the fiscal year ended June 30, 2011 were as follows:

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred	
General Fund	Special Tax Special Revenue Fund	\$888,463	(A)
Facilities Construction Capital Projects Fund	General Fund	<u>153,356</u>	(B)
		<u>\$1,041,819</u>	

(A) Transfer was used to fund General Fund activities

(B) Transfer was used to fund Capital projects

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 5 - CAPITAL ASSETS**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed.

The Town has recorded all its public domain (infrastructure) capital assets, which include streets and roads, curbs and gutters, traffic control devices, drainage systems and street lighting systems.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

The Town has set the capitalization threshold for reporting capital assets at \$5,000 and \$100,000 for infrastructure and a half year of depreciation is recorded in the year of acquisition. Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Town has assigned the useful lives listed below to capital assets:

Buildings	40 years
Other improvements	20 years
Vehicles	5 to 10 years
Computer Equipment & Software	3 years
Machinery and Equipment	5 to 20 years
Infrastructure	20 to 50 years

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 5 - CAPITAL ASSETS (Continued)**

**A. Current Year Capital Asset Activities**

<i>Governmental activities</i>	Balance July 1, 2010	Additions	Retirements	Transfers	Balance June 30, 2011
<b>General Capital Assets</b>					
Capital assets not being depreciated:					
Land	\$690,884				\$690,884
Construction in progress	668,711	\$1,526,770	(\$3,421)	(\$129,295)	2,062,765
Total non-depreciable capital assets	<u>1,359,595</u>	<u>1,526,770</u>	<u>(3,421)</u>	<u>(129,295)</u>	<u>2,753,649</u>
Capital assets being depreciated:					
Buildings	1,897,253	37,046			1,934,299
Other improvements	1,125,668				1,125,668
Computer equipment and software	187,893	59,692			247,585
Furniture & Fixture	79,312		(44,514)		34,798
Vehicle	32,067				32,067
Machinery & Equipment	428,449		(12,455)		415,994
Infrastructure	51,840,419	444,996		129,295	52,414,710
Total capital assets being depreciated	<u>55,591,061</u>	<u>541,734</u>	<u>(56,969)</u>	<u>129,295</u>	<u>56,205,121</u>
Less accumulated depreciation for:					
Buildings	827,915	13,769			841,684
Other improvements	617,672	16,819			634,491
Computer equipment and software	153,212	5,969			159,181
Furniture & Fixture	68,936		(44,514)		24,422
Vehicles	3,066	6,554			9,620
Machinery & Equipment	320,602	2,898	(12,455)		311,045
Infrastructure	26,506,326	2,038,339			28,544,665
Total accumulated depreciation	<u>28,497,729</u>	<u>2,084,348</u>	<u>(56,969)</u>		<u>30,525,108</u>
Net capital assets being depreciated	<u>27,093,332</u>	<u>(1,542,614)</u>		<u>129,295</u>	<u>25,680,013</u>
General capital assets, net	<u>\$28,452,927</u>	<u>(\$15,844)</u>	<u>(\$3,421)</u>		<u>\$28,433,662</u>
<b>Internal Service Funds</b>					
Depreciable capital assets:					
Vehicles	\$860,061	\$70,937	(\$106,306)		\$824,692
Computer Equipment	183,470				183,470
Other Equipment	38,931				38,931
Total depreciable capital assets	<u>1,082,462</u>	<u>70,937</u>	<u>(106,306)</u>		<u>1,047,093</u>
Less: accumulated depreciation for					
Vehicles	509,562	61,898	(88,244)		483,216
Computer Equipment	51,137	48,501			99,638
Other Equipment	32,480				32,480
Total accumulated depreciation	<u>593,179</u>	<u>110,399</u>	<u>(88,244)</u>		<u>615,334</u>
Internal Service Funds capital assets, net	<u>489,283</u>	<u>(39,462)</u>	<u>(18,062)</u>		<u>431,759</u>
Governmental capital assets, net	<u>\$28,942,210</u>	<u>(\$55,306)</u>	<u>(\$21,483)</u>		<u>\$28,865,421</u>

In the current fiscal year the Town determined that the depreciation expenses for the current fiscal year was already booked in prior fiscal year for furniture and fixture and other equipment, thus no depreciation expense was booked in fiscal year 2011.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 5 - CAPITAL ASSETS (Continued)**

**B. Capital Asset Contributions**

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

**C. Depreciation Allocation**

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or programs are as follows:

General government	\$3,197
Public Works	2,054,660
Building	9,227
Police	<u>17,264</u>
Governmental activities subtotal	2,084,348
Internal Service Fund	<u>110,399</u>
Total	<u><u>\$2,194,747</u></u>

**NOTE 6 – LONG TERM DEBT**

**A. Long Term Obligations**

	Balance June 30, 2010	Retirements	Balance June 30, 2011	Current Portion
<b>Governmental Activity Debt:</b>				
Software capital lease	\$72,990	\$24,330	\$48,660	\$24,330
Workers' compensation assessment	<u>428,000</u>	<u>107,000</u>	<u>321,000</u>	<u>107,000</u>
Total Governmental Activity Debt	<u><u>\$500,990</u></u>	<u><u>\$131,330</u></u>	<u><u>\$369,660</u></u>	<u><u>\$131,330</u></u>

**B. Software capital lease**

In fiscal year 2009, the Town began preparation to install a new accounting software system. As part of the software license agreement, the Town agreed to pay \$24,330 per year, for five years commenced fiscal year 2009.

**C. Workers' Compensation Assessment**

During fiscal year 2010, the Town was informed that its workers' compensation insurance reserve with the JPA Group was drawn to a negative. As a result, the Town has agreed to a special assessment in which the Town would make payments over the next four fiscal years to replenish the reserve.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 6 – LONG TERM DEBT (Continued)**

**D. Debt Service Requirements**

At June 30, 2011, the Software capital lease along with the Workers' compensation assessment payments to maturity were as follows:

Year ending June 30,	Amount
2012	\$131,330
2013	131,330
2014	<u>107,000</u>
Total	<u><u>\$369,660</u></u>

**NOTE 7 - FUND BALANCES AND NET ASSETS**

**A. Net Assets**

Net Assets is the excess of all the Town's assets over all its liabilities, regardless of fund. Net Assets are divided into three captions under GASB Statement 34. These captions apply only to Net Assets, which is determined only at the Government-wide level, and are described below:

*Invested in Capital Assets, net of related debt* describes the portion of Net Assets which is represented by the current net book value of the Town's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Town cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and Federal and State grant funds.

*Unrestricted* describes the portion of Net Assets which is not restricted to use.

**B. Fund Balances**

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The Town's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the Town to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the Town prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 7 - FUND BALANCES AND NET ASSETS (Continued)**

**B. Fund Balances (Continued)**

*Nonspendables* represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as permanent funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

*Committed* fund balances have constraints imposed by formal action of the City Council which may be altered only by formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

*Assigned* fund balances are amounts constrained by the Town's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; nonspendables, when it is the Town's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 7 - FUND BALANCES AND NET ASSETS (Continued)**

**B. Fund Balances (Continued)**

Detailed classifications of the Town's Fund Balances, as of June 30, 2011, are below:

	General Fund	Major Special Revenue Funds		Facilities Construction Capital Project Funds	Other Governmental Funds	Total
		Special Tax	Library			
Fund balances:						
Nonspendable:						
Prepays	\$8,716					\$8,716
Total Nonspendable	8,716					8,716
Restricted for:						
Building Department Operations Committee Tree and Maintenance Reserve	933,837 4,854			\$1,875,765		2,809,602 4,854
Special tax special revenue fund		\$1,492,631				1,492,631
Library operations			\$5,574,263			5,574,263
Measure A					\$367	367
Gas tax					140,547	140,547
Supplemental law enforcement services / COPS Grant					8,759	8,759
Road impact fee					1,100,945	1,100,945
Evans Creative Design					95,829	95,829
Channel Drainage District					133,630	133,630
Total Restricted	938,691	1,492,631	5,574,263	1,875,765	1,480,077	11,361,427
Committed to:						
Emergency Disaster	1,751,776					1,751,776
Total Committed	1,751,776					1,751,776
Assigned to:						
Tennis program	14,846					14,846
Capital projects				52,699	250,085	302,784
Total Assigned	14,846			52,699	250,085	317,630
Unassigned:						
General fund	3,520,013					3,520,013
Total Unassigned	3,520,013					3,520,013
Total fund balances	\$6,234,042	\$1,492,631	\$5,574,263	\$1,928,464	\$1,730,162	\$16,959,562

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 7 - FUND BALANCES AND NET ASSETS (Continued)**

**C. General Fund Committed Fund Balance for Emergency Disaster**

The City Council has committed to set aside 15 percent of the actual annual General Fund operating expenditures specifically for emergency contingencies defined as a state of federal state of emergency or declaration of a local emergency as defined in Atherton's Municipal Code Section 2.44.010.

**D. General Fund Unassigned Fund Balance Policy**

The City Council established the General Fund unassigned fund policy such that in no circumstances shall the total General Fund unassigned fund balance drop below 20% of the actual annual operating expenditures.

**E. Beginning Fund Balance – GASB 54 Implementation**

As part of the GASB 54 implementation, the Tennis Fund, which was reported as a special revenue fund in prior fiscal year, has been recategorized and reported as part of the General Fund as of July 1, 2010, for financial statements presentation purpose.

**NOTE 8 – PENSION PLAN**

**A. CALPERS Safety and Miscellaneous Employees Plans**

The Town participates in pension plans offered by California Public Employees Retirement System (CALPERS), an agent multiple employer defined benefit cost-sharing pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The Town's employees participate in the separate Safety (police - sworn) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and Town resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the Town contributes these amounts. The Plans' provisions and benefits in effect at June 30, 2011 are summarized below:

	Safety (Police)	Miscellaneous
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly allowance	monthly allowance
Retirement age	50	55
Monthly benefits, as a % of annual salary	3%	2%
Required employee contribution rates	9%	7%
Required employer contribution rates	32.232%	13.168%

Town's labor contracts (MOU) require the town to pay the employees' contributions as well as employer's portion, except for the sworn officers, who is responsible for 2% of 9% after the Town makes 7% contribution for them.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 8 – PENSION PLAN (Continued)**

**A. CALPERS Safety and Miscellaneous Employees Plans (Continued)**

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the Town's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer pays annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The Town uses the actuarially determined percentages of payroll to calculate and pay contributions to CALPERS. The Town does not have a net pension obligation since it pays the actuarially required liability. Annual Pension Costs, representing the payment of all contributions required by CALPERS, for the last three fiscal years were as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<i>Safety &amp; Miscellaneous Plan</i>			
June 30, 2009	\$1,238,268	100%	\$0
June 30, 2010	1,416,695	100%	0
June 30, 2011	1,322,447	100%	0

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.75% is assumed, including inflation at 3.00%. Annual salary increases are assumed to vary by duration of service, and annual retirement benefit increases are assumed to be 3.25%.

As required by State law, effective July 1, 2005, the Town's Miscellaneous and Safety Plans were terminated, and the employees in those plans were required by CALPERS to join new State-wide pools. One of the conditions of entry to these pools was that the Town true-up any unfunded liabilities in the former Plans, either by paying cash or by increasing its future contribution rates through a Side Fund offered by CALPERS. The Town satisfied its Miscellaneous and Safety Plans unfunded liabilities by agreeing to contribute to the Side Fund through an addition to its normal contribution rates. The balance of the Miscellaneous Plan's Side Fund was \$793,507 at June 30, 2011, which will be repaid over the next 9 years. The balance of the Safety Plan's Side Fund was \$1,394,071 at June 30, 2011, which will be repaid over the next 6 years.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 8 – PENSION PLAN (Continued)**

The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The latest available actuarial values of the above State-wide pools (which differs from market value) and funding progress were set forth as follow. The information presented below relates to the State-wide pools as a whole, of which the Town is one of the participating employers.

**State-Wide Safety Plan:**

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2007	\$7,986,055,176	\$6,826,599,459	\$1,159,455,717	85.5%	\$831,607,658	139.4%
2008	8,700,467,733	7,464,927,716	1,235,540,017	85.8%	914,840,596	135.1%
2009	9,721,675,347	8,027,158,724	1,694,516,623	82.6%	973,814,168	174.0%

The Town's Safety Plan represents approximately 0.23%, 0.24%, and 0.25% of the State-wide pool for the years ended June 30, 2009, 2008, and 2007, respectively, based on covered projected payroll of \$2,283,199; \$2,220,450 and \$2,098,737 for those years.

**State-Wide Miscellaneous Plan:**

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2007	\$2,611,746,790	\$2,391,434,447	\$220,312,343	91.6%	\$665,522,859	33.1%
2008	2,780,280,768	2,547,323,278	232,957,490	91.6%	688,606,681	33.8%
2009	3,104,798,222	2,758,511,101	346,287,121	88.8%	742,981,488	46.6%

The Town's Miscellaneous Plan represents approximately 0.35%, 0.37%, and 0.39% of the State-wide pool for the years ended June 30, 2009, 2008, and 2007, respectively, based on covered projected payroll of \$2,600,243; \$2,572,293 and \$2,595,095 for those years.

Audited annual financial statements and ten year trend information are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 9 – POSTEMPLOYMENT HEALTH CARE BENEFITS**

During fiscal year 2010, the Town implemented the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes uniform financial reporting standards for employers providing other postemployment benefits (OPEB). The provisions of this statement are applied prospectively and do not affect prior years financial statements. Required disclosures are presented below. The Town's Employee Benefits Fund holds assets set aside for the payment of Town's OPEB obligations.

By City Council resolution, the Town provides certain medical benefits for employees and dependents who retire directly from the Town at fifty years or older and who are vested in the California Public Employees Retirement System (CalPERS). The Town participates in the CalPERS health care plan which is governed under the California Public Employees Health and Medical Care Act (PEMCHA). Required retiree medical plan contributions are also governed by PEMCHA for member agencies.

The Town of Atherton participates in the CalPERS medical program. Retirees who qualify for a CalPERS pension are entitled to employer paid CalPERS medical benefits as described below. The Town does not pay for dental, vision or other health and welfare benefits for retirees. Employees who retire from the Town, receive a PERS pension and continue their CalPERS medical coverage if eligible to receive the benefit described below. This benefit continues throughout the life of the retiree, surviving spouse, and eligible dependents.

**Management employees** - For management employees, the Town pays 100% of premiums for any medical coverage and any family status. This is subject to a phase-in over four calendar years (2009 through 2012) from 85% to 100%.

**Police officers** - For police officers, the Town pays 100% of premiums for any medical coverage and any family status. However, this is subject to a maximum monthly benefit of \$1,247.06. Any increase will be subject to City Council approval.

**Miscellaneous employees** - The Town pays up to a maximum of 95% of Blue Shield basic/supplemental premiums. The same four years phase-in applies for management retirees,

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 9 – POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)**

*A. Funding Policy and Actuarial Assumptions*

The annual required contribution (ARC) was determined as part of a July 1, 2009 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included 4.00% investment rate of return, 3.25% projected annual salary increase, and 5.5% to 8.2% health cost inflation increases. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Currently, the Town OPEB plan uses pay-as-you-go funding. The Town had set aside the full amount of ARC in the Employee Benefit Internal Service Fund. The Town is in the process of setting up a Section 115 OPEB trust.

The following annual healthcare trend rates were used in the valuation, assuming that there will not be any significant changes in the medical plan design:

**Annual CalPERS Medical Premium Rate  
Trend Rate Assumption**

<b>for the Plan Year</b>	
<b><u>Beginning</u></b>	
January 1, 2011	7.9%
January 1, 2012	7.6%
January 1, 2013	7.3%
January 1, 2014	7.0%
January 1, 2015	6.7%
January 1, 2016	6.4%
January 1, 2017	6.1%
January 1, 2018	5.8%
January 1, 2019 and thereafter	5.5%

Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. This valuation is based on a closed 30-year amortization of the Unfunded Actuarial Accrued Liability as a level percentage of payroll; increasing each year as payroll increases.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 9 – POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)**

**B. Funding Progress and Funded Status**

In fiscal year 2011, the Town made contributions toward the ARC and amortized its net OPEB obligation as presented below:

Annual required contribution (ARC) and Annual OPEB cost	\$878,596
Interest on the net OPEB obligation	25,587
Adjustment to annual required contribution	<u>(25,340)</u>
Annual OPEB Cost	<u>\$878,843</u>
Contributions made:	
Town's portion of current year premiums paid	<u>228,508</u>
Contributions less than the ARC	<u>650,335</u>
Net OPEB Obligation June 30, 2010	<u>639,673</u>
Net OPEB Obligation June 30, 2011	<u><u>\$1,290,008</u></u>

The Plan's annual required contributions and actual contributions for the year ended June 30, 2011 is set forth below:

Fiscal Year	Annual Required Contribution (ARC)	Actual Contribution	Percentage of ARC Contributed	Net OPEB Obligation
6/30/2010	\$813,147	\$173,474	21%	\$639,673
6/30/2011	878,596	228,508	26%	1,290,008

The Schedule of Funding Progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the January 1, 2009 actuarial study is presented below:

Year Ended	Value of Assets	Accrued Liability	Unfunded Accrued Liability	Funded Ratio
6/30/2010	\$0	\$7,750,968	(\$7,750,968)	0%

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 10 - RISK MANAGEMENT**

**A. Coverage**

The Town is a member of the Association of Bay Area Governments (ABAG), which provides general liability coverage of \$5,000,000 above the Town's deductible of \$25,000 per occurrence, risk property insurance of \$100,000 above the Town's deductible of \$10,000 for property damage and \$10,000 for auto / vehicle damage. ABAG is governed by a board consisting of representatives from member municipalities. The board controls the operations of ABAG, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

Audited financial statements may be obtained from ABAG Services, P.O. Box 2050, Oakland, CA 94604-2050.

Alliant Insurance Services covers employment theft up to \$1,000,000 for each claim and in the aggregate and the Town's deductible is \$5,000 per claim.

The Cities Group covers workers' compensation claims up to \$1,000,000 each for miscellaneous employees, up to \$1,500,000 each for safety officers, and has coverage above that limit to a maximum of \$10,000,000. The Town has no deductible for the claims.

Audited financial statements may be obtained from Cities Group, address, P.O. Box 111, Burlingame, CA 94011-0111.

**B. Uninsured Claims**

The Town's liability for uninsured claims, including estimated claims incurred but not reported, was estimated by management based on prior years claims experience and was computed as follows as of June 30:

	2011	2010
Beginning balance	\$44,504	\$302,249
Net change in claims liabilities	27,016	44,504
Claims paid	(58,263)	(302,249)
Ending balance	<u>\$40,775</u>	<u>\$44,504</u>
Claims liabilities due within a year	<u>\$40,775</u>	<u>\$44,504</u>

For the years ended June 30, 2011, 2010, 2009, the amount of settlements did not exceed insurance coverage.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 11 – JOINT POWERS AUTHORITIES**

The Town participates in joint ventures discussed below through separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each joint venture is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective joint venture, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these joint ventures are not the Town's responsibility and the Town does not have an equity interest in the assets of each joint venture except upon dissolution of the joint venture.

**A. *Town/County Association of Governments of San Mateo County (C/CAG)***

Town/County Association of Governments of San Mateo County was formed in 1990 between the various cities in San Mateo County to prepare, adopt, monitor and enforce state mandated plans for the management of traffic congestion, integrated solid waste, airport land use and hazardous waste. The Town's contribution to C/CAG was \$31,272 for the year ended June 30, 2011. Financial statements may be obtained by mailing a request to the City San Carlos, 600 Elm Street, San Carlos, CA 94070.

**B. *South Bayside Waste Management Authority (Authority)***

The Authority is a joint powers agreement formed on October 13, 1999 for the purpose of joint ownership, financing and administration of the San Carlos Transfer Station and the San Mateo Recylery; and the planning, administration, review, monitoring, enforcement and reporting of solid waste and recyclable material within the Authority service area. Members of Authority include 11 municipalities located on the mid and lower Peninsula as well as certain unincorporated areas within the County. The Authority is controlled by a 12-member board consisting of one representative from each community. Through the operation of franchise agreements, Recology San Mateo County provides refuse and recyclable materials collection and disposal services for the benefit of residents and business of each member agency.

**C. *Alcohol Violation Temporary Housing Authority (AVTHA)***

AVTHA was established between the County and most of the cities and towns in the County to provide temporary housing and counseling to persons accused of alcohol related law violations. AVTHA contracts with an operator to provide such services. The costs of operating the temporary housing are allocated each member based on alcohol related arrests occurring within each member's jurisdiction. Financial statements for AVTHA may be obtained by mailing a request to Redwood City, 801 Marshall Street, Suite 600, Redwood City, California 94063.

**D. *Library Joint Powers Agreement***

In 1999, the Town joined with the County and ten other municipalities in the County to coordinate and expand library services throughout the County, including those in the Town.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2011**

**NOTE 11 – JOINT POWERS AUTHORITIES (Continued)**

Property tax revenues in excess of the JPA's costs of maintaining the library are remitted to the Town and are deposited into the Library Special Revenue Fund. Expenditures of this fund are subject to the approval of the Library JPA.

**NOTE 12 - CONTINGENT LIABILITIES**

The Town is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the Town.

The Town participates in Federal and State grant programs. These programs have been audited by the Town's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended in 1996 and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors, and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Town expects such amounts, if any, to be immaterial.

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<b>NON-MAJOR GOVERNMENTAL FUNDS</b>
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**SPECIAL REVENUE FUNDS**

**COUNTY MEASURE A FUND** accounts for funds received from the County of San Mateo Measure A funds for local transportation purposes.

**GAS TAX FUND** accounts for funds received from the State of California for road improvement.

**SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND/COPS GRANT FUND** accounts for grant funds for police services.

**ROAD CONSTRUCTION FUND** accounts for costs recovered from applicants for accelerated wear and tear to the Town's road as a result of construction projects.

**TRAFFIC CONGESTION RELIEF FUND** accounts for funds received from Proposition 42 for transportation congestion relief program.

**EVANS CREATIVE DESIGN FUND** accounts for funds received from the Evans estate.

**CAPITAL PROJECTS FUNDS**

**CAPITAL IMPROVEMENT FUND** accounts for capital improvement construction costs and financing sources.

**STORM DRAINAGE FUND** accounts for the operation and maintenance costs of drainage systems in the Town.

**CHANNEL DRAINAGE DISTRICT** accounts for tax revenues collected and channel maintenance costs.

TOWN OF ATHERTON  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2011

SPECIAL REVENUE FUNDS					
	County Measure A	Gas Tax	Supplemental Law Enforcement Services/ COPS Grant	Road Construction	Traffic Congestion Relief
<b>ASSETS</b>					
Cash and investment	\$208,569	\$240,278		\$1,100,945	
Receivables					
Taxes					
Grants			\$11,359		
Other					
Total Assets	\$208,569	\$240,278	\$11,359	\$1,100,945	
<b>LIABILITIES</b>					
Accounts payable	\$208,202	\$99,731			
Accrued liabilities					
Due to other funds			\$2,600		
Deferred revenue					
Total Liabilities	208,202	99,731	2,600		
<b>FUND EQUITY</b>					
Fund balances					
Nonspendable					
Restricted	367	140,547	8,759	\$1,100,945	
Committed					
Assigned					
Unassigned					
Total Fund Balances	367	140,547	8,759	1,100,945	
Total Liabilities and Fund Balances	\$208,569	\$240,278	\$11,359	\$1,100,945	

SPECIAL REVENUE FUND	CAPITAL PROJECT FUNDS			
Evans Creative Design	Capital Improvement	Strom Drainage	Channel Drainage District	Total Nonmajor Governmental Funds
\$95,829	\$220,904	\$29,181	\$133,558	\$2,029,264
			5,329	5,329
				11,359
<u>\$95,829</u>	<u>\$220,904</u>	<u>\$29,181</u>	<u>\$138,887</u>	<u>\$2,045,952</u>
				\$307,933
				2,600
			\$5,257	5,257
			5,257	315,790
\$95,829			133,630	1,480,077
	\$220,904	\$29,181		250,085
<u>95,829</u>	<u>220,904</u>	<u>29,181</u>	<u>133,630</u>	<u>1,730,162</u>
<u>\$95,829</u>	<u>\$220,904</u>	<u>\$29,181</u>	<u>\$138,887</u>	<u>\$2,045,952</u>

TOWN OF ATHERTON  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2011

SPECIAL REVENUE FUNDS

	County Measure A	Gas Tax	Supplemental Law Enforcement Services/ COPS Grant	Road Construction	Traffic Congestion Relief
<b>REVENUES</b>					
Property taxes					
Measure A Grants	\$264,583				
From Other Agencies		\$185,216	\$98,161		
Service Charge				\$573,608	
Use of money and property	715	1,664	274	9,368	\$60
Other revenues		64,087			
<b>Total Revenues</b>	<b>265,298</b>	<b>250,967</b>	<b>98,435</b>	<b>582,976</b>	<b>60</b>
<b>EXPENDITURES</b>					
Current					
Police			98,161		
Public Works	26,244	5,530			8,844
Non-Departmental					
Capital Outlay	307,992	241,383			
<b>Total Expenditures</b>	<b>334,236</b>	<b>246,913</b>	<b>98,161</b>		<b>8,844</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(68,938)</b>	<b>4,054</b>	<b>274</b>	<b>582,976</b>	<b>(8,784)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)					
<b>Total other financing sources and uses</b>					
<b>NET CHANGE IN FUND BALANCES</b>	<b>(68,938)</b>	<b>4,054</b>	<b>274</b>	<b>582,976</b>	<b>(8,784)</b>
<b>BEGINNING FUND BALANCES</b>	<b>69,305</b>	<b>136,493</b>	<b>8,485</b>	<b>517,969</b>	<b>8,784</b>
<b>ENDING FUND BALANCES</b>	<b>\$367</b>	<b>\$140,547</b>	<b>\$8,759</b>	<b>\$1,100,945</b>	

SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS				Total Nonmajor Governmental Funds
Evans Creative Design	Capital Improvement	Storm Drainage	Channel Drainage District		
			\$79,831		\$79,831
					264,583
	\$503,217				786,594
					573,608
\$745 190		\$246	789		13,861
					64,277
935	503,217	246	80,620		1,782,754
					98,161
		4,735	49,222		94,575
11,814					11,814
	280,042				829,417
11,814	280,042	4,735	49,222		1,033,967
(10,879)	223,175	(4,489)	31,398		748,787
(10,879)	223,175	(4,489)	31,398		748,787
106,708	(2,271)	33,670	102,232		981,375
\$95,829	\$220,904	\$29,181	\$133,630		\$1,730,162

TOWN OF ATHERTON  
 BUDGETED NON-MAJOR GOVERNMENTAL FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	SPECIAL REVENUE FUNDS					
	County Measure A			Gas Tax		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Measure A grants	\$200,000	\$264,583	\$64,583			
From other agencies				\$205,616	\$185,216	(\$20,400)
Service charges						
Use of money and property		715	715		1,664	1,664
Road impact fee						
Other revenue					64,087	
<b>Total Revenues</b>	<u>200,000</u>	<u>265,298</u>	<u>65,298</u>	<u>205,616</u>	<u>250,967</u>	<u>(18,736)</u>
EXPENDITURES						
Current						
General Government						
Police						
Public Works	26,192	26,244	(52)	6,420	5,530	890
Non-departmental						
Capital Outlay	243,111	307,992	(64,881)	344,471	241,383	103,088
<b>Total Expenditures</b>	<u>269,303</u>	<u>334,236</u>	<u>(64,933)</u>	<u>350,891</u>	<u>246,913</u>	<u>103,978</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(69,303)	(68,938)	130,231	(145,275)	4,054	(122,714)
NET CHANGE IN FUND BALANCES	<u>(69,303)</u>	<u>(68,938)</u>	<u>365</u>	<u>(145,275)</u>	<u>4,054</u>	<u>149,329</u>
BEGINNING FUND BALANCES		<u>69,305</u>			<u>136,493</u>	
ENDING FUND BALANCES		<u><u>\$367</u></u>			<u><u>\$140,547</u></u>	

SPECIAL REVENUE FUNDS

Supplemental Law Enforcement Services / COPS Grants			Road Construction			Traffic Congestion Relief		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$100,000	\$98,161	(\$1,839)						
	274	274		\$9,368	\$9,368		\$60	\$60
				(774)	(774)			
			\$302,278	574,382	272,104			
100,000	98,435	(1,565)	302,278	582,976	280,698		60	60
100,000	98,161	\$1,839					8,844	(8,844)
100,000	98,161	1,839					8,844	(8,844)
	274	(3,404)	302,278	582,976	280,698		(8,784)	8,904
	274	(3,404)	302,278	582,976	280,698		(8,784)	8,904
	8,485			517,969			8,784	
	\$8,759			\$1,100,945				

TOWN OF ATHERTON  
 BUDGETED NON-MAJOR GOVERNMENTAL FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUND		
	Evans Creative Design Fund			Capital Improvement		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Measure A grants						
From other agencies				\$340,678	\$503,217	\$162,539
Service charges						
Use of money and property	\$900	\$745	(\$155)			
Road impact fee						
Other revenue	2,500	190	(2,310)			
Total Revenues	3,400	935	(2,465)	340,678	503,217	162,539
EXPENDITURES						
Current						
General Government						
Police						
Public Works						
Non-departmental	19,035	11,814	7,221			
Capital Outlay	20,350		20,350	340,678	280,042	\$60,636
Total Expenditures	39,385	11,814	27,571	340,678	280,042	60,636
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(35,985)	(10,879)	(30,036)		223,175	101,903
NET CHANGE IN FUND BALANCES	(35,985)	(10,879)	(30,036)		223,175	101,903
BEGINNING FUND BALANCES		106,708			(2,271)	
ENDING FUND BALANCES		\$95,829			\$220,904	

CAPITAL PROJECTS FUND

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Storm Drainage Fund			Channel Drainage District		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$82,000	\$79,831	(\$2,169)
\$160	\$246	\$86		789	789
160	246	86	82,000	80,620	(1,380)
33,866	4,735	29,131	184,232	49,222	135,010
33,866	4,735	29,131	184,232	49,222	135,010
(33,706)	(4,489)	(29,045)	(102,232)	31,398	(136,390)
(33,706)	(4,489)	(29,045)	(102,232)	31,398	(136,390)
	33,670			102,232	
	\$29,181			\$133,630	

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## INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the Town on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. For the Statement of Activities, the net revenues or expenses of each internal service fund is eliminated by netting them against operations of the other Town departments, which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Assets.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

**EQUIPMENT REPLACEMENT FUND** accounts for the financing of replacement equipment within the Town such as vehicles and computer software.

**WORKERS' COMPENSATION INSURANCE FUND** accounts for the financing of the Town's outstanding worker's compensation liability.

**GENERAL LIABILITY FUND** accounts for other liabilities including employment liabilities.

**EMPLOYEE BENEFITS FUND** accounts for financing the liabilities for compensated absences and other post-employment benefits other than pension for Town General Fund departments.

TOWN OF ATHERTON  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2011

	Equipment Replacement	Workers' Compensation Insurance	General Liability	Employee Benefits	Total
<b>ASSETS</b>					
Current Assets:					
Cash and investments	\$479,313	\$405,963	\$130,760	\$1,512,926	\$2,528,962
Total Current Assets	479,313	405,963	130,760	1,512,926	2,528,962
Non-Current Assets:					
Capital assets:					
Depreciable	1,047,093				1,047,093
Less: accumulated depreciation	(615,334)				(615,334)
Net Capital Asset	431,759				431,759
Total noncurrent assets	431,759				431,759
Total Assets	911,072	405,963	130,760	1,512,926	2,960,721
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable			4,218	1,632	5,850
Accrued liability					
Claims Payable			40,775		40,775
Compensated absences				406,413	406,413
Long-term debt - due within one year	24,330	107,000			131,330
Total current liabilities	24,330	107,000	44,993	408,045	584,368
Noncurrent liabilities					
Compensated absences				260,599	260,599
Long-term debt	24,330	214,000			238,330
Net OPEB obligations				1,290,008	1,290,008
Total noncurrent liabilities	24,330	214,000		1,550,607	1,788,937
Total Liabilities	48,660	321,000	44,993	1,958,652	2,373,305
<b>NET ASSETS</b>					
Invested in capital assets	431,759				431,759
Unrestricted	430,653	84,963	85,767	(445,726)	155,657
Total Net Assets (Deficit)	\$862,412	\$84,963	\$85,767	(\$445,726)	\$587,416

TOWN OF ATHERTON  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011

	Equipment Replacement	Workers' Compensation Insurance	General Liability	Employee Benefits	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$136,331	\$42,448	\$243,276	\$992,425	\$1,414,480
Total Operating Revenues	136,331	42,448	243,276	992,425	1,414,480
<b>OPERATING EXPENSES</b>					
Insurance		42,032	195,161		237,193
OPEB expense				58,853	58,853
Supplies and maintenance	5,908				5,908
Employee benefits earned				744,663	744,663
Depreciation	110,399				110,399
Total Operating Expenses	116,307	42,032	195,161	803,516	1,157,016
Operating Income (Loss)	20,024	416	48,115	188,909	257,464
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	3,177	3,471	1,409	8,948	17,005
Total Nonoperating Revenues (Expenses)	3,177	3,471	1,409	8,948	17,005
Income Before Transfers	23,201	3,887	49,524	197,857	274,469
Change in Net Assets	23,201	3,887	49,524	197,857	274,469
BEGINNING NET ASSETS	839,211	81,076	36,243	(643,583)	312,947
ENDING NET ASSETS (DEFICIT)	\$862,412	\$84,963	\$85,767	(\$445,726)	\$587,416

TOWN OF ATHERTON  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2011

	Equipment Replacement	Workers' Compensation Insurance	General Liability	Employee Benefits	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from other funds	\$136,331	\$42,448	\$243,276	\$992,425	\$1,414,480
Payments to vendors	(42,765)	(42,032)	(194,672)	(229,200)	(508,669)
<b>Cash Flows from Operating Activities</b>	<u>93,566</u>	<u>416</u>	<u>48,604</u>	<u>763,225</u>	<u>905,811</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets, net	(52,875)				(52,875)
Principal payments on long term debt	(24,330)	(107,000)			(131,330)
<b>Cash Flows from Capital and Related Financing Activities</b>	<u>(77,205)</u>	<u>(107,000)</u>			<u>(184,205)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	3,177	3,471	1,409	8,948	17,005
<b>Cash Flows from Investing Activities</b>	<u>3,177</u>	<u>3,471</u>	<u>1,409</u>	<u>8,948</u>	<u>17,005</u>
<b>Net Cash Flows</b>	19,538	(103,113)	50,013	772,173	738,611
Cash and investments at beginning of period	459,775	509,076	80,747	740,753	1,790,351
Cash and investments at end of period	<u>\$479,313</u>	<u>\$405,963</u>	<u>\$130,760</u>	<u>\$1,512,926</u>	<u>\$2,528,962</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income	\$20,024	\$416	\$48,115	\$188,909	\$257,464
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation	110,399				110,399
Compensated absences				(77,651)	(77,651)
Change in assets and liabilities:					
Accounts payable	(36,857)		4,218	1,632	(31,007)
Accrued liability			(3,729)		(3,729)
Net OPEB obligation				650,335	650,335
<b>Cash Flows from Operating Activities</b>	<u>\$93,566</u>	<u>\$416</u>	<u>\$48,604</u>	<u>\$763,225</u>	<u>\$905,811</u>

<b>AGENCY FUNDS</b>
---------------------

Agency Funds account for assets held by a governmental unit in the capacity of agent for individuals, governmental entities, and non-public organizations.

The Agency Funds used to account for monies held by the Town in a fiduciary capacity are as follows:

**H-P PARK IMPROVEMENT FUND** – Fund donated for Holbrook-Palmer Park improvement.

**TREE COMMITTEE** – Fund maintained for the Tree Committee.

TOWN OF ATHERTON  
 AGENCY FUNDS  
 STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<hr/> <u>H-P Park Improvement Fund</u> <hr/>				
ASSETS				
Cash and investments	\$5,875	\$44		\$5,919
Total assets	<u>\$5,875</u>	<u>\$44</u>		<u>\$5,919</u>
LIABILITIES				
Deposits payable	\$5,875	\$44		\$5,919
Total liabilities	<u>\$5,875</u>	<u>\$44</u>		<u>\$5,919</u>
<hr/> <u>Tree Committee</u> <hr/>				
ASSETS				
Cash and investments	\$25,830	\$191	\$1,558	\$24,463
Total assets	<u>\$25,830</u>	<u>\$191</u>	<u>\$1,558</u>	<u>\$24,463</u>
LIABILITIES				
Accounts payable				
Deposits payable	\$25,830	\$191	\$1,558	\$24,463
Total liabilities	<u>\$25,830</u>	<u>\$191</u>	<u>\$1,558</u>	<u>\$24,463</u>
<hr/> <u>All Agency Funds</u> <hr/>				
ASSET				
Cash and investments	\$31,705	\$235	\$1,558	\$30,382
Total assets	<u>\$31,705</u>	<u>\$235</u>	<u>\$1,558</u>	<u>\$30,382</u>
LIABILITIES				
Accounts payable				
Deposits payable	\$31,705	\$235	\$1,558	\$30,382
Total liabilities	<u>\$31,705</u>	<u>\$235</u>	<u>\$1,558</u>	<u>\$30,382</u>

**Town of Atherton  
Measure A Special Revenue Fund**

**Report on Compliance with the  
*Agreement for Distribution of San Mateo County  
Measure A Funds for Local Transportation Purposes***

**For the Year Ended June 30, 2011**

ACCOUNTANCY CORPORATION  
3478 Buskirk Ave. - Suite 215  
Pleasant Hill, California 94523  
(925) 930-0902 • FAX (925) 930-0135  
maze@mazeassociates.com  
www.mazeassociates.com

## INDEPENDENT AUDITOR'S REPORT ON MANAGEMENT'S ASSERTION

Honorable Mayor and Members of City Council of the  
Town of Atherton, California

We have examined management's assertion, included in accompanying Management's Report on Compliance with the *Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purposes (the Agreement)* between the Town and the San Mateo County Transportation Authority dated January 21, 2009 that the Town of Atherton complied with the requirements of the Agreement during the year ended June 30, 2011. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Town's compliance based upon our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide legal determination of the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2011.

As of July 1, 2010, the Town adopted the provision of Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*.

This report is intended solely for the information and use of the City Council and Management and the San Mateo County Transportation Authority Board and Management. However, this report is a matter of public record and its distribution is not limited.

Maze & Associates

October 28, 2011

TOWN OF ATHERTON  
 SCHEDULE OF MEASURE A FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

BALANCE SHEET

Assets:	
Cash	\$208,569
Total Assets	\$208,569
Liabilities:	
Accounts Payable	\$208,202
Total Liabilities	208,202
Fund Balance:	
Restricted	367
Total Fund Balance	367
Total Liabilities and Fund Balance	\$208,569

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE

Revenues:	
Measure A Sales Tax	\$264,583
Use of Money & Property	715
Total Revenues	265,298
Expenditures:	
Encinal Traffic Signal	99,791
2011 Cape Slurry	208,203
C/CAG Membership Dues and Audit Fee	26,242
Total Expenditures	334,236
Excess of Revenues over Expenditures	(68,938)
Fund Balance - July 1, 2010	69,305
Fund Balance - June 30, 2011	\$367



## Town of Atherton

91 Ashfield Road  
Atherton, California 94027

Phone: (650) 752-0500

Fax: (650) 688-6528

October 28, 2011

San Mateo County Transportation Authority  
120 San Carlos Avenue  
San Carlos, California 94070

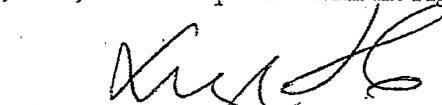
### ***Management's Report on Compliance with the Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purpose***

The Town of Atherton is responsible for complying with the *Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purposes* (the Agreement) between the Town and the San Mateo County Transportation Authority entered into on January 21, 2009. The Agreement states that in return for receiving an annual allocation of a specified portion of the retail transactions and use tax approved by *Measure A – San Mateo County Transportation Expenditure Plan* (the Measure), the Town, agrees that funds, "shall not be used to replace funds previously provided by property tax or other local revenues for public transportation purposes, and that Town will limit the use of Funds Provided Pursuant to this Agreement to the improvement and maintenance of local transportation, including streets and road improvements."

With respect to compliance with the Agreement, management attests to the following for the year ended June 30, 2011:

- Management is responsible for establishing and maintaining an effective internal control structure with respect to compliance with the Agreement;
- Management is responsible for complying with the Agreement;
- Management has evaluated the Town's compliance with the requirements of the Agreement;
- All Transactions, as summarized in the attached Statement of Revenues and Expenditures for the Year Ended June 30, 2011, are in compliance with the Agreement.

  
\_\_\_\_\_  
City Manager

  
\_\_\_\_\_  
Finance Director

ACCOUNTANCY CORPORATION  
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Pleasant Hill, California 94523  
(925) 930-0902 • FAX (925) 930-0135  
maze@mazeassociates.com  
www.mazeassociates.com

TOWN OF ATHERTON  
INDEPENDENT ACCOUNTANT'S  
AGREED UPON PROCEDURES REPORT ON  
COMPLIANCE WITH THE PROPOSITION 111  
FISCAL YEAR 2011-2012 APPROPRIATIONS LIMIT INCREMENT

Honorable Mayor and Members of the City Council  
Town of Atherton, California

We have applied the procedures below to the Gann Appropriations Limit History (Worksheet) for the Town of Atherton, California, for the year ended June 30, 2012. These procedures, which were suggested by the League of California Cities and presented in their Article XIII B Appropriations Limitation Uniform Guidelines were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. This report is intended for the information of management and the City Council. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

The procedures you requested us to perform and our findings were as follows:

- A. We obtained the Appropriations Limitation Worksheet and determined that the 2011-2012 Appropriations Limit amounting to \$10,392,838 and annual adjustment factors were adopted by resolution of the City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.
- B. We recomputed the Appropriations Limit by multiplying the 2010-2011 Prior Year Appropriations Limit by the Total Growth Factor and added in the parcel tax revenue adjustment of \$2,787,000.
- C. For the Appropriations Limitation Worksheet, we agreed the Per Capita Income and Town Population Factors to California State Department of Finance Worksheets.

These agreed-upon procedures are substantially less in scope than an audit, the objective of which is the expression of an opinion on the Appropriations Limitation Worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures or had we made an audit of the Appropriations Limitation Worksheet and the other completed worksheets described in above, matters might have come to our attention, which would have been reported to you.

*Maze & Associates*

October 14, 2011

**TOWN OF ATHERTON**  
**MEMORANDUM ON INTERNAL CONTROL**  
**AND**  
**REQUIRED COMMUNICATIONS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2011**

**MAZE &  
ASSOCIATES**

**TOWN OF ATHERTON  
MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS**

**For the Year Ended June 30, 2011**

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**TOWN OF ATHERTON  
MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS**

**For the Year Ended June 30, 2011**

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## MEMORANDUM ON INTERNAL CONTROL

October 28, 2011  
To the City Council of  
the Town of Atherton

We have audited the financial statements of the Town of Atherton for the year ended June 30, 2011 and have issued our report thereon dated October 28, 2011. In planning and performing our audit of the financial statements of the Town of Atherton as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe to be of potential benefit to the Town.

The Town's written responses included in this report have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, City Council, others within the organization, and agencies and pass-through entities requiring compliance with generally accepted government auditing standards, and is not intended to be and should not be used by anyone other than these specified parties.

*Maze & Associates*

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TOWN OF ATHERTON  
MEMORANDUM ON INTERNAL CONTROL STRUCTURE

CURRENT YEAR SCHEDULE OF OTHER MATTERS

**2011-01 Bidding Process for Awarding Service Contracts Exceeding \$15,000**

**Criteria:** Per the Town's municipal code, professional/consultant service contracts over \$15,000 are required to go through the bidding process unless the service qualifies for certain exceptions. The exceptions are listed as follows: **"3.16.110 Bids required—Exception"**

A. Bidding may be dispensed with only when:

1. An emergency requires that an order be placed with the nearest source of supply;
2. When the amount of the purchase involved is less than seven hundred fifty dollars;
3. When the commodity or service can be obtained from only one vendor;
4. When used equipment can be acquired which meets the Town's needs at less cost than new equipment;
5. When participating in state and county cooperative contracts or utilizing other municipal government's competitive bids;
6. When the services of attorneys, engineers, accountants or other specialized professionals are sought as approved by the city manager;
7. When the public interest may otherwise require that bidding be dispensed with; provided, that the city council shall approve of the purchase by majority vote and indicate the reasons bidding was dispensed with;
8. When the city manager makes similar findings for contracts with a value of less than fifteen thousand dollars.

B. In no event shall bidding be dispensed with when required by federal or state law. (Ord. 483 § 2 (part), 1994)

**Condition:** Disbursements to CSG Consultants, Inc. (CSG) were selected as part of our samples for testing. Per review of the staff report dated May 19, 2010, the Town approved CSG for code enforcement services on a part-time basis in the amount of \$56,925 for the fiscal year 2010-2011. We understand that subsequent to this contract award for code enforcement services, CSG was also approved to provide commercial plan check services. We also understand that although the additional commercial plan check services provided by CSG was approved by the City Council, it did not go through a bidding process. It appears to satisfy exception items #6 and #7 above, whereby bidding was not carried out.

We understand that, to address our recommendation below, the Town has drafted a new purchasing policy (Chapter 3.16 and Chapter 3.17) which is pending the City Attorney's review.

**Recommendation:**

- The Town should adopt and implement the new purchasing policy as soon as possible.
- For Request for Proposals (RFPs) that are \$15,000 or more, the Town should consider having these RFPs reviewed and approved by the City Council.
- As a business best practice, since CSG is providing substantial amount of services to the Town, the Town should reconsider whether contract for such professional/consulting services should go through the bidding process to ensure that the Town is receiving the best quality professional service with the best pricing.

**Management Response:** The Town concurs with the recommendation.

**TOWN OF ATHERTON  
MEMORANDUM ON INTERNAL CONTROL STRUCTURE**

**CURRENT YEAR SCHEDULE OF OTHER MATTERS**

**2011-02 Maximum Vacation Accrual for Management Employees**

**Criteria:** Employees should not be able to accrue vacation time over the maximum amount agreed upon in the employee's bargaining unit, Memorandum of Understanding (MOU).

**Condition:** We reviewed the vacation accrual balances for each employee for the current fiscal year from July 2010 to June 2011. We noted that there were approximately seven employees whose accrued vacation had exceeded their maximum limit. These employees' hours exceeding the limit had not yet been reduced by either cash out payment or using up the accrued vacation time.

**Effect:** The amount of Town's liability will continue to accrue and grow if the accrued vacation time is not reduced to the maximum limit.

**Recommendation:** The Town should make sure that all employees liquidate or reduce any excess accrued vacation on an annual basis.

**Management Response:** On or before June 30, 2012, the Town will ensure that all employees are in compliance with the maximum vacation limit.

**2011-03: Outstanding Building Permit Deposits Close Out (This item was discussed in prior fiscal year 2010 Memorandum Internal on Internal Control)**

**Criteria:** Procedures should be established to close out old building permit deposits that are still outstanding.

**Condition:** As of June 30, 2011, a reconciliation of detail records with the general ledger was partially completed.

In fiscal year 2010, the Town spent a significant amount of time and effort to reconcile the detail records with its general ledger. As of June 30, 2010, the amount of building deposits payable was \$674,703. Of this amount, about \$273,000 of building permit deposits were from calendar year 2000 to 2007, which were more than 2 years old. In the current fiscal year 2011, the former Interim Building Official was requested by the Audit Committee to implement our prior year recommendation. As of June 2011, the building deposits payable amount was \$563,000; a reduction of \$112,000.

**Recommendation:** The Town should continue the process and complete the reconciliation of detail records with the general ledger.

**Management Response:** As directed by the Audit Committee, Interwest will implement the written procedure prepared by former Interim Building Official (CSG) and approved by the Audit Committee.

TOWN OF ATHERTON  
MEMORANDUM ON INTERNAL CONTROL STRUCTURE

CURRENT YEAR SCHEDULE OF OTHER MATTERS

**2011-04: Implementation of Human Resources Module in the Springbrook Accounting Software**  
**(This item was discussed in FY 2010 Memorandum on Internal Control)**

**Criteria:** To improve internal control, the Town should implement the Human Resources module in Springbrook accounting software so that there will be segregation of duties between payroll and human resources.

**Condition:** The Town had purchase the Human Resources Module in the Springbrook accounting software. Currently, the employee who runs payroll and prints payroll checks can also adjust the employee database information including employee information and pay rates. We understand that to date as of May 2011, the module has not been implemented.

**Recommendation:** To improve internal control, the Town should implement the Human Resources module in Springbrook accounting software. Duties to make adjustments in the Human Resource module should be segregated from duties to run payroll.

**Management Response:** The Deputy City Clerk has been designated by the Interim City Manager to take over some of the human resources functions. Data has been loaded into the HR module. The next phase is for the Deputy City Clerk to obtain training and to take over the applicable HR functions in Springbrook.

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ACCOUNTANCY CORPORATION  
3478 Buskirk Ave. - Suite 215  
Pleasant Hill, California 94523  
(925) 930-0902 • FAX (925) 930-0135  
maze@mazeassociates.com  
www.mazeassociates.com

## REQUIRED COMMUNICATIONS

October 28, 2011

To the City Council of  
the Town of Atherton, California

We have audited the financial statements of the Town of Atherton as of and for the year ended June 30, 2011 and have issued our report thereon dated October 28, 2011. Professional standards require that we advise you of the following matters relating to our audit.

**Financial Statement Audit Assurance:** Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit in accordance with generally accepted auditing standards does not provide absolute assurance about, or guarantee the accuracy of, the financial statements. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is an inherent risk that material errors, fraud, or illegal acts may exist and not be detected by us.

**Other Information Included with the Audited Financial Statements:** Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Town's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. Our responsibility also includes communicating to you any information that we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements. This other information and the extent of our procedures is explained in our audit report.

**Accounting Policies:** Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Town is included in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2011. As described in notes to the financial statements, during the year, the City implemented the following new standards:

- **Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions**

This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Disclosure of the policies in the notes to the financial statements is required.

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types also have been modified for clarity and consistency.

- **Statement No. 59 Financial Instruments Omnibus**

The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. This is a technical clean up pronouncement that had no material impact to the financial statements.

**Unusual Transactions, Controversial or Emerging Areas:** No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2009.

**Estimates:** Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are depreciation and compensated absences.

Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 5 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Accrued compensated absences which are comprised of accrued vacation and compensated time-off and holiday pay is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

**Disagreements with Management:** For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the Town's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Retention Issues:** We did not discuss any major issues with management regarding the application of accounting principles and auditing standards that resulted in a condition to our retention as the Town's auditors.

**Difficulties:** We encountered no serious difficulties in dealing with management relating to the performance of the audit.

**Audit Adjustments:** For purposes of this communication, professional standards define an audit adjustment, whether or not recorded by the Town, as a proposed correction of the financial statements that, in our judgment, may not have been detected except through the audit procedures performed. These adjustments may include those proposed by us but not recorded by the Town that could potentially cause future financial statements to be materially misstated, even though we have concluded that the adjustments are not material to the current financial statements.

We did not propose any audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on the Town's financial reporting process.

**Uncorrected Misstatements:** Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Council.

\*\*\*\*\*

This report is intended solely for the information and use of the audit committee, City Council, and management and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

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**ITEM 12**

**CITY COUNCIL COMMITTEE REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: TOWN CENTER TASK FORCE  
ELIZABETH LEWIS, CHAIR**

**DATE: FOR THE REGULAR MEETING OF DECEMBER 21, 2011**

**SUBJECT: TOWN CENTER TASK FORCE – UPDATE ONLY**

The Town Center Task Force (TCTF) has worked very well together, each contributing expertise to the process. The TCTF is made up of 2 Council Members and 6 volunteer residents. In November 2011, Committee Member Pat Haines submitted her resignation because she is moving out of town. She has recommended a resident of the CARA neighborhood as a replacement; however the TCTF was advised by the City Clerk that the replacement will be handled in February/March 2012 when new committee members for all Town committees are selected. It is the TCTF's desire to continue with the same group of residents and Council Members.

The TCTF members are:

Council Member Lewis, Chair

Council Member Carlson, Vice-Chair

Steve Dostart

Didi Fisher

Pat Haines – resigned November 2011 moved out of town

Rose Hau

Philip Lively

John Shenk

At the next TCTF will meet January 5, 2012 the two firms will be evaluated and scored against a predetermined matrix, independently by the committee members along with considering all public comments and evaluations that have been received by that date. Out of this will come a recommendation that will be presented to the Council for the Town Center architect, at the January 18, 2012 meeting. In addition, the TCTF will present to Council a recommended 2012 PLAN, including a timeline prepared with assistance of Staff, recommended policy for Donor recognition, financing/fund-raising plan, and request for access to some of the funds that have been collected from building department revenue to contract with the chosen architect.



## Town of Atherton

### CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL  
JOHN DANIELSON, CITY MANAGER**

**FROM: MICHAEL KASHIWAGI, PUBLIC WORKS DIRECTOR**

**DATE: FOR THE MEETING OF DECEMBER 21, 2011**

**SUBJECT: CONTINUATION OF SWEEPING CONTRACT WITH  
CONTRACT SWEEPING FOR 1 ADDITIONAL YEAR.**

#### **RECOMMENDATION:**

Staff recommends approving contract change order 2A continuing for 1 additional year town sweeping services to Contract sweeping services of San Jose for the amount not to exceed \$13,912.40 (\$11,912.40 plus 10% emergency contingency), for a total authorization of 13,912.40.

#### **INTRODUCTION:**

In December 2008, the town entered into a two year contract (2009-2010) with two – single year option agreement for sweeping services with Contract Sweeping of San Jose. This agreement was reached after Contract Sweeping services was low bidder from a joint procurement bid for sweeping services with the cities of Brisbane, Daly City, East Palo Alto, San Carlos, Foster City and San Mateo.

The following were the breakdowns from the 2008 bid prices;

Contract Sweeping	\$11,912.40 Annually
Clean Streets	\$20,000.00 Annually
Universal Building Services	\$21,840.00 Annually
Nationwide Environmental	Declined To Bid Atherton

The cost of these services per month were \$992.70 per month or \$11,912.40 annually.

Last year, Council approved amendment 1A to this contract with no price changes for the 2011 calendar year.

Amendment 2A for 2012 will once again reflect no price increases from the original contract, with the costs being once again \$992.70 monthly or \$11,912.40 annually.

**ANALYSIS:**

The low bidder for the Atherton section was Contract Sweeping Services. Contract Sweeping service has agreed to sweep the curb/guttered sections of town (17.03 miles) a total of 12 times annually along with 4 other sweeps throughout the year of the entire town (110 miles). The last time the Town bid for a single sweep of the entire town, the low bid was \$2750.00 per sweep.

Staff is currently pleased with the performance of Contract Sweeping. They provide both their monthly and quarterly sweeps with professionalism, competence and often times extra efforts. The low bid firm keeps proper driving records for their operators, a clean and well staffed maintenance garage, uses proper wash-down techniques per RWQCB standards, and has a recycle system that allows them to use their wash water more than once.

Staff has worked with our maintenance services provider, MCE Corporation, to see if continuation with Contract Sweeping is the best alternative for the towns sweeping needs. MCE is in agreement that the town continuing sweeping services from Contract Sweeping is a benefit both fiscally and professionally, as they agree they are doing an above standard job for the town.

**FISCAL IMPACT:**

Staff has sufficient funds to pay for this service out of the Streets operating budget- town maintenance services fund 101-53-52031-053.

By contracting directly with Contract Sweeping services (and not through MCE), no service fees shall apply.

Prepared By:

Approved:

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Michael Kashiwagi, P.E.  
Public Works Director

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John Danielson  
Interim City Manager

Attachments: amendment 2A

**AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BY AND  
BETWEEN THE TOWN OF ATHERTON AND CONTRACT SWEEPING SERVICES  
AS PREVIOUSLY AMENDED**

This Amendment to the Professional Services Agreement, previously amended, by and between the Town of Atherton ("Town") and CONTRACT SWEEPING SERVICE (Contractor) for MONTHLY (17.03 MILES) and QUARTERLEY (110 MILES) STREET SWEEPING is entered into as of the \_\_\_ day of December, 2011, by and between Town and Contractor.

**RECITALS**

- A. Town and Contractor are parties to that certain Professional Services Agreement for Town Street Sweeping services dated November 20, 2008 ("Agreement"); and
- B. That Agreement was amended in writing January 2, 2011, to extend services through calendar year 2011; and
- C. Town and Contractor now desire to enter into this second Amendment to extend services as described below.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby amend the Agreement as follows:

Paragraph 2 of the Agreement regarding the Term of the contract is hereby extended for a period of one year, expiring on December, 31, 2012.

All terms and conditions not amended herein shall remain in full force and effect, including the extension granted in the first amendment.

IN WITNESS THEREOF, the parties have executed this 2A Amendment as of the 1<sup>st</sup> of January, 2012.

**TOWN OF ATHERTON:**

By: \_\_\_\_\_ / \_\_\_\_\_  
John Danielson, Interim City Manager (Date)

**ATTEST:**

\_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

**CONTRACTOR:**

By: \_\_\_\_\_ / \_\_\_\_\_  
Name: \_\_\_\_\_ (Date)  
Title: \_\_\_\_\_

By: \_\_\_\_\_ / \_\_\_\_\_  
Name: \_\_\_\_\_ (Date)  
Title: \_\_\_\_\_



## Town of Atherton

### CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL  
JOHN DANIELSON, INTERIM CITY MANAGER**

**FROM: MICHAEL KASHIWAGI, PUBLIC WORKS DIRECTOR**

**DATE: FOR THE MEETING OF DECEMBER 21, 2011**

**SUBJECT: ACCEPTANCE OF WORK, AUTHORIZATION TO RECORD NOTICE  
OF COMPLETION AND APPROVAL OF CONTRACT CHANGE  
ORDERS IN THE AMOUNT OF \$12,495.46 FOR A TOTAL PROJECT  
COST OF \$393,666.71 FOR THE 2011 CAPE/SLURRY PROJECT,  
PROJECT NUMBER 56049**

### RECOMMENDATION

Pass a motion accepting work, authorizing recording of a notice of completion and approving contract change orders in the amount of \$12,495.46 for a total project cost of \$393,666.71 for the 2011 Cape/Slurry Project, Project Number 56049.

### INTRODUCTION

The Council awarded a contract in June 2011 to Graham Contractors, Inc. for \$381,171.25. Work under the contract has been completed.

This project entails performing a Cape Seal and Micro-slurry along various streets in Atherton. It also includes replacement of all striping, raised pavement markers and other associated pavement markings within the project boundaries.

A Cape Seal is a treatment process where a heated polymer modified asphalt emulsion (oil) is applied to a cleaned street and scrubbed in with brooms. A 3/8" aggregate (chip) is immediately applied over the oil and is rolled into place with a rubber tired roller. The excess rock is then swept away. The next process follows a few days later. A micro-surface (oil and sand mixture) is applied over the top of the chips, and once again rolled into place with rubber tired rollers. Upon curing, the result is a street that is impervious to water as well as having about 1/2" of new wearing surface added to the top. This surface will remain flexible for years, and as cracks work their way up from the sub-base of the road they are filled by the pliable material.

This project falls under the Town's preventative maintenance program, which assures that good streets (streets with a pavement condition index of 60+) receive treatments, which will greatly lengthen their lifespan. These treatments, when used on the correct streets at the correct times, can prolong the need for costly and disruptive street rehabilitation projects almost indefinitely.

**ANALYSIS**

The original contract price was for \$381,171.25. There were quantity increases of \$12,495.46 bringing the total contract to \$393,666.71. The contract changes were as follows:

1. Original Contract	\$381,171.25
2. Quantity Increases	\$ 12,495.46
	TOTAL \$393,666.71

**FISCAL IMPACT**

Funding for this project in the amount of \$550,000 was included in the FY 2010-11 budget, with \$100,000 defunded and allocated to the Upper Atherton Channel Project bringing the total funding to \$450,000. The final cost of this segment of work is \$393,666.71.

Prepared By:

Approved:

\_\_\_\_\_  
Michael Kashiwagi, P.E.  
Public Works Director

\_\_\_\_\_  
John Danielson  
Interim City Manager

Attachment: Notice of Completion

**RECORD REQUESTED BY:**

**TOWN OF ATHERTON**  
**AND WHEN RECORDED MAIL TO:**

**CITY CLERK, TOWN OF ATHERTON**

**91 ASHFIELD ROAD**  
**(Street Address)**  
**ATHERTON, CALIFORNIA 94027**  
**(City, State and Zip Code)**

No fee pursuant to Government Code Section 6103

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**TOWN OF ATHERTON**  
**NOTICE OF COMPLETION**

**2011 CAPE/SLURRY PROJECT**  
**PROJECT NO. 56049**  
**ATHERTON, CALIFORNIA**

NOTICE IS HEREBY GIVEN THAT Michael Kashiwagi, Engineer of Work for the Town of Atherton, County of San Mateo, California, on the 31<sup>st</sup> day of October 2011 did file with the City Clerk of said Town a Certificate of Completion for the work described in the construction contract awarded to Graham Contractors, Inc. on the 15<sup>th</sup> day of June, 2011, said contract being executed on the 20<sup>th</sup> day of June 2011.

That said work and improvements were accepted as completed on the 31<sup>st</sup> day of June, 2011 and that acceptance for completion of said work was ordered by Motion of the City Council of said Town, adopted on the 21<sup>st</sup> day of December, 2011, and that the name of the surety on the Contractor's bond for performance, labor and materials on said project is Travelers Casualty and Surety Company of America, One Tower Square, Bond/5PB, Hartford, CT 06183.

That said work and improvements consisted of type II micro-slurry and cape seals as described in the plans and specifications approved by the City Council of the Town of Atherton pursuant to motion, adopted the 20<sup>th</sup> day of June, 2011.

That I, Michael Kashiwagi, City Engineer of the Town of Atherton, am authorized by said Motion to execute and file this notice with the County Recorder of the County of San Mateo.

BY: \_\_\_\_\_  
City Engineer  
\_\_\_\_\_  
Date

ATTEST: \_\_\_\_\_  
Deputy City Clerk  
\_\_\_\_\_  
Date

'I declare under penalty of perjury that the foregoing is true and correct.'

\_\_\_\_\_  
Atherton, CA  
(Date and Place)

\_\_\_\_\_  
(Signature)

**TOWN OF ATHERTON  
CERTIFICATE OF COMPLETION**

**PROJECT NAME:** 2011 CAPE/SLURRY PROJECT  
**PROJECT NUMBER:** 56049  
**LOCATION:** Various Streets

**NOTICE IS HEREBY GIVEN:**

1. That on October 31, 2011, the Public Works project known as 2011 CAPE/SLURRY PROJECT Project Number 56049 was completed in accordance with the plans and specifications as required by the Town of Atherton.
  
2. That the name and address of the party filling this notice is:  
Town of Atherton  
91 Ashfield Road  
Atherton, California 94027.
  
3. That the name and address of the Contractor responsible for the construction of the project is:  
Graham Contractors, Inc.  
860 Lonus Street  
San Jose, CA 95159
  
4. That the name and address of the Contractor's surety is:  
Travelers Casualty and Surety Company of America  
One Tower Square  
Bond/5PB  
Hartford, CT 06183
  
5. That the project is described as:  
Type II micro-slurries and cape seals, as more particularly described in the plans and specification approved by the City Council of the Town of Atherton pursuant to Motion, adopted the 21st day of December, 2011.

**BY:** \_\_\_\_\_  
**Michael Kashiwagi, P.E.** \_\_\_\_\_  
**Public Works Director** **Date**

**ATTEST:** \_\_\_\_\_  
**Theresa Della Santa** \_\_\_\_\_  
**Deputy City Clerk** **Date**



## Town of Atherton

### CITY COUNCIL STAFF REPORT

**TO:** HONORABLE MAYOR AND CITY COUNCIL  
JOHN DANIELSON, INTERIM CITY MANAGER

**FROM:** MICHAEL KASHIWAGI, PUBLIC WORKS DIRECTOR

**DATE:** FOR THE MEETING OF DECEMBER 21, 2011

**SUBJECT:** APPROVE A MAINTENANCE AGREEMENT WITH THE  
COUNTY OF SAN MATEO FOR COUNTY DRAINAGE  
IMPROVEMENT PROJECT AT CAMINO DE LOS  
ROBLES WITHIN THE TOWN OF ATHERTON  
JURISDICTION

#### **RECOMMENDATION:**

Approve a Maintenance Agreement with the County of San Mateo for County Drainage Improvement Project at Camino De Los Robles and authorize the Public Works Director to execute the Maintenance Agreement.

#### **INTRODUCTION:**

The County of San Mateo recently completed a capital improvement project that included street reconstruction and drainage improvements along Camino De Los Robles to the county/town limits. The project was design without consideration of the drainage impact to Atherton.

The improvements covered by this agreement relate to drainage improvements within the Town of Atherton, which will be designed, constructed, and funded by the County of San Mateo. These drainage improvements will address the drainage impacts of the County project by installing drainage system improvements in the Town of Atherton.

**ANALYSIS:**

There are no capital costs incurred by the Town for this county project. The total cost of this project is being paid by the County.

The County will install two drain inlets on the County side of the County/Town's limits, on the town's side, under Camino De Los Robles, there will be 330' linear feet of storm drain pipes, tying-in the inlets into the Town's drainage system.

Once the project is complete, the improvements will become the property of the Town and the Town will be responsible for future maintenance, repair and replacement cost of the improvements.

**FISCAL IMPACT:**

There is no capital costs associated with the construction of the County's project.

Cost of the maintenance, repairs, and replacement will be the responsibility of the town of Atherton and will be included in future street maintenance operating budgets.

Prepared By:

Approved:

---

Michael Kashiwagi, P.E.  
Public Works Director

---

John Danielson  
Interim City Manager

Attachments: Maintenance Agreement

Department of Public Works

BOARD OF SUPERVISORS  
CAROLE GROOM  
DON HORSLEY  
ROSE JACOBS GIBSON  
DAVE PINE  
ADRIENNE J. TISSIER



**COUNTY OF SAN MATEO**

**JAMES C. PORTER**  
DIRECTOR

555 COUNTY CENTER, 5<sup>TH</sup> FLOOR • REDWOOD CITY • CALIFORNIA 94063-1665 • PHONE (650) 363-4100 • FAX (650) 361-8220

November 28, 2011

Mr. Michael Kashiwagi  
Town of Atherton Public Works Department  
93 Station Lane  
Atherton, CA 94027

Dear Mr. Kashiwagi:

**Re: Agreement for the Construction, Ownership, and Future Maintenance Responsibilities of Drainage Improvements at Camino De Los Robles within the Town of Atherton and within the Unincorporated County of San Mateo (West Menlo Park Area) [Project No. RN203]**

With respect to the above-mentioned project, the County, with input from your staff, has finalized design plans for the Drainage improvements at Camino De Los Robles.

Should you wish to include the construction of the drainage facilities within the Town's limits, we have enclosed three (3) original forms of Agreement which provide for the inclusion of the above-mentioned work in our contract. The Town will incur no cost for the construction work.

Please review the agreement and, if it meets your approval and you wish to include the construction of the drainage facilities in our Drainage Improvements contract, execute all three (3) copies and return them to us by **Friday, December 2, 2011 or as soon as possible**. A fully executed copy of the Agreement will be forwarded to you for your records.

We thank you and appreciate your cooperation. If you need any additional information or have any questions, please call Carter Choi or myself at (650) 363-4100. We will keep you informed of our schedule as we progress.

Very truly yours,

Gil Tourel, P.E.  
Acting Principal Civil Engineer  
Project Development and Design

GT:CC

F:\users\design\ltd\4835000\docs\Agreement Atherton Req2Execute Ltr.doc

Enclosures: Three (3) Original Agreements

cc: Carter Choi, P.E., Associate Civil Engineer, Project Development and Design



**AGREEMENT**

**AGREEMENT FOR THE CONSTRUCTION, OWNERSHIP, AND FUTURE  
MAINTENANCE RESPONSIBILITIES OF DRAINAGE IMPROVEMENTS AT CAMINO  
DE LOS ROBLES WITHIN THE TOWN OF ATHERTON AND WITHIN THE  
UNINCORPORATED COUNTY OF SAN MATEO (WEST MENLO PARK AREA)  
[PROJECT NO. RN203]**

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**THIS AGREEMENT**, made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2011, by and between the **COUNTY OF SAN MATEO**, a political  
subdivision of the State of California, hereinafter called “County”, and the **TOWN OF  
ATHERTON** hereinafter called “Town”.

**WITNESSETH:**

**WHEREAS**, the County will install drainage improvements within the Town limits, and shall consist of removal and replacement of a section of concrete valley gutter, construction of two (2) traffic drainage inlets, one (1) drainage junction box, installation of approximately 306 linear feet of a 10 inch diameter HDPE pipe, 18 linear feet of a 12 inch diameter HDPE pipe, placement of asphalt concrete, and applying fog seal as part of the County’s Drainage Improvements Project on Camino De Los Robles and Camino Por Los Arboles (the “Drainage

Improvements Project”) (attached to this agreement as Exhibit A is plan sheet depicting the portion of the Drainage Improvements Project occurring within the Town limits); and

**WHEREAS**, the Town was involved with the design and review process and has approved and accepted the Plans and Specifications for construction of the Drainage Improvement Project; and

**NOW, THEREFORE, IT IS AGREED AS FOLLOWS:**

1. County included in its contract, for the above-described project, contract items for the construction of a subsurface drainage pipe, drainage junction box, and applying a fog seal to the roadways on portions of Camino De Los Robles and Camino Por Los Arboles within the Town. The work shall be completed by the County’s Contractor.

2. County will award the contract to the lowest responsible bidder for the completion of this Drainage Improvements Project.

3. County agrees to notify the Town of the successful bidder to whom the construction contract is to be awarded.

4. The Town agrees to take on ownership and maintenance responsibilities of the new drainage facilities within the Town following completion of this Drainage Improvements Project.

5. County shall furnish primary construction inspection services for all phases of the project work. The County’s Director of Public Works or his appointed representative shall be solely responsible for all phases of construction and inspection functions and liaison with the Project Contractor. In this regard, all communications and directions of the Town to the County’s Contractor shall be directed through the County representative. Town representatives shall have access to the work on the Town’s facilities and work within the Town at all times, and

without restriction, for the purposes of inspection of such facilities. The County and the Town representatives shall cooperate and confer to facilitate the performance of inspection duties incident to expeditious completion and acceptance of work performed by County's Contractor on the Town's facilities and within the Town.

6. The Town and County shall inspect work performed by the County's Contractor and, upon agreement that work has been satisfactorily completed by County's Contractor on the Town's behalf, as specified under this Agreement, County and the Town shall accept the work as described herein.

7. It is understood and the Town agrees that upon completion of the work contemplated by this Agreement, the Town shall have all ownership and maintenance responsibilities over the facilities constructed in connection with the Drainage Improvement Project within the Town including subsurface drainage pipe and drainage junction box.

8. County shall only accept the work accomplished on the Drainage Improvement Project facilities within the Town either (1) after receiving written approval from the Town's Director of Public Works or his duly authorized representative, or (2) after receiving no response from the Town within five (5) days of County's request for approval or disapproval of the work. The Town's disapproval of County work shall only be for non-conformance with the County's project plans and specifications for the Drainage Improvement Project. Said approval or disapproval, if any, by the Town shall be provided within five (5) days of County's request for same so as not to cause the County to sustain any claims from the Contractor for delays. It is assumed that the work described herein is approved by the Town if no response is received within the said five (5) days.

9. To the full extent permitted by law, the Town shall defend, indemnify and hold harmless the County, its officers, agents and employees from all claims, damages, suits, or

actions of every name, kind, and description, arising out of or relating to the matters covered by this Agreement to the extent that such claims, damages, suits or actions are due to the negligence or willful misconduct of the Town or the Town's failure to perform obligations required of the Town under this Agreement.

Likewise, to the full extent permitted by law, County shall defend, indemnify and hold harmless the Town, its officers, agents and employees from all claims, suits or actions of every name, kind, and description, arising out of or relating to the matters covered by this Agreement to the extent such claims, suits or actions are due to the negligence or willful misconduct of the County or County's failure to perform obligations required of the County under this Agreement.

The duty to defend, indemnify and hold harmless includes the obligations as set forth in California Civil Code 2778. The County shall require the Contractor to name the Town and the County, their officers, agents, and employees as additional insureds on all insurance documents, which Contractor is required to provide for this Drainage Improvements Project, and to include all work performed on behalf of the Town in the bonds, warranties and guaranties to be furnished by Contractor according to the specifications. The benefits arising under this Section 9 shall apply to the respective directors, officers, employees and agents of the parties thereto.

**10.** Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by written amendment to this Agreement, this Agreement shall begin on the Effective Date of this Agreement.

**11.** This Agreement shall be binding upon the respective successors and assigns of the parties hereto.

**IN WITNESS WHEREOF**, the parties hereto, by their duly authorized representatives,  
have affixed their hands on the day and year first above written.

**"County"**

**COUNTY OF SAN MATEO**  
A Political Subdivision of the  
State of California

**BY**

\_\_\_\_\_  
James C. Porter  
Director of Public Works

**"Town"**

**TOWN OF ATHERTON**

**BY**

\_\_\_\_\_  
Michael Kashiwagi  
Interim Public Works Director

EXHIBIT A

UNING.  
SAN MATEO  
COUNTY  
TOWN OF  
ATHERTON

SAWCUT, REMOVE, AND REPLACE 5 LF  
(APPROX. 3 SY) OF CONCRETE  
DRAINAGE APRON. TIE IN AND  
MORTAR 10 IN DIA. HDPE PIPE TO  
EX. DRAINAGE INLET WALL  
INVERT ELEV. 95.62' (IN)

(D) 3 CONSTRUCT JUNCTION BOX (JB)  
TOP OF JB COVER ELEV. 100.50  
INVERT 96.61' (IN)  
INVERT 96.44' (OUT).  
JB TO BE BUILT 1.30' FROM THE  
CENTER OF THE JB COVER  
TO THE EDGE OF THE AC DIKE

CONSTRUCT  
10 IN. DIA. HDPE PIPE,  
APPROX. 82 LF

LIP OF VALLEY GUTTER  
EX. ELEV. 101.20' =  
NEW ELEV. 101.20'

CONSTRUCT TYPE 'G1' (LEFT) (B,E) (A)  
DRAINAGE INLET & APRON (3) (4)  
TOP OF GRATE ELEV. 100.80'  
INVERT 99.02' (IN)  
INVERT 98.85' (OUT)

CONSTRUCT  
10 IN. DIA. HDPE PIPE,  
APPROX. 224 LF AT A  
SLOPE OF 1.00% PARALLEL  
TO CAMINO DE LOS ROBLES

28 CAMINO POR LOS  
ARBOLES DRIVEWAY.  
EX. CONCRETE VALLEY  
GUTTER ACROSS  
DRIVEWAY TO REMAIN

EDGE OF  
PAVEMENT

-1.00%

10 IN. DIA. UG PIPE

AC DIKE  
ISLAND

CAMINO POR LOS ARBOLES

CAMINO DE LOS ROBLES

CONSTRUCT 12 IN. DIA. HDPE PIPE (C)  
WITH CONCRETE CAP, APPROX. 18 LF (4)  
AT A SLOPE OF 1.00%

CONSTRUCT TYPE 'G1' (RIGHT) (B,C) (B)  
DRAINAGE INLET (3) (4)  
TOP OF GRATE ELEV. 100.85'  
INVERT 99.20' (OUT)  
SAWCUT AND REMOVE 35 LF (B)  
OF EXISTING 3 FT WIDE VALLEY (4)  
GUTTER. REPLACE WITH A 3FT  
WIDE VALLEY GUTTER TO NEW GRADES.

INSTALL 2" X 6" PRESSURE  
TREATED HEADER BOARD ALONG  
EDGE OF PAVEMENT. HEADER BOARD  
SHALL BE FLUSH WITH AC.  
APPROXIMATELY 285 LF OF HEADER BOARD  
REQUIRED.

1831

35 LF

200

SHEET 1 OF 5 (REV)

NOTE:  
THE CONTRACTOR IS ADVISED NOT TO STAGE OR PARK ANY  
CONSTRUCTION VEHICLE ON THE SHOULDERS ADJACENT TO  
EXISTING TREES WITHIN THE TOWN OF ATHERTON'S RIGHT-OF-WAY.



DESIGNED BY: CC  
CHECKED BY: GT  
DRAWN BY: CC

DRAINAGE IMPROVEMENTS AT CAMINO DE LOS ROBLES  
IN THE WEST MENLO PARK AND TOWN OF ATHERTON AREA  
DRAINAGE ALIGNMENT

SCALE: 1" = 20'  
DATE: 10/26/11  
FILE NO: 1/4835

JAMES C. PORTER, DIRECTOR OF PUBLIC WORKS  
SAN MATEO COUNTY

555 COUNTY CENTER, 5TH FLOOR  
REDWOOD CITY, CALIFORNIA 94063-1665

FILENAME: P:\VIZORS\VAL\COASTS\JUL05\1107.DWG



**AGREEMENT**

**AGREEMENT FOR THE CONSTRUCTION, OWNERSHIP, AND FUTURE  
MAINTENANCE RESPONSIBILITIES OF DRAINAGE IMPROVEMENTS AT CAMINO  
DE LOS ROBLES WITHIN THE TOWN OF ATHERTON AND WITHIN THE  
UNINCORPORATED COUNTY OF SAN MATEO (WEST MENLO PARK AREA)  
[PROJECT NO. RN203]**

---

**THIS AGREEMENT**, made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2011, by and between the **COUNTY OF SAN MATEO**, a political  
subdivision of the State of California, hereinafter called “County”, and the **TOWN OF  
ATHERTON** hereinafter called “Town”.

**W I T N E S S E T H :**

**WHEREAS**, the County will install drainage improvements within the Town limits, and shall consist of removal and replacement of a section of concrete valley gutter, construction of two (2) traffic drainage inlets, one (1) drainage junction box, installation of approximately 306 linear feet of a 10 inch diameter HDPE pipe, 18 linear feet of a 12 inch diameter HDPE pipe, placement of asphalt concrete, and applying fog seal as part of the County’s Drainage Improvements Project on Camino De Los Robles and Camino Por Los Arboles (the “Drainage

Improvements Project”) (attached to this agreement as Exhibit A is plan sheet depicting the portion of the Drainage Improvements Project occurring within the Town limits); and

**WHEREAS**, the Town was involved with the design and review process and has approved and accepted the Plans and Specifications for construction of the Drainage Improvement Project; and

**NOW, THEREFORE, IT IS AGREED AS FOLLOWS:**

1. County included in its contract, for the above-described project, contract items for the construction of a subsurface drainage pipe, drainage junction box, and applying a fog seal to the roadways on portions of Camino De Los Robles and Camino Por Los Arboles within the Town. The work shall be completed by the County’s Contractor.

2. County will award the contract to the lowest responsible bidder for the completion of this Drainage Improvements Project.

3. County agrees to notify the Town of the successful bidder to whom the construction contract is to be awarded.

4. The Town agrees to take on ownership and maintenance responsibilities of the new drainage facilities within the Town following completion of this Drainage Improvements Project.

5. County shall furnish primary construction inspection services for all phases of the project work. The County’s Director of Public Works or his appointed representative shall be solely responsible for all phases of construction and inspection functions and liaison with the Project Contractor. In this regard, all communications and directions of the Town to the County’s Contractor shall be directed through the County representative. Town representatives shall have access to the work on the Town’s facilities and work within the Town at all times, and

without restriction, for the purposes of inspection of such facilities. The County and the Town representatives shall cooperate and confer to facilitate the performance of inspection duties incident to expeditious completion and acceptance of work performed by County's Contractor on the Town's facilities and within the Town.

6. The Town and County shall inspect work performed by the County's Contractor and, upon agreement that work has been satisfactorily completed by County's Contractor on the Town's behalf, as specified under this Agreement, County and the Town shall accept the work as described herein.

7. It is understood and the Town agrees that upon completion of the work contemplated by this Agreement, the Town shall have all ownership and maintenance responsibilities over the facilities constructed in connection with the Drainage Improvement Project within the Town including subsurface drainage pipe and drainage junction box.

8. County shall only accept the work accomplished on the Drainage Improvement Project facilities within the Town either (1) after receiving written approval from the Town's Director of Public Works or his duly authorized representative, or (2) after receiving no response from the Town within five (5) days of County's request for approval or disapproval of the work. The Town's disapproval of County work shall only be for non-conformance with the County's project plans and specifications for the Drainage Improvement Project. Said approval or disapproval, if any, by the Town shall be provided within five (5) days of County's request for same so as not to cause the County to sustain any claims from the Contractor for delays. It is assumed that the work described herein is approved by the Town if no response is received within the said five (5) days.

9. To the full extent permitted by law, the Town shall defend, indemnify and hold harmless the County, its officers, agents and employees from all claims, damages, suits, or

actions of every name, kind, and description, arising out of or relating to the matters covered by this Agreement to the extent that such claims, damages, suits or actions are due to the negligence or willful misconduct of the Town or the Town's failure to perform obligations required of the Town under this Agreement.

Likewise, to the full extent permitted by law, County shall defend, indemnify and hold harmless the Town, its officers, agents and employees from all claims, suits or actions of every name, kind, and description, arising out of or relating to the matters covered by this Agreement to the extent such claims, suits or actions are due to the negligence or willful misconduct of the County or County's failure to perform obligations required of the County under this Agreement.

The duty to defend, indemnify and hold harmless includes the obligations as set forth in California Civil Code 2778. The County shall require the Contractor to name the Town and the County, their officers, agents, and employees as additional insureds on all insurance documents, which Contractor is required to provide for this Drainage Improvements Project, and to include all work performed on behalf of the Town in the bonds, warranties and guaranties to be furnished by Contractor according to the specifications. The benefits arising under this Section 9 shall apply to the respective directors, officers, employees and agents of the parties thereto.

**10.** Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by written amendment to this Agreement, this Agreement shall begin on the Effective Date of this Agreement.

**11.** This Agreement shall be binding upon the respective successors and assigns of the parties hereto.

**IN WITNESS WHEREOF**, the parties hereto, by their duly authorized representatives,  
have affixed their hands on the day and year first above written.

**"County"**

**COUNTY OF SAN MATEO**  
A Political Subdivision of the  
State of California

**BY**

\_\_\_\_\_  
James C. Porter  
Director of Public Works

**"Town"**

**TOWN OF ATHERTON**

**BY**

\_\_\_\_\_  
Michael Kashiwagi  
Interim Public Works Director

EXHIBIT A

UNINC. SAN MATEO COUNTY  
TOWN OF ATHERTON

SAWCUT, REMOVE, AND REPLACE 5 LF (APPROX. 3 SY) OF CONCRETE DRAINAGE APRON. TIE IN AND MORTAR 10 IN DIA. HDPE PIPE TO EX. DRAINAGE INLET WALL  
INVERT ELEV. 95.62' (IN)

**(D)**  
**3** CONSTRUCT JUNCTION BOX (JB)  
TOP OF JB COVER ELEV. 100.50'  
INVERT 96.61' (IN)  
INVERT 96.44' (OUT).  
JB TO BE BUILT 1.30' FROM THE CENTER OF THE JB COVER TO THE EDGE OF THE AC DIKE

CONSTRUCT 10 IN. DIA. HDPE PIPE, APPROX. 82 LF

LIP OF VALLEY GUTTER  
EX. ELEV. 101.20' =  
NEW ELEV. 101.20'

CONSTRUCT TYPE 'G1' (LEFT)  
DRAINAGE INLET & APRON  
TOP OF GRATE ELEV. 100.80'  
INVERT 99.02' (IN)  
INVERT 98.85' (OUT)

**(B,E)**  
**3** **(A)**  
**4**

CONSTRUCT 10 IN. DIA. HDPE PIPE, APPROX. 224 LF AT A SLOPE OF 1.00% PARALLEL TO CAMINO DE LOS ROBLES

28 CAMINO POR LOS ARBOLES DRIVEWAY. EX. CONCRETE VALLEY GUTTER ACROSS DRIVEWAY TO REMAIN

EDGE OF PAVEMENT

-1.00%

3" DIA. JG RISER

AC DIKE ISLAND

CAMINO POR LOS ARBOLES

CAMINO DE LOS ROBLES

-1.00%

CONSTRUCT 12 IN. DIA. HDPE PIPE WITH CONCRETE CAP, APPROX. 18 LF AT A SLOPE OF 1.00%

**(C)**  
**4**

CONSTRUCT TYPE 'G1' (RIGHT)  
DRAINAGE INLET  
TOP OF GRATE ELEV. 100.85'  
INVERT 99.20' (OUT)  
SAWCUT AND REMOVE 35 LF OF EXISTING 3 FT WIDE VALLEY GUTTER. REPLACE WITH A 3 FT WIDE VALLEY GUTTER TO NEW GRADES.

**(B,C)**  
**3** **(B)**  
**4**

**(B)**  
**4**

INSTALL 2" X 6" PRESSURE TREATED HEADER BOARD ALONG EDGE OF PAVEMENT. HEADER BOARD SHALL BE FLUSH WITH AC. APPROXIMATELY 285 LF OF HEADER BOARD REQUIRED.

200

SHEET 1 OF 5 (REV)

**NOTE:**  
THE CONTRACTOR IS ADVISED NOT TO STAGE OR PARK ANY CONSTRUCTION VEHICLE ON THE SHOULDERS ADJACENT TO EXISTING TREES WITHIN THE TOWN OF ATHERTON'S RIGHT-OF-WAY.



DESIGNED BY: CC  
CHECKED BY: GT  
DRAWN BY: CC

DRAINAGE IMPROVEMENTS AT CAMINO DE LOS ROBLES  
IN THE WEST MENLO PARK AND TOWN OF ATHERTON AREA  
DRAINAGE ALIGNMENT

SCALE: 1" = 20'  
DATE: 10/26/11  
FILE NO: 1/4835

JAMES C. PORTER, DIRECTOR OF PUBLIC WORKS  
SAN MATEO COUNTY

555 COUNTY CENTER, 5TH FLOOR  
REDWOOD CITY, CALIFORNIA 94063-1665

FILENAME: F:\USERS\YAL\PROJECTS\11\1005\11117.DWG



**AGREEMENT**

**AGREEMENT FOR THE CONSTRUCTION, OWNERSHIP, AND FUTURE  
MAINTENANCE RESPONSIBILITIES OF DRAINAGE IMPROVEMENTS AT CAMINO  
DE LOS ROBLES WITHIN THE TOWN OF ATHERTON AND WITHIN THE  
UNINCORPORATED COUNTY OF SAN MATEO (WEST MENLO PARK AREA)  
[PROJECT NO. RN203]**

---

**THIS AGREEMENT**, made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2011, by and between the **COUNTY OF SAN MATEO**, a political  
subdivision of the State of California, hereinafter called “County”, and the **TOWN OF  
ATHERTON** hereinafter called “Town”.

**WITNESSETH:**

**WHEREAS**, the County will install drainage improvements within the Town limits, and shall consist of removal and replacement of a section of concrete valley gutter, construction of two (2) traffic drainage inlets, one (1) drainage junction box, installation of approximately 306 linear feet of a 10 inch diameter HDPE pipe, 18 linear feet of a 12 inch diameter HDPE pipe, placement of asphalt concrete, and applying fog seal as part of the County’s Drainage Improvements Project on Camino De Los Robles and Camino Por Los Arboles (the “Drainage

Improvements Project”) (attached to this agreement as Exhibit A is plan sheet depicting the portion of the Drainage Improvements Project occurring within the Town limits); and

**WHEREAS**, the Town was involved with the design and review process and has approved and accepted the Plans and Specifications for construction of the Drainage Improvement Project; and

**NOW, THEREFORE, IT IS AGREED AS FOLLOWS:**

1. County included in its contract, for the above-described project, contract items for the construction of a subsurface drainage pipe, drainage junction box, and applying a fog seal to the roadways on portions of Camino De Los Robles and Camino Por Los Arboles within the Town. The work shall be completed by the County’s Contractor.

2. County will award the contract to the lowest responsible bidder for the completion of this Drainage Improvements Project.

3. County agrees to notify the Town of the successful bidder to whom the construction contract is to be awarded.

4. The Town agrees to take on ownership and maintenance responsibilities of the new drainage facilities within the Town following completion of this Drainage Improvements Project.

5. County shall furnish primary construction inspection services for all phases of the project work. The County’s Director of Public Works or his appointed representative shall be solely responsible for all phases of construction and inspection functions and liaison with the Project Contractor. In this regard, all communications and directions of the Town to the County’s Contractor shall be directed through the County representative. Town representatives shall have access to the work on the Town’s facilities and work within the Town at all times, and

without restriction, for the purposes of inspection of such facilities. The County and the Town representatives shall cooperate and confer to facilitate the performance of inspection duties incident to expeditious completion and acceptance of work performed by County's Contractor on the Town's facilities and within the Town.

6. The Town and County shall inspect work performed by the County's Contractor and, upon agreement that work has been satisfactorily completed by County's Contractor on the Town's behalf, as specified under this Agreement, County and the Town shall accept the work as described herein.

7. It is understood and the Town agrees that upon completion of the work contemplated by this Agreement, the Town shall have all ownership and maintenance responsibilities over the facilities constructed in connection with the Drainage Improvement Project within the Town including subsurface drainage pipe and drainage junction box.

8. County shall only accept the work accomplished on the Drainage Improvement Project facilities within the Town either (1) after receiving written approval from the Town's Director of Public Works or his duly authorized representative, or (2) after receiving no response from the Town within five (5) days of County's request for approval or disapproval of the work. The Town's disapproval of County work shall only be for non-conformance with the County's project plans and specifications for the Drainage Improvement Project. Said approval or disapproval, if any, by the Town shall be provided within five (5) days of County's request for same so as not to cause the County to sustain any claims from the Contractor for delays. It is assumed that the work described herein is approved by the Town if no response is received within the said five (5) days.

9. To the full extent permitted by law, the Town shall defend, indemnify and hold harmless the County, its officers, agents and employees from all claims, damages, suits, or

actions of every name, kind, and description, arising out of or relating to the matters covered by this Agreement to the extent that such claims, damages, suits or actions are due to the negligence or willful misconduct of the Town or the Town's failure to perform obligations required of the Town under this Agreement.

Likewise, to the full extent permitted by law, County shall defend, indemnify and hold harmless the Town, its officers, agents and employees from all claims, suits or actions of every name, kind, and description, arising out of or relating to the matters covered by this Agreement to the extent such claims, suits or actions are due to the negligence or willful misconduct of the County or County's failure to perform obligations required of the County under this Agreement.

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11. This Agreement shall be binding upon the respective successors and assigns of the parties hereto.

**IN WITNESS WHEREOF**, the parties hereto, by their duly authorized representatives,  
have affixed their hands on the day and year first above written.

**"County"**

**COUNTY OF SAN MATEO**  
A Political Subdivision of the  
State of California

**BY**

\_\_\_\_\_  
James C. Porter  
Director of Public Works

**"Town"**

**TOWN OF ATHERTON**

**BY**

\_\_\_\_\_  
Michael Kashiwagi  
Interim Public Works Director

EXHIBIT A

SAWCUT, REMOVE, AND REPLACE 5 LF (APPROX. 3 SY) OF CONCRETE DRAINAGE APRON. TIE IN AND MORTAR 10 IN DIA. HDPE PIPE TO EX. DRAINAGE INLET WALL INVERT ELEV. 95.62' (IN)

**(D)** CONSTRUCT JUNCTION BOX (JB)  
**(3)** TOP OF JB COVER ELEV. 100.50'  
 INVERT 96.61' (IN)  
 INVERT 96.44' (OUT).  
 JB TO BE BUILT 1.30' FROM THE CENTER OF THE JB COVER TO THE EDGE OF THE AC DIKE

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LIP OF VALLEY GUTTER  
 EX. ELEV. 101.20' =  
 NEW ELEV. 101.20'

**(B,E)** CONSTRUCT TYPE 'G1' (LEFT)  
**(3)** DRAINAGE INLET & APRON  
**(A)** TOP OF GRATE ELEV. 100.80'  
**(4)** INVERT 99.02' (IN)  
 INVERT 98.85' (OUT)

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EDGE OF PAVEMENT

-1.00%

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CAMINO DE LOS ROBLES

AC DIKE ISLAND

CAMINO POR LOS ARBOLES

CONSTRUCT 12 IN. DIA. HDPE PIPE WITH CONCRETE CAP, APPROX. 18 LF AT A SLOPE OF 1.00%

**(C)**  
**(4)**

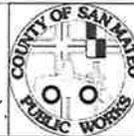
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SHEET 1 OF 5 (REV)

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DESIGNED BY: CC  
 CHECKED BY: GT  
 DRAWN BY: CC

DRAINAGE IMPROVEMENTS AT CAMINO DE LOS ROBLES  
 IN THE WEST MENLO PARK AND TOWN OF ATHERTON AREA  
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SCALE: 1" = 20'  
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JAMES C. PORTER, DIRECTOR OF PUBLIC WORKS  
 SAN MATEO COUNTY

555 COUNTY CENTER, 5TH FLOOR  
 REDWOOD CITY, CALIFORNIA 94063-1665

FILENAME: F:\USERS\VAL\WORKING\10045\10045.DWG



**Office of the Mayor  
Town of Atherton**

**91 Ashfield Road  
Atherton, California 94027  
Phone: (650) 752-0500  
Fax: (650) 614-1212**

---

Roelof van Ark, Chief Executive Officer  
California High Speed Rail Authority  
925 L Street, Suite 1425  
Sacramento, California 95814

Subject: 2011 Business Plan and 2012 Funding Plan

Dear Mr. van Ark:

The Town of Atherton approved Resolution 10-44, on August 18, 2011, opposing “the construction of the California High Speed Rail along the Caltrain corridor and the California High Speed Rail Authority proposed plan”.

The Town of Atherton reaffirms its opposition to the construction of the California High Speed Rail System as described in the newly revised Business Plan.

The basis of our opposition is as follows:

1. The revised plan continues to assume using the Caltrain corridor although there is currently not an approved Program EIR supporting the route for the Northern Operating Segment.
2. Prop. 1A funds may be authorized by the Legislature only for building an Operating Segment which first must have an identified funding plan for the entire cost of the segment. The Initial Construction Section (ICS) is identified as an eventual part of an Operating Segment, sometime in the future. The Operating Segment funding is not identified, nor is it even considered to be probable in the foreseeable future. Federal funding needed continues to look less and less likely and private funding will not be sought until an Operating Segment is completed. Therefore, the Legislature has no legal authority to commit Prop 1A funds to begin construction on an initial section of an operating segment.
3. The ICS will not be a usable electrified operating segment capable of HSR speeds. It will not be generating an operating profit. Initially, all maintenance, debt service and other costs associated with the ICS, after construction, will require a General Fund subsidy – which is prohibited under AB 3034 and Prop 1A.

In addition to the above points the following is also noted:

- HSR has yet to demonstrate that it will gain the necessary agreements from Union Pacific to execute its Business Plan.

- The LAO has raised serious questions about the plan that the Authority has yet to adequately address.
- Political support for the project has declined to the point where a Field Poll has found that a majority of California voters don't approve of the HSR plan and favor another vote – despite the Authority having spent millions of dollars to “educate” voters about HSR.
- The State's budget problems are expected to continue over the foreseeable future and will be exacerbated by additional debt service attributable to Prop 1A bonds.
- The Governor's plan to ask voters for additional taxes for schools and services will require additional money because HSR will be competing for General Fund revenues unless the project is halted.

The project should be permanently halted and the Legislature should not approve spending additional tax payer money on the High Speed Rail project.

Sincerely,

Mayor

Atherton Council



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: JOHN H. DANIELSON, INTERIM CITY MANAGER**

**DATE: FOR THE MEETING OF DECEMBER 21, 2011**

**SUBJECT: APPROVE AN AGREEMENT WITH DEBRA AUKER FOR  
FINANCE DIRECTOR SERVICES FOR THE TOWN**

#### **RECOMMENDATION:**

Approve an agreement with Debra Auker to provide interim finance director services on a month to month basis in the amount of \$112 per hour, and authorize City Manager to execute a contract on behalf of the Town

#### **INTRODUCTION:**

The Town's Finance Director announced her retirement in late October. The Town has been without a Finance Director for approximately 6 weeks. Staff recommends appointing Debra Auker, as the interim finance director. Ms. Auker is currently working on a part-time contract basis with the City of San Carlos where she is finishing up some special projects for the city. Ms. Auker will work for the Town on a part-time basis while the Town recruits for a permanent employee. For continuity purposes staff recommends approving the services of Debra Auker to perform finance director services for the Town until a successor arrangement is decided.



will not violate or infringe a third party's patent, copyright, trade secret or other intellectual or proprietary right, and that no third party has an ownership interest in the Deliverables.

7. **CONFIDENTIAL INFORMATION:** TOWN agrees to make available to CONTRACTOR information that may be needed to perform the Services as determined by the Town Manager after consultation with CONTRACTOR. Such information may include information TOWN considers to be, or that as a matter of law is, confidential ("CONFIDENTIAL INFORMATION"). CONFIDENTIAL INFORMATION shall include, without limitation, all individually identifiable or protected health information (PHI) in any form, and information protected against disclosure by federal law.
8. **ELIGIBILITY TO WORK AND RELATIONSHIP OF PARTIES:** The parties intend that CONTRACTOR be an independent contractor, and not a TOWN employee. Contractor is not an agent or employee of TOWN for any purpose and, therefore, is not entitled to the benefits provided by TOWN to its employees, including, but not limited to, fringe benefits, worker's compensation, health and unemployment insurance, and pension plans or any other employee benefit. TOWN will not pay federal or state withholding taxes in connection with the Services but will report payments to CONTRACTOR to the IRS as required by law. CONTRACTOR agrees to report and pay all applicable taxes. CONTRACTOR represents and warrants to TOWN that entering into this AGREEMENT and performing the Services will not violate CONTRACTOR's obligations to or contract with any employer or third person.
9. **REPRESENTATIONS AND INDEMNIFICATION:** TOWN has entered into this AGREEMENT in reliance upon information provided by CONTRACTOR, including CONTRACTOR'S express representation that she is an independent contractor and in compliance with all applicable laws related to work as an independent contractor. Should any regulatory body, or court of competent jurisdiction, find that CONTRACTOR is not an independent contractor and/or is not in compliance with applicable laws related to work as an independent contractor, based upon CONTRACTOR'S own actions, CONTRACTOR shall assume full responsibility and liability for all taxes imposed against CONTRACTOR and/or TOWN resulting from such contrary interpretation, including, but not limited to taxes which should have been deducted from CONTRACTOR'S earnings had CONTRACTOR been on TOWN'S payroll and employed as an employee of TOWN. CONTRACTOR hereby agrees to indemnify, defend and hold harmless TOWN, its council members, officers, employees, and agents from any and all claims or losses arising from the wrongful or negligent acts or omissions of CONTRACTOR in the performance of this agreement.
10. **TERMINATION:** TOWN shall be entitled to immediately terminate this AGREEMENT if in TOWN's opinion CONTRACTOR fails to perform the Services to TOWN's reasonable satisfaction. TOWN or CONTRACTOR also can terminate this AGREEMENT at any time for any or no reason, by delivering at least fifteen days prior written notice to CONTRACTOR or TOWN. In the event of termination for whatever reason, CONTRACTOR shall be entitled only to compensation for work completed or otherwise performed up to the date of termination and accepted by TOWN, and TOWN shall be relieved of any further obligations or liabilities to CONTRACTOR, financial or otherwise.
11. **ASSIGNMENT:** This AGREEMENT may not be assigned nor shall any portion of the AGREEMENT be subcontracted by CONTRACTOR without the prior written approval of TOWN. This AGREEMENT may be amended only in writing and only with the written consent of both parties. This AGREEMENT may not be transferred or assigned.
12. **GOVERNING LAW:** This AGREEMENT shall be governed by and interpreted in accordance with California law. Venue for any action regarding this AGREEMENT shall be in San Mateo County, CA.
13. **INVOICES:** Unless stated otherwise in ATTACHMENT 1, WORK STATEMENT, CONTRACTOR shall submit itemized invoices no more frequently than semimonthly (twice per month on or about the 15<sup>th</sup> and end day of each month), to TOWN. TOWN will pay such invoices within 30 days after receipt. CONTRACTOR agrees not to participate in any financial decisions or determinations regarding her own

invoices, payments received, or any other financial matter related to this AGREEMENT. CONTRACTOR agrees that such involvement would constitute a conflict of interest that shall be avoided.

14. NO CONFLICT OF INTEREST. CONTRACTOR affirms that there exists no actual, potential or appearance of conflict between CONTRACTOR and its business or financial interests (including, without limitation, those of his/her immediate family members also), and CONTRACTOR's performance of the Services.

15. INTEGRATION: ATTACHMENT 1 WORK STATEMENT is hereby incorporated as part of this AGREEMENT, as if set forth in full in the body hereof. This AGREEMENT is the final and entire agreement between the parties with respect to the subject matter set forth herein, and supersedes all prior agreements, understandings, representations, and statements, whether oral or written. Neither this AGREEMENT nor any provisions hereof may be modified or amended unless in an instrument signed by both parties. If there is a conflict or ambiguity between a term in the body of this AGREEMENT and ATTACHMENT 1 WORK STATEMENT, the term in the body of the AGREEMENT shall be deemed to reflect the intent and agreement of the parties and prevail in meaning and interpretation.

IN WITNESS WHEREOF, and in consideration of the additional terms and conditions on the attached additional pages, both TOWN and CONTRACTOR, through their respective duly authorized representatives, have executed this AGREEMENT as of the date written below.

The TOWN OF ATHERTON

CONTRACTOR

Name:

Name:

Title:

Title:

Date:

Date:

CITY MANAGER:

CONTRACTOR:

(Signature and Date) \_\_\_\_\_

\_\_\_\_\_

## **ATTACHMENT 1, WORK STATEMENT:**

In accordance with the AGREEMENT effective December 9, 2011, between the Town of Atherton, Town and Debra C. Aufer, CONTRACTOR agrees to perform the following services:

Perform the duties of Interim Finance Director for an interim period, on a part-time basis (average of 25-30 hours per week), which include but are not limited to the following tasks, and such further appropriate tasks as may be assigned by the City Manager:

- Prepares reports and makes presentations to the City Council, Boards and Commissions or other groups as needed;
- Plans, organizes, administers, and reviews the work of professional, technical and office support staff; provides training and policy guidance and interpretation to staff;
- Develops, reviews and implements policies and procedures to meet legal requirements and Town needs;
- Oversees the preparation of, compiles and reviews periodic and annual financial reports in accordance with generally accepted accounting principles and standards;
- Manages or performs responsible accounting, payroll, accounts receivable, cash receipts, purchasing, accounts payable, financial and/or budgetary document processing;
- Manages the Town's investment portfolio; ensures that investments meet the Town's policy guidelines and that adequate cash is available to meet obligations; prepares periodic investment reports;
- Represents the Town at meetings, conferences and similar functions; and
- Develops, recommends, and administers department goals, objectives, policies and procedures.



## Town of Atherton

### CITY COUNCIL STAFF REPORT

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** JOHN H. DANIELSON, INTERIM CITY MANAGER

**DATE:** FOR THE MEETING OF DECEMBER 21, 2011

**SUBJECT:** SECOND READING AND ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON INCREASING THE RATES FOR SOLID WASTE/RECYCLING COLLECTION SERVICES

#### **RECOMMENDATION:**

Waive further reading, and adopt ordinance increasing the rates for solid waste/recycling collection services

#### **INTRODUCTION:**

Vice Mayor Widmer gave a PowerPoint presentation on the introduction of an ordinance to adopt refuse and recycling collection rates at the November 16, 2011 City Council meeting.

The following rates were noticed by a town-wide mailing to all homeowners, as required by law.

<b>Black Garbage Container</b>	<b>2012 rates</b>
20 gallon	\$30.00
32 gallon	\$65.00
64 gallon	\$125.00
96 gallon	\$185.00

**Additional Green Waste Carts** above the 2 included in the package above:

Carts 3 and 4	\$10.00 each
Carts 5 and above	\$15.00 each

**\*Commercial Rates:**

	<b>Current Rate</b>	<b>2012 Rates</b>	<b>Amount Increase</b>
1-96 Gallon	\$82.18	\$185.00	\$102.82
1-1yd	\$115.73	\$200.00	\$84.27
1-2yd	\$231.46	\$400.00	\$168.54
1-3yd	\$347.19	\$550.00	\$202.81

\*Organic Rates for Commercial:

96 Gallon = \$15.00 per cart

The ad-hoc committee consisting of Widmer and Carlson recommended that the residential rates be changed as follows:

<b>Black Garbage Container</b>	<b>2012 rates</b>
20 gallon	\$27.00
32 gallon	\$55.00
64 gallon	\$110.00
96 gallon	\$164.00

The committee recommended everything else including the residential green waste, and commercial rates noticed in the September mailing should stay the same.

City Council accepted this recommendation.

**ORDINANCE \_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON  
RESCINDING THE RATES SET IN ORDINANCE 592 AND INCREASING THE  
RATES FOR SOLID WASTE/RECYCLING COLLECTION SERVICES**

WHEREAS, the Town of Atherton ("Town") has provided a franchise to Recology ("Franchisee") allowing for and governing the collection of refuse, recyclable material and plant material within the Town of Atherton's limits and the Town has approved rates, most recently by Ordinance 592, that Franchisee may charge for these solid waste/recycling collection services; and

WHEREAS, pursuant to the Uniform Franchise Agreement for Collection Services ("Solid Waste/Recycling Collection Agreement") between Franchisee and the Town, the Town is required to adopt solid waste/recycling collection rates that produce revenues sufficient to provide payment to Franchisee in accordance with the amount due under the Solid Waste/Recycling Collection Agreement; and

WHEREAS, after an audit by Hilton, Frankophf and Hobson and the South Bayside Waste Management Authority, the Town has determined that Franchisee is entitled to an increase in the solid waste/recycling collection rates; and

WHEREAS, at the City Council meeting of October 19, 2011, the Vice Mayor presented the City Council with a presentation for increasing the solid waste/recycling collection rates; and

WHEREAS, staff took the necessary steps under Proposition 218, including the mailing of notices regarding a public hearing to consider a proposed ordinance to adopt an increase in the solid waste/recycling collection rates; and

WHEREAS, the Town has identified the parcels upon which the increased solid waste/recycling collection rates will be imposed, calculated the amount of the rates, and mailed notice to the refuse service billing address for all parcels in the Town of Atherton, wherein the Town provided written notice of the proposed rates, the basis for the calculation, the reason for the rates and the date, time and location of a public hearing not less than 45 days after sending the notice; and

WHEREAS, the Town further provided published and posted notice of the foregoing; and

WHEREAS, the City Council held the duly noticed public hearing and considered any and all protests; and

WHEREAS, written protests against the solid waste/recycling collection rates were not presented by a majority of owners or tenants of the identified parcels;

**NOW, THEREFORE, THE CITY COUNCIL OF THE TOWN OF ATHERTON DOES  
HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1.** In accordance with Article XIII D, Section 6(b), of the California Constitution, the City Council makes the following findings:

A. The revenues derived from the increased solid waste/recycling collection rates do not exceed the funds required to provide solid waste/recycling collection services pursuant to the Solid Waste/Recycling Collection Agreement.

B. The revenues derived from the increased solid waste/recycling collection rates will not be used for any purpose other than solid waste/recycling collection services pursuant to the Solid Waste/Recycling Collection Agreement.

C. The increased solid waste/recycling collection rates do not exceed the proportional cost of the service to each parcel.

D. The solid waste/recycling collection services are presently available.

**SECTION 2.** Beginning on the effective date of this Ordinance, the solid waste/recycling collection rates will increase as listed below. The rate schedule includes a fixed rate for each gallon of refuse, with no additional charge for recycled materials or green waste collection.

<b>Black Garbage Container</b>	<b>2011 rates effective July 15, 2011</b>	<b>2012 rates</b>	<b>Amount increase</b>
20 gallon	\$20.00	\$27.00	\$7.00
32 gallon	\$44.00	\$55.00	\$11.00
64 gallon	\$83.00	\$110.00	\$27.00
96 gallon	\$125.00	\$164.00	\$39.00

**Additional Green Waste Carts** above the 2 included in the package above:

Carts 3 and 4	\$10.00 each
Carts 5 and above	\$15.00 each

**\*Commercial Rates:**

	<b>Current Rate</b>	<b>2012 Rates</b>	<b>Amount Increase</b>
1-96 Gallon	\$82.18	\$185.00	\$102.82
1-1yd	\$115.73	\$200.00	\$84.27

1-2yd	\$231.46	\$400.00	\$168.54
1-3yd	\$347.19	\$550.00	\$202.81

**\*Organic Rates for Commercial:  
96 Gallon = \$15.00 per cart**

## OTHER SERVICES COST SCHEDULE

<b>Backyard Collection Service Distance Costs for Single-Family Dwellings</b>				
	<b>One (1) Solid Waste Cart</b>	<b>Two (2) Solid Waste Carts</b>	<b>Three (3) Solid Waste Carts</b>	<b>Four (4) Solid Waste Carts</b>
<b>Distance from Curbside</b>	<b>Base monthly Solid Waste Rate plus</b>			
0-100 feet	\$21.00	\$31.72	\$60.44	\$89.16
101-150 feet	\$24.00	\$34.72	\$63.44	\$92.16
151 – 200 feet	\$27.00	\$37.72	\$66.44	\$95.16
201 – 250 feet	\$30.00	\$40.72	\$69.44	\$98.16
251 – 300 feet	\$33.00	\$43.72	\$72.44	\$101.16
301 feet or more	\$36.00	\$46.72	\$75.44	\$104.16

<b>Unscheduled Service Category</b>	<b>Cost</b>	<b>Description of Cost</b>
Distance Charge for Commercial Accounts	A – 10% of base monthly Rate	A – 51 to 100 feet from access by Contractor's collection vehicle
	B – 25% of base monthly Rate	B – 101 feet or more from access by Contractor's collection vehicle
Extra Pick-up Cost for Commercial Customers	25% of the base monthly Rate for the size of Container Collected once per week	Per Collection event
Single-Family Return Trip Cost (i.e., request to provide Collection service after the regularly scheduled Collection day)	\$15.00	Per Collection event

Unscheduled Service Category	Cost	Description of Cost
Additional Targeted Recyclable Materials or Organic Materials Cart Rental or Purchase (in addition to the two Organic Material carts and one Recyclable Materials cart)	A – \$10.00 1 or 2 additional cans \$15.00 3 or more additional cans B - \$3.00 C – \$63.00 D – \$69.00	A – monthly rental fee (any size Cart) for Organic Materials Carts B – monthly rental fee (any size Cart) for Targeted Recyclable Materials Carts C – Customer purchase of a 64 gallon Cart D – Customer purchase of a 96 gallon Cart
Fee for Service On-Call Bulky Item Collection Service	\$81.55 per the 3 <sup>rd</sup> occurrence Residents receive first 2 for free	Per event (after the 2 <sup>nd</sup> event)
Overage Fee	100% of the base monthly Rate	Per Collection event
Overage Bags Cost	50% of the base monthly Rate or \$8.00 minimum	Per bag
Container Cleaning Fee	A – \$50.00 B – \$85.00	A – per Cart B – per Bin or Drop-Box
Dirty Cart Replacement Cost	A – \$65.00 B – \$75.00 C – \$85.00	A – per 32 gallon Cart B – per 64 gallon Cart C – per 96 gallon Cart

**SECTION 3.** The City Council hereby declares that it would have passed this Ordinance, sentence by sentence, paragraph by paragraph, and section by section, and does hereby declare that any provisions in this Ordinance are severable and, if for any reason any sentence, paragraph or section of this Ordinance shall be held invalid, such decision shall not effect the validity of the remaining parts of this Ordinance.

**SECTION 4.** This Ordinance was approved by a 2/3 vote of the City Council pursuant to Health & Safety Code section 5471.

**SECTION 5.** This Ordinance shall take effect thirty (30) days after adoption as provided by Government Code section 36937.

**SECTION 6.** This Ordinance shall be published once fifteen (15) days after its passage in a newspaper of general circulation, printed, published and circulated in the City in accordance with Government Code section 36933.

\* \* \* \* \*

Introduced at a regular meeting of the City Council held on November 16, 2011, and passed and adopted by the City Council of the Town of Atherton on the 21<sup>st</sup> day of December, 2011 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:  
NOES: COUNCIL MEMBERS:  
ABSENT: COUNCIL MEMBERS:  
ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
James Dobbie, Mayor  
Town of Atherton

ATTEST:

\_\_\_\_\_  
Theresa DellaSanta  
Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
William B. Conners  
City Attorney



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
JOHN DANIELSON, CITY MANAGER**

**FROM: MICHAEL KASHIWAGI, COMMUNITY SERVICES  
DIRECTOR**

**DATE: FOR THE MEETING OF DECEMBER 21, 2011**

**SUBJECT: CONTINUATION OF EVENT BOOKINGS AT  
HOLBROOK-PALMER PARK THROUGH THE 2012  
CALENDAR YEAR**

#### **RECOMMENDATION:**

Provide direction to staff to regarding the continuation of full event bookings at Holbrook-Palmer Park through December 31, 2012.

#### **INTRODUCTION:**

At the October 19, 2011 Atherton Council meeting, staff asked for direction from Council regarding continuation of booking events at the park for the 2012 calendar year. Council directed staff to report to them the additional costs associated with performing these events.

Per council's direction from the November 16, 2011 meeting, staff has met with the Interim Finance Director and reviewed the cost analysis with her. You will note her suggested changes from the November staff report as follows;

- Under "costs", depreciation of carpet was added for a total of \$1250.00.
- Under "revenues", all costs associated with any type of class were removed from the annual totals reducing the final average cost from \$260,000 to 250,490.

To begin additional cost calculations, staff made the following assumptions as to what was considered a park “event”.

**EVENTS WOULD INCLUDE THE FOLLOWING TYPES OF RENTALS;**

- Weddings
- Social events – birthday parties, memorial services, bar mitzvahs, graduations, etc.
- Corporate meetings/seminars

The following programs would continue, but their costs would not be included in the event analysis;

- Town sponsored meetings – Dames, Foundation, Council, Park & Rec, etc.
- Town sponsored training – Police/fire, county stormwater, human resources, etc.
- Classes – Yoga, dogs, AA, folk dance, sing a long, etc.

The only significant additional cost due to accelerated depreciation that could be attributed to continued events would be for carpet (shown below).

**ANALYSIS:**

**ADDITIONAL COSTS (1 year)**

Facility repairs – Carpet repairs, HVAC, glass, locks	\$3000.00
Custodial – restrooms, carpets, kitchen	\$3300.00
Landscape supplies – plant materials/chips	\$1500.00
Utilities - electricity, gas, water, sewer, phone	\$5200.00
Misc. supplies – paper, mats	\$500.00
Carpet depreciation	\$1250.00
<b>Materials total</b>	<b>\$14,750</b>
Labor – 1000 hrs for upkeep of facilities @ \$25 hr.	\$25,000
<b>EVENT TOTAL</b>	<b>\$39,750</b>

**REVENUES**

Prediction of the potential revenues is done by taking an average of the past 4 years of revenues (minus class revenues) as follows;

<u>FY</u>	<u>REVENUE</u>
2007-2008	249,611*
2008-2009	269,537
2009-2010	226,989
2010-2011	255,822
4 YEAR AVERAGE (ROUNDED UP)	\$250,490

\* Adjusted to exclude FY 2004 to FY 2007 revenues recorded in FY 2008.

One of the criteria that play a major impact on the 2012 revenues is the time in which the town begins booking events. Already, many people have skipped over the park as a venue for 2012 because we are under 1 year out for summer weddings. The sooner the town decides on its plans for 2012 the more successful it will be with revenue.

**FISCAL IMPACT:**

If the town indeed reached its average of \$250,490 in bookings the 2012 calendar year, the town's portion (under the current contract with Bianchini's catering) would be 50% or \$125,245. The additional costs of keeping the facilities at the standard expected to perform these rentals would be approximately \$39,750.

Average gross revenues	\$250,490
50% (town portion)	\$125,245
Additional costs (est.)	\$39,750
Net revenue (est.)	\$85,495

Prepared By:

Approved:

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Michael Kashiwagi, P.E.  
Community Services Director

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John Danielson  
City Manager

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Debra Auker  
Interim Finance Director



**Item No. 20**

**DATE: FOR THE CITY COUNCIL MEETING OF DECEMBER 21, 2011**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
ED FLINT, INTERIM CITY MANAGER**

**FROM: MICHAEL KASHIWAGI, INTERIM PUBLIC WORKS DIRECTOR  
NEAL J. MARTIN, TOWN PLANNER**

**SUBJECT: LIBRARY EIR CLARIFICATION**

**RECOMMENDATION:**

It is recommended that the City Council adopt a motion providing clarification to Staff and the Environmental Consultant regarding:

1. Limits for the footprint of the preferred alternative for the new library in Holbrook Palmer Park.
2. Proposed amendments to the Holbrook-Palmer Park Master Plan.
3. Proposed reuse of the existing Atherton Library Building.

**BACKGROUND:**

At its November 16, 2011 meeting the City Council approved a professional services agreement with LSA Associates to prepare an Environmental Impact Report (EIR) for the preferred alternative location for a new library on the Main House site in Holbrook-Palmer Park. At the October 19, 2011 City Council meeting the Council approved the following motion:

“MOTION by McKeithen, second by Dobbie to approve the Atherton Library Building Steering Committee’s (ALBSC) recommendation to approve Holbrook Palmer Park as the preferred site for the new library to replace the Main House pending meeting CEQA requirements as determined by City Council and staff, that staff move forward with a revised master plan for the park, and that specifications, particularly that the dimensions of the library will be the exact same size as the main house so that no green space is lost, are approved by Council.” The motion was subsequently clarified by Council Member Widmer who said what he meant by "the house" was the house and all of the hardscape (patios, walkways, etc) around it so that no "green" was lost to construction.

Staff and the LSA Associates would like clarification on the issues of new library footprint extent, the Park Master Plan and possible reuse of the existing Library Building. This request is made in order to provide as much specificity as possible in the EIR so that the public has a clear

understanding of the proposed project.

**CLARIFICATION/ADDITION STAFF DIRECTION:**

It is requested that Council confirm staff's understanding of its direction on the following items:

1. That the new library site is limited to the existing Main House footprint and its associated hardscape areas as shown on Attachment 1 and that the building footprint will not exceed 10,000 square feet. Although the available site is greater than 10,000 square feet as shown on Attachment 1, the library footprint will be less than the available site area and will not exceed 10,000 square feet.
2. That the Holbrook-Palmer Park Master Plan Update is to include; a revision to the existing Park Master Plan drawing to show the proposed footprint of a new library in the Park, on the site described in #1. above, and a revision of the Holbrook-Palmer Park Master Plan document addressing the replacement of the existing Main House building with a library and the change in public use of the space.
3. For purposes of environmental evaluation, it is the intention of the Town of Atherton to reuse the existing library building for town offices, public purposes, records storage and/or art center, subsequent to the Atherton Library moving to its proposed new building in Holbrook-Palmer Park.

Prepared by:

Approved by:

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Michael Kashiwagi, P.E.  
Interim Public Works Director

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Ed Flint, Interim City Manager

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Neal J. Martin,  
Town Planner

Attachments:

1. Map showing the limits of new library footprint.



HP FOUNTAIN

WATER TOWER

MAIN HOUSE FOOTPRINT - 3,490 SF

PROPOSED SITE BOUNDARY

CARRIAGE HOUSE

PAVILION

KEY  
10,000 SF



TOWN OF ATHERTON	
HOLBROOK-PALMER PARK	
PROPOSED LIBRARY SITE BOUNDARY	
1" = 50'-0"	
REV.	0



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: JOHN H. DANIELSON, INTERIM CITY MANAGER**

**DATE: FOR THE MEETING OF DECEMBER 21, 2011**

**SUBJECT: CONSIDERATION AND ACTION ON DISBANDMENT OF THE ENVIRONMENTAL PROGRAMS COMMITTEE**

#### **RECOMMENDATION:**

Boards, Commissions and Committees generally serve at the pleasure of the Town Council. Town Council may choose to proceed with either:

1. Take no action and allow the EPC to operate under its current format, or
2. Disband the EPC, or
3. Disband the EPC and reform it at some future date under a clear charter that provides direction, goals, scope of work and relationship to the Town Council.

#### **INTRODUCTION:**

The Environmental Program committee was formed 5 years ago by act of the Town Council. Although the EPC has been involved in a variety of excellent programs Town Council has never really defined exactly what those duties are and how allocated funds should be spent. As a consequence, some residents have questioned whether the EPC represents the views and opinions of the Town Council or, is an independent body creating opinion pieces on local governance issues.

#### **FISCAL IMPACT:**

None.

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF  
ATHERTON ELIMINATING THE ENVIRONMENTAL PROGRAMS COMMITTEE**

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**WHEREAS**, The Environmental Programs Committee (EPC) was created by City Council on or about November 2006; and

**WHEREAS**, The EPC currently consists of 4 members, including 2 Councilmembers and 2 individuals, although it is organized to have up to 12 total members and a serious lack of concern and support by the community has been demonstrated; and

**WHEREAS**, Resolution 10-13 creates rules and guidelines applicable to all Town committees, and Section 2 of that Resolution includes a constraint that “No committee or commission or any of its members shall represent itself or themselves as speaking on behalf of the Town, City Council, and/or committee or commission without prior approval of the City Council”; and

**WHEREAS**, it has become apparent that the Town’s EPC website had, prior to November 15, 2011, become a repository for a variety of personal opinions and statements regarding a variety of Town projects or general environmental concerns without compliance with the requirement that statements appearing as representations of official Town policy or belief be first approved by the City Council; and

**WHEREAS**, it is found by the City Council that the EPC should be disbanded and eliminated at the present time, and that the function of the committee be re-studied and reconsidered by the City Council at some point in the future when deemed appropriate.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the Town of Atherton does hereby disband and eliminate the Environmental Programs Committee.

**PASSED AND ADOPTED** at a meeting of the City Council of the Town of Atherton held on the 21<sup>st</sup> day of December, 2011 by the following vote:

AYES:            Council Members:  
NOES:            Council Members:  
ABSTAIN:        Council Members:  
ABSENT:         Council Members:

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Mayor

ATTEST:

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Theresa N. DellaSanta  
Deputy City Clerk

## ITEM 22

Council Comments – December 2011 – Jerry Carlson

**PGE representatives** Mitchell Kirk, Gas Distribution Superintendent and Jim Crogan met with Mike Kashiwagi, Ed Flint and me to provide information on the status of hydrostatic tests of main pipelines on the Peninsula. Mike will be providing the Council with a summary of the meeting along with information/materials we requested from PGE.

**Town Center Task Force** is providing Council with a December Report and will need concurrence to proceed at the January Council meeting.

**PCC** is meeting this quarter in Belmont. Consortium membership consisting of Atherton, Belmont, Brisbane, Menlo Park and Palo Alto continues to follow the issue of HSR closely.

**Disaster Relief Committee (ADAPT)** is concentrating on several key organizational issues: 1. Complete the identification of resident coordinators for each section of town; 2. Finalize a volunteer/town liability release form and 3. Supplying trained residents with special identification after they have gone through a certification process that would allow them to work with the professional emergency responders is being considered. Lindenwood HOA provided funds to resupply the emergency medical trailer and Dr. Paul Jemelien have updated the town's emergency communication room.

**Atherton Rail Committee** received a detail update from William Grindley on HSR meetings taking place in Washington D.C. and in the state. Congressman Mica's Transportation Committee reviewed the California HSR in a committee hearing Dec. 15<sup>th</sup>. CARRD's Elizabeth Alexis was invited to provide testimony as well as Central Valley representatives, the Authority and the FRA. The Rail Committee is continuing to monitor Caltrain and Dumbarton Rail corridors. We are waiting to see what Palo Alto will do concerning naming a HSR lobbyist before making any recommendation to the Council. (Ravi Metha's contract ended for Atherton over a month ago. The Committee recommended the Mayor send a letter to the Authority reconfirming Atherton's opposition to the new Business Plan and HSR on the Caltrain corridor. The letter is on this month's Consent Calendar.

**Caltrain's Chuck Harvey**, (Operations, Construction and Engineering Manager) and Mark Simon (Public Relations) met with Greg Conlon and me concerning quad gates on Watkins. There are currently 42 at-grade crossings on the Caltrain corridor. They are hoping to get funding for about 10 grade separations including Menlo Park's Ravenswood crossing. Subsequent to this meeting Mike Kashiwagi offered to prepare a recap of Elk Grove's experience in meeting FRA requirements that led to a quiet zone for that city. Meanwhile, we continue to have safety concerns about Watkins. The Electrification EIR has been put on hold pending what happens with HSR – i.e. will it be effectively 'killed' by the legislature or by a new ballot measure? Phase 2 of a 'blended system' capacity study is studying the 'down time' at each crossing assuming 6 north bound and 6 south bound Caltrain trains per hour (peak time) and 4 each way for HSR using Caltrain tracks.

**Menlo Chamber's Rail Committee**, of which I am a personal dues paying member provided updates on the Facebook EIR. Since then, I've met with Mike Kashiwagi to express my concerns about the town needing to do its own evaluation of the impact of Facebook adding 10,000 employees to its Willow/Bay campuses. The EIR, as Peter Carpenter has alerted us, doesn't recognize any significant impacts on neighboring communities. I've talked with Carlos Romero councilman from East Palo Alto and found out they have similar concerns. It may be by working together with East Palo Alto and Menlo Fire, Atherton may want to ask for certain mitigation measures be made part of final EIR package.

**C/CAG Legislative Committee** is beginning to develop legislative priorities for 2012. Making certain the state doesn't take more local moneys and making certain money is provided by the state for additional mandated items are a couple of the top priorities. The firm Avocation is providing lobbying manpower in Sacramento. The state was successful in issuing a modest amount of bonds including \$450 million funds for transportation. (It was interesting to learn from the lobbyist that the state wanted \$5 billion but ended up with \$1.8 billion due to the market for California bonds.)

**C/CAG Board** approved a list of transportation project recommendations for MTC to consider for San Mateo County. One issue to be resolved is whether to go for the renewal of the expiring \$4 registration fee on top of the just passed \$10 fee, for San Mateo County. One-half of the fees go to the cities (based on population) for road repair etc. and the other half is used for county wide transportation improvements. PGE is continuing in its efforts to work with C/CAG to improve communication by providing meaningful new information.